



New Hampshire Liquor Commission

HOUSE WAYS & MEANS

January 26, 2021



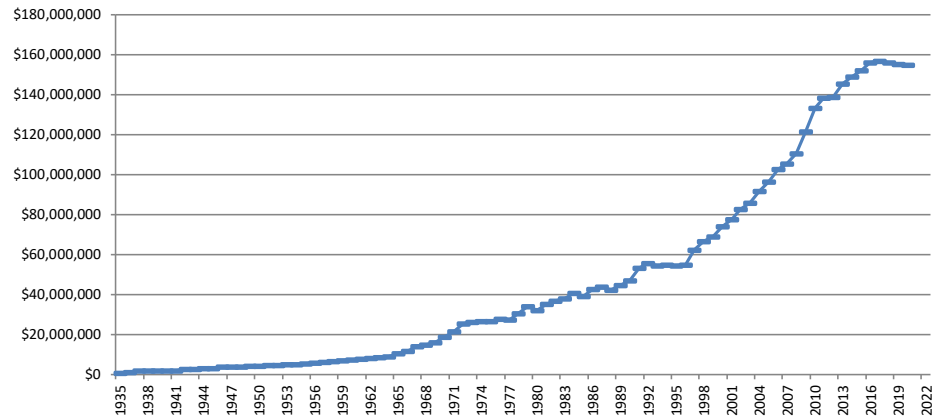
Statutory Duties (RSA 176:3)

- Optimize the profitability of the commission.
- Maintain proper controls.
- Assume responsibility for the effective and efficient operation of the commission.
- Provide service to the customers of the commission, pursuant to this title.



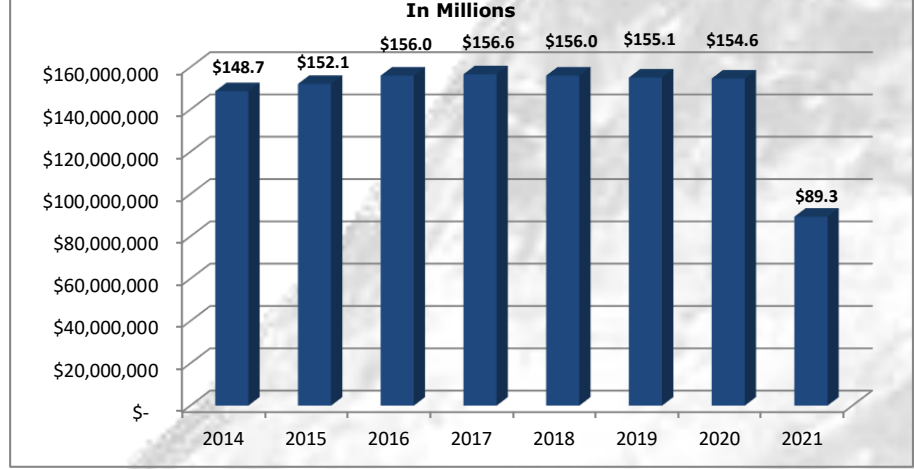
Net Profit History

Net Profit 1935 to 2020*



Total Net Profit 1935 to 2020*
\$4,006,828,993

Net Profit 2014 to 2021*



* Cash Basis; FY21 thru December 2020



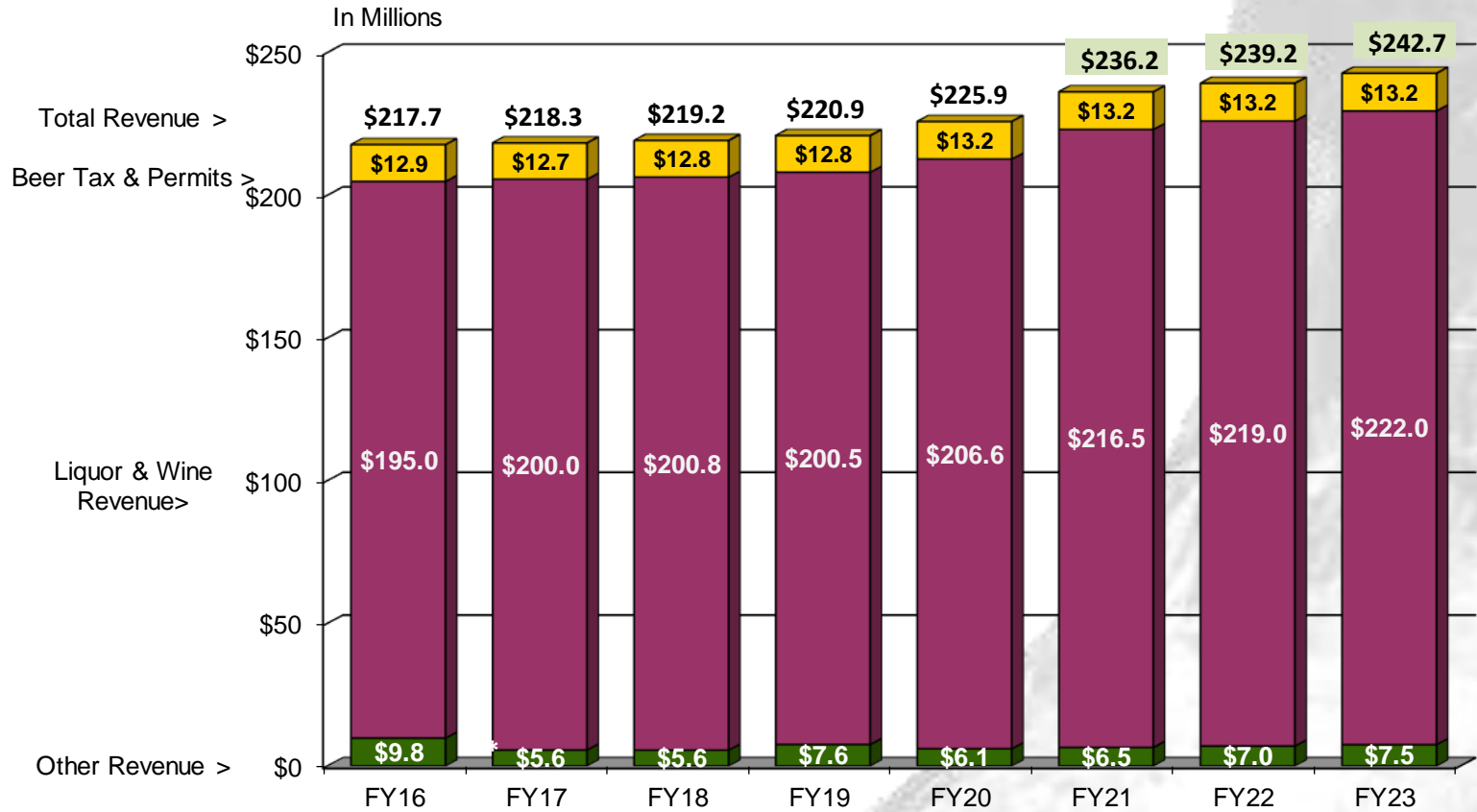
Revenue Sources

- **Beer Tax & Permits:** In accordance with RSA 178:26, I "a fee of \$0.30 for each gallon of beverage sold or transferred for retail sale or to the public shall be required for licenses issued to wholesale distributors, beverage manufacturers, and brew pubs.
- **Liquor & Wine Revenue:** The sales of wine, spirits and accessories through our outlet stores and warehouse to retail customers, on premise licensees (restaurants/lounges) and off-premise licensees (grocery stores and markets).
- **Other Revenue:** Primarily license fees, RSA 178:29 specifies license fees for on- and off-premise licenses, annual beverage licenses, carrier licenses, annual wine and liquor licenses, annual tobacco licenses, and annual direct shipper permit fees. Also includes lottery, and other miscellaneous revenue.



Revenue History by Category

FY16 to FY20 Actuals cash basis; FY21-FY23 Estimates

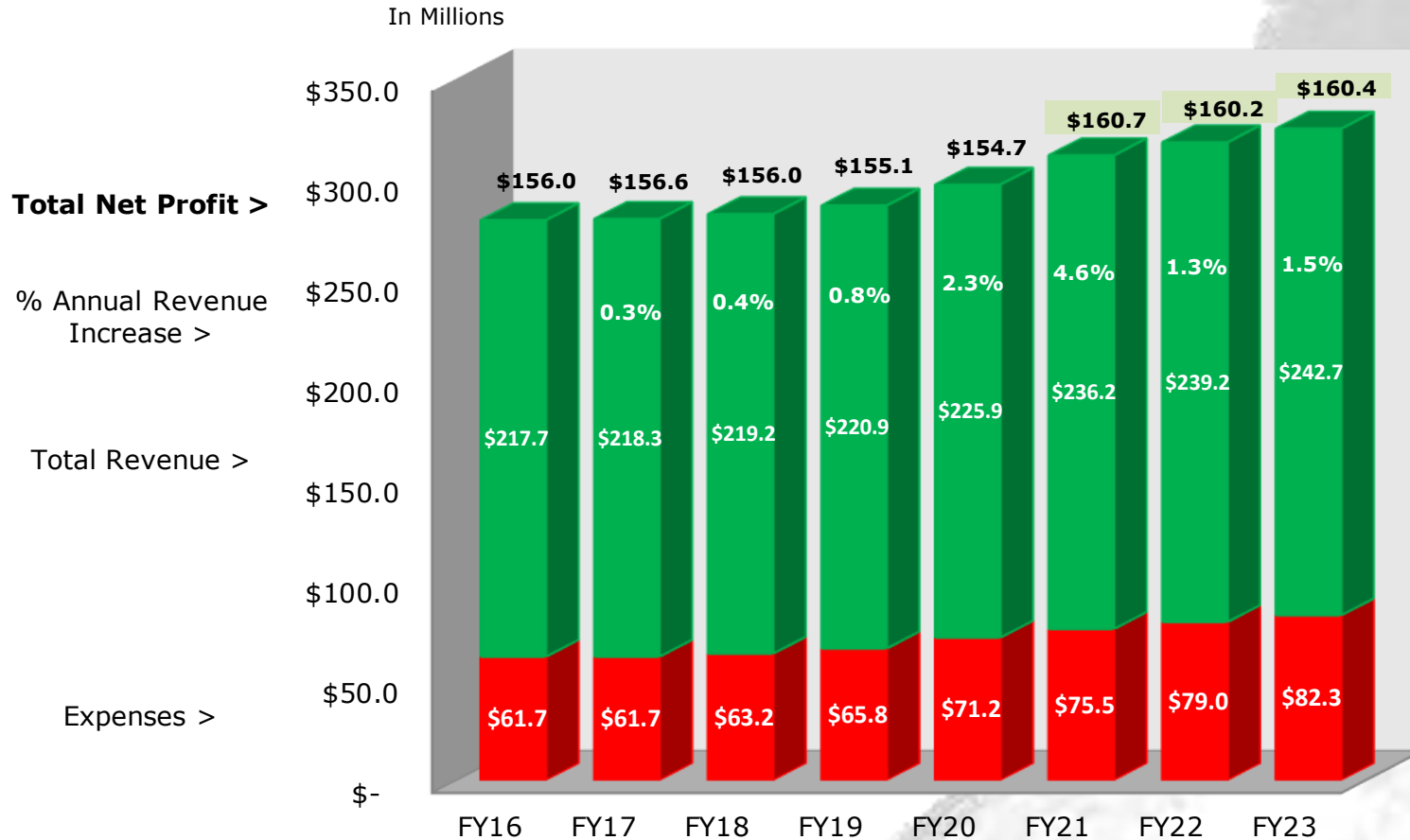


**Includes the sale of Salem for \$3.9M



Revenue – Expenses = Net Profit

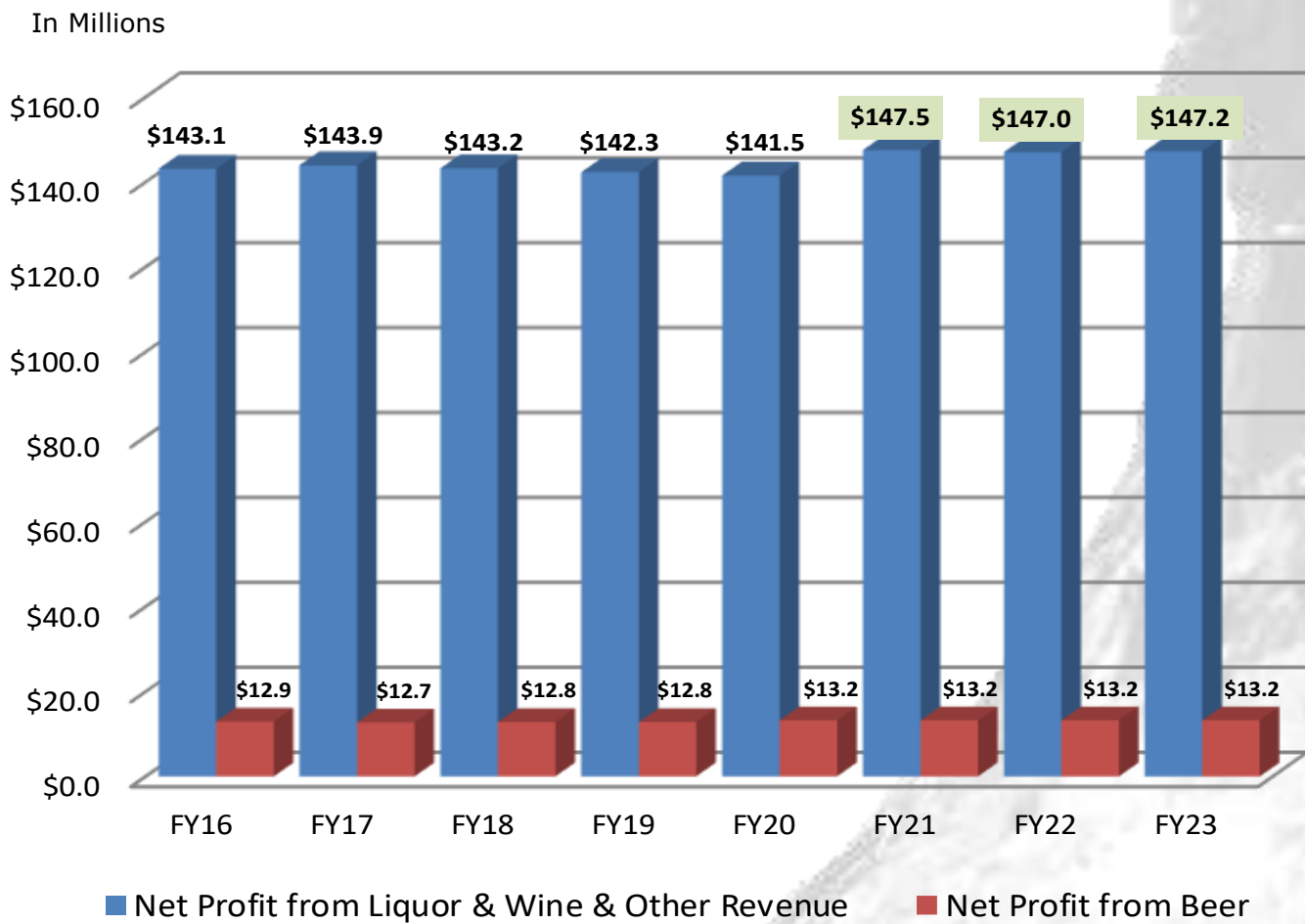
FY16 to FY20 Actuals cash basis; FY21-FY23 Estimates





Total Net Profits by Revenue Source

FY16 to FY20 Actuals cash basis; FY21-FY23 Estimates





Revenue Transfer RSA History

Section 176:16 Funds.

III. Five percent of the previous fiscal year gross profits derived by the commission from the sale of liquor shall be deposited into the alcohol abuse prevention and treatment fund established by RSA 176-A:1. For the purpose of this section, gross profit shall be defined as total operating revenue minus the cost of sales and services as presented in the state of New Hampshire comprehensive annual financial report, statement of revenues, expenses, and changes in net position for proprietary funds.

III-a. In order to facilitate the initial funding of the granite advantage health care trust fund, established under RSA 126-AA:3, for the period of January 1 to June 30, 2019, an amount no less than 1/2 of 5 percent of such gross profits based on the state comprehensive annual financial report for the state fiscal year 2017 shall be deposited into the alcohol abuse prevention and treatment fund no later than November 30, 2018.

Transfer to Alcohol Abuse Prevention and Treatment fund is based on a % of prior year gross profit from sales. (GP from Sales)

FY16 **\$3.2M** or 1.7% of GP from Sales

FY17 **\$3.3M** or 1.7% of GP from Sales

FY18 **\$6.8M** or 3.4% of GP from Sales

FY19 **\$8.4M** or 4.2% of GP from Sales

(1.7% of FY17 half the year and 2.5% of FY18 for the other half year.)

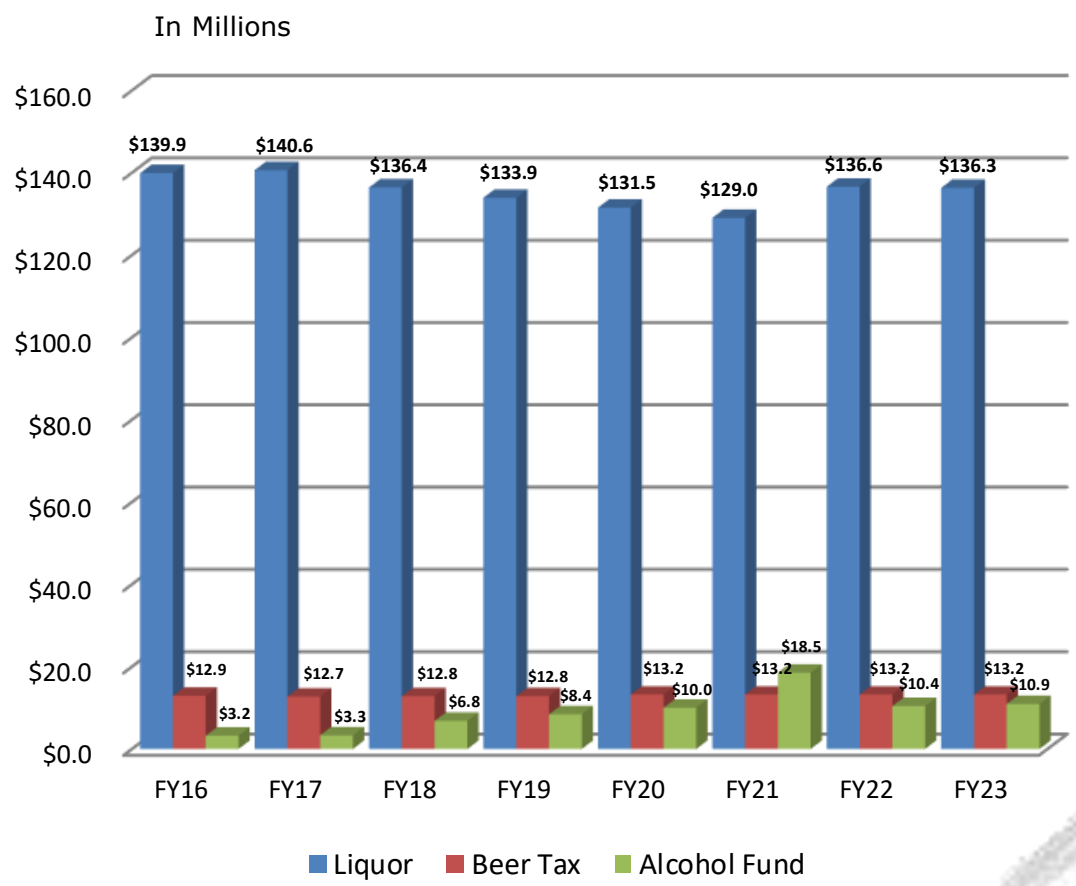
FY20 **\$10.0** or 5.0% of GP from Sales

FY21 **\$10.0** or 5.0% of GP from Sales; plus **\$8.5M** additional funds requested = **\$18.5M**



Net Profit Transfers

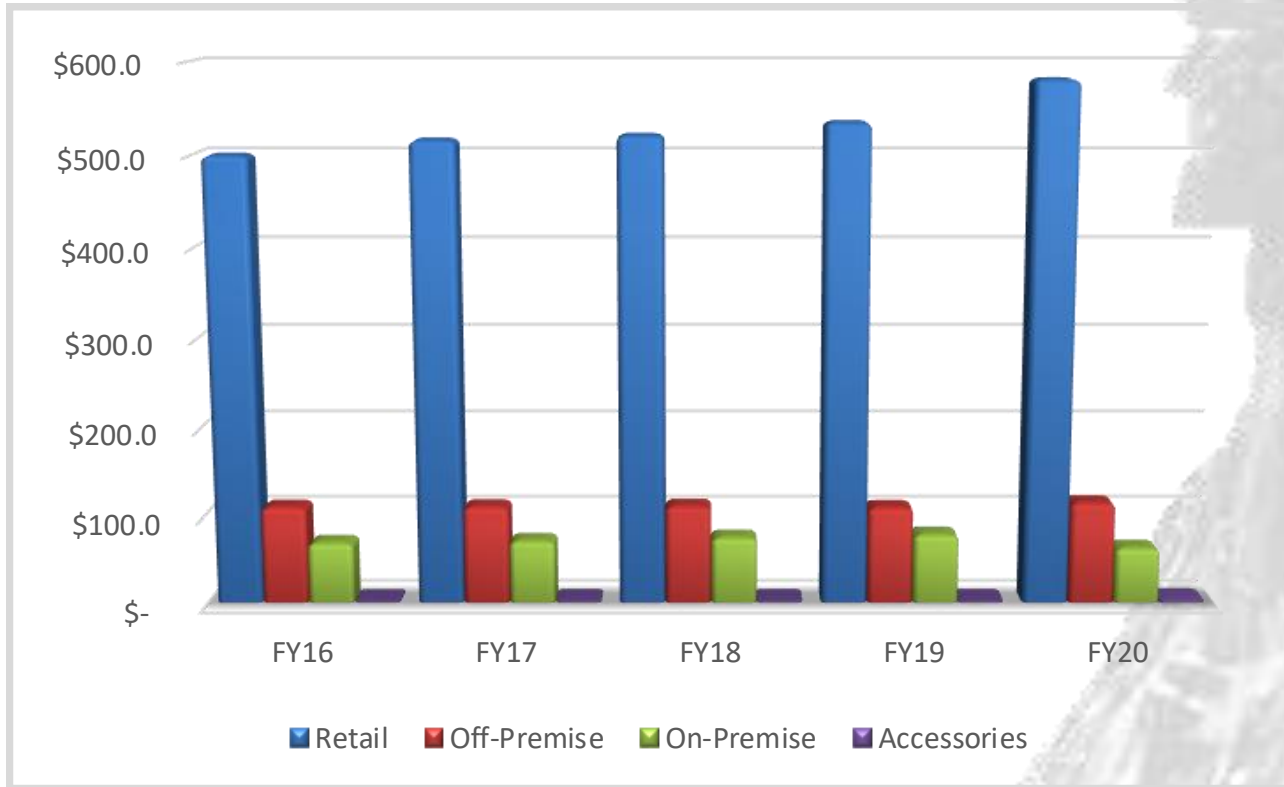
FY16 to FY20 Actuals cash basis; FY21-FY23 Estimates



Year	General Fund Transfer from Liquor	Beer Tax	Transfer to Alcohol Fund
FY16	\$139.9	\$12.9	\$3.2
FY17	\$140.6	\$12.7	\$3.3
FY18	\$136.4	\$12.8	\$6.8
FY19	\$133.9	\$12.8	\$8.4
FY20	\$131.5	\$13.2	\$10.0
FY21	\$129.0	\$13.2	\$18.5
FY22	\$136.6	\$13.2	\$10.4
FY23	\$136.3	\$13.2	\$10.9



FY 2020 Sale by Customer Type



Customer Type	FY16	FY17	FY18	FY19	FY20
Retail	\$ 499.9	\$ 516.4	\$ 521.5	\$ 535.4	\$ 581.9
Off-Premise	\$ 108.9	\$ 109.4	\$ 110.0	\$ 108.5	\$ 114.0
On-Premise	\$ 68.0	\$ 70.3	\$ 74.2	\$ 77.6	\$ 62.2
Accessories	\$ 1.6	\$ 2.1	\$ 2.1	\$ 2.2	\$ 3.2
TOTAL	\$ 678.4	\$ 698.2	\$ 707.7	\$ 723.7	\$ 761.2
\$ Increase		\$ 19.81	\$ 9.55	\$ 15.95	\$ 37.52
% Increase		2.9%	1.4%	2.3%	5.2%

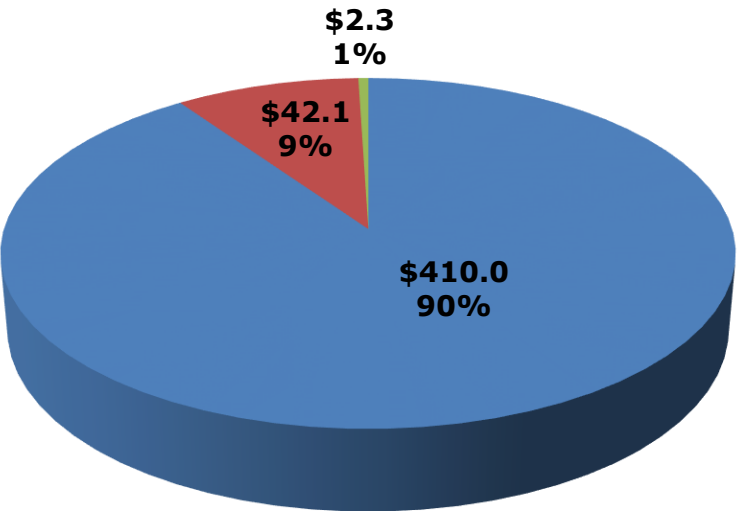
*Sales are after register discounts



FY 2020 Total Sales Breakdown

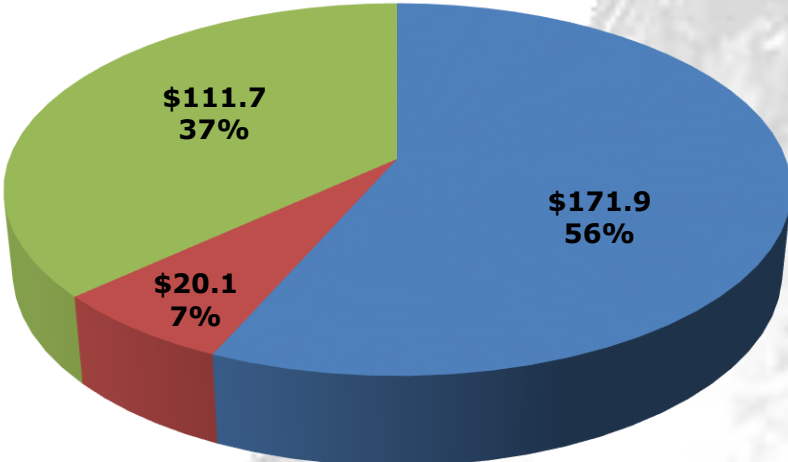
FY 2020 Spirit Sales by Type

In Millions



- Retail
- On-Premise
- Off-Premise

FY 2020 Wine Sales by Type

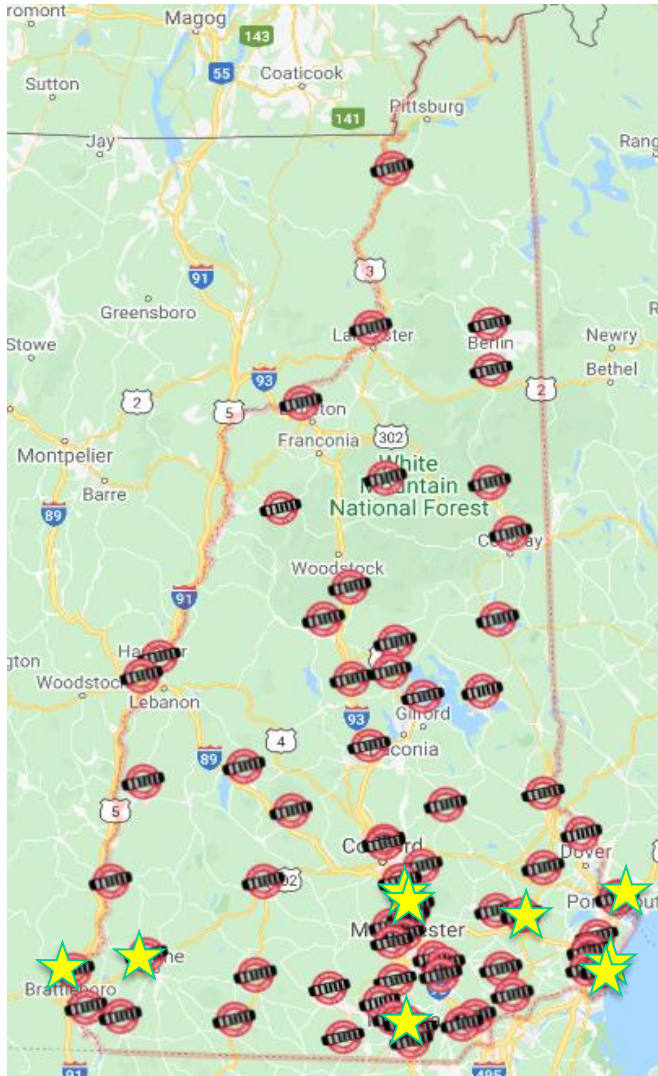


- Retail
- On-Premise
- Off-Premise

Spirits	\$454.4	59.7%
Wine	\$303.7	39.9%
Accessories	\$3.2	0.4%
Total	\$761.2	100%



Outlet Store Locations



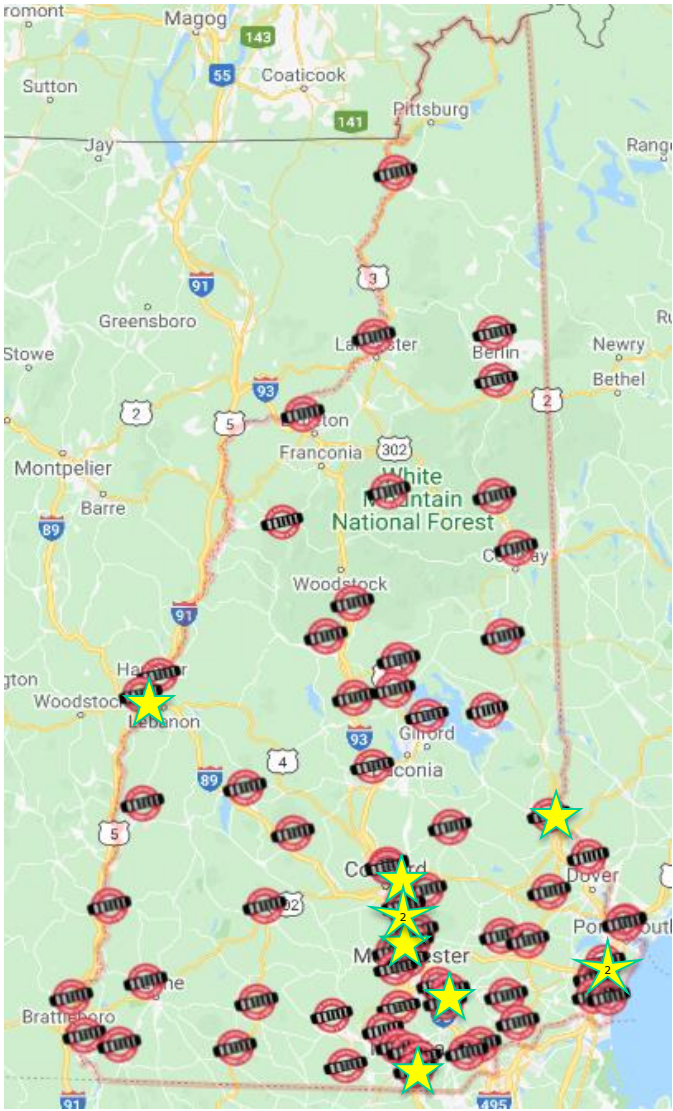
As of December 30, 2020
69 Outlet locations

- 60 leased stores
approximately 520,000 sq. ft.
- ★ 9 state-owned outlet locations
approximately 141,800 sq. ft.
 - Hampton 95 North
 - Hampton 95 South
 - Hooksett 93 North
 - Hooksett 93 South
 - Nashua – Coliseum Ave
 - Portsmouth Traffic Circle
 - Keene
 - Raymond
 - West Chesterfield

The state-owned outlet locations account for \$159,682,851 or 26% of total sales



Outlet Store Locations with Curbside



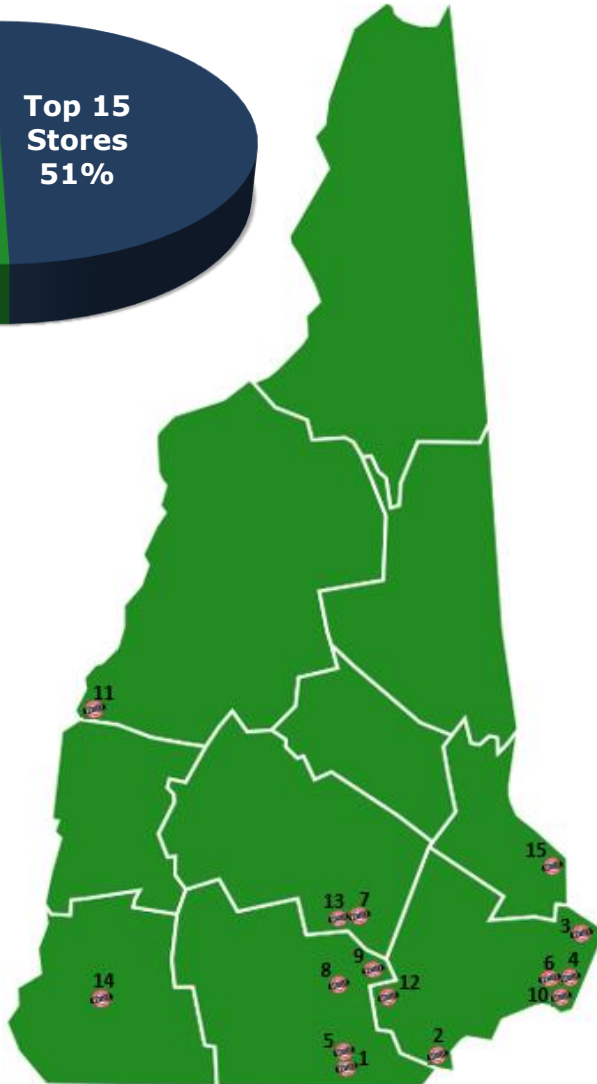
★ 10 Stores with curbside pickup

- Started with 2 stores in May 2020
- Adding 4 more in the next couple weeks

Location & Store #	Total
HAMPTON-NO (#76)	\$ 242,678
SALEM (#34)	\$ 228,760
W. LEBANON (#60)	\$ 223,143
HAMPTON-SO (#73)	\$ 157,573
HOOKSETT-NO (#66)	\$ 136,542
LONDONDERRY (#74)	\$ 123,728
ROCHESTER (#14)	\$ 117,969
MANCHESTER (#33)	\$ 107,251
HOOKSETT-SO (#67)	\$ 54,491
PEMBROKE (#81)	\$ 53,909
TOTAL	\$ 1,446,044



FY 2020 Top 15 Store Locations



Rank	Location (Store #)	Sales in Millions	Cumulative
1	NASHUA (#50)	\$32.9	\$32.9
2	SALEM (#34)	\$31.7	\$64.6
3	PORTSMOUTH (#38) *	\$29.8	\$94.3
4	HAMPTON-NO (#76) *	\$27.1	\$121.5
5	NASHUA (#69) *	\$22.9	\$144.3
6	HAMPTON-SO (#73) *	\$21.0	\$165.3
7	HOOKSETT-NO (#66) *	\$17.6	\$182.9
8	BEDFORD (#55)	\$17.3	\$200.2
9	MANCHESTER (#10)	\$17.2	\$217.4
10	SEABROOK (#41)	\$16.4	\$233.8
11	W. LEBANON (#60)	\$16.2	\$249.9
12	LONDONDERRY (#74)	\$15.0	\$264.9
13	HOOKSETT-SO (#67) *	\$14.4	\$279.3
14	KEENE (#15)	\$13.2	\$292.5
15	TRI-CITY (#13)	\$12.6	\$305.1

**State-owned locations*



New Stores & Renovated Outlets



**Portsmouth Traffic Circle
Store# 38
New Store on Same site
Opened October 2018**

**12,042 to 22,000 sq. ft.
YTD Sales \$19.4M
Sales Increase = 14.1%**





New Stores & Renovated Outlets

Lancaster Store# 37
Relocated
Opened October 2018

4,000 to 7,784 sq. ft.
YTD Sales \$1.6M
Sales Increase = 47.2%





New Stores & Renovated Outlets



**Tri-City Store#13
Consolidation
Opened April 2019**

**10,600 to 20,000 sq. ft.
YTD Sales \$7.7M
Increase = 19.1%**





New Stores & Renovated Outlets



West Lebanon Store# 60
New Location
Opened September 2019

7,754 to 19,053 sq. ft.
YTD Sales \$10.5M
Sales Increase = 22.4%





New Stores & Renovated Outlets



**Tilton Store#84
Consolidation
Opened May 2020**

**6,500 to 12,000 sq. ft.
YTD Sales \$4.3M
Increase = 16.0%**





Upcoming Outlet Locations

- Epsom traffic circle - New outlet location – Opened January 21st
- Gorham - Renovation - February 2021
- New London – Relocation - New outlet location – March 2021
- Littleton – Relocation - New outlet location - May 2021
- Concord Exit 17 - New outlet location - November 2021
- Manchester Gold St. - New outlet location - December 2021
- Claremont – Relocation - New outlet location



Closed Outlet Locations



St #	Address	City	Closing Date
24	52 John Stark Highway, Sugar River Shopping Plaza	Newport	11/1/2020
25	28B Portsmouth Ave, Kings Highway Plaza, Kings Highway	Stratham	11/1/2020
29	100 Lancaster Road	Whitefield	11/1/2020
31	885 Hanover Street, East Side Plaza	Manchester	11/1/2020
36	80 Peterborough Road, Monadnock Plaza	Jaffrey	11/1/2020
70	37 Monadnock Hwy, Wilber's Market Place	Swanzey	11/1/2020
3	1 Airport Road, Suite 300	Manchester	12/1/2020



New Initiatives

- **New Website launched in September 2020**

- Improved navigation, search function, and product information displays
 - Supports curbside/pickup shopping experience with "pay online" ability
 - The Tasting Room microsite - expanding customer education and engagement
 - Customer login provides personalized store-specific shopping experience
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- **We are on schedule to "go live" with our NextGen system in the fall of 2021**

- eCommerce Implementation
Vendor: Evenica, Inc.
- D365 Implementation
Vendor: Blue Horseshoe Services
- Direct Shipping