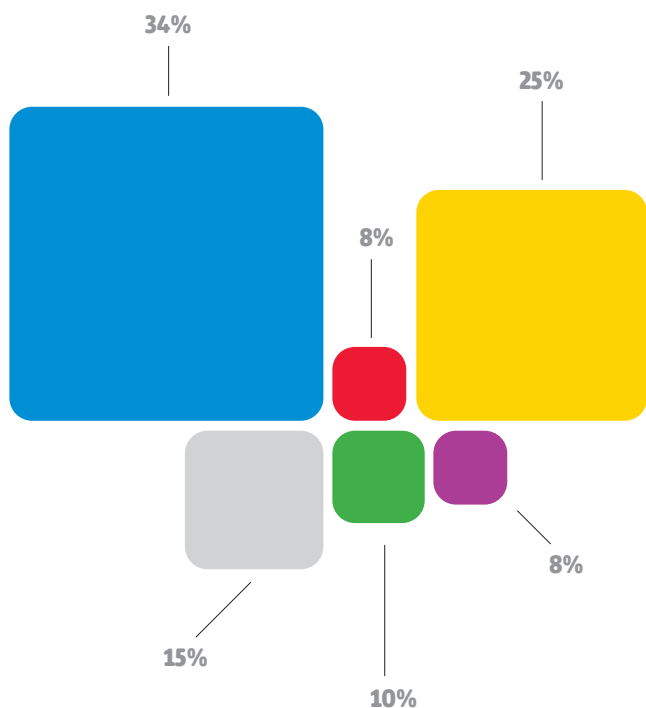


## In-Store Sales Trends

More than one-third of in-store sales came from tobacco in 2019, although the category's contribution fell by nearly 4 percentage points. Foodservice ranked second in share of in-store sales but first in share of gross profits. Elsewhere in the store, OTP, candy and alternative snacks saw strong gains in c-store sales and gross profit dollars, while milk and packaged sweet snacks dipped compared to the previous year.

### Share of In-Store Sales by Category

- Tobacco ● Foodservice ● Packaged beverages
- Center store ● Beer\*\*\* ● Other



### Top Gross Margin Earners

CATEGORY	PROFIT DOLLARS*	GROSS MARGIN PERCENTAGE	GROSS PROFIT PCYA**
Packaged beverages	\$13,726	43.77%	10.4%
Cigarettes	\$8,433	14.31%	(4.8%)
OTP	\$4,898	29.68%	27.1%
Candy	\$3,683	53.17%	11.5%
Beer	\$3,312	19.07%	2.0%
Salty snacks	\$3,177	38.22%	(1.4%)
Packaged sweet snacks	\$1,736	27.91%	(4.6%)
General merchandise	\$1,713	41.46%	9.9%
Milk	\$1,040	28.57%	(5.5%)
Alternative snacks	\$973	43.03%	7.4%

### Leaders in Merchandise Sales

CATEGORY	SALES DOLLARS*	PCYA**
Cigarettes	\$58,936	0.2%
Packaged beverages	\$31,359	6.5%
Beer	\$17,366	1.6%
OTP	\$16,501	21.4%
Salty snacks	\$8,312	1.2%
Candy	\$6,928	5.7%
Packaged sweet snacks	\$6,208	(10.4%)
General merchandise	\$4,132	3.5%
Milk	\$3,641	(1.5%)
Alternative snacks	\$2,262	7.7%

### In-Store Gross Profit Dollar Contribution

CATEGORY	SHARE OF IN-STORE GROSS PROFIT DOLLARS
Foodservice	39%
Packaged beverages	18%
Tobacco	17%
Center store	13%
Beer	4%
Other	9%

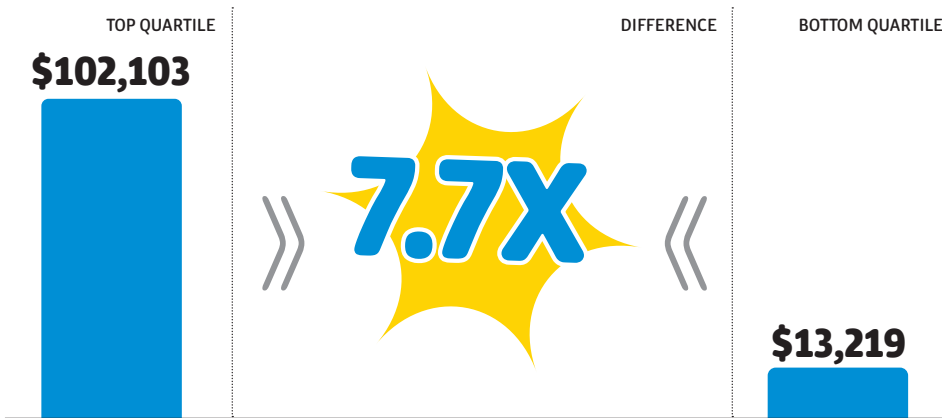


Source: NACS; preliminary data. Final data to appear in the NACS State of the Industry Report of 2019 Data.

\* Per store per month | \*\* Percent change from a year ago | \*\*\* For stores selling beer, beer supplied 10.9% of sales and 6.5% of gross profit dollars.

## Sales by Quartile\*

Top-quartile retailers' foodservice sales were more than seven times that of bottom-quartile operators in 2019, according to NACS.



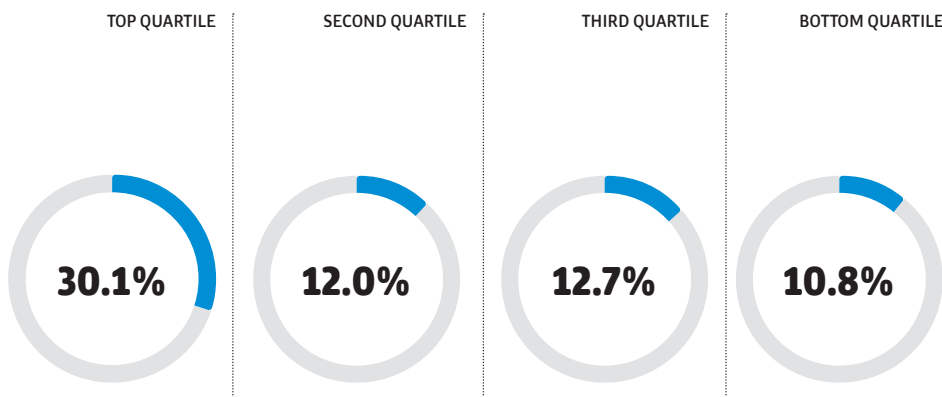
## Gross Profits by Subcategory\*

Prepared foods took in the most gross profit dollars in 2019 at \$23,499 per store per month, according to NACS. Frozen dispensed saw the greatest percentage growth in profit dollars.

SUBCATEGORY	AVERAGE MARGIN DOLLARS*	GROSS-MARGIN PERCENTAGE	PCYA**
Prepared food	\$23,499	55.8%	4.3%
Hot dispensed beverages	\$7,216	67.0%	9.2%
Frozen dispensed beverages	\$2,955	63.3%	18.6%
Cold dispensed beverages	\$1,931	43.7%	(13.7%)
Commissary	\$1,488	30.9%	9.7%

## Share of Gross Profit Dollars by Quartile\*

Foodservice supplied more than 30% of top-quartile operators' gross profit dollars, compared to less than 11% for bottom-quartile operators.

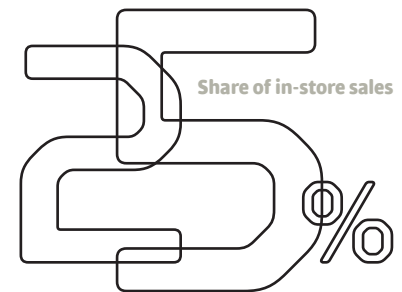
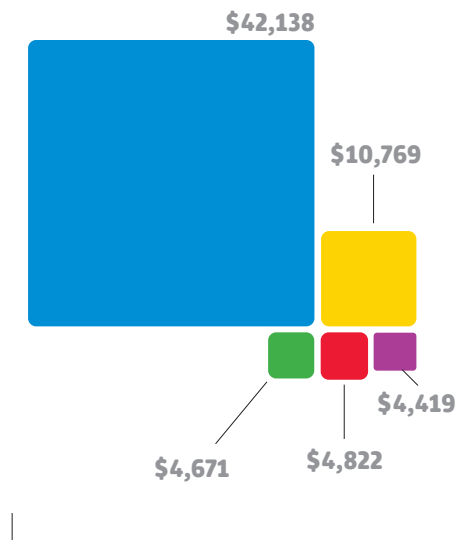


## Sales by Subcategory

In 2019, c-store sales of cold dispensed beverages declined 6%, according to NACS.

SUBCATEGORY	PCYA**
Prepared food	4.6%
Hot dispensed beverages	7.3%
Commissary	5.7%
Frozen dispensed beverages	14.3%
Cold dispensed beverages	(6.0%)

## AVERAGE DOLLAR SALES\*



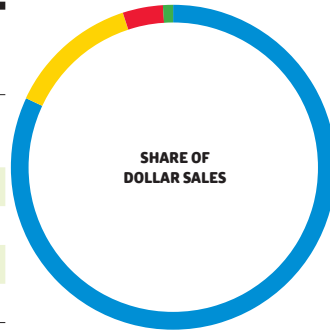
## Subcategory Sales Breakdown

C-store sales, 52 weeks ending Dec. 14, 2019

C-store cigarette unit sales fell 5.3% in 2019, according to Nielsen. The only segment that grew: subgeneric/private label.

SUBCATEGORY	SHARE OF DOLLAR SALES	DOLLAR SALES PCYA**	UNIT SALES PCYA**
Premium	81.8%	(1.3%)	(4.7%)
Branded discount	14.2%	(8.7%)	(11.8%)
Subgeneric/private label	3.7%	10.3%	9.6%
Fourth-tier	0.2%	(15.0%)	(20.6%)

Source: The Nielsen Co.



## Sales by Quartile\*

Top-quartile retailers saw 2.6 times more cigarette sales than the bottom quartile.



## Gross Profit by Subcategory

Gross profit dollars from cigarettes fell 4.8% in 2019 to \$8,433 per store per month.

SUBCATEGORY	AVERAGE GROSS PROFIT DOLLARS*	GROSS MARGIN %
Premium	\$6,375	14.4%
Subgeneric/private	\$1,641	22.9%
Branded discount	\$495	10.6%
Fourth-tier	\$110	4.1%
Imported	\$10	14.7%
<b>Total</b>	<b>\$8,433</b>	<b>14.3%</b>

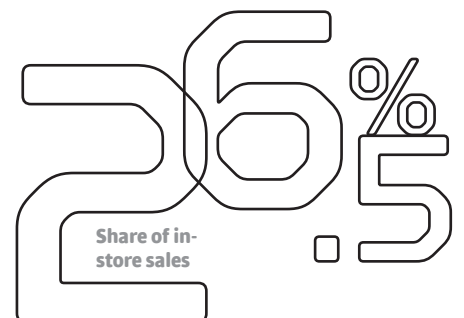
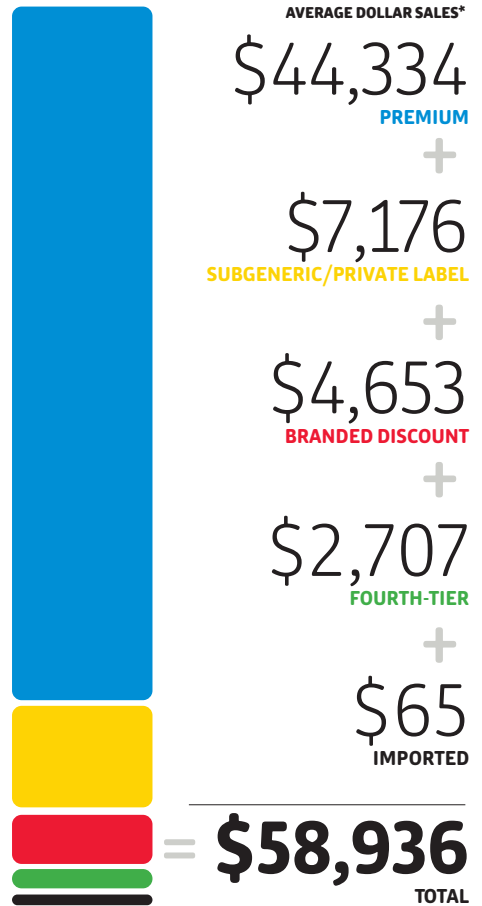
## Gross Margin by Quartile

Top-quartile retailers' gross margin on cigarettes was nearly 2 points higher than that of the bottom quartile in 2019, according to NACS.



## Sales by Subcategory

Sales of cigarettes decreased 0.2% in 2019 to \$58,935 per store per month, according to preliminary NACS figures.



Source unless cited: NACS; preliminary data. Final data to appear in the NACS State of the Industry Report of 2019 Data. \* Per store per month | \*\* Percent change from a year ago

# IN-STORE SALES » PACKAGED BEVERAGES

## Sales by Subcategory

Monthly sales of packaged beverages rose 6.5% to an average of \$31,359 per store in 2019, according to NACS.



## Sales by Quartile\*

Sales of packaged beverages for top-quartile retailers were more than double that of the bottom quartile of operators in 2019.



## Subcategory Sales Breakdown

Energy drinks, enhanced water and other packaged beverages saw unit growth, according to Nielsen.

SUBCATEGORY	SHARE OF DOLLAR SALES	DOLLAR SALES PCYA**	UNIT SALES PCYA**
Energy drinks	31.0%	8.3%	4.2%
Carbonated soft drinks	26.8%	0.0%	(5.7%)
Sports drinks	9.9%	6.0%	(0.7%)
Bottled water	9.4%	(1.4%)	(4.4%)
Juice/juice drinks	6.6%	(2.6%)	(4.6%)
Other packaged beverages	6.5%	4.6%	2.4%
RTD iced tea	5.0%	(3.9%)	(6.3%)
Enhanced water	4.8%	10.9%	9.0%

Source: The Nielsen Co.

## Gross Margin by Quartile\*

The gross margin on packaged beverages for top-quartile retailers was more than 7 points higher than that of bottom-quartile operators in 2019, according to NACS.



## Gross Profit by Subcategory

Monthly gross profit dollars from packaged beverages totaled \$13,726 per store in 2019, per NACS.

SUBCATEGORY	AVERAGE GROSS PROFIT DOLLARS*	GROSS MARGIN %
Energy drinks	\$4,365	45.4%
Carbonated soft drinks	\$2,390	36.3%
Bottled water	\$2,858	57.5%
RTD iced tea	\$1,473	49.6%
Sports drinks	\$1,425	49.2%
Juice/juice drinks	\$1,265	50.3%
Enhanced water	\$328	44.4%
Other packaged beverages	\$429	39.8%
<b>Total</b>	<b>\$13,726</b>	<b>43.8%</b>

Source unless cited: NACS; preliminary data. Final data to appear in the NACS State of the Industry Report of 2019 Data. | \* Per store per month | \*\* Percent change from a year ago

## Sales by Quartile\*

The bottom quartile generated more monthly beer sales than top-quartile operators in 2019 on a per-store basis, according to NACS.

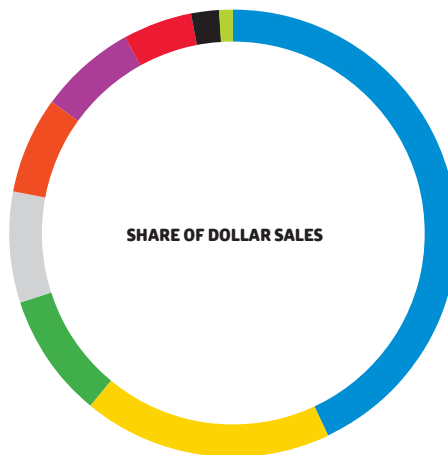


## Subcategory Sales Breakdown

C-store unit sales of imports, superpremium beer and microbrews rose in 2019, while most other segments saw declines, according to Nielsen.

SUBCATEGORY	SHARE OF DOLLAR SALES	DOLLAR SALES PCYA**	UNIT SALES PCYA**
Premium	43.1%	(2.1%)	(2.5%)
Imports	19.7%	7.5%	6.6%
Flavored malt	8.7%	2.7%	0.5%
Budget	7.8%	(0.7%)	(5.8%)
Superpremium	7.1%	15.0%	13.6%
Popular	6.9%	(3.5%)	(4.7%)
Microbrews	5.0%	(0.8%)	1.5%
Malt liquor	1.6%	(6.5%)	(8.4%)
Nonalcohol beer	0.1%	3.6%	(1.7%)

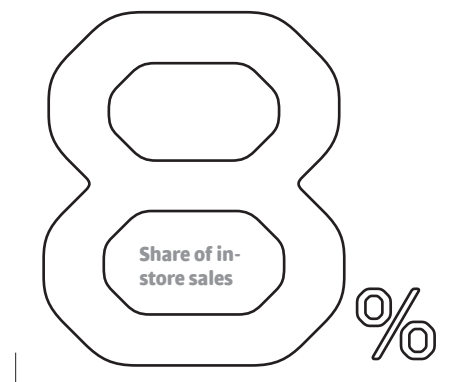
Source: The Nielsen Co.



## Sales by Subcategory

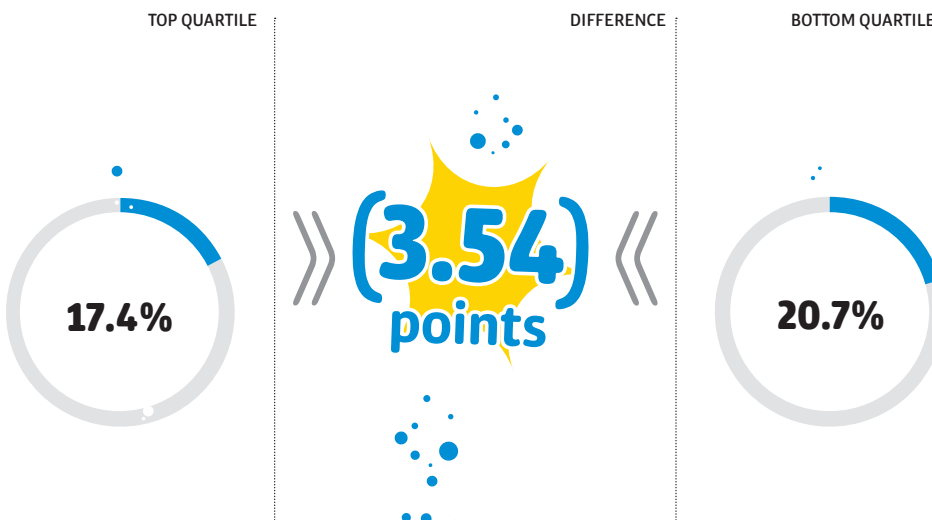
Beer sales rose 1.6% in 2019 to generate \$17,366 per store per month, according to NACS.

SUBCATEGORY	AVERAGE DOLLAR SALES*
Premium	\$6,033
Imports	\$3,453
Popular	\$1,837
Superpremium	\$1,722
Budget	\$1,606
Flavored malt	\$1,405
Microbrews	\$1,019
Malt liquor	\$284
Nonalcohol	\$7
<b>Total</b>	<b>\$17,366</b>



## Gross Margin by Quartile\*

Top-quartile retailers competed on price with beer in 2019: Their gross margin was more than 3 points lower than that of the bottom-quartile operators, according to NACS.



## Gross Profits by Subcategory

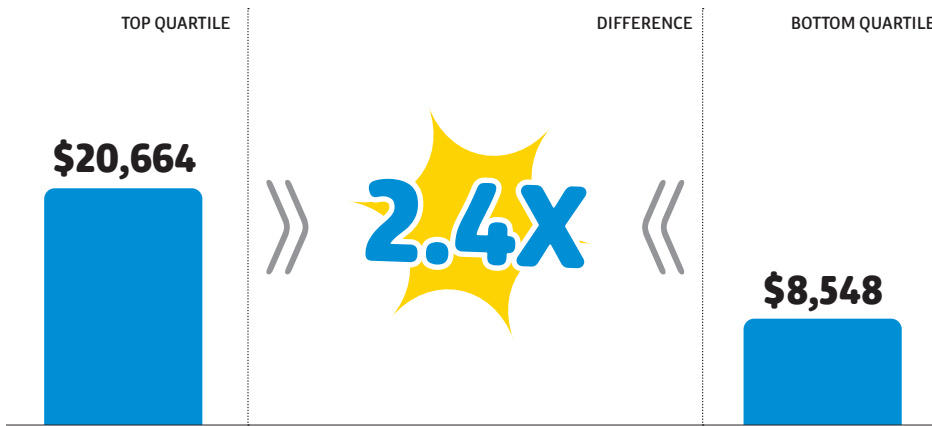
Gross profit dollars for beer rose 2% in 2019, hitting \$3,312 per store per month, according to NACS.

SUBCATEGORY	AVERAGE GROSS PROFIT DOLLARS*	GROSS MARGIN %
Premium	\$957	15.9%
Imports	\$762	22.1%
Flavored malt	\$414	29.5%
Superpremium	\$346	20.1%
Popular	\$327	17.8%
Micro	\$275	27.0%
Budget	\$264	16.4%
Malt liquor	\$69	24.3%
Nonalcohol	\$2	25.2%
<b>Total</b>	<b>\$3,312</b>	<b>19.1%</b>

Source unless cited: NACS; preliminary data. Final data to appear in the NACS State of the Industry Report of 2019 Data. | \* Per store per month; because of state and local restrictions on beer sales, retailers were ranked into quartiles by beer gross profit dollars rather than store operating profits. | \*\* Percent change from a year ago

## Sales by Quartile\*

Top-quartile retailers generated more than twice the OTP sales as the bottom quartile in 2019.



## Subcategory Sales Breakdown

E-cigarettes saw the most growth in dollar and unit sales in c-stores in 2019, with each increasing by about 48%, according to Nielsen. Unit sales of smokeless, cigars, papers and pipe cigarette tobacco all declined in the same time period.

SUBCATEGORY	SHARE OF DOLLAR SALES	DOLLAR SALES PCYA**	UNIT SALES PCYA**
Smokeless	43.5%	3.8%	(1.9%)
E-cigarettes	33.2%	48.5%	48.2%
Cigars	21.5%	(1.9%)	(2.5%)
Papers	1.2%	(6.1%)	(6.6%)
Pipe/cigarette tobacco	0.5%	(7.2%)	(9.0%)

### SHARE OF DOLLAR SALES



Source: The Nielsen Co.

## Gross Margin by Quartile\*

The top quartile earned the same amount of margin on OTP in 2019 compared to bottom-quartile retailers, according to NACS.



## Gross Profit Trends\*

C-stores grew OTP gross profit dollars by more than 27% to \$4,898 per store per month. They also added more than 1 point of gross margin in 2019.

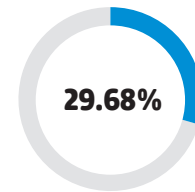
### GROSS PROFIT DOLLARS

\$4,898

### PCYA\*\*

27.1%

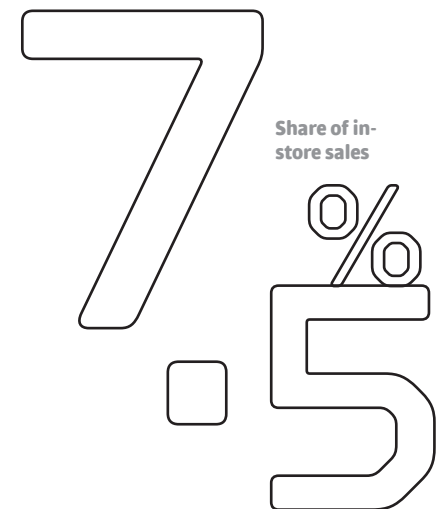
### GROSS MARGIN



### CHANGE FROM A YEAR AGO



1.3 points

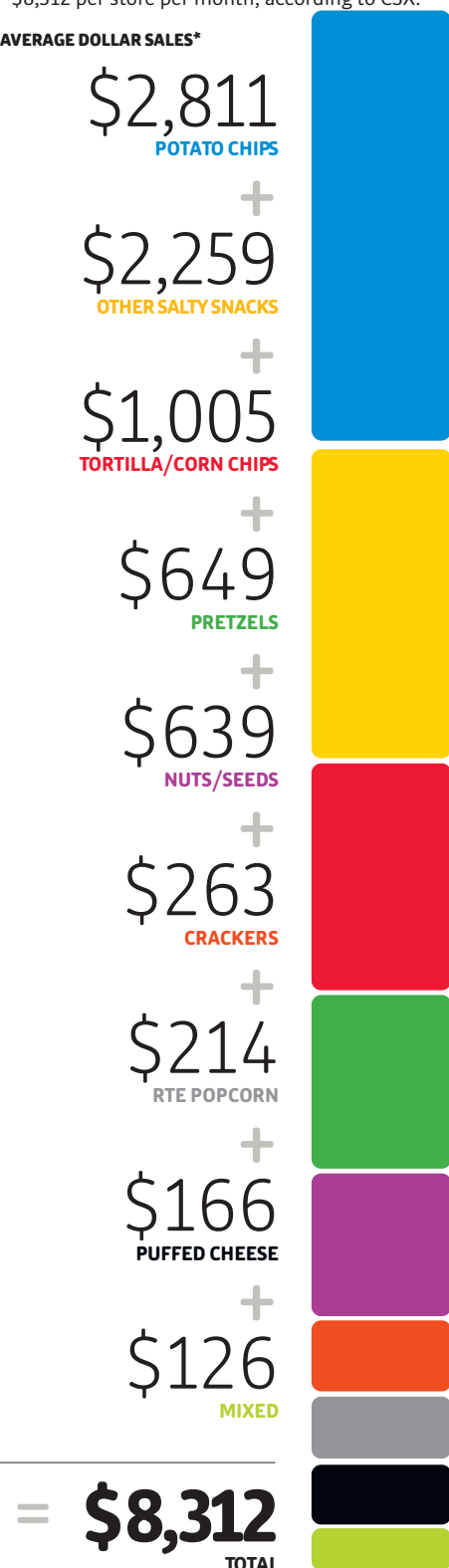


Source unless cited: NACS; preliminary data. Final data to appear in the NACS State of the Industry Report of 2019 Data. \* Per store per month | \*\* Percent change from a year ago

## Sales by Subcategory

Sales of salty snacks rose 1.2% in 2019 to \$8,312 per store per month, according to CSX.

AVERAGE DOLLAR SALES\*



## Sales by Quartile\*

Top-quartile retailers generated nearly five times the salty-snack sales as operators in the bottom quartile.



## Subcategory Sales Breakdown

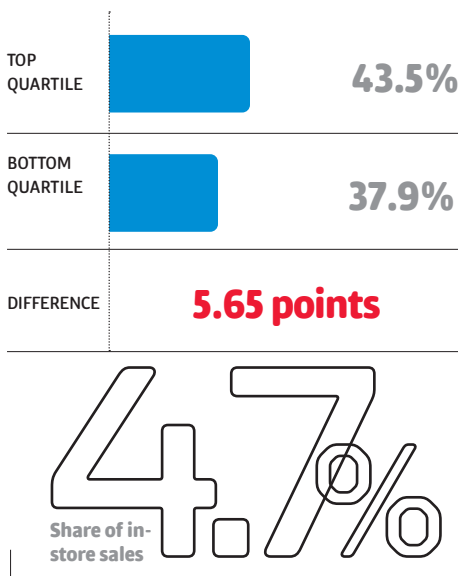
C-store unit sales of salty snacks fell 1.7% in 2019, although tortilla/corn chips, puffed cheese snacks and crackers saw some growth, according to Nielsen.

SUBCATEGORY	SHARE OF DOLLAR SALES	DOLLAR SALES PCYA**	UNIT SALES PCYA**
Potato chips	27.0%	2.5%	(4.8%)
Tortilla/corn chips	22.0%	8.4%	1.3%
Nuts/seeds	12.4%	2.5%	(2.6%)
Puffed cheese	10.4%	10.9%	2.8%
Other salty snacks	9.9%	4.6%	(0.6%)
Mixed	5.4%	(2.0%)	(6.8%)
Crackers	5.1%	8.6%	1.9%
RTE popcorn	4.0%	0.8%	(4.7%)
Pretzels	3.7%	3.1%	(2.4%)

Source: The Nielsen Co.

## Gross Margin by Quartile\*

Top-quartile retailers' margin on salty snacks was more than 5 points higher than that of bottom-quartile operators, according to NACS.



## Gross Profit by Subcategory

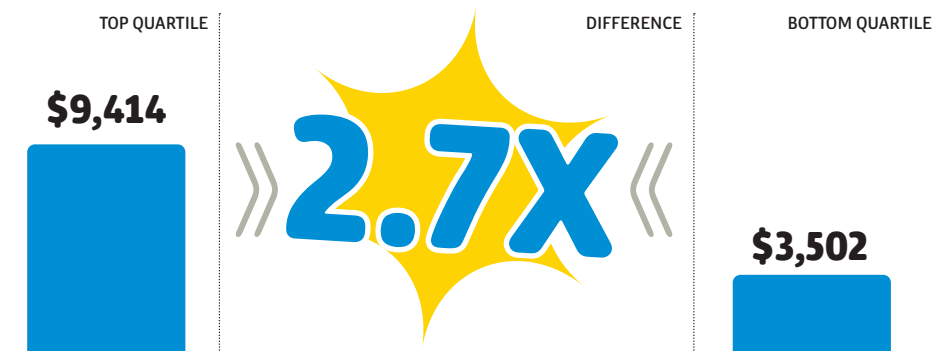
Salty-snack gross profit dollars declined by 1.4% to an average of \$3,177 per store per month in 2019.

SUBCATEGORY	AVERAGE GROSS PROFIT DOLLARS*	GROSS MARGIN %
Other salty snacks	\$1,093	48.4%
Potato chips	\$1,081	38.5%
Tortilla corn chips	\$347	34.5%
Nuts/seeds	\$322	50.5%
Pretzels	\$322	51.2%
Crackers	\$133	50.4%
RTE popcorn	\$88	41.0%
Mixed	\$57	45.5%
Puffed cheese	\$52	31.0%
<b>Total</b>	<b>\$3,177</b>	<b>38.2%</b>

Source unless cited: NACS; preliminary data. Final data to appear in the NACS State of the Industry Report of 2019 Data. | \* Per store per month | \*\* Percent change from a year ago

## Sales by Quartile\*

In 2019, top-quartile retailers had nearly triple the candy sales as the bottom quartile of operators.



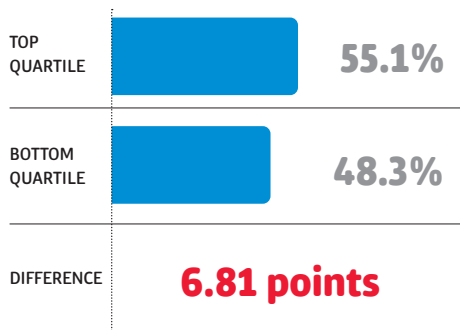
## Sales by Subcategory

Candy sales rose 5.7% in 2019 to reach \$6,928 per store per month.



## Gross Margin by Quartile\*

The margin on candy for top-quartile retailers was nearly 7 points higher than that of bottom-quartile operators in 2019, according to NACS.



## Gross Profit by Subcategory

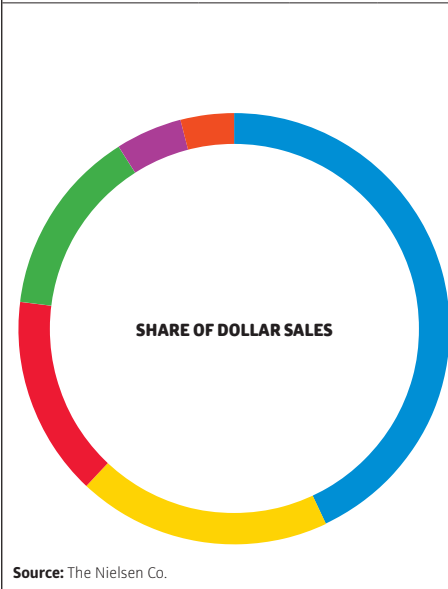
Candy gross profit dollars grew 11.5% to \$3,683 per store per month in 2019.

SUBCATEGORY	AVERAGE MARGIN DOLLARS*	GROSS MARGIN %
Chocolate bars/packs	\$1,650	55.8%
Nonchocolate bars/packs	\$976	59.1%
Gum	\$547	52.7%
Candy rolls, mints, drops	\$256	71.5%
Bagged or repackaged peg candy	\$238	51.4%
Change makers/penny	\$191	63.1%
Novelties/seasonal	\$73	48.5%
<b>Total</b>	<b>\$3,683</b>	<b>53.2%</b>

## Subcategory Sales Breakdown

C-store unit sales of candy fell 4.5% in 2019, although dollar sales increased by 1.5%, according to Nielsen.

SUBCATEGORY	SHARE OF DOLLAR SALES	DOLLAR SALES PCYA**	UNIT SALES PCYA**
Chocolate bars/packs	44.2%	1.9%	(2.6%)
Bagged or repackaged peg candy	19.1%	4.4%	(0.8%)
Gum	15.3%	(0.3%)	(10.0%)
Nonchocolate bars/packs	13.8%	(1.2%)	(6.6%)
Candy rolls, mints, drops	4.9%	(1.5%)	(7.9%)
Novelties/seasonal	2.6%	5.1%	(1.6%)



Source unless cited: NACS; preliminary data. Final data to appear in the NACS State of the Industry Report of 2019 Data. \* Per store per month. \*\* Percent change from a year ago.