VIBE CONFERENCE

VERY IMPORTANT BEVERAGE EXECUTIVES

September 27-29, 2021 | Omni La Costa Resort & Spa, Carlsbad, CA

bar & restaurant

AN EXPERIENCE FROM Questex

General Session

The Return to Experience

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The NPD Group

The Return to Experience

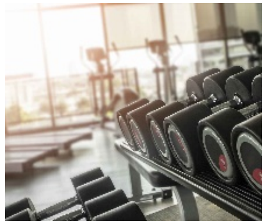
1. Current Situation
2. Home Centricity
3. Experiential Spending

CURRENT SITUATION

Consumer Leisure Categories 2019

The below activities account for $472B in consumer spend, but have reduced spend currently

Cruises
$18B


Gyms
$32B


Sporting Events
$56B


Theaters
$9B


Leisure Air Travel
$102B


Concerts
$9B

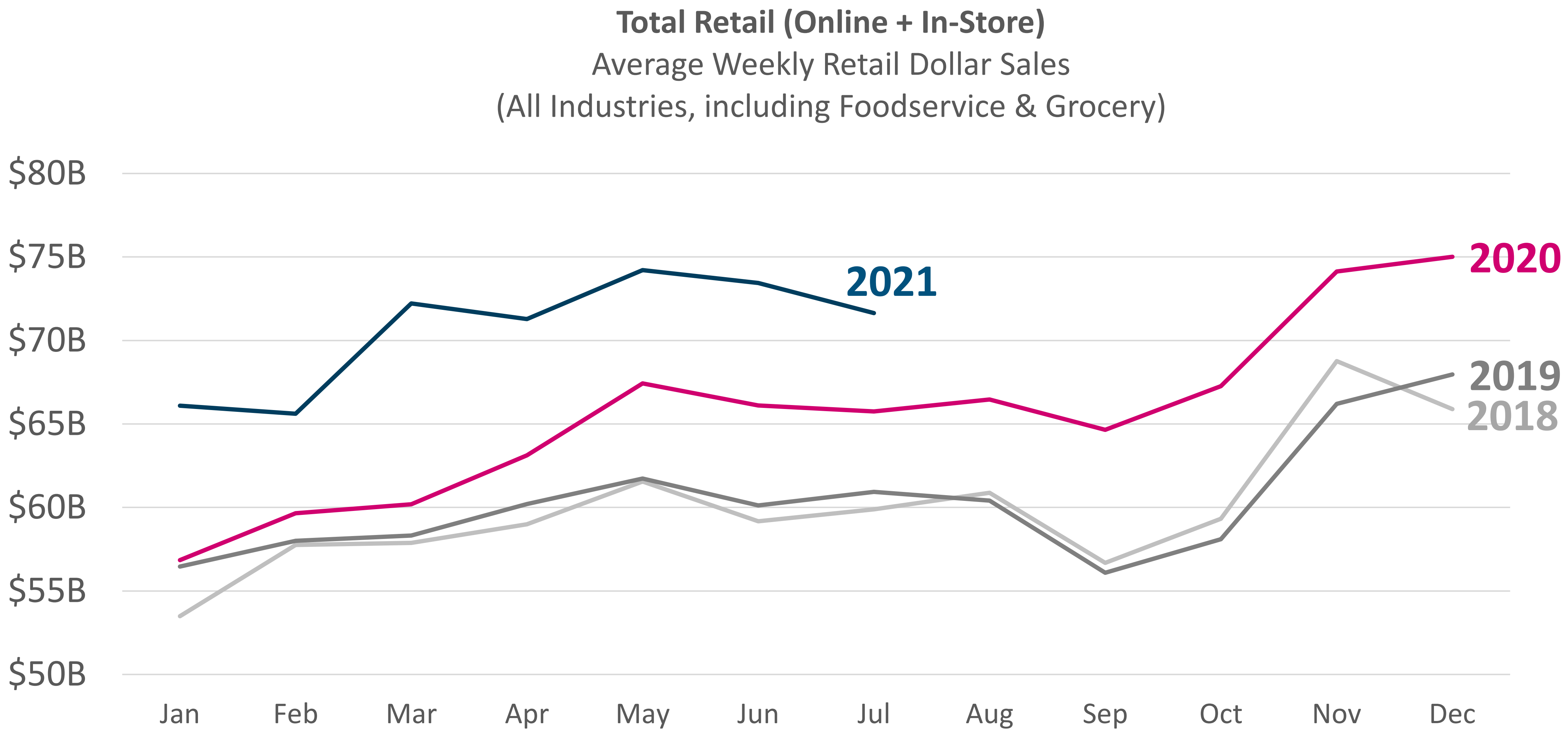

Movies
$11B


Camps
$18B


Amusement Parks
$19B

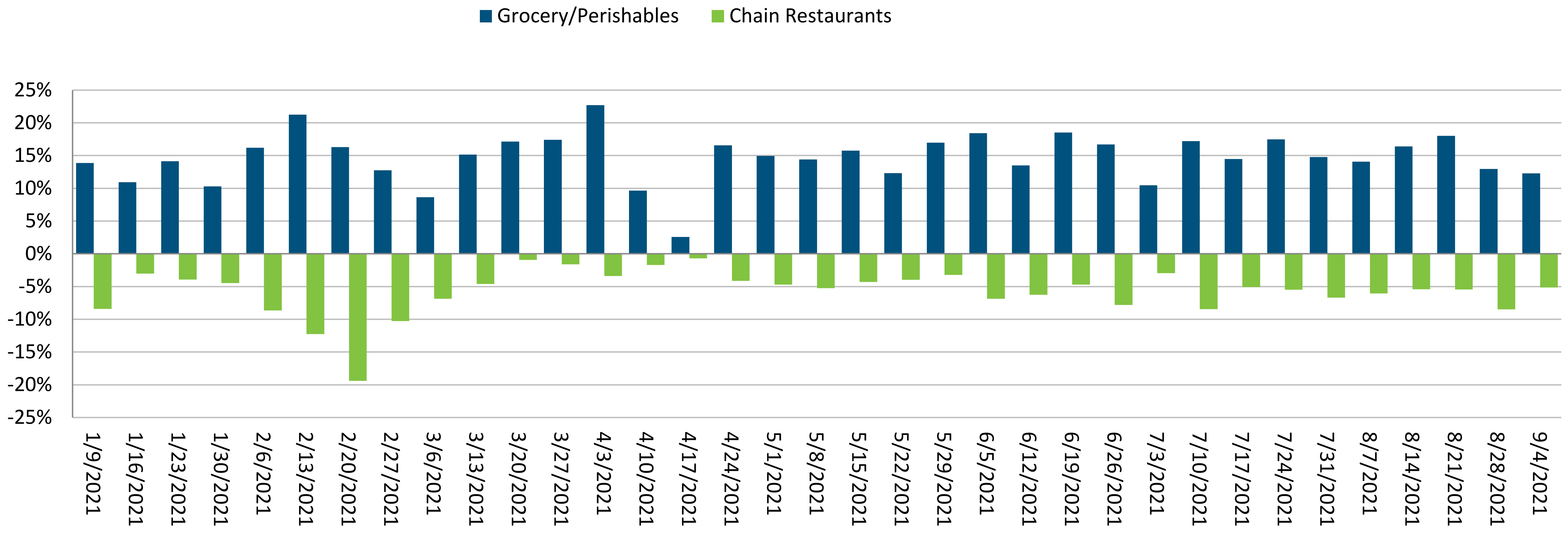

Hotels/Lodging
$198B


Overall Retail US Including Restaurant & Grocery



Source: The NPD Group/Checkout

U.S. Chain Restaurants vs. Grocery/Perishable Foods vs. Two Years Ago — Dollar Sales



Source: The NPD Group and Nielsen point-of-sale data; The NPD Group/CREST® Performance Alerts, CREST®

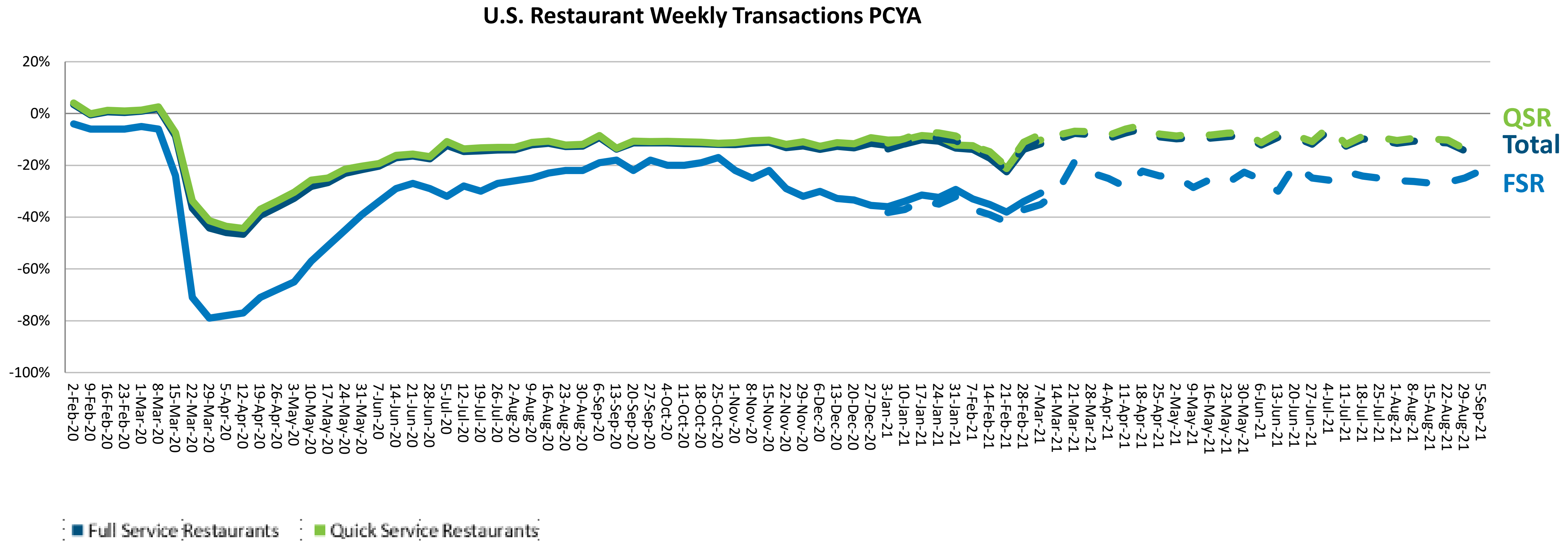
86%

of eating occasions were **sourced from home** over the past year.

Source: The NPD Group/National Eating Trends®, YE Feb. 2021

U.S. Chain Restaurant Transactions

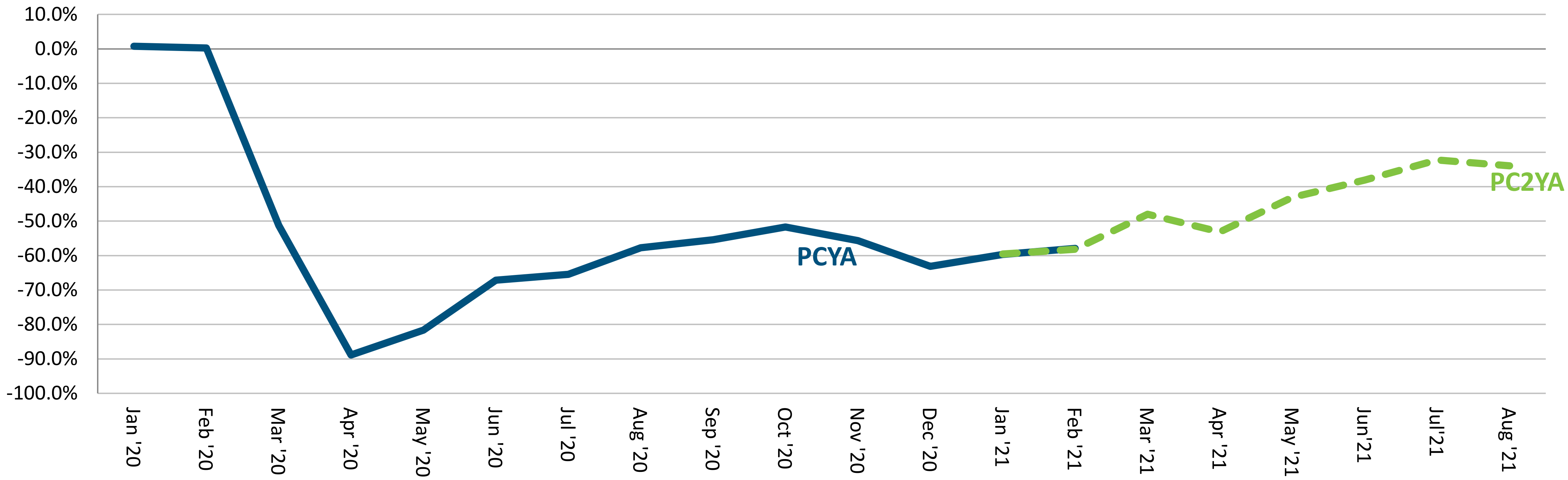
View of year over year through March 7, 2021, and year over two years YTD September 5. Total transactions are -11% vs. 2019.



Source: The NPD Group/CREST® Performance Alerts

On-premises Traffic Remains 32% Below 2019

Year-over-year trend through February 2021; year-over-two-year trend YTD July 2021.



Source: The NPD Group/CREST®

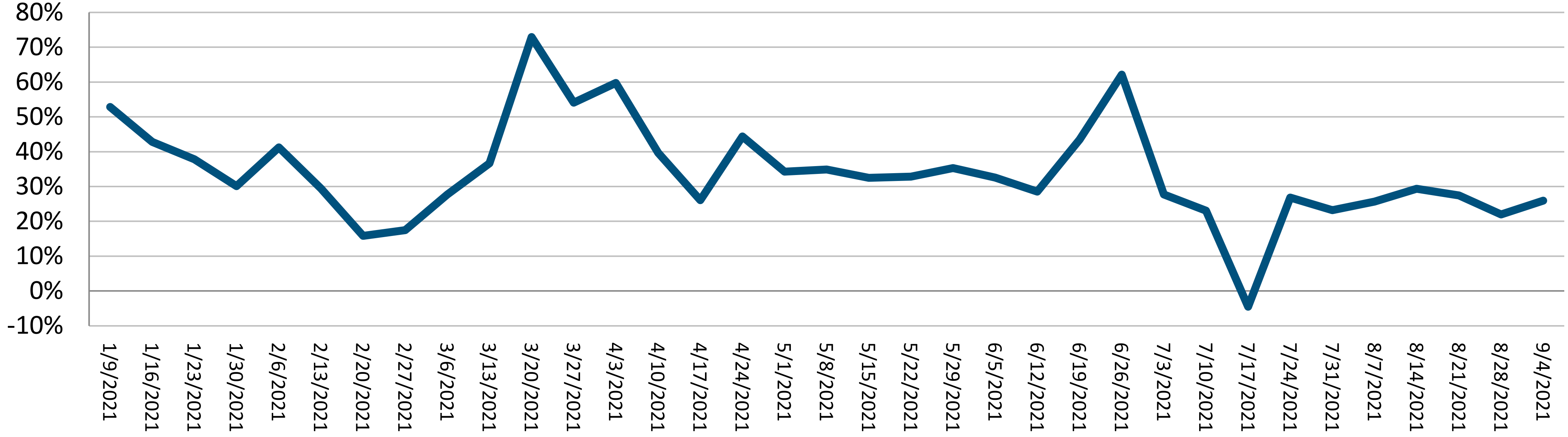

HOME CENTRICITY

Home and Work Lifestyles Drive Shift in Spending

Consumers have invested in ways to live and work differently.

Housewares	Small Appliances	Sports Equipment	Tech CE/IT	Toys
+122%	+129%	+107%	+105%	+162%

Dollar Sales % Change vs 2019



Combined Industries

116%

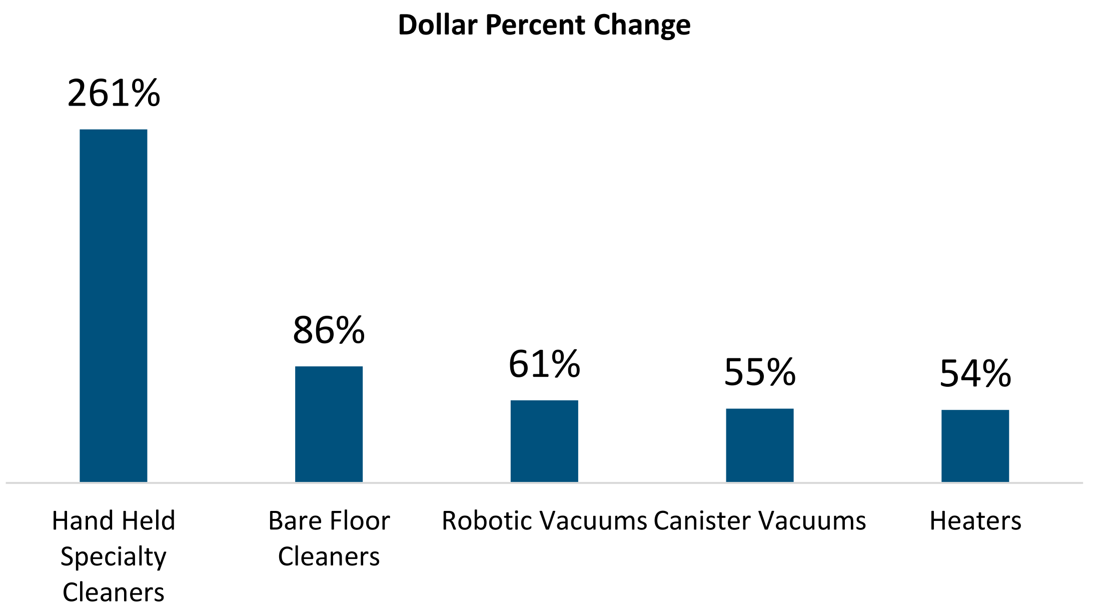
Source: The NPD Group/POS Data

Home Environment Top Growing - YTD

Based on Absolute Dollar Change

Subcategory	Absolute Dollar Change ($M)
Robotic Vacuums	+$167M
Deep Carpet Cleaners	+$130M
Bare Floor Cleaners	+$128M
Room Air Conditioners	+$115M
Air Purifiers	+$94M

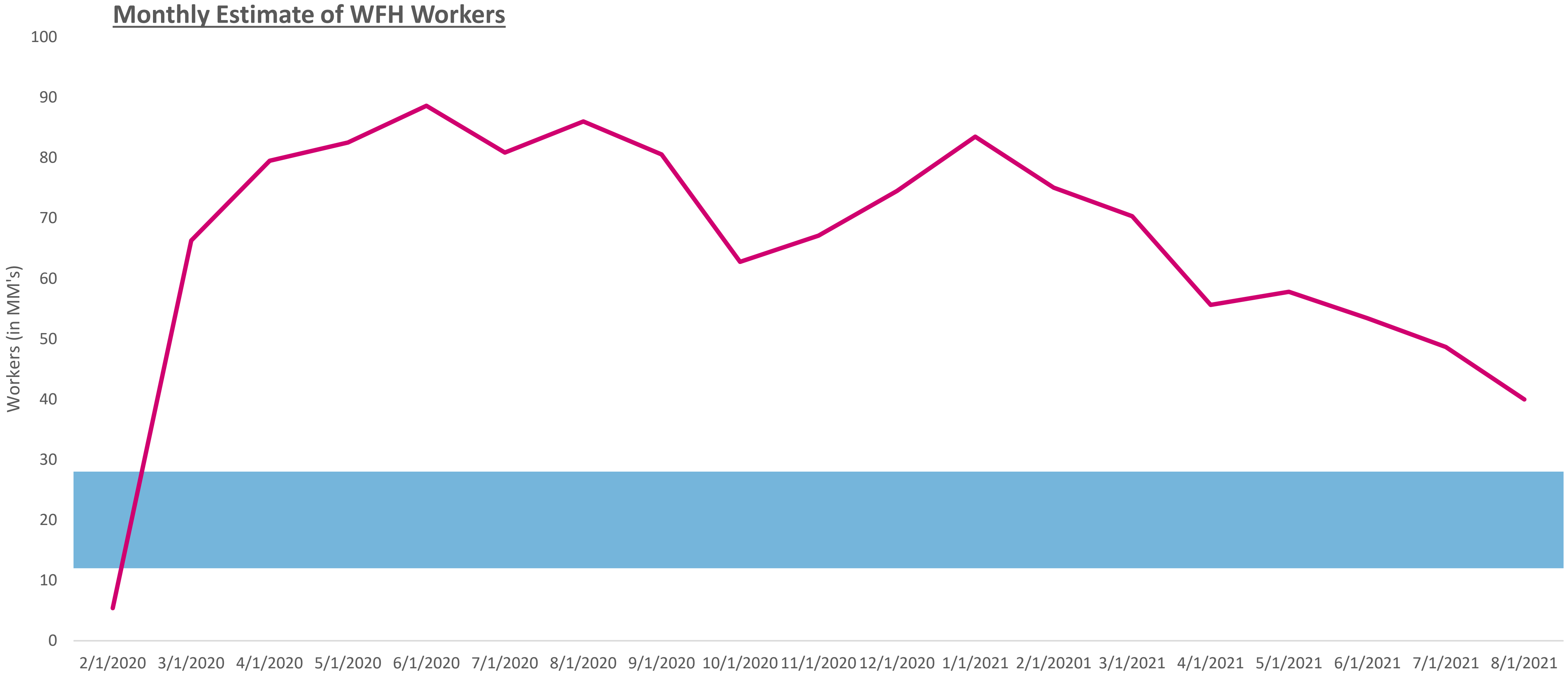
Based on Dollar Percent Change



Source: The NPD Group/Retail Tracking Service; YTD July 3,2021 vs. YAGO

Working From Home

As of August 2021, about 40MM workers are still working from home.



Source: NPD Innovation Lab, Financial Transaction Data, & BLS Labor Statistics

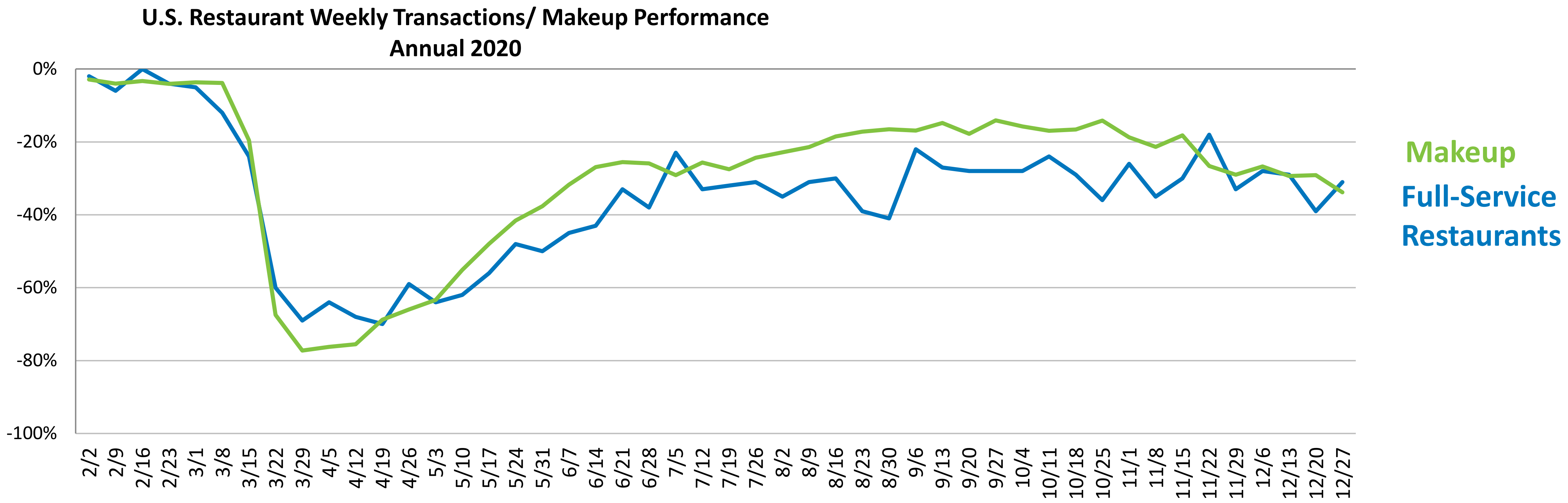
Sweats & Activewear +21% while Tailored & Dress – 7% as consumers look for **versatility and casual**.

Source: The NPD Group/Consumer Tracking Service/12 ME May 2021

The Usage Occasion Correlations

Makeup performance mimics the trend of full-service restaurants

Correlation Coefficient 0.90



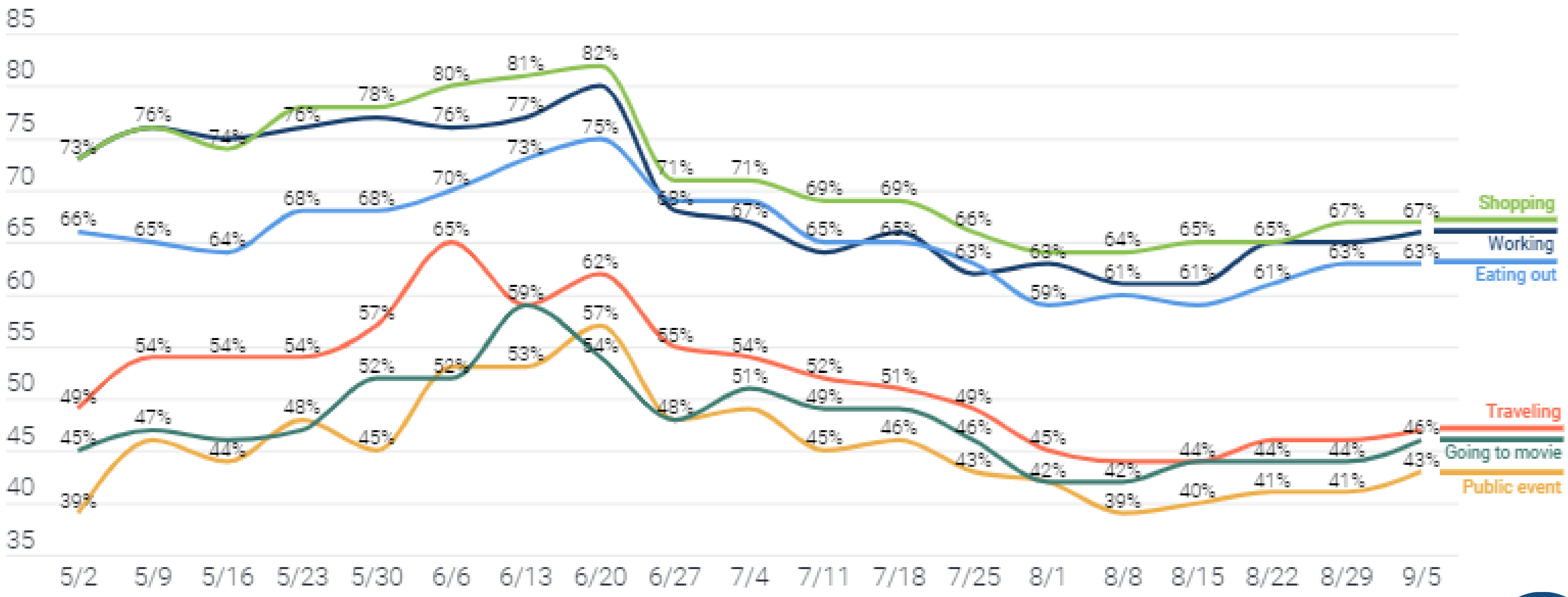
Source: The NPD Group/CREST® Performance Alerts
Retail Early Indicator Report
Beauty Trends Weekly Data

Outdoor & Sport Toys grew +19% the past 12 months and +38% vs 2019 as consumers craved to be outside

Source: The NPD Group/Retail Tracking Service/12 Months Ending May 2021

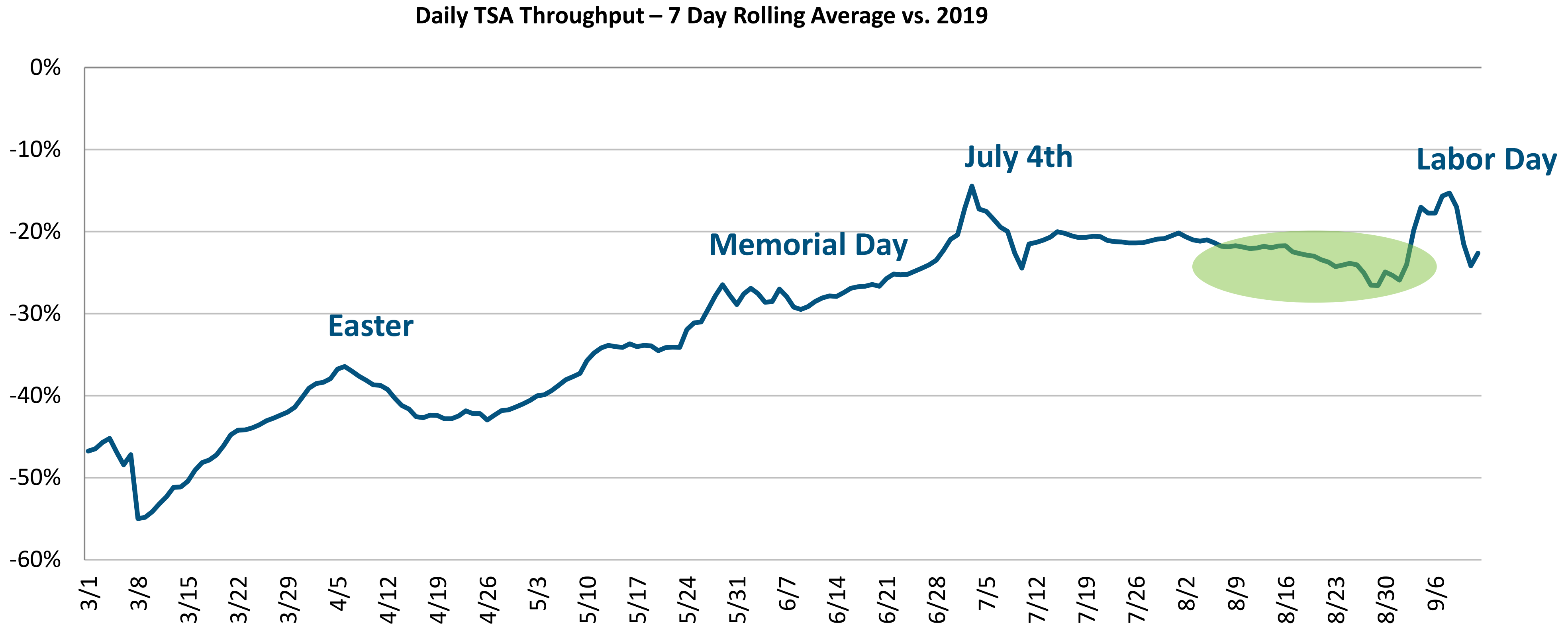
EXPERIENTIAL SPENDING

How soon from now would you be comfortable... [Weekly percentages]



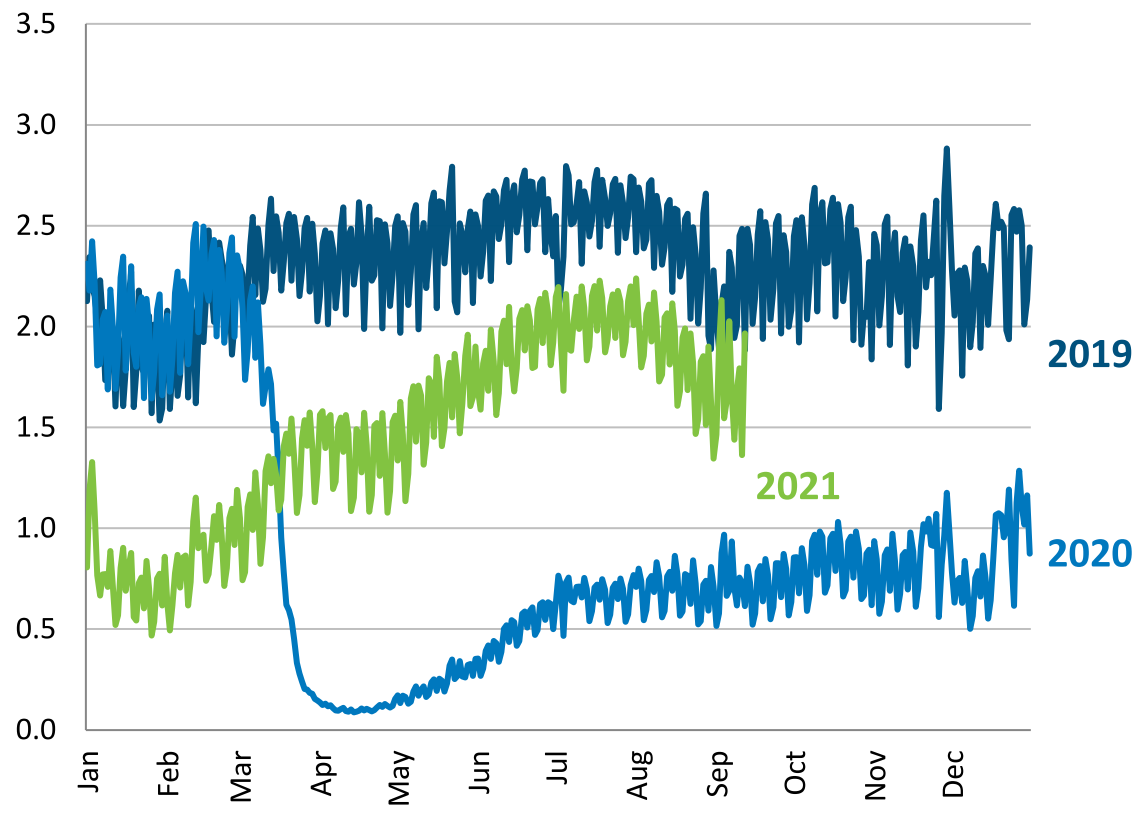
TSA Counts – 7-Day Rolling Average vs. 2019

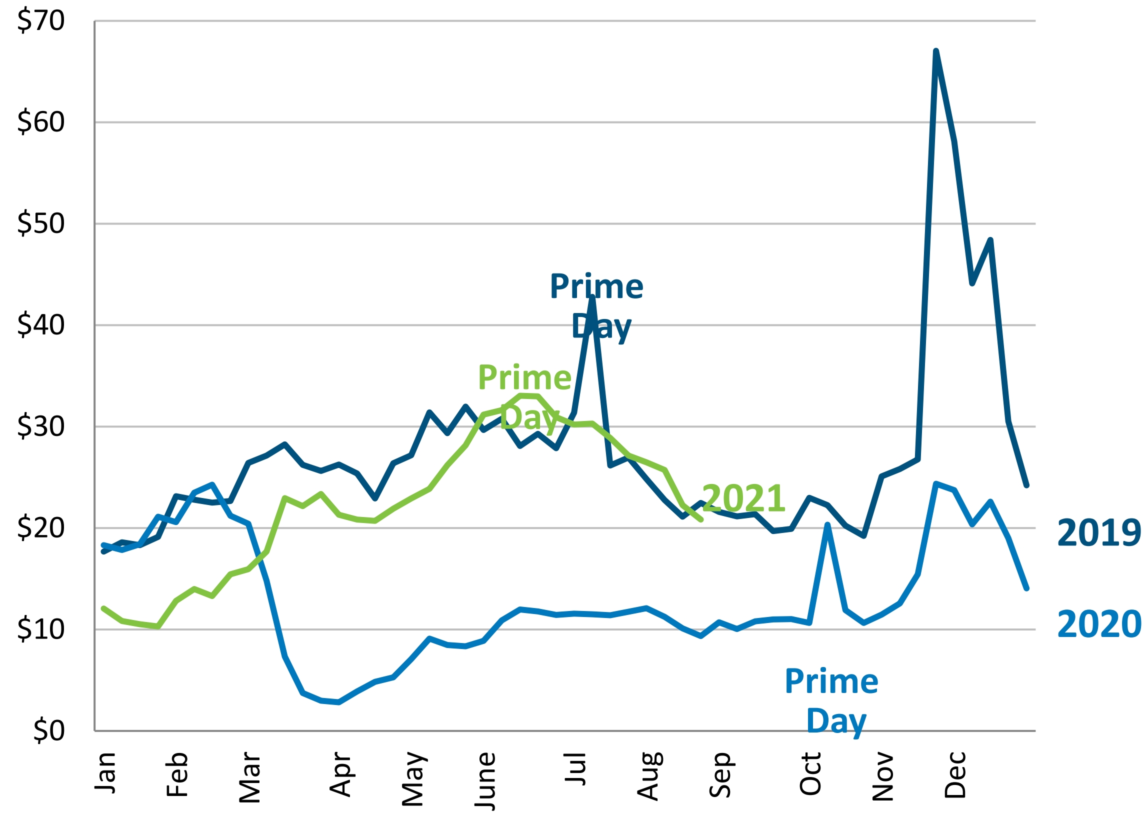
The 7-day rolling average of airline passenger counts remains below 2019 but has been climbing steadily. In August, it began to fall slightly.



Source: TSA.gov

Luggage Sales Trend Closely with Passenger Counts





*7 day rolling average as of 9/12/2021

Source: TSA.gov
Source: The NPD Group/Retail Tracking Service

Total Entertainment Trends

Overall, consumers increased their time and money spent on entertainment activities over the past 6 months compared to 2020

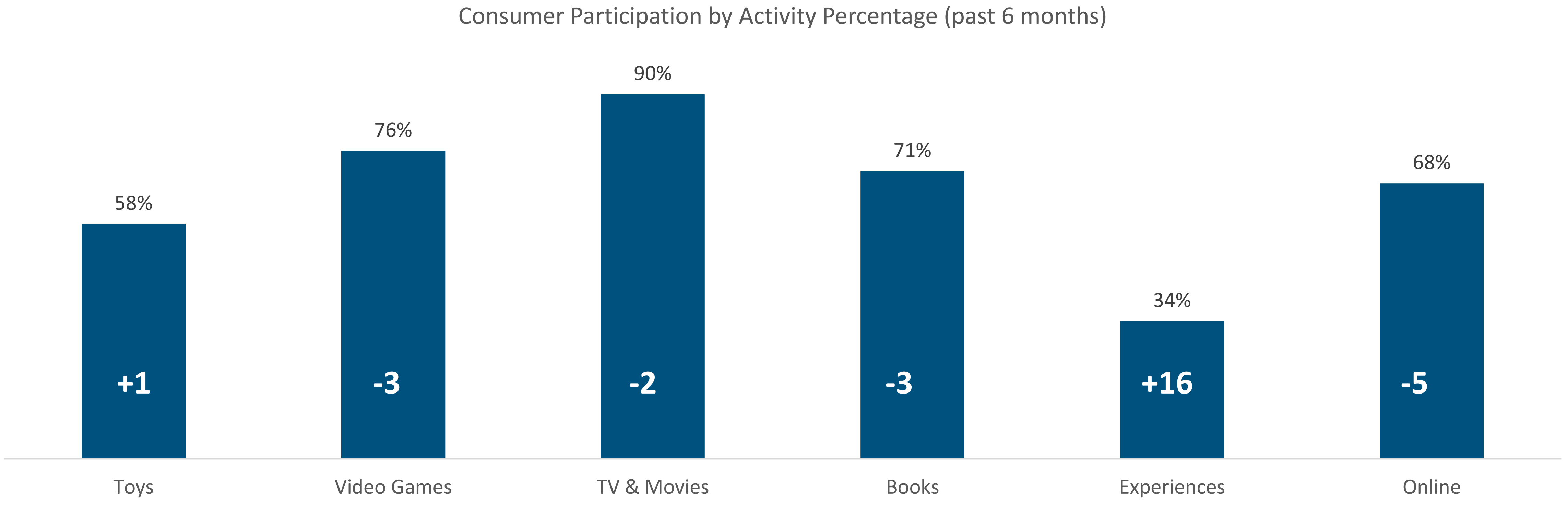
73 hours a week spent on entertainment activities vs. **72 hours in 2020**

$858 spent on entertainment activities vs. **$715 in 2020**

The NPD Group / Evolution of Entertainment study/6 ME July 2021

Entertainment participation among consumers

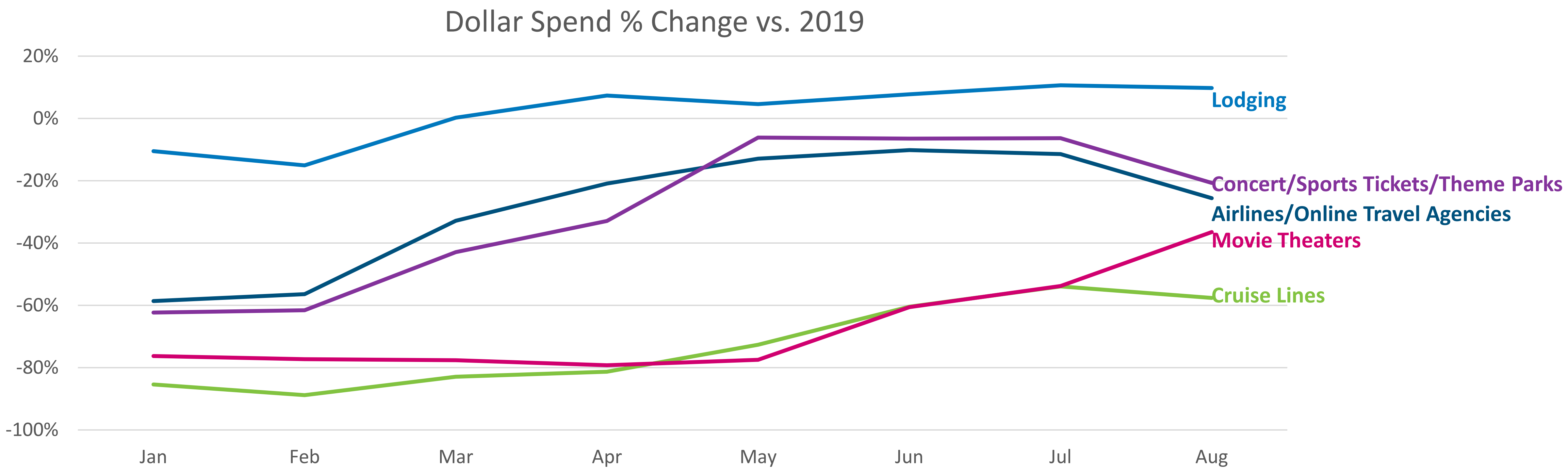
While overall participation in entertainment activities is still high across the board for traditional entertainment, some activities have dropped in participation since the pandemic period



The NPD Group / Evolution of Entertainment study/6 ME July 2021

Experiential Spend Below 2019

With exception of Lodging, driven by home rental services like Airbnb. Recovery in tickets/theme parks and airlines/travel agencies slowed in Aug.

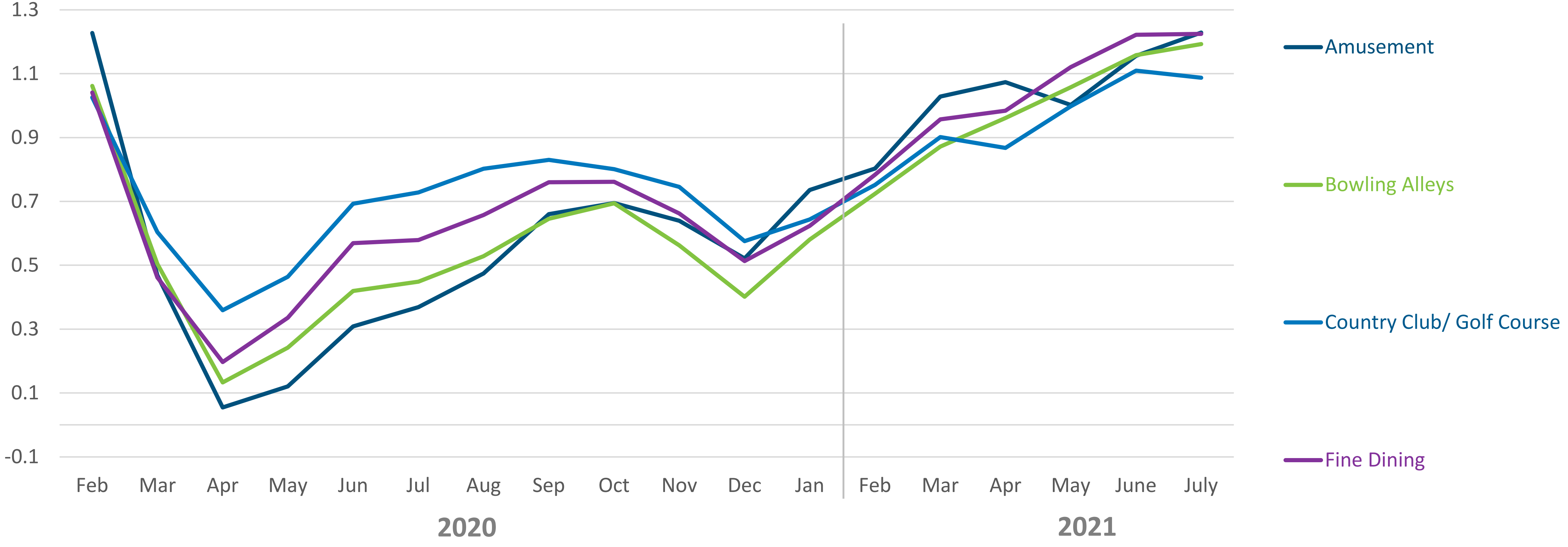


Source: The NPD Group/Innovation Lab

Return To Experience (Seen Through Foodservice)

Through the first half of 2021, the trend of experience-based categories are rebounding, with some operator categories close to pre-pandemic levels

Total Operator Category Dollar Index vs. Average 2018/2019



Note: Broadline distributor data only, some dollar spend may be contractual

Source: The NPD Group, SupplyTrack, 12 ME July 2021

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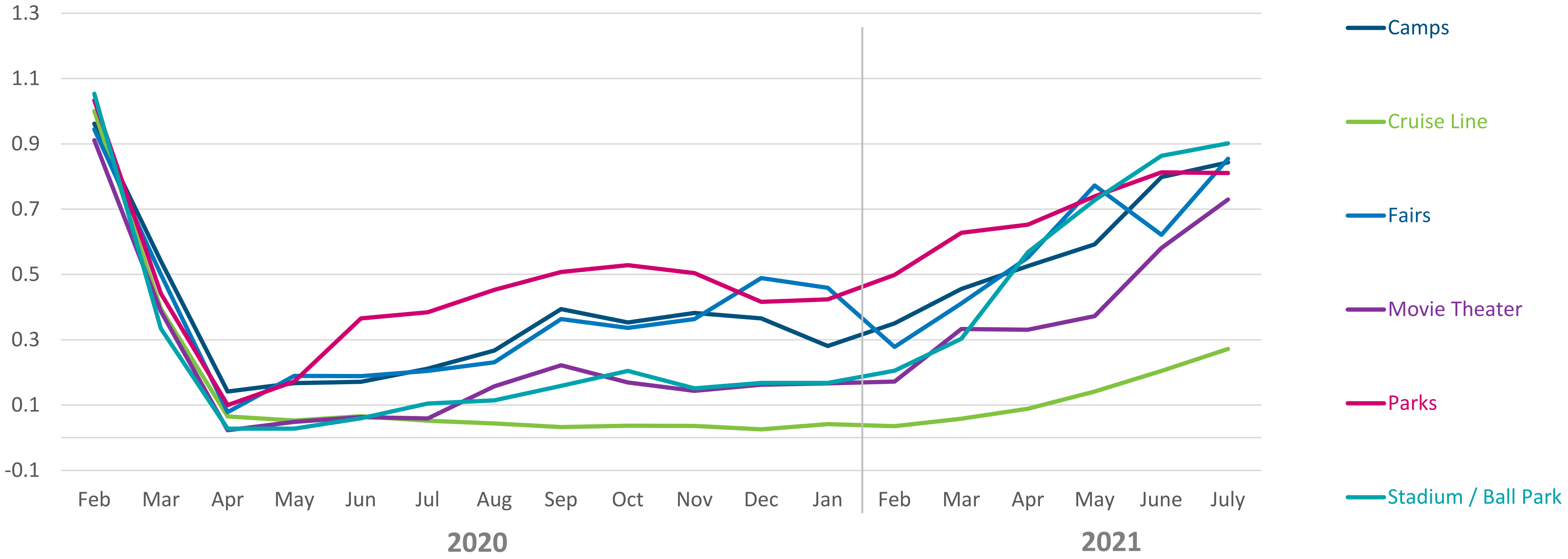

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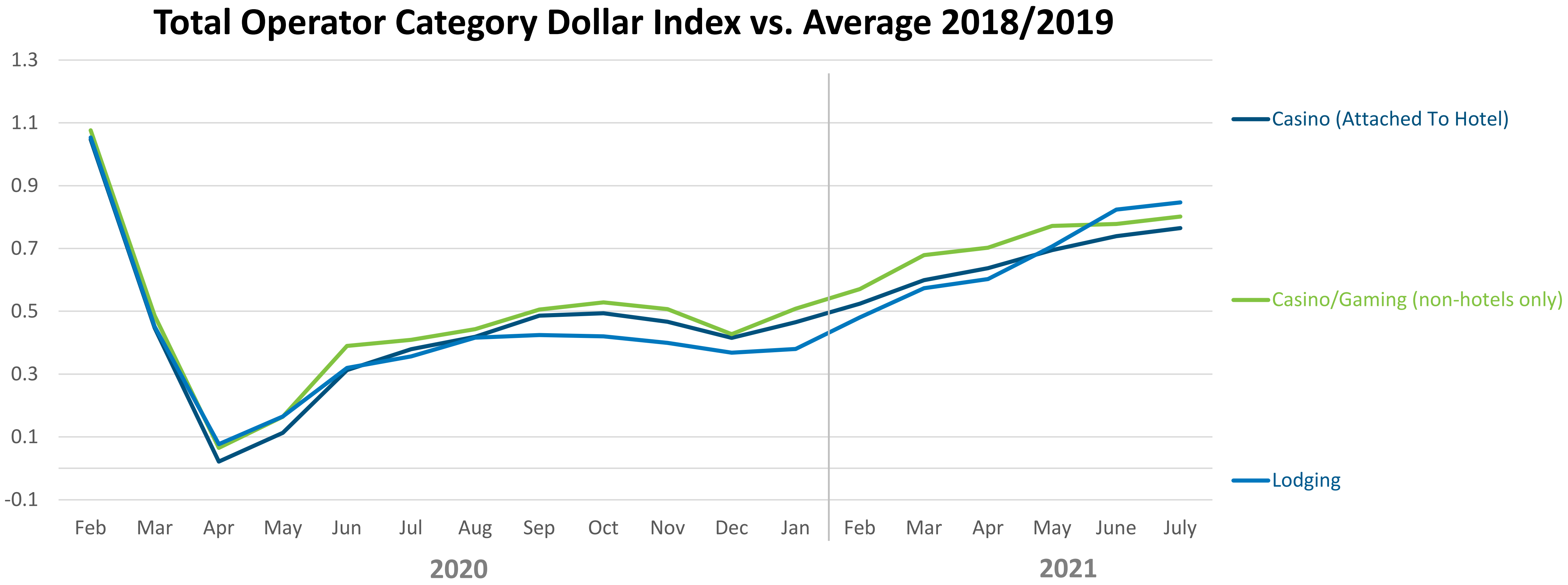

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Foodservice Outlook: Persistent Headwinds

Several factors will limit the recovery

INFLATION

Food away from home is increasing faster than retail, making the relative cost of a grocery basket more affordable.

POPULATION

Long term population dynamics like aging and lower female labor force participation will continue to be a drag on restaurant demand

HOME CENTRICITY

Home has become a focal point for many aspects of like including work, entertainment , recreation and exercise

ON PREMISES

As of July, only 63% of consumers were comfortable eating out and on premises traffic at restaurants remained 32% below pre-pandemic levels

UNIT COUNT

From the start of lockdowns in March, to December of 2020, the net unit count for commercial restaurants declined more than 41,000 units

TRAFFIC OUTLOOK

Total commercial restaurant traffic through 2022 is only expected to regain about 98% of its 2019 level, while QSR is forecast to draw even with 2019.

Restaurant traffic will recover **98% of 2019 traffic levels** by the end of 2022.

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