

NABCA CONTROL STATE RESULTS

End of Year 2019 Results

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January 29, 2020

2019 END-OF-YEAR RESULTS

During 2019 nine-liter case Spirits sales in the control states grew at 3.7%, up from 2018's 2.8% and 2017's 2.5%. The control states reported the following nine-liter case growth rates: Alabama 3.8% (vs. 3.7% during 2018), Iowa 3.0% (vs. 3.5%), Idaho 4.5% (vs. 4.7%), Montgomery County Maryland 1.6% (vs. -2.4%), Maine 3.9% (vs. 1.9%), Michigan 3.0% (vs. 3.2%), Mississippi 5.1% (vs. 1.4%), Montana 5.0% (vs. 2.7%), North Carolina 4.7% (vs. 5.2%), New Hampshire 1.9% (vs. 2.6%), Ohio 4.0% (vs. 4.6%), Oregon 4.0% (vs. 3.6%), Pennsylvania 2.9% (vs. -1.6%), Utah 5.8% (vs. 4.4%), Virginia 4.4% (vs. 3.4%), Vermont 1.2% (vs. 2.4%), West Virginia 4.0% (vs. 2.2%), Wyoming 4.7% (vs. 4.2%).

Shelf Dollars grew at 6.3%, improving upon 2018's 5.8% and 2017's 4.8%. The control states reported the following shelf dollar growth rates: Alabama 6.6% (vs. 7.6% during 2018), Iowa 4.7% (vs. 6.4%), Idaho 6.5% (vs. 7.2%), Montgomery County Maryland 3.8% (vs. 1.4%), Maine 5.9% (vs. 6.8%), Michigan 5.1% (vs. 5.9%), Mississippi 8.6% (vs. 3.0%), Montana 7.9% (vs. 4.4%), North Carolina 8.3% (vs. 7.8%), New Hampshire 3.4% (vs. 4.6%), Ohio 7.3% (vs. 8.2%), Oregon 6.2% (vs. 6.0%), Pennsylvania 4.7% (vs. 1.6%), Utah 7.2% (vs. 6.0%), Virginia 7.4% (vs. 5.9%), Vermont 4.6% (vs. 3.9%), West Virginia 6.1% (vs. 5.4%), Wyoming 8.3% (vs. 12.5%).

Control State Price/Mix for 2019 is 2.6%, down from 2018's 3.0%.

2019's 3.7% Spirits volumetric growth rate, the highest annual growth rate since 2006, substantially exceeds the Control States' long-term trend of 2.8%.

During 2019 the Control States reported Spirits sales of more than 55 million nine-liter cases with a shelf dollar value of nearly \$10.4 billion. These are annual high-water marks for the Control States.

Tequila's 11.2% annual nine-liter case growth rate outpaced all other categories during 2019. Nine-liter case sales of Tequila grew at rates of 9.0% and 9.5% during 2018 and 2017. The Cocktails category followed closely behind, growing during the same periods at 10.9%, 6.2%, and 4.3%, respectively. The Control States reported the following growth rates for the spirits categories for 2019: Brandy/Cognac 2.7% (vs. 0.9% for 2018), Canadian Whiskey 3.0% (vs. 2.0%), Cocktails 10.9% (vs. 6.2%), Cordials 2.4% (vs. 1.1%), Domestic Whiskey 6.6% (vs. 5.2%), Gin 0.1% (vs. -0.4%), Irish Whiskey 9.0% (vs. 13.8%), Rum - 0.2% (vs. 0.3%), Scotch 0.3% (vs. -0.1%), Tequila 11.2% (vs. 9.0%), and Vodka 3.1% (vs. 2.5%). All categories, excepting Rum, outperformed their 2018 growth rates.

During 2019 the NorthWest Control States (Idaho, Montana, Oregon, Utah, Wyoming) grew volumes at 4.6% (vs. 3.9% during 2018), the Southern Control States (Alabama, Mississippi, North Carolina, Virginia) reported 4.5% (vs. 3.9%), the NorthEast Control States (Maine, New Hampshire, Vermont) reported 2.4% (vs. 2.4%), and the Central Control States (Iowa, Montgomery County Maryland, Michigan, Ohio, Pennsylvania, West Virginia) reported growth of 3.2% (vs. 1.9%). The four regions grew shelf dollars at the following rates: NorthWest at 6.7% (vs 6.3% during 2018), Southern at 7.7% (vs. 6.7%), NorthEast at 4.3% (vs. 5.2%), and Central at 5.5% (vs. 5.1%).

2019's nine-liter wine case sales growth rate was -1.8% (vs. -1.9% during 2018). Pennsylvania, reporting -2.0% nine-liter case growth for wines (vs. -3.3% during 2018); New Hampshire, reporting -4.2% (vs. -0.1%); Utah reporting 1.2% (vs. 0.8%); Mississippi reporting 2.3% (vs. 2.3%); Montgomery County Maryland reporting -2.7% (vs. -2.7%); and Wyoming reporting -1.1% (vs. 0.4%) are the control states that are the sole wholesalers of wines and spirits within their geographical boundaries. The annual growth rates for wines in these states have been -1.8%, -1.9%, and 2.1% for 2019, 2018, and 2017, respectively.

DECEMBER 2019 END-OF-MONTH RESULTS

During December nine-liter control states spirits case sales grew 7.5% over same period sales last year. Alabama(4.4%), Maine(11.8%), Michigan(39.3%), Mississippi(17.1%), Montana(10.8%), New Hampshire(2.0%), West Virginia(18.6%), and Wyoming(8.3%) reported monthly growth rates for December exceeding their twelve-month trends. The growth rates for Iowa(-2.5%), Idaho(0.7%), Montgomery County Maryland(-0.8%), North Carolina(0.6%), Ohio(2.0%), Oregon(2.0%), Pennsylvania(-0.6%), Utah(1.2%), Virginia(1.2%), and Vermont(-0.1%) fell short of their twelve-month trends. Control state rolling-twelve-month volume growth, 3.7%, was up smartly from November's reported 2.8%. Spirits volumes have grown 3.7% year-to-date compared to 2.8% a year ago.

Control state spirits shelf dollars were up 9.6% during December while trending at 6.3% during the past twelve months. Maine(13.1%), Michigan(40.5%), Mississippi(23.1%), Montana(14.6%), New Hampshire(3.6%), West Virginia(21.9%), and Wyoming (11.2%) reported growth rates exceeding their twelve-month trends. Alabama(6.5%), Iowa(-1.5%), Idaho(2.4%), Montgomery County Maryland(2.3%), North Carolina(3.4%), Ohio(4.6%), Oregon(3.6%), Pennsylvania(0.3%), Utah(2.3%), Virginia(3.5%), and Vermont(3.2%) grew shelf dollars at rates below their twelve-month trends. Shelf dollars in the control states are up 6.3% year-to-date compared to 5.8% last year.

Price/Mix for December is 2.1%, lagging November's 2.6%.

December's growth rate was effected by calendar and operational-related anomalies in the control states.

- Michigan, with 15% of control state nine-liter case and shelf dollar volume, under-reported sales during calendar H2 because of operational issues. December's reported nine-liter case sales and associated shelf dollars include "true-up" cases and dollars.
- As of March 2019, retail outlets in West Virginia, which previously were closed on Sunday, are now open for business. Spirit retailers in West Virginia had five additional selling days during this year's December compared to last year's.
- Seven control states are wholesale only, i.e., they have no state stores or agencies and the stores in their jurisdictions are independently owned. These seven states ship to stores Monday through Friday. NABCA reports shipments from the warehouses for these states. This December's calendar had twenty-two weekdays compared to twenty-one last year, 4.8% more. As a result, every wholesale only state's December growth rate for nine-liter cases and dollars, excepting Iowa's, exceeded its twelve-month trend. The wholesale only control states are: Iowa, Maine, Michigan, Mississippi, Montana, West Virginia, and Wyoming.
- On net, there were five more selling days and seven more shipping days during December in the control states compared to last year's December.

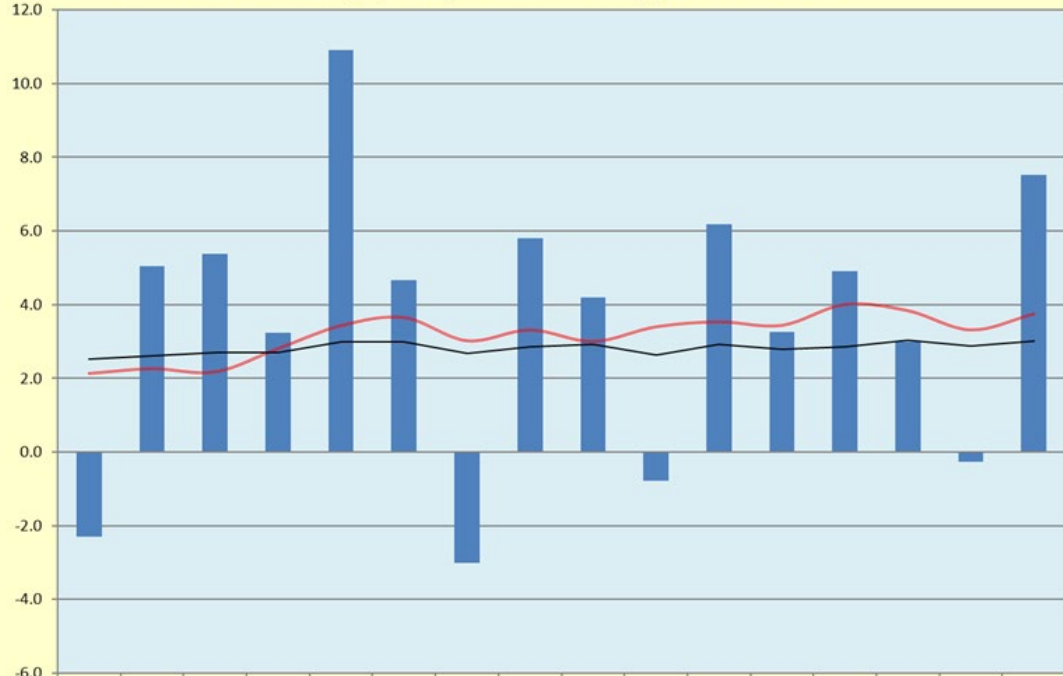
- After equalizing selling day variations between this year's December and last year's, December's nine-liter case spirits growth rate is 7.4% with a rolling-twelve-month trend of 3.8%. December's shelf-dollar growth rate is 9.6% with a rolling-twelve-month trend of 6.4%.
- Equalized price/mix for December is 2.1%.

Irish Whiskey, with 2% share of the nine-liter case control states spirits market, was December's fastest growing category with 19.1% reported and a twelve-month trend of 9.0%. Tequila, with 7% share, grew at 17.4% with a twelve-month trend of 11.2%. Vodka, with 34% share, grew during the same periods at 6.7% and 3.1%, respectively. All categories grew at rates above their twelve-month trends: Brandy/Cognac(4.6% during December, 2.7% twelve-month trend), Canadian Whiskey(7.6%, 3.0%), Cocktails(11.2%, 10.9%), Cordials(6.4%, 2.4%), Domestic Whiskey(10.6%, 6.6%), Gin(3.8%, 0.1%), Irish Whiskey(19.1%, 9.0%), Rum(2.4%, -0.2%), Scotch(2.0%, 0.3%), Tequila(17.4%, 11.2%), and Vodka(6.7%, 3.1%).

December's nine-liter wine case sales growth rate was -2.6%. Pennsylvania (reporting -5.2% nine-liter case growth for wines), New Hampshire (-1.7%), Utah (-3.6%), Mississippi (12.6%), Montgomery County Maryland (-0.1%), and Wyoming (8.5%) are the control states that are the sole wholesalers of wines and spirits within their geographical boundaries. Rolling-twelve-month wine volume growth in these six control states was -1.8%, flat with November's reported -1.8%.

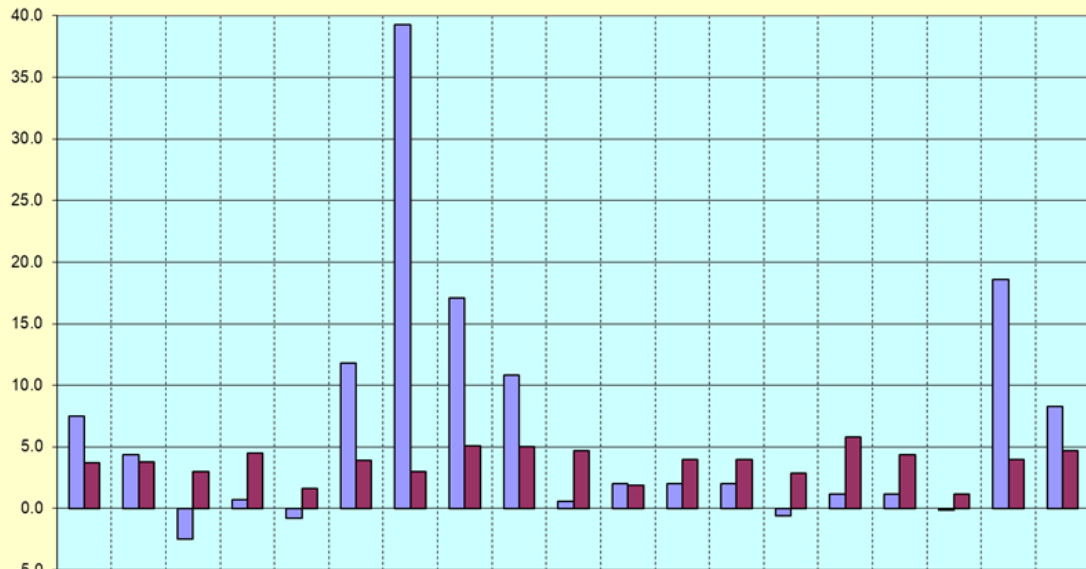
	9L Cases CM % Chg	Shelf \$ CM % Chg	Price/Mix	Control States
Total Control States	7.5	9.6	2.1%	
Central Region	12.1	14.2	2.1%	IA, MD, MI, OH, PA, WV
NE Region	4.7	6.3	1.6%	ME, NH, VT
NW Region	3.1	4.7	1.6%	ID, MT, OR, UT, WY
Southern Region	3.2	5.4	2.2%	AL, MS, NC, VA

9 Liter Case Spirits Growth in the Control States as of December, 2019: Month over Same Month Last Year % Change, Rolling-12 Month % Change, and 3 Year CAGR



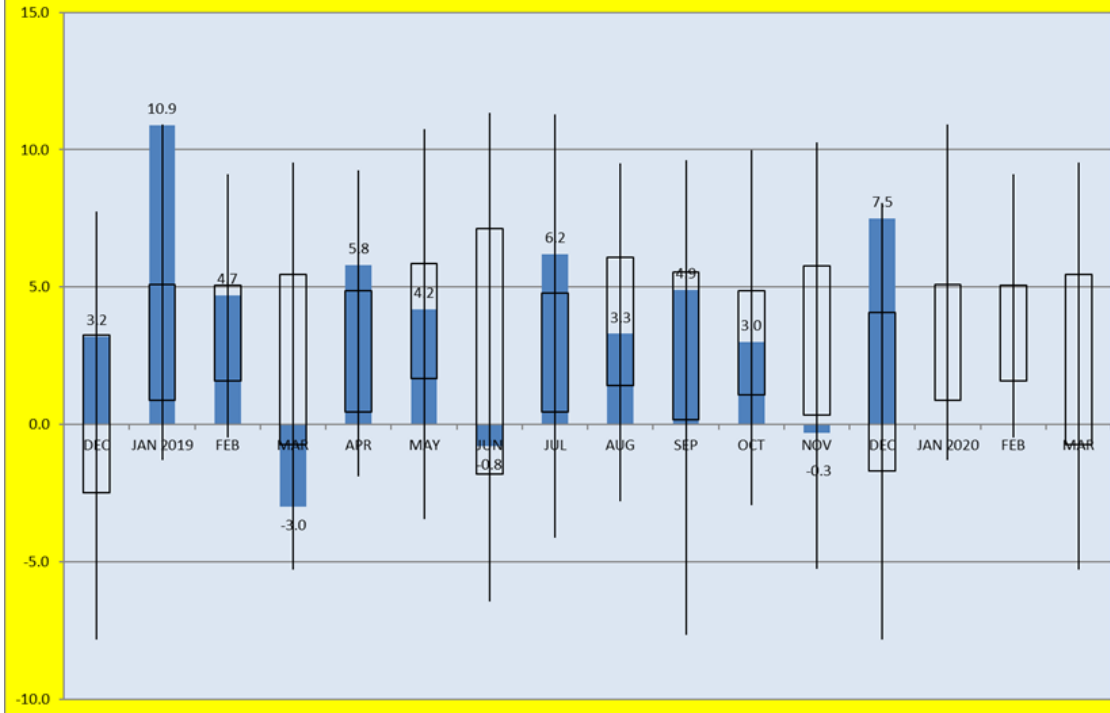
	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02	2019-03	2019-04	2019-05	2019-06	2019-07	2019-08	2019-09	2019-10	2019-11	2019-12
% Chg	-2.3	5.0	5.4	3.2	10.9	4.7	-3.0	5.8	4.2	-0.8	6.2	3.3	4.9	3.0	-0.3	7.5
R12 % CHG	2.1	2.3	2.2	2.8	3.4	3.6	3.0	3.3	3.0	3.4	3.5	3.4	4.0	3.8	3.3	3.7
3 Year CAGR	2.5	2.6	2.7	2.7	3.0	3.0	2.7	2.9	2.9	2.6	2.9	2.8	2.9	3.0	2.9	3.0

Nine Liter Case Spirits Growth in the Control States by State for December, 2019: Month over Same Month Last Year % Change and Rolling-12-Month % Change

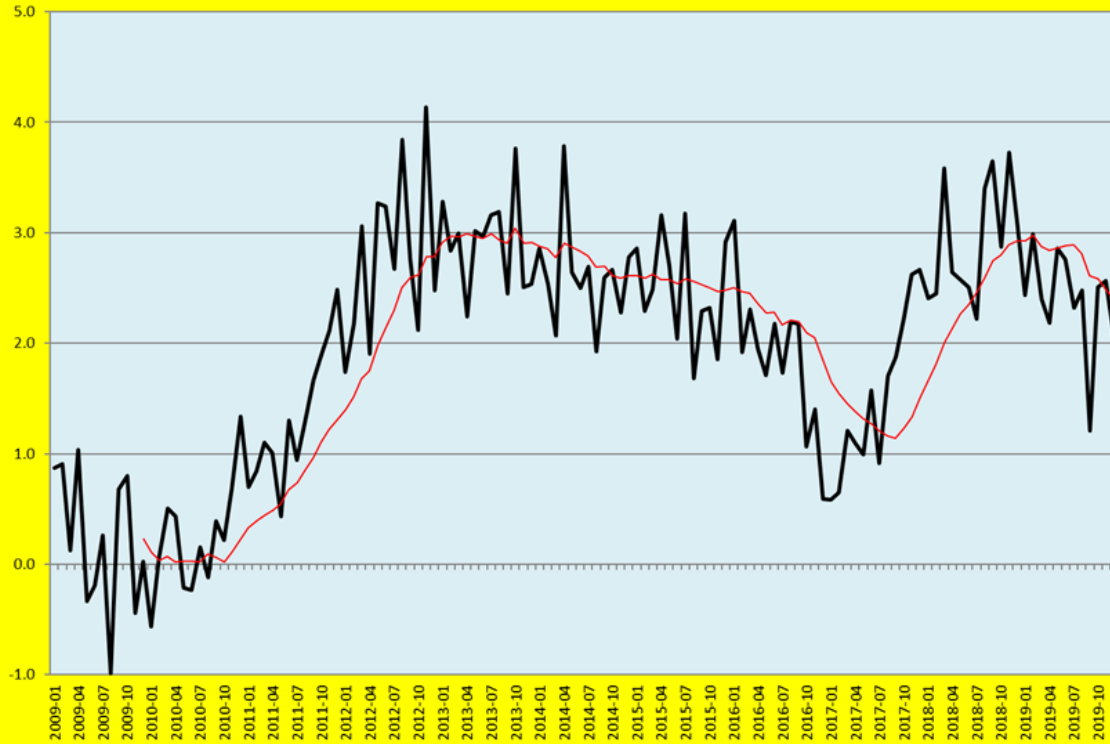


	Control States	AL	IA	ID	MD	ME	MI	MS	MT	NC	NH	OH	OR	PA	UT	VA	VT	WV	WY
CM % Chg	7.5	4.4	-2.5	0.7	-0.8	11.8	39.3	17.1	10.8	0.6	2.0	2.0	2.0	-0.6	1.2	1.2	-0.1	18.6	8.3
R12 % Chg	3.7	3.8	3.0	4.5	1.6	3.9	3.0	5.1	5.0	4.7	1.9	4.0	4.0	2.9	5.8	4.4	1.2	4.0	4.7

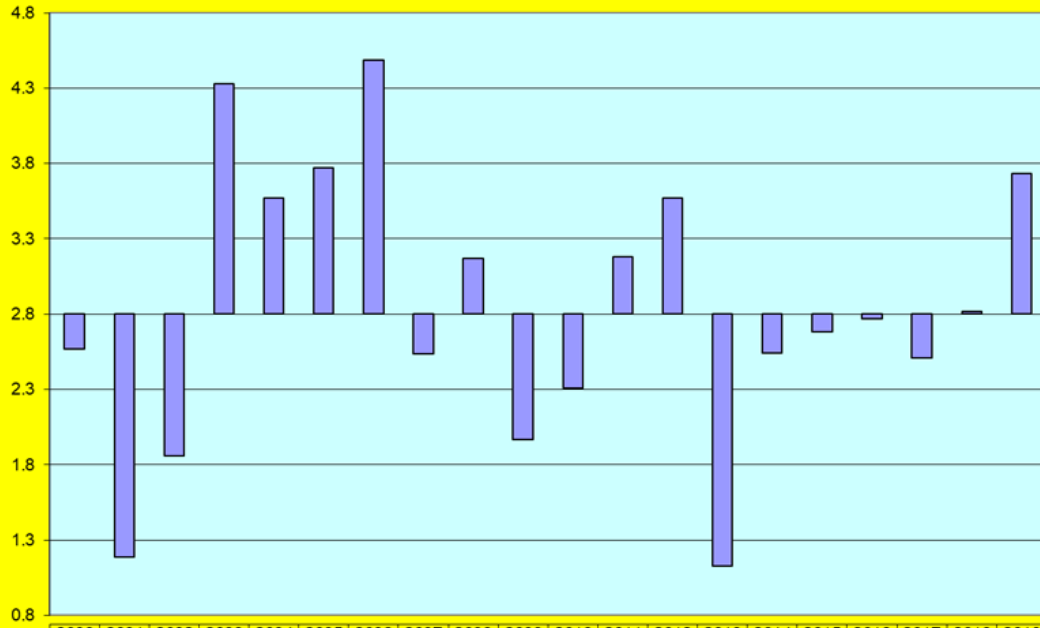
Control State 9L Cases % Chg over Same Month Last Year Through December, 2019 with Monthly Avg High and Low, as well as All-Time High and Low, Growth Rates



Price/Mix for Spirits in the Control States From January, 2009 Through December, 2019 with a Twelve-Month Moving Average Trend Line



9-Liter Case Annual Spirits Growth Rates in the Control States Relative to the Average Growth Rate During the Period 2000 - 2019



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Annual % Change	2.6	1.2	1.9	4.3	3.6	3.8	4.5	2.5	3.2	2.0	2.3	3.2	3.6	1.1	2.5	2.7	2.8	2.5	2.8	3.7