Bud Distributing Inc.





52322 M-51, Dowagiac, MI 49047 Phone: 1 (269) 782-3141 Fax: 1 (269) 782-5151 www.buddistributing.com

Owners John Nate Jr. President buddy@buddistributing.com

Mike Nate Equity Manager nikko@buddistributing.com

Jeff Nate General Manager nikko@buddistributing.com

Mark Nate Warehouse Manager nikko@buddistributing.com

Key Employees

Dave Stuppy Director of Sales dave@buddistributing.com

Jenna Podjan Sales Manager jenna@buddistributing.com

Scott Brady IT Manager sbrady@buddistributing.com

Total number of employees: 41 Number of merchandisers: 5 Number of sales reps: 8 Number of sales supervisors: 1

COUNTIES SERVED

| Berrien | Western half |
|-----------------------------|----------------------------------|
| Cass | of Van Buren |

Total Market population: 282,500

ABOUT US

Our company was founded in 1947 as Silver Creek Distributing by John Nate Sr. with Carling Black Label as the flagship beer brand. The company was renamed John Nate Beverages in 1949, and in 1954, John "Buddy" Nate Jr. joined the business at age 16, working in the warehouse. Buddy became the managing partner in the 1960's and in 1970, he bought Diamond Lake Distributing, the local A/B distributor. In 1993, John Nate Beverages was split into two companies, with the wine division remaining John Nate Beverages and Buddy forming Bud Distributing as the beer company and becoming the sole owner. In 2009, Bud Distributing bought South End Beverages, doubling the company's Anheuser-Busch business. Over the past several years, the company has added over 50 more suppliers, many of them Michigan craft beers and Michigan wineries.

COMMUNITY INVOLVEMENT

Major Company donations or

$charitable \ organizations \ supported.$

- Gate Way
- United Way
- Susan G. Koman
- Brian Parker Golf for Cancer Cure
- Crime Stoppers
- Local High Schools for Alcohol Awareness
- Lee Memorial Hospital

CURRENT SUPPLIERS

National: Anheuser-Busch, Constellation, New Belgium, Sierra Nevada, Gambrinus

Regional: Maplewood

Michigan: Round Barn, Sister Lakes, Saugatuck, Elk, Silver Harbor, Roak, Rochester Mills, Tapistry, Perrin, Barn Brewers, Austin Brothers, Frankenmuth, White Flame

LOCAL MARKET DYNAMICS

- Marketing territory-Berrien, Cass Counties, and the western half of Van Buren
- World headquarters for Whirlpool and Leco Corporations
- Major agriculture area
- Western boundary is 65 miles of Lake Michigan frontage
- Southern boundary is 60 miles of Indiana / Michigan border
- No major manufacturing plants left
- Major summer tourist trade

COMPETITIVE ADVANTAGE

- Only local distributor left in our marketing area
- All our employees live in our marketing area
 Only company that spends money
- Ownership is well known and the
- Ownership is well known and the only ownership that is active in area
- Only a couple of special events a year that we don't participate in / sponsor

RETAIL ACCOUNTS

- Off-Premise Accounts: 228
- On-Premise Accounts: 232
- Taps in Market: 1178
- Company Taps: 492
- Company Share of Taps: 42%

CHAIN ACCOUNTS

Off-Premise - With number of locations:

- Meijer (3)
- Walmart (3)
- Martins (3)
- Wesco (2)
- Speedway (8)
- Casey's (1)
- CVS (1)
- Dollar General (20)
- Rite Aid (7)
- Walgreens (5)
- Spartan Managed (1)
- Walters-Dimmick (3)

FESTIVAL ACCOUNTS

Major Venues/Special Events/Festivals serviced within the market:

- Blues, Brews and BBQ
- Country Jam
- Smooth Jazz
- Apple Fest
- Weco Beach Festival
- Wurst Festival
- Total Number of Events/Festivals held within market: 52
- Total Number of Events/Festivals serviced by company: 49
- Number of Events/Festivals serviced exclusively by company: 45 = 87% of total

CURRENT TOTAL CUSTOMER SERVICE SCORE: 88%

- Delivery Service Score: 90%
- Sales Service Score: 88%

CURRENT MARKET SHARE: 54%