

Wholesale CHANGES

Another year, another set of acquisitions and challenges for convenience wholesalers

A Convenience Store News Staff Report

Despite some challenges, the 20 companies included in this year's *Convenience Store News* Top Wholesalers ranking combined to post sales of \$67.5 billion, an increase of 4.3 percent in the past year. That growth rate was slightly ahead of last year's increase of 4.1 percent.

Strong gains by individual companies continue to be boosted by acquisitions — a trend that is likely to continue. Core-Mark Holding Co. Inc., ranked in second place, increased sales by 30.6 percent year over year. Last year, this California-based convenience distributor acquired the convenience store division of Gardiner, Maine-based Pine State Trading Co. Then, in May of this year, Core-Mark announced the completion of its acquisition of last year's fifth-ranked wholesaler, Farner-Bocken Co. of Carroll, Iowa.

Consumer Product Distributors Inc. posted a 31.3-percent sales increase, rising from ninth place last year to fifth place in this year's *CSNews* Top Wholesalers report. The distributor recently acquired certain assets and most of the sales force of last year's 12th-ranked company, Garber Bros. Inc. of Stoughton, Mass., when that company closed its doors in April.

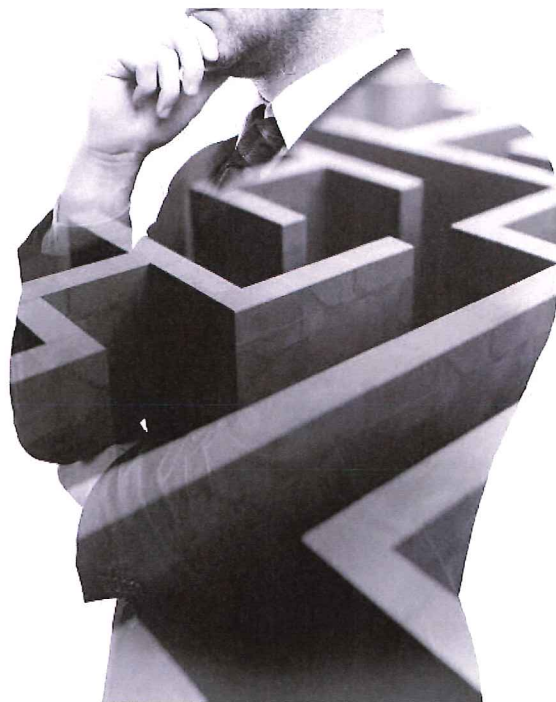
Interestingly, only one other company achieved double-digit sales growth: Harbor Wholesale Foods, at 18 percent over the previous year. No acquisitions were reported by this company, headquartered in Lacey, Wash.

McLane Co. Inc. of Temple, Texas, remains at the top of the list with \$31.7 billion in sales, a slight 1.9-percent decline from a year ago. Third-ranked Eby-Brown Co. LLC of Naperville, Ill., at \$5.6 billion in sales, also saw a drop of 6.7 percent in the past year.

Knoxville, Tenn.-based H.T. Hackney Co. rounds out this year's top five, with sales of \$4 billion. The top five companies, including Core-Mark, combined for sales of \$57.3 billion, which accounts for 85 per-

cent of the total 2017 *CSNews* Top Wholesalers list.

Cigarettes continue to bring in the largest share of sales for convenience wholesalers, at 67.9 percent. Following far behind are other tobacco products (9.7 percent of sales), candy, gum and packaged sweet



Top Wholesalers Summary

TOTAL SALES (Percent change vs. year ago):

Top 20 wholesalers	\$67.5 billion (+4.3%)
Top 5 wholesalers	\$57.3 billion (+5%)

AVERAGE SALES PER:

Company	\$3.374 billion
Retail location served	\$388,033
Warehouse	\$519 million
Full-time employee	\$2.421 million

PERCENT OF SALES:

Chains	50.7%
Single stores	49.3%

Source: Convenience Store News Market Research, 2017

Sales per Retail Location Served

McLane Co. Inc.	\$710,940
Chambers & Owen Inc.	\$500,000
Team Sledd	\$482,727
Charles C. Parks Co.	\$470,000
Cooper-Booth Wholesale Co.	\$452,522
Imperial Super Regional Distributors	\$440,000
Topicz	\$388,889
S. Abraham & Sons Inc.	\$367,500
Southco Distributing Co.	\$332,500
Core-Mark Holding Co. Inc.	\$315,217

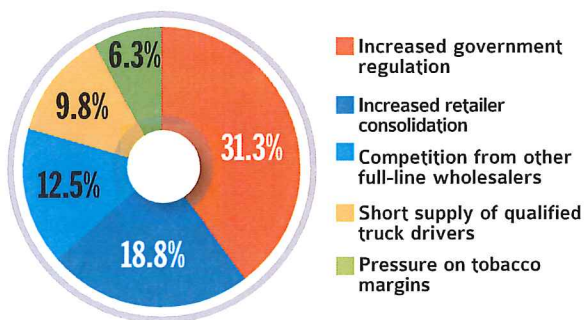
Source: Convenience Store News Market Research, 2017

Sales per Delivery per Week

McLane Co. Inc.	\$471,902
Cooper-Booth Wholesale Co.	\$462,121
S. Abraham & Sons Inc.	\$420,000
Team Sledd	\$408,462
Imperial Super Regional Distributors	\$407,407
Charles C. Parks Co.	\$390,041
Topicz	\$358,974
Resnick Distributors	\$315,000
AMCON Distributing Co.	\$308,333
Allen Brothers Wholesale Distribution Inc.	\$307,059

Source: Convenience Store News Market Research, 2017

Top 5 Trends Impacting Business Today



Source: Convenience Store News Market Research, 2017

Percent of Sales by Category

Cigarettes	67.9%
Other tobacco products	9.7
Candy/gum/package sweet snacks	6.1
Foodservice	5.9
Salty snacks	2.8
Grocery	2.4
General merchandise/health & beauty care	1.9
Packaged beverages	1.9
Fresh produce	0.7
Gourmet/natural/specialty food	0.1
Other	0.6

Source: Convenience Store News Market Research, 2017

snacks (6.1 percent), and foodservice (5.9 percent). Regarding cigarettes, several wholesalers noted that pressure on margins and continuing decline in consumer demand for these products are the most important trends affecting their business currently.

However, topping that list of trends impacting business today is increased government regulation, cited by almost one-third of respondents to this year's survey (31.3 percent). Increased retailer consolidation was selected by 18.8 percent of respondents, followed by competition from other full-line wholesalers at 12.5 percent.

Strong gains by individual companies continue to be boosted by acquisitions — a trend that is likely to continue.

When asked about new services or business solutions implemented over the past year to help their retailer customers, mobile apps and improved ordering platforms were mentioned most often by the top wholesalers. Enhanced foodservice programs were also mentioned frequently.

Foodservice and fresh-food programs were also cited most often when wholesalers were asked to name new convenience categories added or enhanced in the past year. Cold brew coffee, produce (both whole and cut fruits and vegetables), wraps, bakery, and frozen beverage programs were named as well. Several wholesalers also mentioned an expansion in novelty product programs. No wholesaler reported eliminating any categories over the past year.

METHODOLOGY

Rankings for the 2017 *Convenience Store News* Top Wholesalers report are based on sales from the last full fiscal year for each company. Data for this report was gathered through a survey conducted among the largest wholesalers primarily servicing c-stores that derive the majority of their annual sales from tobacco and candy products. Additional data was obtained through company reports and other public sources of financial data. In some cases, estimates have been made by *CSNews* based on historical data and current industry trends. **CSN**

RANKING	2017	Company/Headquarters	Chief Executive	ESTIMATED SALES			Trading Area	RETAIL SERVICE	
				Latest FY ¹ (millions)	Previous FY (millions)	% change		Locations Served	Deliveries per Week
1		McLane Co. Inc., Temple, Texas ²	Grady Rosier	\$31,725	\$32,346	-1.9%	50 states	44,624	67,228
2		Core-Mark Holding Co. Inc., South San Francisco, Calif.	Thomas B. Perkins	14,500	11,100	30.6	50 states	46,000	51,000
3		Eby-Brown Co. LLC, Naperville, Ill.	Thomas & Richard Wake	5,600	6,000	-6.7	MN, IA, WI, IL, MO, KY, IN, MI, GA, TN, NC, SC, MS, AL, ND, SD, PA, WV, VA, OH, NY, MD, DE	22,000	22,000
4		H.T. Hackney Co., Knoxville, Tenn.	William Sansom	4,000	4,000	0.0	AL, AR, FL, GA, MS, NC, SC, TN, LA, TX, KY OH, PA, VA, WV, MD, IN, MO, IA, MI, MO	20,000	n/a
5		Consumer Product Distributors Inc., Chicopee, Mass. ³	Jeffrey Polep	1,482	1,129	31.3	MA, CT, RI, NH, VT, ME, NY, NJ, PA	4,800	5,400
6		Harold Levinson Associates Inc., Farmingdale, N.Y.	Edward Berro	1,297	1,330	-2.5	All except AL	9,000	12,000
7		AMCON Distributing Co., Omaha, Neb.	Christopher H. Atayan	1,295	1,282	1.0	AR, CO, GA, IA, ID, IL, IN, KS, KY, MN, MO, MT, NC, ND, NE, OK, SD, TN, TX, UT, VA, WI, WV, WY	4,600	4,200
8		S. Abraham & Sons Inc., Grand Rapids, Mich. ⁴	Alan Abraham	1,176	1,224	-3.9	WI, IL, MI, IN, OH, KY, PA, WV	3,200	2,800
9		Imperial Super Regional Distributors, Elmwood, La. ⁵	John D. Georges	1,100	1,100	0.0	LA, MS, AL, GA, TN, AR, TX, OK, KS, MO	2,500	2,700
10		GSC Enterprises Inc., Sulphur Springs, Texas	Michael Bain	973	944	3.1	AR, KS, LA, MS, NE, NM, OK, TX	n/a	n/a
11		Cooper-Booth Wholesale Co., Mountville, Pa.	Barry Margolis	610	575	6.1	PA, MD, DE, VA, WV, NJ	1,348	1,320
12		Chambers & Owen Inc., Janesville, Wis.	John K. Owen	600	600	0.0	WI, MI, MN, IA, IL	1,200	1,250
13		Harbor Wholesale Foods, Lacey, Wash.	Justin Erickson	558	473	18.0	WA, OR, ID, CA, AK	3,000	2,200
14		Southco Distributing Co., Goldsboro, N.C.	Sherwin Herring	532	532	0.0	NC, SC, VA, TN, GA	1,600	1,900
15		Team Sledd, Wheeling, W.Va.	Robert M. Sincavich	531	531	0.0	OH, PA, WV, VA, MD, KY	1,100	1,300
16		Topicz, Cincinnati ⁶	Marvin Schwartz	350	367	-4.6	OH, KY, IN, IL, TN, WV	900	975
17		Resnick Distributors, New Brunswick, N.J.	Steven Resnick	315	303	4.0	NJ, PA, NY, CT, MD, DE, DC, VA, NC	1,000	1,000
18		Stephenson Wholesale Co. Inc., Durant, Okla. ⁷	Corey Cooper	298	317	-6.0	OK, TX	2,500	n/a
19		Charles C. Parks Co., Gallatin, Tenn.	Charles C. Parks III	282	271	4.1	TN, KY, VA, NC, SC, GA, AL, MS, AR, MO, IN	600	723
20		Allen Brothers Wholesale Distribution Inc., Philadelphia	Jeff. B. Allen	261	250	4.4	PA, DE, NJ, NY, DC	1,436	850

Footnotes:

¹ FY=Fiscal year

² McLane corporate parent is Berkshire Hathaway, Omaha, Neb.

³ Consumer Product Distributors dba J. Polep Distribution Services

⁴ S. Abraham & Sons corporate parent is GRAD, Grand Rapids, Mich.

⁵ Imperial Super Regional corporate parent is Georges Enterprises LLC, Elmwood, La.

⁶ Topicz corporate parent is Novelart Manufacturing Co., Cincinnati

⁷ Stephenson Wholesale dba Indian Nation Wholesale

Source: Convenience Store News Market Research, 2017

PERCENT OF SALES		WAREHOUSES		EMPLOYEES			PRODUCTIVITY RATIOS: SALES PER			
Chain	Indep.	# of Warehouses	Sq. Feet (thousands)	Full-time	Part-time	Sales	Sq. Foot	Employee (thousands)	Location (thousands)	Delivery (thousands)
99%	1%	22	11,615	13,274	36	279	\$2,731	\$2,390	\$711	\$472
65	35	34	5,500	5,000	n/a	n/a	2,636	2,900	315	284
n/a	n/a	8	2,000	2,400	100	200	2,800	2,333	255	255
n/a	n/a	28	n/a	n/a	n/a	n/a	n/a	n/a	200	n/a
56	44	7	387	886	58	110	3,829	1,673	309	274
5	95	6	420	562	39	89	3,088	2,308	144	108
72	28	6	641	528	12	104	2,020	2,453	282	308
58	42	2	440	485	8	92	2,673	2,425	368	420
65	35	3	329	485	6	54	3,343	2,268	440	407
n/a	n/a	1	450	n/a	n/a	n/a	2,162	n/a	n/a	n/a
40	60	1	110	218	2	12	5,545	2,798	453	462
45	55	1	252	260	0	35	2,381	2,308	500	480
40	60	2	312	420	10	50	1,788	1,329	186	254
50	50	1	240	225	15	43	2,217	2,364	333	280
70	30	1	195	270	0	30	2,723	1,967	483	408
5	95	1	120	170	3	15	2,917	2,059	389	359
35	65	1	100	135	0	13	3,150	2,333	315	315
15	85	3	212	264	3	56	1,406	1,129	119	n/a
65	35	1	159	157	2	13	1,774	1,796	470	390
45	55	1	65	78	6	13	4,015	3,346	182	307