

# Monitor

## Wine & Spirits



VOLUME  
**370**

## PREMIUMIZATION LEADS THE WAY

### RECOVERY RULES

The alcoholic beverage industry was characterized by post-pandemic normalization, with consumers continuing to return to on-premise facilities.

### WINE ON THE DECLINE

Wine consumption continued to decline, as younger demographics are instead reaching for spirits, alternative beverages, and healthier options.

### PUMPED UP PRICING

Companies across each sector increased their prices to combat rising input costs and to further support premium growth.

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Deals are a moving target with a constantly shifting mix of people, numbers and timing. We are here to simplify this process for you. Our associates are experts at analyzing situations and quantifying values you need on the most complex deals, so you can leverage our extensive industry knowledge to close the deal.

# B. Riley Advisory Services Expands To Include Operations Management Services

The U.S. industrial sector has rebounded rapidly in 2021, and with the continued impact of COVID-related supply constraints, company profits are being challenged more than ever. However, B. Riley Financial (“B. Riley”) clients saw an average increase in EBITDA of 12.4% in annualized improvement. So how did they do that?

At B. Riley, we invested in expanding our team to meet these challenges head on and support the success of our clients. We acquired Anchor Resource Management, now called B. Riley Operations Management Services, a hands-on seasoned operating team that can rapidly impact the bottom line and change culture for sustainable success. Operations Management Services brings over 30 years of operations expertise and over 750 company transformations.

Our new capabilities add a team of highly skilled executives, general managers, and operations and supply chain professionals that have deep expertise in the wine and spirits industry. Our breadth of experience encompasses improving manufacturing performance (fermentation, distillation and bottling processes), optimizing packaging procurement and assessing profitability.

In addition, in 2021, B. Riley launched a Wine and Spirits Vertical with a full complement of synergistic services for our clients: Recruiting & Retention Assessments, Operations Transformations, Acquisition Due Diligence, Appraisal & Valuation Services, Real Estate Advisory, and Investment Banking.

With the full force of these expanded, collaborative capabilities, we are helping our clients transform into industry leaders.

B. Riley Operations Management Services professionals stand ready to quickly assess the intricacies of your business. We will develop and implement tailored “self-funding” solutions, empowering your company to be more responsive to current and future market conditions. To explore potential solutions for your business, contact a professional on the Meet The Team page.



## 750

Company Transformations



## 30

Years of Experience



## \$4.1B

Company Savings



## Broad

Industry Experience

# Trend Tracker

	Selling Primarily to Off-Premise	Selling Primarily to On-Premise
<b>NOLVs</b>	Decreasing ▼	Mixed ⬆️
<b>Sales Trends</b>	Decreasing ▼	Increasing ▲
<b>Gross Margin</b>	Decreasing ▼	Mixed ⬆️
<b>Inventory</b>	Increasing ▲	Increasing ▲

## NOLVs

NOLVs generally decreased for companies that primarily sell to the off-premise channel due to continued softened sales, as well as a decrease in gross margin as a result of higher input costs. NOLVs were mixed for companies that primarily sell to the on-premise channel due to a rebound in restaurant, bar, and tasting room traffic, coupled with a decline in gross margin as companies faced higher packaging and ingredients costs.

- **Wine:** NOLVs for wine, particularly bulk wine, were further impacted by increased bulk wine prices, which was driven by inflationary pressures and a lower-than-average crop.
- **Spirits:** Bulk whiskey NOLVs generally increased as bulk whiskey market prices remained steady and even increased in certain instances. However, younger brown spirits and new fills have seen decreased market pricing due to new players entering the market, which has partially offset the increase in bulk whiskey NOLVs. NOLVs for bulk tequila increased amid high demand within the market, coupled with limited supplies.

## SALES TRENDS

Sales trends were mixed for wineries and wine distributors. Wine suppliers that primarily service on-premise channels saw an increase in sales as traffic increased at restaurants, bars, and tasting rooms; however, sales have remained soft for producers and distributors that primarily service off-premise channels. Sales to both on-premise and off-premise channels

Market Prices	Three Months	12 Months
<b>Bulk Wine</b>	Consistent —	Increasing ▲
<b>Bulk Spirits</b>	Mixed ⬆️	Mixed ⬆️
<b>Corn</b>	Decreasing ▼	Decreasing ▼
<b>Wheat</b>	Decreasing ▼	Decreasing ▼

increased for spirits producers and distributors, exemplifying high demand for the spirits industry.

## GROSS MARGIN

Gross margins primarily decreased due to increased input costs. However, some companies that sell to on-premise channels witnessed an increase in gross margin, as the on-premise channel typically achieves a higher margin. Additionally, producers have benefitted from the premiumization trend and a decline in freight costs as the year went on.

## INVENTORY

Inventory levels increased for producers and distributors of wine and spirits due to resolved supply chain issues, higher input costs, and increased demand for industry products. Decreases were partially offset for some wine producers, however, due to a smaller harvest in 2022 versus 2021, despite even the 2021 yield falling short of historical averages.

## PRICING

Pricing for bulk wine increased over the last 12 months and remained consistent over the quarter, while pricing for bulk spirits was mixed for the last 12 and three months. Corn and wheat prices decreased for the latest 12 and three months after skyrocketing in February and March 2022 amid the start of the Russia-Ukraine crisis. Declining prices can primarily be attributed to a bearish demand outlook and the return of grain shipping from the Black Sea following an export deal between Russia and Ukraine.

# Overview

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In 2022, the U.S. alcoholic beverage industry was primarily characterized by post-pandemic normalization. Travel activity rebounded and consumers continued to return to restaurants, bars, and tasting rooms, resulting in a boost in on-premise sales.

According to the U.S. Census Bureau, U.S. foodservice and drinking establishments' sales increased 16.7%, despite hospitality employment still 750,000 jobs below pre-pandemic levels per the U.S. Bureau of Labor and Statistics. U.S. off-premise sales remained relatively flat in 2022, with super-premium options and RTD (ready-to-drink) cocktails remaining a bright spot within the retail market. Liquor, wine, and beer store retailers were not immune, however, from the supply chain issues that plagued a variety of industries in 2022, preventing revenue from increasing further. Out-of-stocks caused by production disruptions, long lead times, and container shortages, persisted from 2021 into much of 2022, exacerbated by the Russia-Ukraine conflict. Many retailers found themselves consistently increasing prices to keep up with fluctuating costs from beverage producers that contended with their own supply constraints, including bottle shortages and increased labeling, freight, and input costs.

Despite inflation, premiumization continues to be the number one trend within the alcoholic beverage industry, particularly within the off-premise market. Experts speculate that the continued rise in premiumization is due to a changing demographic of alcoholic beverage consumers. Older generations are more likely to splurge on a more expensive bottle of spirits or wine than younger generations. Furthermore, many retail operators are noticing a decline in consumption from young adults.

Certain young drinkers are instead reaching for non-alcoholic or low-alcohol options. Due to its rapidly gaining popularity, bars, restaurants, and e-commerce sites dedicated to non/low alcohol beverages are entering the market. Additionally, many manufacturers are looking for ways to implement other ingredients that may enhance a drinker's mood or result in physical benefits into these alcohol-free beverages, such as CBD (cannabidiol), nootropics, or adaptogens.

Alcohol drinkers, particularly young consumers, are also increasingly factoring in a brands' environmental, sustainability, and diversity initiatives when making purchasing decisions. As a result, producers are progressively searching for ways to make their products and packaging eco-friendly. Some producers have incorporated recycled ingredients or by-products in their manufacturing process, with the intent to minimize waste.

In an effort to increase sales from a younger demographic, alcoholic beverage retailers and manufacturers alike have ramped up their marketing strategies. Many retailers have resorted to short-form videos on social media platforms, to introduce buyers to new product offerings. Retailers are also planning on implementing in-store tasting to create an interactive environment for its customers, in addition to QR codes, so that buyers can read the history behind each product.

# Overview

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E-commerce sales slowed since the height of the pandemic when stay-at-home orders led to many making purchases online, but still increased marginally in market share in 2022. Many alcoholic beverage wholesale distributors are also entering the e-commerce space to streamline operations for their on-premise and off-premise customers. RNDC (Republic National Distributing Company), for example, expanded its digital platform into 17 states in 2022, growing 69%. In addition, business-to-business alcoholic beverage online marketplaces Provi and SevenFifty merged early in 2022, increasing their market share within the e-commerce wholesale alcoholic beverage space.

The alcoholic beverage industry is consistently characterized by consolidations and mergers. In January 2023, wholesaler Breakthru Beverage Group acquired Wine Warehouse, one of the largest distributors in California and ranked top-10 nationally. In February 2023, alcoholic beverage delivery app Drizly merged with GoPuff to bring GoPuff's alcoholic beverage subsidiaries onto the Drizly platform. In addition, effective March 1, 2023, major wine producer E&J Gallo closed its own distribution branch to partner with RNDC in California. Looking forward, wholesale distribution within the alcoholic beverage industry is forecasted to become increasingly concentrated due to the regulatory nature of the industry and as top wholesalers are already largely segmented in a number of regions.



# Wine

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The overall wine market continued on its downward trend in 2022, primarily driven by a decrease in sales for wine priced below \$15.

Treasury Wine Estates' Americas division recorded a decrease in sales volume of 15.4% for the first half of its fiscal year ended December 2022, which was partially offset by increased sales for the company's luxury Frank Family and Beaulieu brands.

Constellation Brands' wine and spirits division followed a similar trend, declining 1% in organic net sales for its fiscal third quarter ended November 2022, despite its premium New Aspira portfolio recording 9% depletion growth.

These are just two examples within the wine industry that show the firm barrier that has formed between premium and non-premium wines. Industry experts point to demographics as being the leading cause for a lack of demand for wine priced below \$15. The vast majority of wine drinkers represent higher-income consumers that are more likely to purchase, and prefer, more expensive wine. In addition, younger demographics are opting more for spirits, alternative beverages, and healthier options. Though some young drinkers have shown interest in all-natural wines, this represents a small portion of overall revenue.

Sales of collectible wines also declined in 2022. The Liv-Ex 100, which represents a London-based index of top collectible wines, declined in July 2022 for the first time in 18 months, before declining again in October and November.

Sparkling wine was the only wine category to exhibit growth in 2022. Moët Hennessey (Dom Perignon, Moët & Chandon, Veuve Clicquot, etc.) reported that champagne volume sales increased 6% in 2022. Increases in sparkling wine sales can primarily be attributed to pent-up demand from weddings, personal milestones, and other social gatherings and celebrations. To follow the direction of demand, certain wine companies are extending into the sparkling wine category. Constellation Brands' popular Kim Crawford brand, for example, recently introduced a sparkling prosecco.

Unlike other categories, wine prices did not increase drastically in response to inflation, as producers were wary of further turning away consumers. Therefore, in addition to reduced customer traffic, wineries also faced gross margin pressures, as many did not fully pass through increased input costs on to their customers. Many major wine companies have initiated restructuring efforts to improve profitability. Vintage Wine Estates, for example, has implemented a cost cutting initiative under the guidance of a new chief executive officer.



# Spirits

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Spirits sales have continued to increase in both dollars and volume and have increased in both the on-premise and off-premise channels. For the first time, spirits have even surpassed beer in total alcoholic beverage industry market share.

Tequila and whiskey continue to be two of the fastest-growing segments within the spirits industry. Almost all top brands within these categories documented sales growth in 2022, particularly within their premium sectors. North American Diageo organic net sales, for example, increased 3.0% on a dollar basis for the six months ended December 31, 2022, primarily propelled by its tequila brands (Casamigos, Don Julio, etc.) which increased 24%. The company's American whiskey brand, Bulleit, increased 19% in sales. Though dollar sales increased, Diageo's sales declined 4% on a volume basis. Dollar sales inclines were primarily driven by price mix, as the global company's super-premium brands increased 12%.

Grupo Cuervo followed a similar pattern, with its U.S. and Canada division's dollar sales increasing 6.6%, but declining 2.5% in volume in 2022. According to Grupo Cuervo, the company's higher-priced 1800, Gran Centenario, and Maestro Dobel tequilas drove growth, alongside increased sales of Jose Cuervo. Furthermore, Beam Suntory posted increases of 10.5% for the year, while its premium brands increased 15%. Premium brands now account for more than half of Beam Suntory's full bottle spirit sales, according to the company. Increases were led by Basil Hayden Bourbon, which increased 40%, and Maker's Mark, which increased 11%.

Imports of mezcal and scotch into the U.S. have further supported growth within the tequila and whiskey categories. Consumers have been drawn to mezcal due to the interesting stories of the villages and people that produce it, primarily in Oaxaca, Mexico. Scotch, on the other hand, has benefited from the removal of tariffs on single-malt whiskies. Both categories have also benefited from a rebound in travel activity and on-premise traffic.

Though still the spirits industry's highest revenue producer, vodka is declining in popularity. Certain brands, such as Ketel One and Ciroc, witnessed declines of 14% and 46%, respectively, for the six months ended December 2022.

Rum popularity has also decreased, but is projected to increase in 2023. Certain spirits companies have begun to acquire premium rum brands ahead of the anticipated demand. Diageo, for example, purchased Don Papa Rum, a super-premium dark rum from the Philippines, with the deal expected to close in the first half of 2023. In addition, Brown-Forman (Jack Daniels, Woodford Reserve, etc.) acquired premium Venezuelan rum brand Diplomatico in January 2023.



# Spirits

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Gin growth outpaced that of vodka and rum primarily as a result of premiumization, as the majority of leading gin brands are priced over \$25. Gin growth has also been the result of producer experimentation, with pink and infused gins entering the market, which is often an intrigue to bartenders.

Aperitifs, liqueurs, and cordials also each saw a spike in demand in 2022. According to the Campari Group's annual results, Aperol sales increased 28.2%, while Campari sales increased 23.8%. Though liqueurs and cordials tend to surge around the holiday season, retailers have witnessed steady sales of these products throughout the year as well. Similar to gin, off-premise drinkers are experimenting with liqueurs and cordials as they bartend at-home for social gatherings.



Cognac is one of the only spirits categories experiencing declines. Remy Cointreau recorded a decrease in its cognac sales of 11% in the most recent quarter ended December 2022, though noted that sales spiked in February 2023 after a strategic SuperBowl ad. In addition, Moët Hennessy noted that its cognac sales were negatively impacted in the beginning of 2022 amid logistical disruptions.

Moving forward, spirit-based RTDs will persevere as the fastest-growing sector of the spirits industry, particularly as they further infiltrate the on-premise market. Spirits producers are continuing to add new SKUs to their RTD portfolios, including products that incorporate natural or alternative sweeteners to attract a younger, more health-conscious audience. North America Diageo reported an increase in its spirit-based RTDs of 12% for the first half of its fiscal year ended December 2022, while Beam Suntory reported that its RTD sales increased 16% in 2022, with its On-The-Rocks brand doubling in sales.

# Beer

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Brewers will have to continue utilizing innovation to take market share back from the spirits industry. Yet, the beer industry attained more success in 2022 than most of the wine industry. Constellation Brands, which posted declines related to its wine and spirits segment, saw an increase in beer sales of 8% for its fiscal third quarter ended November 2022. Growth was primarily driven by Modelo Especial, Corona Extra, and Pacifico, as import sales have continued to drive growth.

Within the domestic market, the beer industry has not been as impacted by premiumization and inflation as the other alcoholic beverage sectors. Anheuser-Busch, which includes “economy” brands, such as Bud Light, Busch Light, and Natural Light, increased 2.3% in sales volume and 11.2% in revenue, with Bud Light representing the number one best-selling beer brand, exemplifying that consumers are not as eager to purchase premium beers. Although Molson Coors increased its pricing twice in 2022, it has decided to return prices to normal levels in 2023.

Nonetheless, the on-premise market maintains its dedicated base of craft beer drinkers. To attract new and existing brew-drinkers alike, craft beer producers have been creating new product flavors, such as incorporating chocolate, chili pepper, or various fruits in the manufacturing process. Piggybacking off the success of whiskey sales, some brewers are even partnering with distilleries to infuse flavors of aged brown spirits into their beer.

Non-alcoholic beers are also gaining market share, particularly brewing interest among young consumers. Heineken 0.0, Budweiser Zero, and O’Douls lead the non-alcoholic beer market, but face fierce competition from non-alcoholic beer brand Athletic Brewing. In November 2022, Athletic Brewing received a \$50 million investment from Keurig Dr. Pepper and the company is poised to become the number one player in the non-alcoholic beer market in 2023.

Demand for hard seltzers, which is categorized as beer, has slightly declined in 2022 and the subcategory is forecasted to face strong competition from RTDs in 2023. Nevertheless, hard seltzer sales still account for a large share of off-premise sales and many retailers have reported increasing their cooler sizes in 2023 to carry more hard seltzer products.



# Pricing Trends

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## BULK WINE

The U.S. includes over 7,000 wineries, with over half of them located in California. California accounts for over 80% of American wine production.

Though wildfires are a constant threat, California did not face any significant fires that impacted the 2022 harvest. Instead, the harvest was plagued by drought conditions, severe frost, and vineyard removals, resulting in a lower-than-average yield. Uncertainty surrounding the wine industry swirled amongst buyers and many erred on the side of caution while making purchases, hesitant to bring in a large supply in fear that demand would not match.

The 2023 harvest is still months away; however, experts are optimistic. California received more than its average amount of yearly rainfall in December 2022 and January 2023, plus the largest snowfall since 1995 in February 2023. Early precipitation is often a sign for a good vintage, as it could result in less water restrictions when the harvest arrives.



According to data from the USDA National Agricultural Statistics Service's 2022 California Grape Crush Report, the wine grape crush totaled 3.7 million tons in 2022, a decrease of 5.9% from 3.9 million tons in 2021.

In 2022, red wine varieties accounted for the largest share of grapes crushed at 1.9 million tons, which declined 6.4% from the prior year. The white wine variety decreased 7.9% from 2021 to 1.5 million tons. Cabernet sauvignon accounted for the largest percentage of total crush volume at 15.4%, surpassing chardonnay, which accounted for 14.3%.

In 2022, the average price of all varieties was \$921.10 per ton, an increase of 6.9% from 2021. Red wine grapes maintained an average price of \$1,169.90, which represented an increase of 9.0%, while the average price of white wine grapes was \$683.20, an increase of 1.1%. Raisin grapes maintained an average price of \$309.50, up 6.2%, while table wines increased 17.1% to \$214.13.

B. Riley relies on bulk wine prices from the nation's two leading brokerage companies, Ciatti Company and Turrentine Brokerage. In addition, Turrentine Brokerage claims that its broad range of values covers approximately 95% of sales, while its most likely range applies to roughly 80% of sales. However, estimates from neither brokerage are guaranteed to reflect actual market prices.

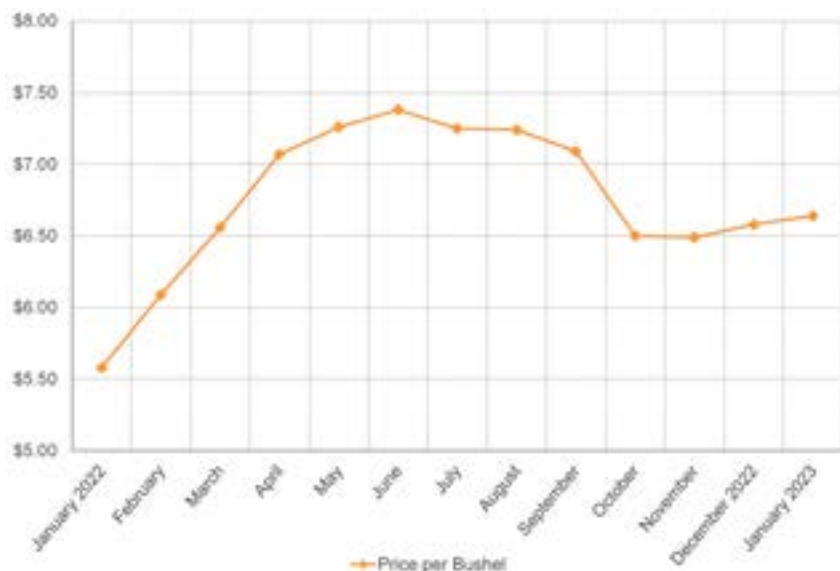
# Pricing Trends

## BULK SPIRITS

Bourbon and whiskey are aged for multiple years and become more valuable as they age. While American corn whiskey tends to require less barrel age, its value increases over time in a consistent manner with Kentucky bourbon and Canadian whiskey.

Bulk prices for brown spirits have been mixed over the last year. Though brown spirits have continued to remain steady, and even increased in certain instances, younger brown spirits and new fills have seen declines in market pricing due to new players entering the market space. Such new players may include bourbon funds or non-traditional distributors that have been incentivized by the surge in demand for brown spirits. Tequila pricing has continued its upwards climb due to increased consumer demand and an increased number of producers entering the market, leading to agave shortages.

### 1 U.S. Corn Average Farm Price Received per Bushel 13 Months Ended January 2023



## CORN

The corn marketing year runs from September of one year through August of the next year. Based on the most recent WASDE (World Agricultural Supply and Demand Estimates) report from the USDA released on March 8, 2023, the outlook for the U.S. corn market has been lowered in exports and increased in ending stocks versus February 8, 2023. Exports declined 75 million bushels due to current slow pace of exports this year. Ending stocks increased 75 million bushels. The season-average corn price decreased 10 cents based on receipts from corn producers, to \$6.60 per bushel.

Globally, the coarse grain outlook recorded lower production, consumption, and ending stocks versus the prior month. The decline in production can primarily be attributed to lower production levels in Argentina, which faced unfavorable weather conditions in February and into March. Increased production in India and Paraguay is forecasted to partially offset these declines. Foreign corn ending stocks are decreased from the prior month as a result of declines in Brazil and Ukraine.

# Pricing Trends

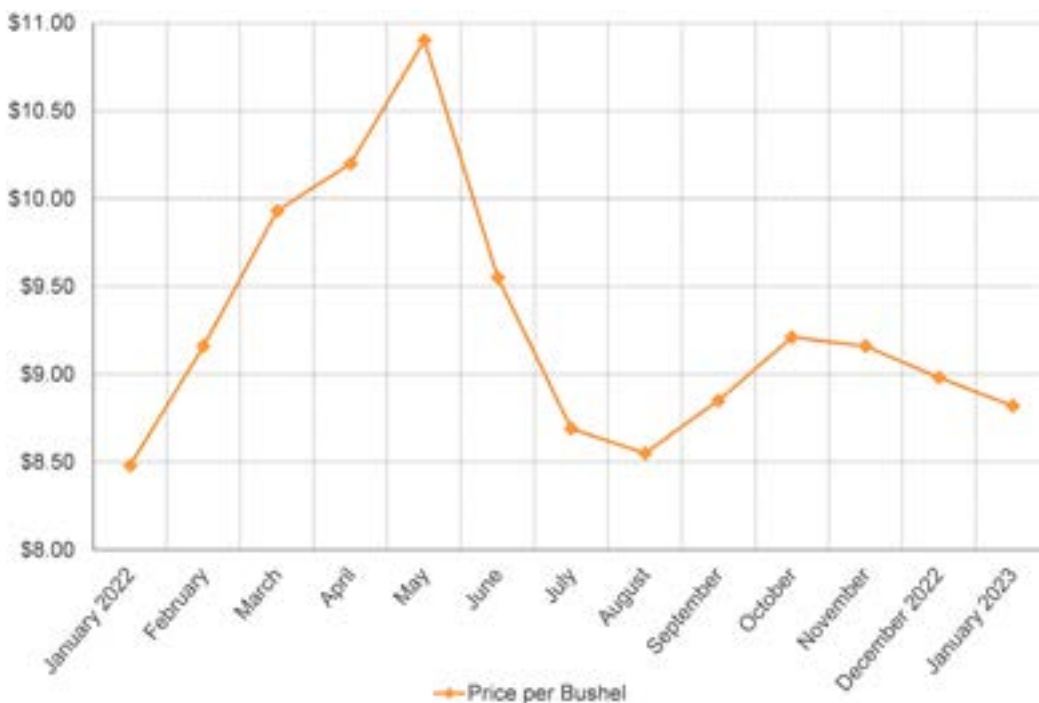
## WHEAT

The wheat marketing year runs from June of one year through May of the next year. The outlook for 2022/23 U.S. wheat based on the most recent WASDE report as of March 8, 2023 is unchanged from the February 8, 2023 report. The season-average farm price is consistent with the prior report's projections at \$9.00 per bushel.

Globally, the 2022/23 wheat outlook was decreased for suppliers and ending stocks, while trade and consumption increased. The slight decline in supplies is due to an increase in production, which increased 5.1 million tons, coupled with lower beginning stocks, as a result of updated government data. Trade increased 1.0 million tons and was primarily related to Kazakhstan, Australia, and Brazil, while Argentina and India saw declines in trade. Consumption increased 2.0 million tons, which can be attributed to higher levels of food, seed, and industrial use in India, and feed and residual use in Kazakhstan. Ending stocks declined 2.1 million, primarily due to lower stocks for China.

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U.S. Wheat Average Farm Price Received per Bushel  
13 Months Ended January 2023



# Reference Sheet

## U.S. CORN

Average farm price received per bushel

Marketing Year*	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
2021/2022	\$4.75	\$4.89	\$5.31	\$5.91	\$6.00	\$6.12	\$6.32	\$5.47	\$5.02	\$5.26	\$5.47	\$5.58
2022/2023	\$6.09	\$6.56	\$7.07	\$7.26	\$7.38	\$7.25	\$7.24	\$7.09	\$6.50	\$6.49	\$6.58	\$6.64
Change	28.2%	34.2%	33.1%	22.8%	23.0%	18.5%	14.6%	29.6%	29.5%	23.4%	20.3%	19.0%

\*U.S. marketing year for corn is from September to August.

## U.S. WHEAT

Average farm price received per bushel

Marketing Year*	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
2021/2022	\$5.83	\$5.86	\$6.04	\$6.46	\$6.23	\$6.26	\$7.14	\$7.75	\$7.92	\$8.51	\$8.59	\$8.48
2022/2023	\$9.16	\$9.93	\$10.20	\$10.90	\$9.55	\$8.69	\$8.55	\$8.85	\$9.21	\$9.16	\$8.98	\$8.82
Change	57.1%	69.5%	68.9%	68.7%	53.3%	38.8%	19.7%	14.2%	16.3%	7.6%	4.5%	4.0%

\*U.S. marketing year for wheat is from June to May.

## U.S. BARLEY

Average farm price received per bushel

Marketing Year*	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
2021/2022	\$4.97	\$4.90	\$4.83	\$4.92	\$4.86	\$5.02	\$5.04	\$5.11	\$5.38	\$5.22	\$5.41	\$5.59
2022/2023	\$5.43	\$5.69	\$6.00	\$6.07	\$6.46	\$6.60	\$7.44	\$7.43	\$7.47	\$7.24	\$7.48	\$7.26
Change	9.3%	16.1%	24.2%	23.4%	32.9%	31.5%	47.6%	45.4%	38.8%	38.7%	38.3%	29.9%

\*U.S. marketing year for barley is from June to May.

## U.S. RYE

Average farm price received per bushel

	2022	2021	2020	2019	2018
PRICE PER BUSHEL	\$7.50	\$6.75	\$5.35	\$6.01	\$6.27
CHANGE FROM PRIOR YEAR	11.1%	26.2%	(11.0%)	(4.1%)	33.4%

# Monitor Information

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B. Riley Advisory Services' *Wine & Spirits Monitor* relates information covering most wine and spirits, including industry trends and market pricing, and their relation to our valuation process. Should you need any further information or wish to discuss recovery ranges for a particular segment, please feel free to contact your B. Riley Advisory Services Business Development Officer.

The information contained herein is based on a composite of B. Riley Advisory Services' industry expertise, contact with industry personnel, liquidation and appraisal experience, and data compiled from a variety of well-respected sources believed to be reliable. B. Riley Advisory Services does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this issue. Neither B. Riley Advisory Services nor any of its representatives shall be liable for use of



# Experience

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B. Riley Advisory Services was involved in the liquidation of Havens Wine Cellars and Billington Imports LLC and has liquidated several national and regional grocery stores that included wine and spirits such as A&P, Andronicos, Cost Cutter, Food Pavilion, and The Markets. B. Riley Advisory Services has also worked with and appraised numerous companies within the wine and spirits industry. While our clients remain confidential, they include industry leaders, including large distributors and specialty retailers of alcoholic beverages, producers of wine and beer, and national and regional grocery stores. Products have included a variety of value-priced, mid-tier, premium, and ultra-premium brands including highly recognizable and reputable names. B. Riley Advisory Services' extensive list of appraisal experience includes:

- Leading regional distributors of spirits, wine, and beer with products such as vodka, whiskey, cognac, rum, brandy, scotch, tequila, various wines, craft beers, and non-alcoholic beverages such as mixers, water, and carbonated drinks.
- Producers and rectifiers of whiskey and other distilled spirits, including vodka, gin, tequila, liqueurs, and absinthe, which are sold under well-recognized, nationally distributed brands.
- A producer and distributor of private label wine, beer, and spirits for large retailers primarily in the U.S. and the U.K.
- A vertically integrated distributor of a known vodka brand.
- One of the largest specialty retailers of alcoholic beverages in the West that offers more than 3,000 types of wine, 1,500 types of spirits, and 1,200 types of beer.
- One of the largest U.S. distributors of wine and spirits with revenues of over \$1.5 billion, servicing liquor and grocery stores, restaurants, bars, casinos, and reservations.
- National and regional grocery stores that sell a wide variety of beer, wine, and spirits.

In addition to wholesalers of case and bulk wine, including those mentioned on the above, B.

Riley Advisory Services also maintains extensive appraisal experience with numerous domestic wineries, allowing for additional specialization.

- A well-known producer of ultra-premium, luxury wines from estate vineyards in Napa Valley and Anderson Valley, as well as from vineyards in the Russian River Valley and Sonoma Valley.
- A producer of wines originating primarily from California's North and Central Coasts, as well as from the Lodi AVA in the Central Valley, which are sold under its well-known labels throughout the U.S. and the world.
- A producer of moderate- to high-end wines, with varietals including pinot noir and chardonnay and sourced from its three estate vineyards in the Carneros AVA, while the remainder is sourced from growers primarily in the same AVA in Napa and Sonoma counties.
- A bottler and distributor of wines under several proprietary labels, with varietals sourced from California and internationally.
- A Napa Valley producer of high-end wines sold under well-known proprietary labels, with over 99% of grapes sourced from its 235-acre estate in Rutherford, California.
- A producer and marketer of moderate- to high-end wines in the Napa Valley and Sonoma County, all of which are produced with estate-grown fruit and sold under three owned brands.
- A producer of moderate- to high-priced wines in the Pacific Northwest and California including eight

# Meet Our Team

## APPRAISAL & VALUATION TEAM

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# About B. Riley Advisory Services

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B. Riley Advisory Services works with lenders, law firms, private equity sponsors and companies of all types. Our Advisory Services are a unique mix of Valuation and Appraisal Services including asset-based lending (ABL) Valuations; Restructuring and Turnaround Management; Forensic Accounting and Litigation Support; Operations Management; Compliance, Risk & Resilience Services; and Transaction Support Services including Due Diligence and Quality of Earnings Reviews. B. Riley Advisory Services is the trade name for GlassRatner Advisory & Capital Group, LLC, Great American Group Advisory & Valuation Services, LLC, Great American Group Machinery & Equipment, LLC, and Great American Group Intellectual Property, LLC.



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# Capitalize On The B. Riley Difference

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B. Riley Financial (“B. Riley”) provides collaborative solutions tailored to fit the capital raising and business advisory needs of its clients and partners. B. Riley operates through several subsidiaries that offer a diverse range of complementary end-to-end capabilities.

## ADVISORY SERVICES

Provides specialty financial advisory services to address complex business problems and board level agenda items.

- Appraisal & Valuation Services
- Compliance, Risk & Resilience Services
- Forensic Accounting & Litigation Support
- Operations Management Services
- Restructuring & Turnaround Management
- Transaction Support

## ASSET MANAGEMENT

SEC-registered investment adviser that provides alternative investment management services.

## INVESTMENT BANKING & CAPITAL MARKETS

Provides a full suite of investment banking, corporate finance, advisory, research, and sales and trading services for middle-market public and private companies.

- Capital Markets
- Restructuring & Recapitalization
- Mergers & Acquisitions (M&A)
- Equity Research
- Sales & Trading
- Fixed Income Investment Solutions

## PRINCIPAL INVESTMENTS

Develops investment opportunities through the acquisition and/or restructuring of companies and corporate assets that present attractive cash-flow driven returns.

## REAL ESTATE SOLUTIONS

Dedicated practice group that provides real estate advisory and valuation services in the U.S. and abroad.

- Sales & Dispositions
- Lease Restructuring
- Real Estate Advisory Services
- Capital Solutions & Acquisitions

## RETAIL SOLUTIONS

Provides asset disposition and large-scale retail liquidations, helping clients liquidate and realize immediate returns from excess inventories and underperforming assets.

- Dispositions
- Inventory Clearance
- Appraisal & Valuation Services
- Real Estate Solutions

## SPONSORS COVERAGE

Provides dedicated resources that drive value with the firm’s alternative asset manager clients by developing and maintaining relationships with middle market financial sponsors.

## VENTURE CAPITAL

Invests in late-stage private growth companies with a path towards public markets.

## WEALTH MANAGEMENT

Strategic investment and wealth solutions to address the various needs of individuals, families, business owners, foundations and endowments.

- Individual Client Services
- Business Client Services

## WHOLESALE & INDUSTRIAL SOLUTIONS

Provides equipment management and capital recovery solutions through a suite of services in various industries.

- Auctions, Private Treaty & Liquidation
- Valuations
- Asset Planning & Recovery Strategies