

FOCUSED ON HELPING THE WINE, SPIRITS, AND BREWERY INDUSTRY

CohnReznickLLP



CohnReznick is an independent
member of Nexia International

Presented to:





FACTS & FIGURES



Leading
advisory, assurance,
and tax firm
in the United States



Hundreds of
manufacturing, hospitality,
and consumer focused
professionals firm-wide

Leaders in supporting
the food and beverage
industry



Vast expertise in
supporting growth for
wine, spirits, and brewery
businesses



3

local offices in MD & VA

International reach
via Nexia International
in more than
100 countries



WHY COHNREZNICK?

CohnReznick has clients and relationships in the wine, spirits, and brewery industries, which cover the Hospitality, Manufacturing and Distribution, Consumer, Technology and Advisory practice groups. This collaborative approach across industries allows for a tailored solution to all challenges that may arise. We've seen this movie before and are aware of the pitfalls and opportunities that exist.

Our team is best-in-class and is passionate about what you are passionate about. With decades of industry experience, we are focused on connecting our existing clients with new relationships in the sector. Our team of industry experts assist wine and spirits distributors, growers, and producers manage complex financial and operational challenges throughout **all stages of the business lifecycle**. From concept development, through growth and a liquidity event, our team is **proactive** in supporting the client's business strategy while **increasing controls and profitability**.

Our clients benefit from what we can bring to the table such as:

- Connecting relationships with wine and spirits distributors, growers, and producers
- Connected industry leaders with extensive relationships in the technology, distribution, and legal community
- Deep expertise to boost your on- and off-premise sales channels
- On top of the tax and compliance challenges and opportunities impacting your business
- Strong relationships within the capital markets community
- Thought leaders on top of industry trends and immersed in local brewery and distillery associations across the nation





TODAY'S WINE, SPIRITS AND BREWERY CHALLENGES

The wine, spirits and brewery industries have seen both exponential challenges and vast opportunities as a result of the pandemic this past year. Some of today's top challenges for the wine, spirits and brewery industries include:

- Development of a user friendly and fully integrated e-commerce platform
- Online ordering and delivery
- State sales tax issues
- Development of a company owned direct-to-consumer model
- Supply chain visibility – where and when an item is scheduled to arrive, in stock availability, and port challenges
- International importing of raw materials and finished goods
- Logistics issues and demurrage
- Inventory management and control
- Brand awareness and customer loyalty
- Successful expansion of your distribution channels
- Compliance for expanding distribution channels
- Customer management / CRM implementation
- Order management - mobile & centralized
- Immature technology and poor data integration to allow for real time decision making capabilities
- Costing challenges for end product
- Depreciation rules and tight profit margins
- Disparate data





CREATING VALUE FOR YOUR BUSINESS

CohnReznick's wine, spirits and brewery team provides the industry insight, technical capability, and speed-of-action needed for owners and operators to execute their business strategy to achieve their vision. We deliver:



Right Team. Right Capabilities.

Industry specialists who recognize opportunities to **protect profits**

Nimble and responsive, we **mobilize on-demand** to address time-critical situations

Diverse team of **creative problem solvers** that provide **quality services at a fair price**

Engagement team continuity to retain institutional knowledge



Tailored Solutions

Tailored services and deliverables to **match the complexity of current market conditions**

Understanding of the business life cycle and the needs of an evolving hospitality enterprise

Scratch-made solutions to elevate **financial and operating processes**

Offer observations and insights to **accelerate growth and create value**



Results from Solid Connections

Deep connections to leaders in the capital markets, legal, lending, and regulatory communities

Respected industry leaders who connect clients with the right relationships to achieve long-term success

Established thought leaders who publish and present on issues such as PPP loan forgiveness, access to capital, and strategic business realignment strategies



OUR WINE, SPIRITS & BREWERY CLIENTS

Leading consumer, hospitality and manufacturing and distribution companies have relied on CohnReznick for our expertise in accounting, auditing, taxation, business consulting, and information services. The following is a sampling of some of the wine, spirits and brewery companies we have worked with:

- Abrol, Inc. (The Wine Chateau)
- A.K. Liquors, Inc.
- Allied Beverage Group, LLC
- American Whiskey
- Apothio, LLC
- Athletic Brewing Company
- Appalachian Liquors Corp
- Barcelona Wine Store
- Bertoux Brandy
- Boscoe Wine Co. LLC
- California Premium Brandy
- Celebrity Brands Spirits, LLC
- Cinco Spirits Group LLC
- City Winery
- Compass Box Delicious Whisky Ltd.
- Crooked Stave
- Diageo North America, Inc.
- Drizly
- Elixir Beverages, Inc.
- F&A Distributing Company
- Italian Wine Company, LLC
- John I. Haas, Inc.
- Karlson & O'Mara Distilleries LLC
- Liquor Depot
- Majestic Wine and Spirits U.S.A., LLC
- MISCellaneous Distillery
- Naked Wines, Inc.
- Old Line Fine Wine
- Opici Family Distribution
- ReserveBar
- Shore Point Distributing Company, Inc.
- Skrewball Spirits, LLC
- Sonoma Brands
- Spirits Lab Distillery Company
- Spiritus Wine, Inc.
- Three 3's Brewing Company
- Terravant Wine Company LLC
- Two Chicks Drinks
- Verity Wines
- Village Wines & Spirits
- Virginia Distillers Association
- Virginia Distillery Company, LLC
- WeldWerks Brewing Co.
- Wine Library
- Wine to Water
- Wine Wall LLC
- Wine Wise, LLC
- WJ Deutsch & Sons

TAILORED SOLUTIONS DRIVEN BY CLIENT-FOCUSED VISION



We do not offer a “one-size-fits-all” approach to problem solving. Instead, we help clients achieve their goals by providing tailored solutions based on our in-depth understanding of each client’s unique needs, opportunities, and challenges — and by staying focused on the specific vision for the enterprise.

TAILORED SOLUTIONS DRIVEN BY CLIENT-FOCUSED VISION



“Cohn Reznick has been an excellent team to work with for our yearly audit and tax needs! They work as partners with our team, taking time and care to genuinely understand our unique spirits business to provide a high quality of service.”

- Jerry Heddy
Operations Director
Virginia Distillery Co.



TAILORED SOLUTIONS FOR THE INDUSTRY

- **Tax compliance and planning**
- **Assurance (formal financial statements)**
- **State and local tax compliance**
- International accounting and tax
- Technology enablement: CRM, supply chain, WMS, and ERP integration
- **Cost segregation studies**
- Accounting advisory
- Product and cash flow enhancement
- Pre- and post-acquisition services
- **Buy and sell-side due diligence**
- Transactions and capital raise
- **COVID relief – PPP, ERC, RRF consulting**
- Inventory management & process improvement
- Integrated business planning and forecasting
- Workforce and sales enablement
- Operational consulting and management advisory





SOLUTIONS TO UNLOCK GROWTH

Your business is constantly evolving and so are our recommendations and resources. CohnReznick's Hospitality practice specializes in delivering world-class client service to help unlock growth potential, maximize efficiencies, and increase profit margins. We provide strategic, financial, and advisory services to hospitality companies at all stages of the business life cycle.



PROFIT ENHANCEMENT PROGRAM

- Streamline financial reporting
- Develop effective internal controls
- Increase efficiencies for scale
- Tighten governances
- Retain talent and incentivize staff
- Improve cash flow and profit margins
- Attract mature investors
- Benchmarking analysis

BUSINESS TRANSFORMATION STRATEGIES

- Comprehensive cost evaluation and restructure
 - Automated processes
 - Labor architecture redesign
 - Supply chain management
- Modeling for expansion
- Licensing agreements
- Expansion through franchising
- Evaluation and modeling for commissary
- Innovative / opportunistic revenue streams
- Rapid initiative reprioritization
- Enhanced capital deployment / investment strategic roadmap

TRANSACTION AND M&A CONSULTING

- Transaction readiness, target screening, and deal evaluation
- Buy- and sell-side due diligence
- Identify structure which optimizes returns
- Analysis of financial feasibility
- Allocate project cash flow
- General market comparisons and comparable transactions
- Sell side Quality of Earnings
- Purchase price disputes
- Post-transaction performance improvement and integration consulting

TAX OPTIMIZATION

- Tax Credit Advisory
- Project Finance and Consulting
- Consider purchase price allocations
- Reflect cash vs. accrual rules for related-party sponsors
- Benefits and detriments of creating blocker corps
- Analyze tax and economic benefits of all parties involved in structure
- Alignment of income/loss allocations between partners after accounting for IRS Section 704(b)
- Partnership impact due to cash flow allocations in excess of basis
- Appropriate calculation of returns in yield based structures



SOLUTIONS TO IMPROVE OPERATIONS

CohnReznick's experienced hospitality team provides various strategies to thoughtfully and expeditiously improve operations while focusing on your business vision and monetizing value to build long-term success.



OPERATIONAL CONSULTING

- Holistic assessment of business operations
- Unit level benchmarking analysis
- Secret shopping
- Evaluation of management team
- Operational value creation
- Technology assessment, integration and implementation
- Business model analysis and recommendations
- Scenario modeling
- Change management

TECHNOLOGY IMPLEMENTATION

- CIO advisory and IT strategy
- ERP system selection and implementation
- Project management
- Organizational change management
- Business process optimization
- Data management and analytics enablement
- Realtime insights into business vital signs
- Predictive capabilities
- Cloud solutions
- Process automation

FINANCIAL & OPERATIONAL TRANSFORMATIONAL SERVICES

- Corporate performance management
- Technical accounting
- Financial and business transformation
- Supply chain management
- Strategic planning, budgeting, and forecasting
- Lean management and operational excellence
- Data management and analytics

CFO ADVISORY

- Integrated business planning
- Unifies people, process and data
- Drives communication
- Improves planning processes
- Breakdown of silos
- Revenue planning
- Labor forecasting
- Supply chain management



SOLUTIONS TO ENSURE COMPLIANCE

Let us focus on compliance, while you focus on your business vision. CohnReznick can advise your business on ways to ensure compliance while minimizing risk and maximizing benefits in accordance with Federal, state, and local laws.



PPP CONSULTING

- Firm-wide SBA Task Force focused on advising hospitality companies through the COVID-19 pandemic
- Ensure proper governance through the PPP loan forgiveness process based on individual needs
- PPP loan forgiveness Consulting
- Review loan forgiveness calculation
- Maximize forgiveness amounts
- Optimization and calculation of full-time equivalent employees
- Agreed-upon procedures (AUP) engagements
- Review of supporting expense documentation

TAX COMPLIANCE

- Loss allocation strategies
- Align client's tax efficiency with the loss profile
- Review impact of related party fees
- Consider back-end tax consequences
- Weigh structuring options/present PV analysis
- Impact of related-party fee agreements on depreciation
- Evaluate cost/benefit of a DRO

ATTEST SERVICES

- Identify structure which optimizes returns
- Analysis of financial feasibility
- Allocate project cash flow
- General market comparisons and comparable transactions
- Conformity of closing documents to financial model
- Incorporate State subsidies and subsequent impacts

PRIVATE CLIENT SERVICES

- Business and investment management
- Financial planning and wealth preservation
- Insurance consulting
- Succession planning
- Individual tax planning, preparation and compliance
- Trusts and estates



RESULTS FROM SOLID CONNECTIONS

CohnReznick is actively involved in associations, organizations, regulatory bodies, and state and local governments that influence the wine, spirits and brewery industries. We work closely with our strong relationships to help our clients achieve their business objectives and vision for their firms. A few of these include:



**JAMES
BEARD
FOUNDATION**



Virginia
SPIRITS



THE LEAD



NYC | HOSPITALITY
ALLIANCE



RMS RETAIL
MARKETING
SOCIETY



S A G E
THE SAGE GROUP, LLC



*Nation's
Restaurant News*



ICR STRATEGIC
COMMUNICATIONS
& ADVISORY



ACG[®]
Association for Corporate Growth



RAMW
RESTAURANT ASSOCIATION
METROPOLITAN WASHINGTON

CELEBRATING
EST. 1920
100
YEARS
CENTENNIAL
ANNIVERSARY



NATIONAL
RESTAURANT
ASSOCIATION



CHICAGOLAND
FOOD & BEVERAGE
NETWORK



CORESIGHT
RESEARCH



RESTAURANT FINANCE MONITOR'S
RESTAURANT FINANCE &
DEVELOPMENT CONFERENCE

THANK YOU!



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