



WHAT'S ON TAP

VOL. IX

2023

Glazer's
Beer & Beverage

LEADERSHIP THOUGHTS

REFLECTING ON 2023 AND THE ROAD AHEAD



There is a quote that I particularly like:

“The prizes go to those who meet emergencies successfully. And the way to meet emergencies is to do each daily task the best we can; to act as though the eye of opportunity were always upon us. In the hundred yard race the winner doesn’t cross the tape line a dozen strides ahead of the field. He wins by inches. So we find

it in ordinary business life. The big things that come our way are seldom the result of long thought or careful planning, but rather they are the fruit of seed planted in the daily routine of our work.”

- William Feather

We began the year in 2023 with a belief that staying focused on the fundamentals and being brilliant at the basics would set us up for success in the new year. It is my belief that when opportunity strikes, as it did in the second quarter of 2023, the companies best positioned to take advantage are those that stay focused on the fundamentals. Phil wrote in the first newsletter of 2023, “While we like to celebrate success, we will never be satisfied and are always looking for continuous improvement.” Well, I certainly plan to keep that philosophy in 2024, so let’s start by celebrating our successes!

Our beer branches in Texas, Arkansas, and Louisiana had a tremendous year finishing ahead by more than two million CEs or 6.3%. Net sales were up by 9.7%, an increase of over 76 million. Gross profits also grew by 10.5%. Display execution in our accounts grew from 95.1% to 99.2% in 2023. That represents 115,269 displays and over 1.6 million cases on the floor!

On September 29, 2023, we successfully completed the acquisition of Premier Midwest Distributing in Omaha, Nebraska. We also acquired the remaining 50% of our joint venture in Sioux City Iowa, Premier Glazer’s Beer & Beverage. We couldn’t be more thrilled to be in business in the Midwest with these two fine businesses. We are off to a great start in each of these markets and look forward to seeing great results in 2024.



As we roll into 2024, we are focused on continuing to build on our gains from Project Pride and Space Force (more on that later in this issue). Through these programs we are continuing to bring a category approach to our independent accounts as we take more space for our brands on the shelf, on the floor, and in back room. We will be focused on executing chain resets and mandates with speed, and we will lean into innovation in all channels to maximize our consumer appeal.

I could not be more excited about our mutual plans for 2024. Our momentum continues to build as we continue to apply effort against our main drivers of portfolio, people, processes, execution, and results. We truly appreciate all that you and your teams are doing to support us and drive us to be better each day. Winning is a journey, not a destination. I look forward to the journey in 2024. Let’s go and take it!

— Will Herrin

Senior Vice President of Sales & Operations

DEVELOP INFLUENTIAL BRANDS

TEA DROP PARTY

Glazer's Beer & Beverage San Antonio has delivered outstanding results for Twisted Tea in the last two

months of 2023, growing the brand by +9.1% and reaching the penetration targets set by Boston Beer. As a reward for this achievement, Boston Beer is inviting Glazer's Beer & Beverage to cohost a Twisted Tea party on May 4th. This event will be a great opportunity to celebrate the success of Twisted Tea, raise its profile and loyalty among consumers, and strengthen the partnership between Boston Beer and Glazer's Beer & Beverage.

FOCUS ON PEOPLE



"Our leadership truly values its employees and culture, and that enables us as employees to grow and feel passionate about our careers. Our mission statement holds true to the fact that each person can be heard, is respected, and their contributions matter."

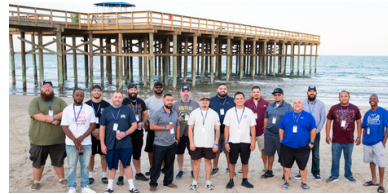
WACO

COURTNEY GILMORE
Brand Manager



2023 SAFETY RODEO RECAP

Glazer's Beer & Beverage celebrated the annual Safety Rodeo event on the weekend of October 21st, 2023, where the best CDL Drivers and Forklift Operators showcased their skills and talents in a friendly competition. The event was attended by the contestants' families, who participated in the fun activities and enjoyed the festive atmosphere.



Safety Rodeo: 11/22/23

The competition was fierce, as 13 CDL Drivers and 11 Forklift Operators from different branches competed for the championship title. The winner of the CDL Driver competition was AJ Portillo from the San Antonio, Texas branch, who has been with Glazer's Beer & Beverage for a total of six years. The winner of the Forklift Operator competition was Paul Castro from the Waco, Texas branch, who has been with Glazer's Beer & Beverage for 12 years. Castro was proud to finally achieve the championship title.

The Safety Rodeo was a great way to further foster Glazer's Beer & Beverage's culture of safety, reinforce the importance of safety procedures and processes, and to recognize the employees who put safety first in the workplace.

OPTIMIZE PROCESSES

RIO GRANDE VALLEY DEVELOPMENT UPDATE

We are thrilled to share with you the news that our distribution center located in Weslaco in South Texas, which has been under construction for almost a year, will be fully operational in March of 2024.



OPTIMIZE PROCESSES

RIO GRANDE VALLEY DEVELOPMENT UPDATE CONT.

This facility will have a storage capacity of 1,000,000 CE's of inventory, making it one of the largest in the region. The center will span 265,000 square feet of space, on a 25-acre plot of land. It will feature the latest technology and amenities, such as 22 loading and unloading docks and a sheltered customer pick up zone. The center will also include an 8,000 square foot keg cooler to keep and maintain our products at the optimal quality.

We are excited to enhance our service to you with this new addition to our network.



DEVELOPING PROCESSES USING KARMA

VIP KARMA's technology and toolset have been instrumental in helping our internal teams at Glazer's Beer & Beverage improve business processes and performance. We have leveraged the digital capabilities of KARMA to eliminate paper-based workflows and share information more quickly and easily.

KARMA serves as a communication tool between sales and delivery, as well as a platform for various tasks such as sales rep pre-planning, vacation coverage, tracking chain mandates, voids and more.

We have implemented VIP KARMA across all 12 of our sites to communicate and monitor our monthly PFP initiatives & performance, which has enhanced the transparency and accountability of our goals throughout the organization.

The sales team greatly values this feature, as it provides them with daily insights into their progress and the opportunity to manage their business and close gaps proactively, using the technology and tools that deliver this information directly to their Sales App.

ACHIEVE DIFFERENTIATED RESULTS



SPACE FORCE

Glazer's Beer and Beverage executed a trimester incentive called Space Force. The program was designed to capitalize on the continuing weakness in the Anheuser Busch portfolio that was evident throughout the summer of 2023. The basic concept was that we would execute full resets of targeted independent and regional chain accounts. We reduced space for our competition's brands in stores by gaining new distribution of items from our priority SKU lists.

Here are the results:

178 PLANOGRAMMED ACCOUNTS WERE RESET.

- **CUBIC SPACE % IN THOSE ACCOUNTS GREW BY 21.4%**

FACINGS OF EXISTING SKUS GREW BY 11.5%

TOTAL NEW SKUS GREW BY 23.8%

Small format stores also benefited from Space Force:

COOLER REFRESHES IN 957 NON-PLANOGRAMMED ACCOUNTS NETTED 18,577 NEW PODS FROM PARTICIPATING SUPPLIERS PRIORITY SKU LISTS.

DRIVER STATS

DRIVER INCIDENTS → **REDUCED BY 17%**

SAFEST DRIVER → **WILLIAM WAGNER FROM WACO, TEXAS**

FLEET LOGGED MILES → **9,738,448 MI**

***Fleet Logged Miles = 391 trips around the earth**



EXECUTE AT THE HIGHEST LEVEL



MALVERN FOOD CENTER | NORTH LITTLE ROCK



WALMART 5245 | SAN ANTONIO



BAKERS 315 | OMAHA



AAFES RAFB | SAN ANTONIO



DAMASCUS LIQUOR | NORTH LITTLE ROCK

ACHIEVE DIFFERENTIATED RESULTS

2023 RESULTS

GBB PERFORMANCE	CASE EQUIVS	NET SALES	GROSS PROFIT
	▲ 6.3%	▲ 9.7%	▲ 10.5%
SUPPLIER PERFORMANCE	CASE EQUIVS	NET SALES	GROSS PROFIT
MILLERCOORS	▲ 4.7%	▲ 8.7%	▲ 9.6%
HEINEKEN USA	▼ 0.5%	▲ 1.0%	▲ 2.3%
CONSTELLATION BRANDS	▲ 20.9%	▲ 22.7%	▲ 24.1%
BOSTON BEER CO.	▲ 9.0%	▲ 11.9%	▲ 12.3%
PABST BREWING CO.	▲ 6.3%	▲ 6.8%	▲ 6.2%
DIAGEO-GUINNESS USA	▼ -2.0%	▲ 1.6%	▲ 4.0%
THE GAMBRINUS COMPANY	▼ -4.2%	▼ -1.8%	▼ -1.2%
MARK ANTHONY	▲ 1.5%	▲ 5.1%	▲ 5.5%
FIFCO USA	▼ -14.2%	▼ -10.9%	▼ -11.9%
NEW BELGIUM BREWING CO.	▲ 17.5%	▲ 19.9%	▲ 19.8%

• The data above excludes Glazer's Beer & Beverage's Sioux City and Omaha locations' 2023 performance

AWARD WINNING RESULTS

Molson Coors Central Region Tier One Distributor Excellence Award



- Premier Midwest Beer & Beverage of Omaha

Heineken USA Central Region Tier One distributor Red Star Award rankings



- #1 Glazer's Beer & Beverage Odessa
- #2 Glazer's Beer & Beverage El Paso
- #3 Glazer's Beer & Beverage McAllen

Constellation Brands Gold Standard Award 2023



- Glazer's Beer & Beverage of Waco

Constellation Brands Gold Crown Award 2023



- Glazer's Beer & Beverage of Odessa