



## Feeling Low? Here's to a High-spirited 2020

### Description

While most businesses have had a horrible second quarter in 2020, liquor companies have done well during the pandemic. While restaurants and bars have been shut, affecting revenues of alcohol companies, there has been a significant rise in the number of people buying their liquor supply from stores and gas stations.

Numbers released by the Newfoundland and Labrador Liquor Corporation claim that beer, wine, and liquor sales increased by 11% for the months of March, April, and May 2020 compared to the same period in 2019. And if people don't want to visit stores, they are simply ordering their booze online.

According to [a report by Research and Markets](#), "Drizly, an online alcohol delivery provider operating in the US and Canada has seen a 300% rise in sales during the COVID-19 pandemic while Winc, an online wine club, saw a 578% increase in new members in March. Other platforms like Vivino and Vinopro have also experienced a surge in sales."

## Invest in this TSX alcohol stock

**Corby Spirit and Wine** ([TSX:CSW.A](#)) is a Toronto-based distributor and marketer of spirits and wines. Some brands under its portfolio include Lamb's Rum, Absolut Vodka, Chivas Regal, Jameson Irish Whiskey, Beefeater Gin, and many other Canadian household names.

The company reported net earnings of \$5.2 million for the quarter ended March 31, 2020, an increase of 15% compared to the same quarter in 2019. For the nine months ended March 31, 2020, net earnings increased by 9% to \$19.5 million compared to the same period in 2019. Revenue for the same period grew by 4%.

Clearly, the start of the pandemic hasn't affected Corby's numbers. But the months of April and May will hit Corby hard as the real impact of almost zero revenues from bars and restaurants will be taken into account.

While retail sales have risen, will they be able to offset the hit from commercial spaces? That's a tough

call to take and Corby hasn't provided any update yet. But the overall numbers shouldn't be too badly affected.

## Why this Canadian alcohol stock will move higher?

Another company in this space set to reap benefits is **Andrew Peller**. Fellow Fool [Daniel Da Costa has given a detailed description](#) of the company's numbers for Q1 2020, and why he considers it as a top small-cap stock to hold in your portfolio.

The company's own restaurants are shut. Its estate wine and tourism and special event business are down. Airport sales are zero. While liquor boards, grocery sales, and e-commerce sales have made up for the losses in the commercial space, Andrew Peller expects a revenue hit of 5%-10% in the current year.

The company is also implementing a series of new programs that will enable customers to get the whole bouquet: wine, beer, spirits, cider delivered to their homes.

The stock is trading at \$8.9 and analysts expect it to touch \$15 in the next 12-months, indicating a growth of 67%.

### CATEGORY

1. Coronavirus
2. Investing

### TICKERS GLOBAL

1. TSX:CSW.A (Corby Spirit and Wine Limited)

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