

#### Tia Linda

Who Is She?

Eccentric, always fun and maybe just a little crazy, Tia Linda has always been the one that brings together family and friends for good times. No matter the event, one thing's for certain. Tia Linda will have a batch of her margaritas made "famous" by friends and family.

Tia Linda's margaritas are super tasty, refreshing, and yes, are known to pack a little bit of a punch. But hey, that's just one part of creating those great memories!

Margarita



#### **Current Market Outlook**

HOW TIA LINDA STACKS UP

- √ Ton's of added colors, sugars, & preservatives.
- ✓ Low alcohol volumes where's the margarita?
- ✓ No clear brand differentiation. Where's the fun?















- Other RTD margarita brands are loaded with artificial colors, flavors and sweeteners.
- Standard ABV for these products are 6-10% Alc. by Vol. That's not a cocktail!



## Competitive Analysis HOW TIA LINDA STACKS UP

	No Artificial Flavors	No Artificial Colors	Hand Crafted Style ABV (18-22%)	Unique Brand Packaging	Single Serve Option
Tia Linda's 18% ABV	X	X	X	X	X*
Jose Cuervo Authentic 9.95% ABV					X
Salvador's 9.95% ABV					
1800 9.95% ABV					
Skinny Girl 9.95% ABV					X
Coyote Gold 18.5% ABV			X		
Margaritaville 10% ABV					
Rancho la Gloria 6% ABV					
Chi-Chi's 10% ABV					

<sup>\*</sup> Single Serve Package in Development; will be Tia Linda's second SKU. Planned launch in spring 2020.



### The Love Of Margaritas

MARKET FACTS

- The Margarita is the most popular cocktail in the US for the second year running, with 51% of Americans ranking the drink as their top tipple, according to the latest Nielsen CGA survey. (The Spirits Business 6/17)
- Tequila (44%) is the favorite liquor base for cocktails in the U.S., followed by: light rum (39%), flavored Vodka (39%), non-flavored Vodka (39%) and whiskey (27%) (Nielsen 5/16)
- Margarita (60%) is the most popular cocktail in the U.S., followed by: Daiquiri (44%), Piña Colada (36%), Long Island (33%) and Mojito (29%) (*Nielsen 5/16*)
- Demand for tequila is expected to rise 3.8% annually the fastest rate among the major spirits types — amid the continued dominance of this cocktail and the growing Hispanic influence in US culture. (L.E.K. insights 9.18)
- Margarita consumption peaks in the South, accounting for 34.9% of sales. Top markets include Alabama, Florida, North Carolina and Texas. (Source: Brown-Forman, 2008)
- The U.S. is the number one tequila market—larger and more important than Mexico. (Source: Cheers On-Premise Handbook 2008)



#### **Consumers Want Premium**

#### MARKET FACTS

- The mixed RTD spirits industry market cap of \$5 Billion (IBIS World 10.17)
- RTD spirits has grown by 6% year over year since 2012 (IBIS World 10.17)
- Consumers, particularly millennials, are bypassing the value and premium liquor store shelves in search of high-end, super-premium products. From 2012 to 2017, the super-premium spirits and high-end premium spirits segments grew 6%-7% per year by volume, significantly outpacing the premium and value segments' growth and driving the overall increase in spirits consumption. (*LEK Insights 9.18*)
- Premiumization: Both alcohol and non-alcoholic categories are going more premium. Consumers are trading up to more expensive products that they believe offer better overall quality or benefits. (Beverage Marketing Corporation 2.18)
- The U.S. craft spirits market has grown by approximately 20% per year by value since 2012 and is forecast to grow by approximately 15%-20% per year through 2022. (L.E.K. insights 9.18)



#### Tia Linda's Margarita

WHY US? WHY NOW?

- Our family associates good times with Tia Linda's Margaritas and wishes to share these memories
- The Ready-to-Drink (RTD) cocktail industry is the next up and coming market that has recently caught a lot of buzz
- We recognized space in the existing RTD margarita market that was not being filled by other products in the market
- No artificial coloring or flavors! Our product is made with all natural ingredients. Consumer awareness and shift towards products with more natural, less processed ingredients is occurring in all categories!
- With 18% ABV we are one of the only RTD margaritas to have a true cocktail alcohol percentage (others in the market are watered down to 6-10% ABV)
- Brand focused, we are only doing the classic margarita really well!







# Margarita (Margarita)

Produced from our Tia Linda's longstanding family recipe, our Margarita is made in a hand crafted style using only premium natural products.

- ✓ All natural Margarita with Tequila, Triple sec and natural Meyer lemon and lime flavors.
- ✓ No Artificial flavors, colors, sweeteners or preservatives. Just the good stuff!
- ✓ True craft cocktail recipe, not watered down syrups.
- ✓ At 18% abv. Tia Linda's strikes the best balance of tequila, and pure citrus sweet & sour flavors.

1.75 ltr. SRP \$29.95 RTD Single Serve in Development

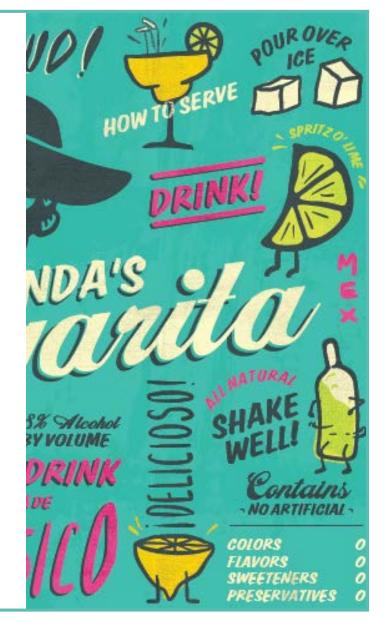




#### Launch Plan

WHERE WILL SHE GO?

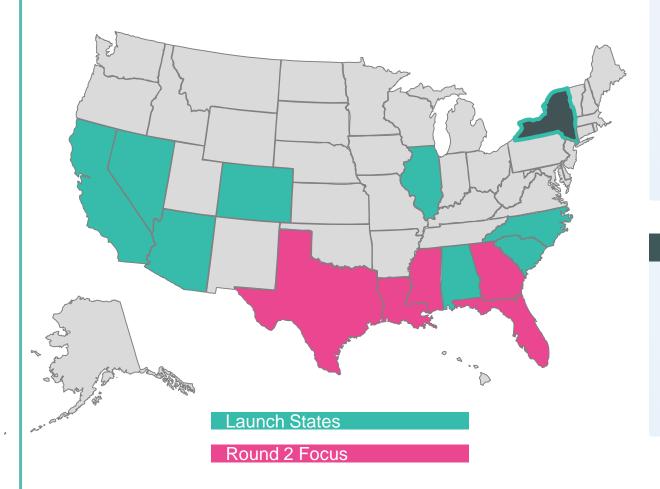
- Producing March 15, 2019 for April 1 launch
- Initial Target Launch States
  - Alabama, Arizona, California, Colorado, Illinois, New York, Nevada, North Carolina, South Carolina
  - Launch states are a mix of top Margarita consumption states, states in our home court, and states that have lower costs to do business while giving us a good measure on the concept
  - Once the brand sticks we work to open additional states
  - Launch Success! Round 2...
    - Work to open round 2 of distribution states to include: Fl, GA, LA, MS, TX





#### **Launch Focus**

WHERE WILL SHE GO?



#### Launch Support

- Samples 100% at launch, 50% daily
- Incentive \$ Being a craft startup we have time, product and POS to support.
- Support \$ Mass Buy Only
- Events YES! Regional, supplier and industry relations
- Market Work Yes!

#### New York Agent

NY to be managed by Chris Salo as independent agent. Chris has great connections in upstate and is a strong resource for Tia Linda's in distributor management and directional advice. Fees are 10% of FOB on cases sold. Can negotiate down with brand growth.



#### **Investments Itemized**

WHAT'S BEEN DONE TO DATE

- Complete Package Design
  - Makers and Allies (\$22k)
  - Award winning design and branding studio producing exclusively for the wine, craft, and spirits industry
- Commercial Recipe Formulation
  - Flavorman Beverage Company (\$15k)
  - One of the country's foremost authorities on flavor;
     Specializing in the technical side of beverage development
- Licensed and Experienced Co-Packer Contract
  - Temperance Distilling Company (\$10k)
  - Existing storage and production facilities able to meet the current needs and future growth potential of Tia Linda's brand
- Miscellaneous Travel, Compliance, Trademark (\$10k)
- Total Co-Founder Investment: \$50k



## **Expected Pricing & Margin**

JUST THE FACTS

Christy Corner, LLC dba "Tia Linda's"		
Schedule of Pricing & Margins		
Tia Linda's Anticipated Costs & Revenue:		
Free On-Board (FOB) Pricing (Per Case)	\$	95.00
Production Cost (Per Case)	\$	69.49
Total Cost per 2,000 Case Production Run	\$1	L38,980.00
Gross Revenue Per Case:	\$	25.51
Gross Revenue Per 2,000 Case Production Run:		51,020.00
Margin:		36.71%
Anticipated Vendor & Distributor Pricing & Mark-Ups:		
Expected Wholesale Mark-Up		35.00%
Expected Wholesale Price (Per Case)	\$	128.25
Expected Retail Mark-Up		40.00%
Target Retail Price (Per Case)	\$	179.55
Target Retail Price (Per 1.75L Bottle)	\$	29.93



## **Expected Pricing & Margin**

JUST THE FACTS

Christy Comer. LLC dba "Tia Linda's"		
Sche dule of Costs		
Monthly Costs:		
Third Party Compliance (Compli)	\$	750.00
Product Storage (Estimated \$10/sqft))	\$	1,500.00
Quickbooks	\$	20.00
Bank Fees	\$	10.00
Total Recurring Monthly Costs:	5	2,280.00
Annual Costs:		
Web Hosting	\$	60.00
State Licensing		
Total Recurring Annual Costs:	5	60.00
Itemized Product Cost (Per Case):		
Temperance Manufacturing	\$	10.55
Commodities (Sugar, Citric Acid, Salt, Tequila, Spirit, Water)	\$	24.93
Tia Linda's Margarita Flavor	\$	2.04
Organic Lemon & Lime Juice	\$	0.58
Glass Bottle	\$	11.00
Labels	\$	4.50
Cork	\$	2.40
Federal Excise Tax	S	13.49
Total Cost Per Case:	5	69.49

