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**WE'RE
ALL IN
ON ONTARIO**



LCBO

- **Our local strategy & what's ahead**

- **What we heard:**
Consumer & industry insights

- **Overall Ontario product performance**

- **LCBO Retail:** Sales performance, programs & opportunities

- **Wholesale:**
Sales performance, programs & opportunities



LCBO



Local in Focus

Strategy, support and what's ahead

LCBO

Toward a Stronger Local Industry

The three pillars of our strategy establish a clear and shared direction for the local industry, aligning LCBO and the industry around common goals.

1

Route to Market

Doing business should be easy and smooth for suppliers, LCBO, retailers, wholesale customers, and consumers.

2

Create Awareness

Customers need to be able to identify and understand products across the local industry.

3

Support Sales

Drive and sustain sales growth for local products.

These pillars help guide decisions on where to focus resources, research, and investments to help maximize impact.

LCBO

What We've Done: Review, Evaluate, Refine

LCBO has examined its programs and stakeholders against the strategic pillars.

Internal Review

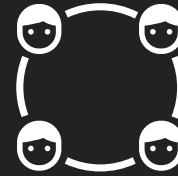
Review over 50 local supports programs to understand impacts, costs and stakeholder feedback.

External Evaluation

Conduct surveys with local producers, consumers and wholesale customers to understand effectiveness, awareness of local, demand, and challenges.

Strategy Refinement

Determine key opportunities to shape and inform next steps.



What's Next?

Consult and
collaborate

Plan and take
action

Measure progress
and refine



The LCBO logo is displayed vertically in a white, serif font on a green rectangular background. To the right of the green background is a vertical strip featuring a detailed floral pattern with green leaves and red berries.

A Year of Change and Opportunity



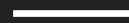
U.S. Product
Restrictions
Remained



Marketplace
Modernization



Wholesale
Pricing Model



LCBO
Modernization



Changing
Customer
Behaviour

LCBO

LOCAL SUPPORTS: WHAT WE HEARD

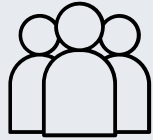
Consumers | Wholesale Customers |
Ontario Producers



Why this research, why now

Three perspectives on how Ontario products are discovered, purchased and sold

1



CONSUMERS

Understand awareness, perceptions, purchase behaviour and opportunities to strengthen engagement.

2



WHOLESALE CUSTOMERS

Understand local demand, assortments, ordering experiences and barriers.

3



PRODUCERS

Understand experiences with LCBO support, participation, business needs and growth barriers.

Three studies, one ecosystem view

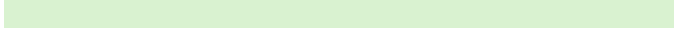
Fielded in July and August 2026

1,017



- Ontario beverage alcohol purchasers aged 20+
- Online panel, balanced and weighted

468

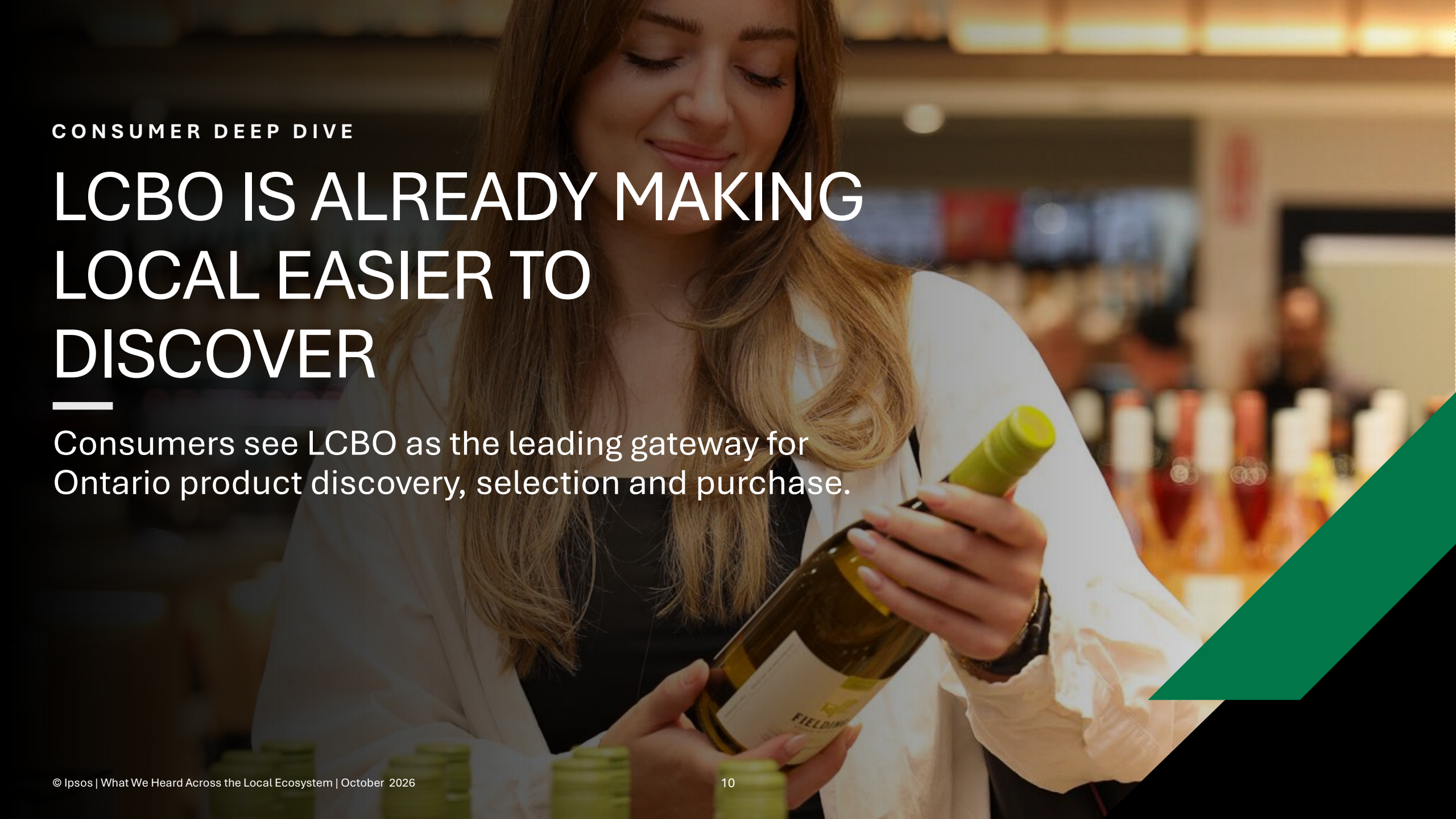


- Wholesale customers
- Voluntary-response online survey

144



- Ontario beverage alcohol producers
- Voluntary-response online survey

A woman with long brown hair, wearing a white lab coat over a dark top, is holding a bottle of wine. She is looking down at the bottle with a slight smile. The background is a blurred bar or restaurant setting with various bottles on the counter. A green diagonal graphic element is on the right side of the image.

CONSUMER DEEP DIVE

LCBO IS ALREADY MAKING LOCAL EASIER TO DISCOVER

Consumers see LCBO as the leading gateway for Ontario product discovery, selection and purchase.

Key themes at a glance

1

**Ontario-produced
beverages have a
strong foundation
among consumers**

2

**Consumers want to
support local
products**

3

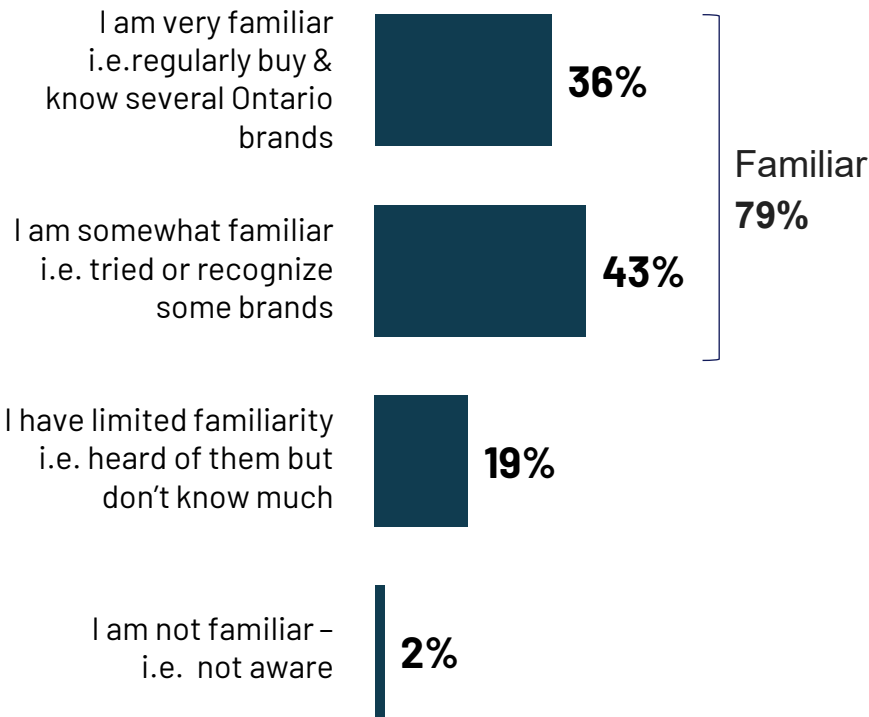
**Visible origin
identifiers and
discoverability
remain key
opportunities**

4

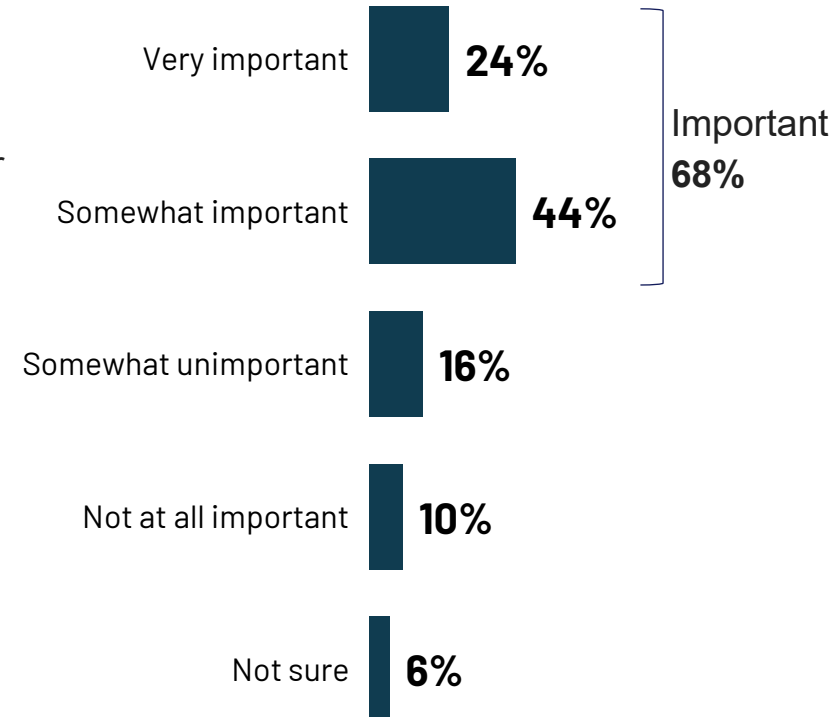
**The LCBO plays a
central role in
connecting
consumers with
Ontario products**

Familiarity, perceived importance and purchasing are all high

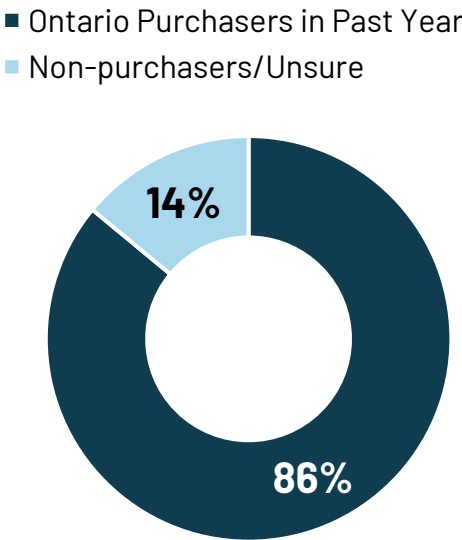
Familiarity With Ontario Bev Alc



Importance Of Buying Ontario



Ontario-produced Bev Alc Purchasers



Which of the following best describes your familiarity with alcoholic beverages that are made in Ontario? Base: ALL (n=1017)
And how often do you purchase beverage alcohol produced in Ontario? Base: ALL (n=1017)
How important is it to you that the alcoholic beverages you purchase are made in Ontario? Base: ALL (n=1017)

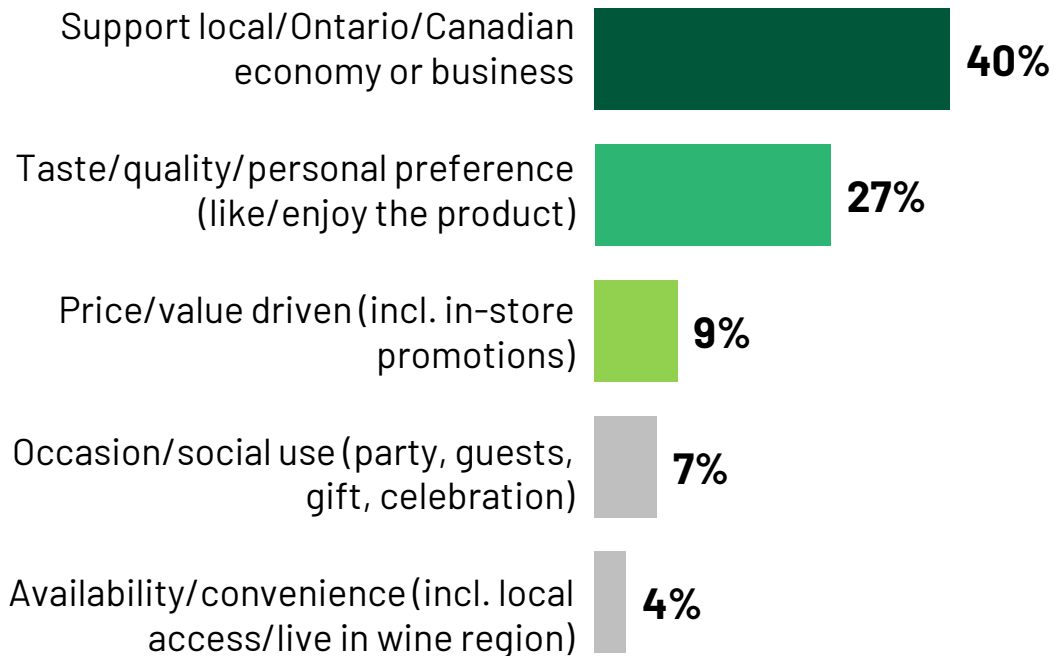
Canadian pride and taste are driving Ontarians to buy local

Reasons For Purchasing Alcohol Produced In Ontario In The Past Year

Overall

86%

have purchased
alcohol **produced
in Ontario** in the
past year



I believe we have to support local within Canada, and since I reside in Ontario, **it is my duty to support local businesses in Ontario.**



The **price point is lower** than many other international brands but more importantly they **taste as good** if not better than many imported wines.



I enjoy **supporting Canadian businesses** and appreciate **high quality of Ontario's craft.**

You mentioned that you have / have not purchased alcohol produced in Ontario in the past year, please tell us why? (Please be as specific as possible.)
Base: Have purchased alcohol produced in Ontario in the past year (n=879)

The biggest barrier is identifying what is made in Ontario

Reasons For Not Purchasing Alcohol Produced In Ontario In The Past Year

Overall

14%

have not purchased / are unsure if they have purchased alcohol **produced in Ontario** in the past year

Unaware/uncertain whether product purchased is Ontario-made (don't check origin) 42%



I don't really know what is produced in Ontario and what is not.

Brand loyalty to non-Ontario brand/prefer brand from other countries or regions 15%



*No particular reason but **I tend to stick with the brands I know** and I don't think they are made in Ontario.*

Infrequent drinker / purchased for others only (gift/guests), not personally 12%

No particular reason / doesn't factor into decision 8%



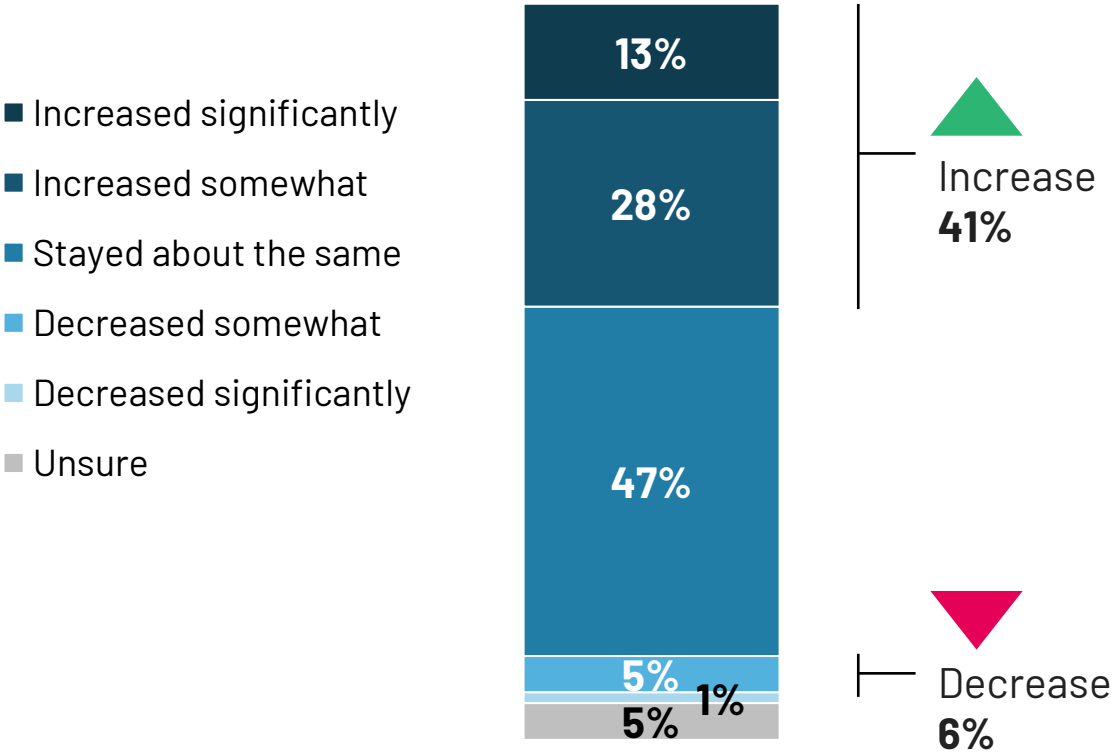
***I do not purchase alcohol based on where it is produced.** Therefore, I do not actively search to purchase alcohol produced in Ontario.*

Taste /quality dissatisfaction or preference elsewhere 8%

You mentioned that you have / have not purchased alcohol produced in Ontario in the past year, please tell us why? (Please be as specific as possible.)
Base: Have not purchased alcohol produced in Ontario in the past year (n=138)

Purchases of Ontario-produced beverages are gaining momentum

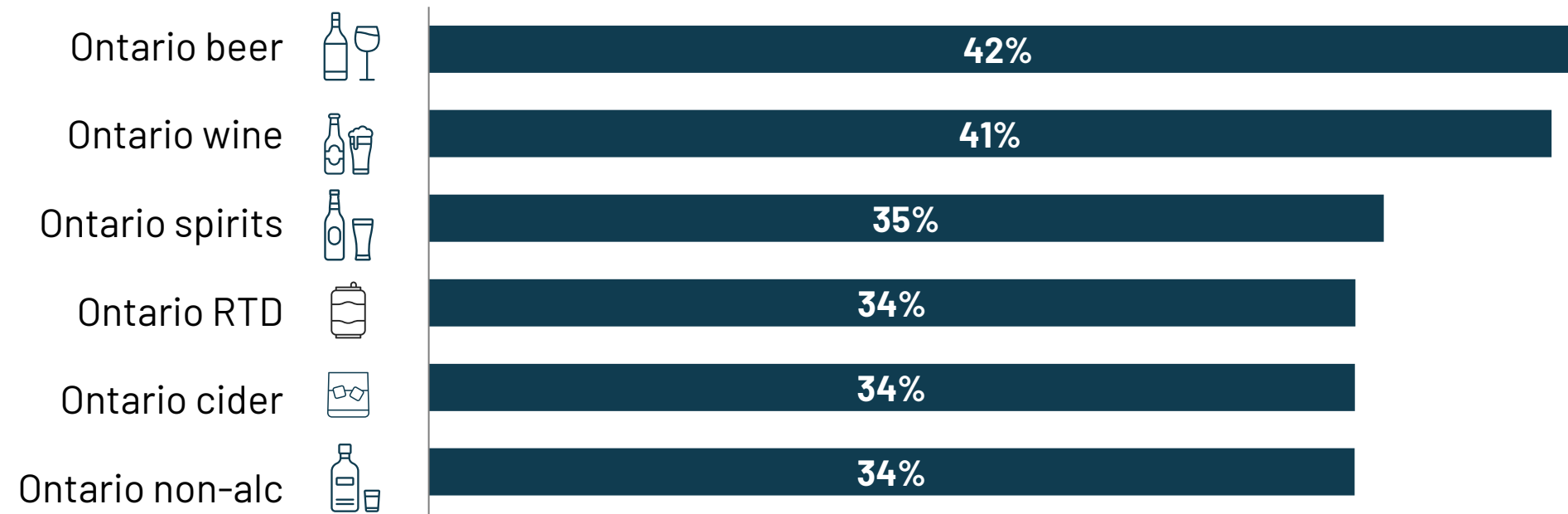
Purchase Frequency (Past Year)



Compared to one year ago, how have your purchases of alcohol produced in Ontario changed? Base: P1Y Ontario alcoholic beverage purchasers (n=879)

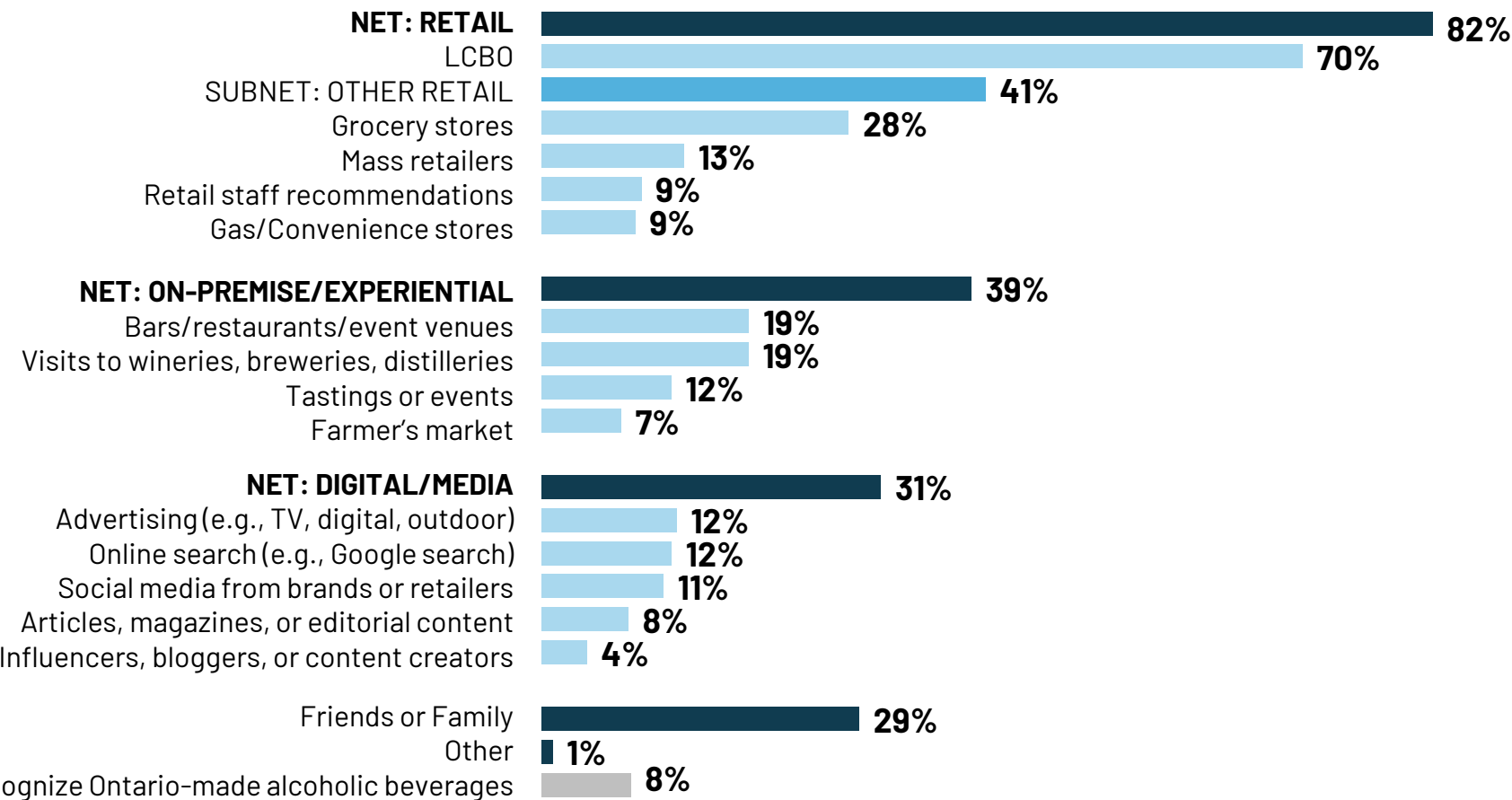
Consumer advocacy across all categories

Likelihood To Recommend Ontario Products



How likely are you to recommend the following Ontario-produced products to friends and family?
Base: ALL (n=1017)

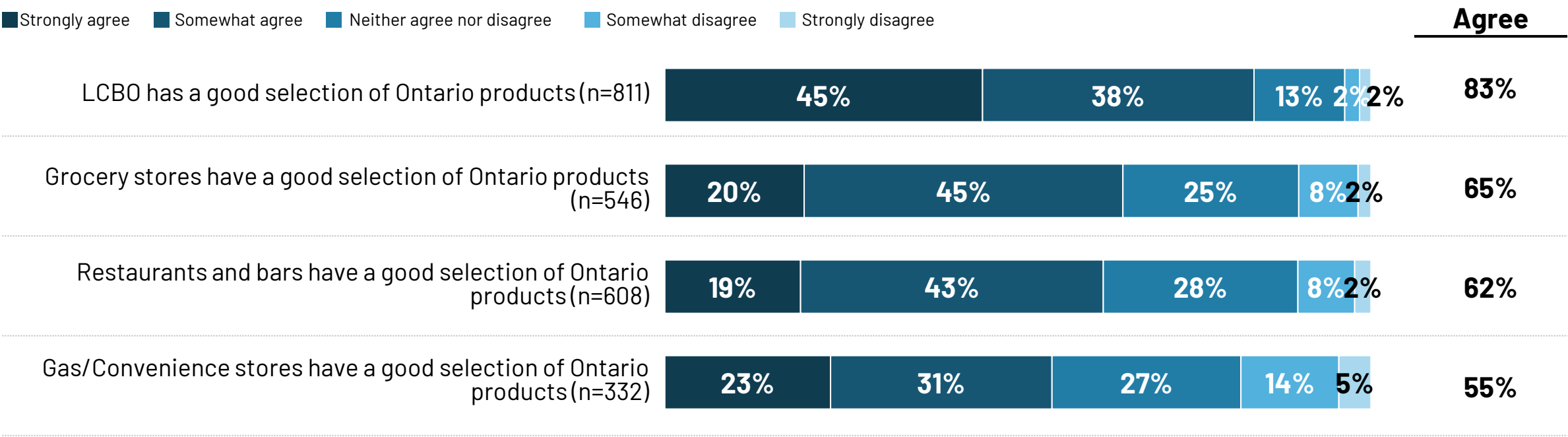
LCBO is the primary channel for discovering Ontario-produced alcoholic beverages



Where do you typically notice or discover Ontario-made alcoholic beverages?
Base: ALL (n=1017)

LCBO is viewed as the strongest channel for Ontario product selection

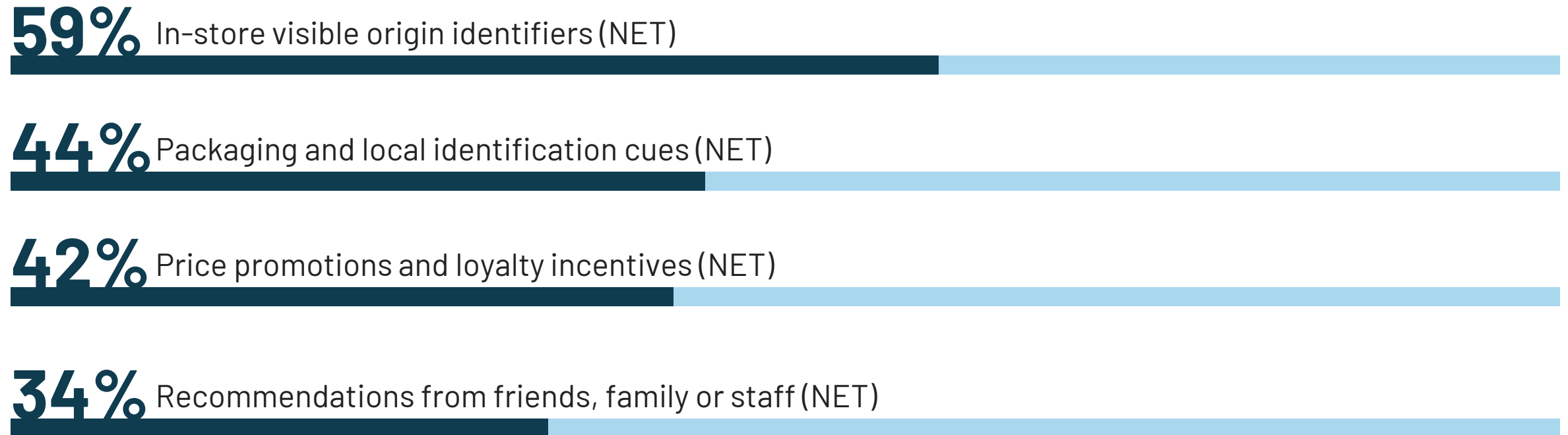
Perceived Selection Of Ontario Products By Channel



To what extent do you agree or disagree with the following statements.
Base: ALL (n=1017) unless otherwise indicated; alternative base sizes are those who have purchased Ontario beverages at each retail category.

LCBO's in-store visibility and promotions help encourage Ontario product purchases

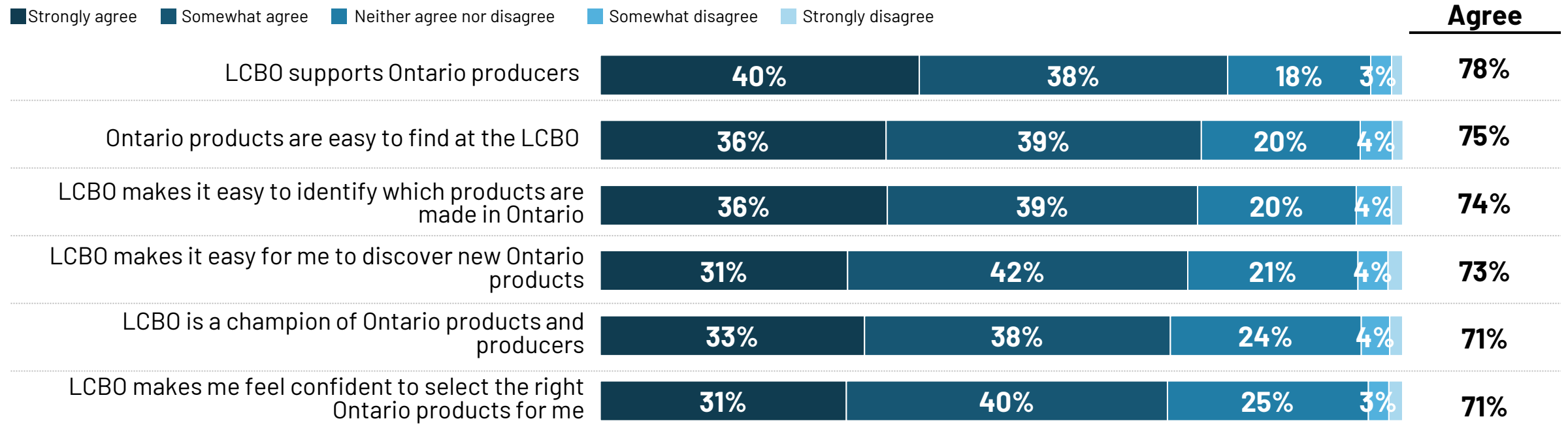
Factors That Encouraged Ontario Product Purchase At The LCBO



Earlier you mentioned that you have shopped at the LCBO and/or discovered Ontario-made products at the LCBO (online or in-store), when you were at the LCBO, which of the following has encouraged you to purchase an Ontario-made alcoholic beverage in the past 12 months? Base: Those who have shopped or discovered Ontario products at LCBO (n=934)

LCBO is recognized for supporting Ontario producers and helping consumers discover local products

Local Support Perceptions of the LCBO



Thinking specifically about the LCBO, to what extent do you agree or disagree with the following statements.
 Base: Those who have shopped or discovered Ontario products at LCBO (n=934)

Positive perceptions of LCB0's support for Ontario products are led by older consumers

Local Support Perceptions of the LCB0

	Total	Gen Z (14-29 yrs)	Millennial (30-45 yrs)	Gen X (46-61 yrs)	Boomer (62-80 yrs)	Men	Women
LCB0 supports Ontario producers	78%	72%	76%	79%	81%	78%	78%
Ontario products are easy to find at the LCB0	75%	67%	74%	77%	77%	73%	77%
LCB0 makes it easy to identify which products are made in Ontario	74%	65%	75%	76%	76%	73%	76%
LCB0 makes it easy for me to discover new Ontario products	73%	64%	77%	72%	73%	73%	73%
LCB0 is a champion of Ontario products and producers	71%	62%	73%	72%	72%	71%	71%
LCB0 makes me feel confident to select the right Ontario products for me	71%	70%	72%	69%	71%	69%	72%

Thinking specifically about the LCB0, to what extent do you agree or disagree with the following statements.
Base: Those who have shopped or discovered Ontario products at LCB0 (n=934)

Ontario products are easy to spot at LCBO – much less so in the wider market

Ontario Identification: LCBO Vs. The Broader Market

AT THE LCBO

74%

agree LCBO makes it easy to identify which products are made in Ontario

vs

MARKET OVERALL - NO RETAILER NAMED

47-57%

say it is usually easy to tell a product is Ontario-made – the weakest attribute in every category

42% of non-purchasers never check where a product is made — origin never enters the decision

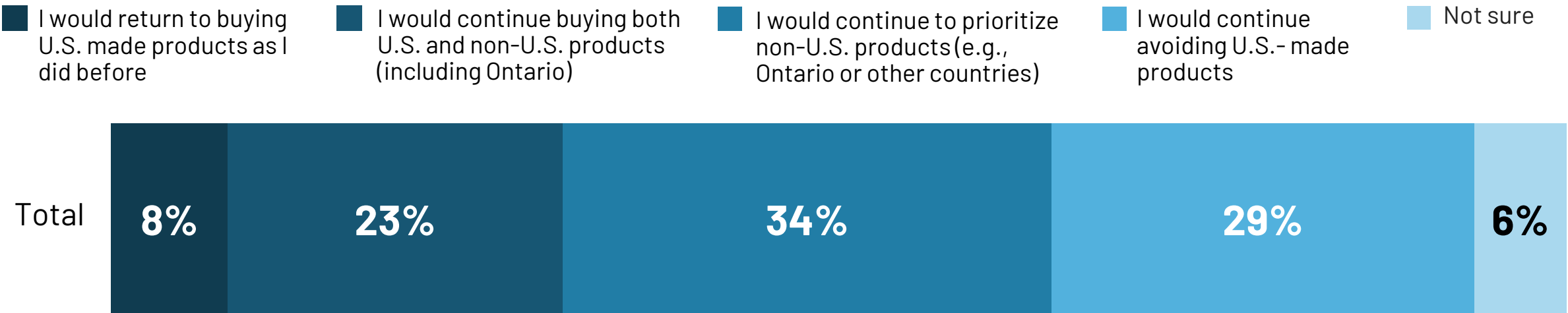
Origin identification is more a market gap than a LCBO-specific gap.

There is an opportunity for enhanced identification in other retailers and establishments.

Thinking specifically about the LCBO, to what extent do you agree or disagree with the following statements. Base: Those who have shopped or discovered Ontario products at the LCBO (n=934).
Ontario-produced[category] perceptions, "Usually, it is easy to tell that it is produced in Ontario" (% agree, range across six categories). Base: Those who have purchased category. [Note: This question was asked without specifying a retailer and reflects the market overall; it is not a measured score for grocery, convenience or any other retailer. The comparison is directional.]
You mentioned that you have / have not purchased alcohol produced in Ontario in the past year, please tell us why? (Please be as specific as possible.). Base: Have not purchased/unsure (n=138).

Most consumers expect to continue purchasing Ontario and non-U.S. products even if restrictions are lifted

U.S. Products & Consumer Behaviour



If U.S.-made alcoholic beverages became widely available again, what would you most likely do?
Base: Those who have changed purchase behaviour due to restrictions (n=589)

Older consumers are most likely to maintain their shift away from U.S. products

U.S. Products & Consumer Behaviour

	Total	Gen Z (14-29 yrs)	Millennial (30-45 yrs)	Gen X (46-61 yrs)	Boomer (62-80 yrs)
I would return to buying U.S.-made products as I did before	8%	18% ↑	9%	8%	2% ↓
I would continue buying both U.S. and non-U.S. products (including Ontario)	23%	28% ↑	33% ↑	19%	13%
I would continue to prioritize non-U.S. products (e.g., Ontario or other countries)	34%	28%	31%	42% ↑	32%
I would continue avoiding U.S.-made products	29%	18% ↓	19% ↓	27%	47% ↑
Not sure	6%	8%	8%	4%	5%

If U.S.-made alcoholic beverages became widely available again, what would you most likely do?
Base: Those who have changed purchase behaviour due to restrictions (n=589)

WHOLESALE DEEP DIVE

THE NEXT OPPORTUNITY IS ENABLING WHOLESALE GROWTH

Focus on local-specific discovery, availability,
assortment and commercial barriers.

Key Themes at a Glance

1

Demand for local is driven by both values and customer interest

2

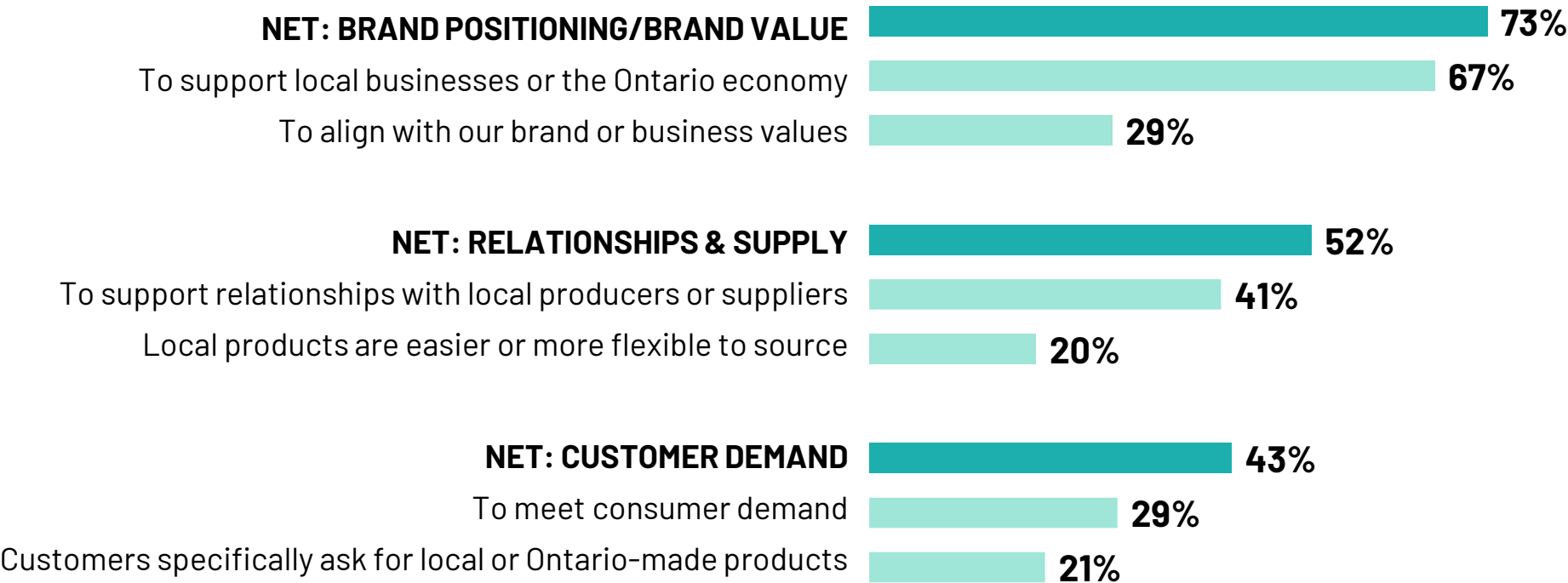
Practical barriers are limiting growth in purchasing Ontario products

3

Catalogue perceptions point to a discovery and awareness gap

Supporting Ontario’s economy is a key motivation for purchasing local products

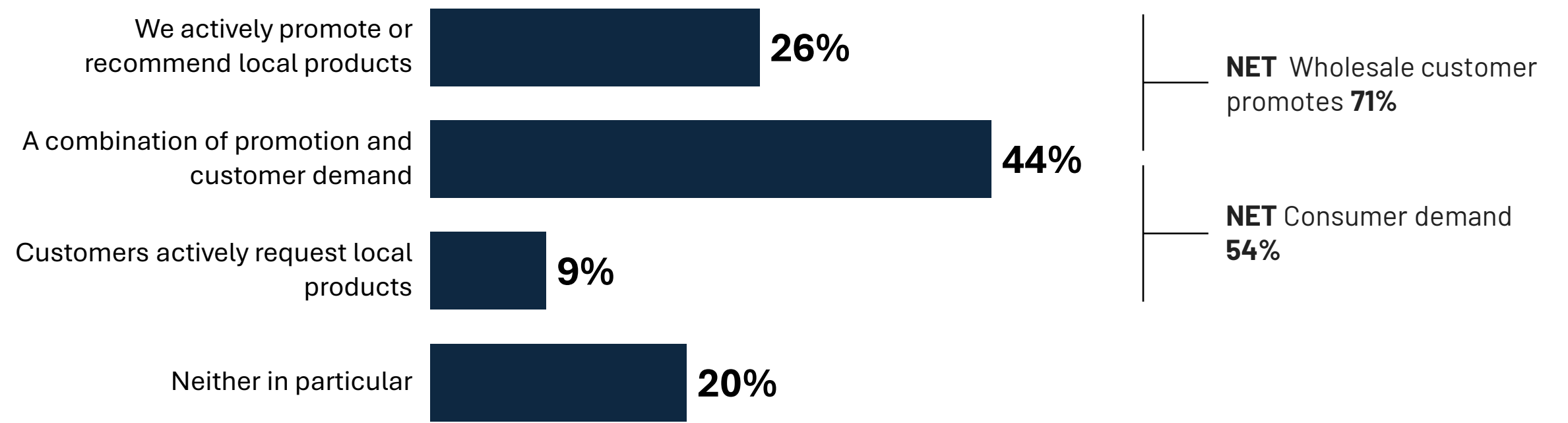
Reasons For Purchasing Ontario Products (Top 3)



Why do you purchase local (Ontario-made) products?
Base: ALL (n=468)

Businesses play a leading role in driving Ontario product sales

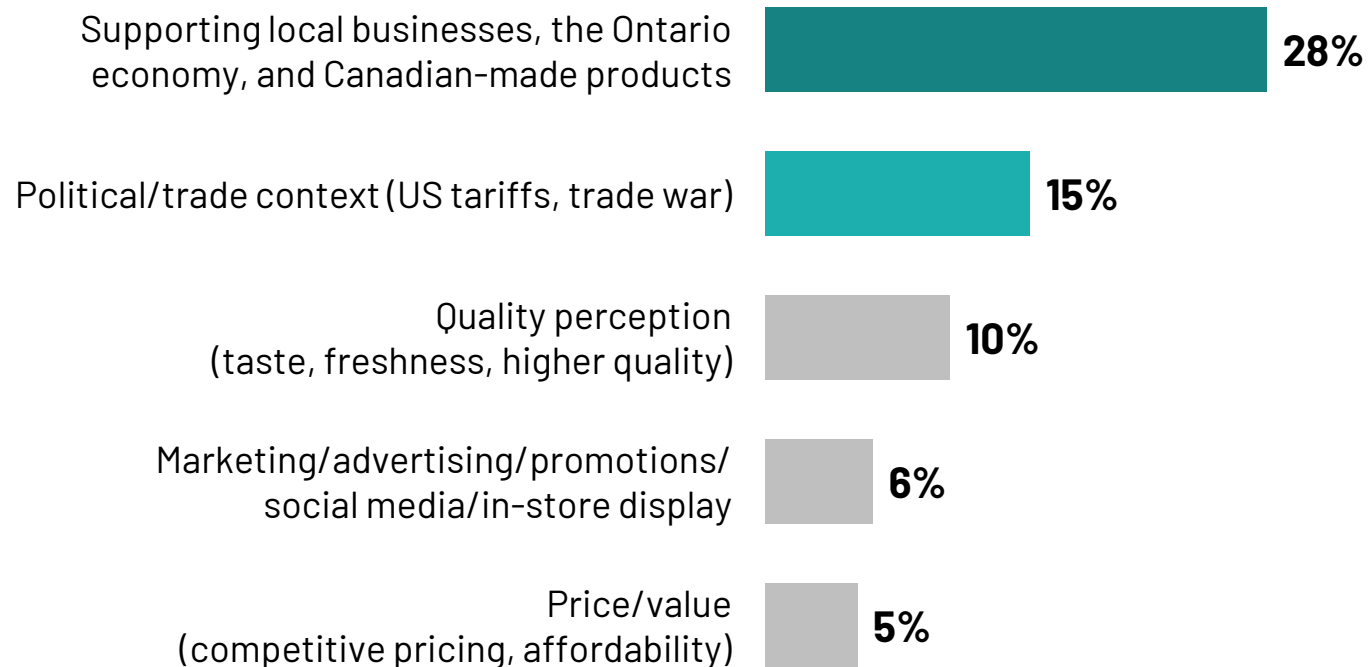
Primary Drivers Of Ontario Product Sales



In your business, who primarily drives the sale of Ontario-made products?
Base: ALL (n=468)

Support for local is the primary driver of consumer interest

Perceived Drivers Of Consumer Demand



People out here love to support local, they know that if we don't... there won't be many local businesses around.



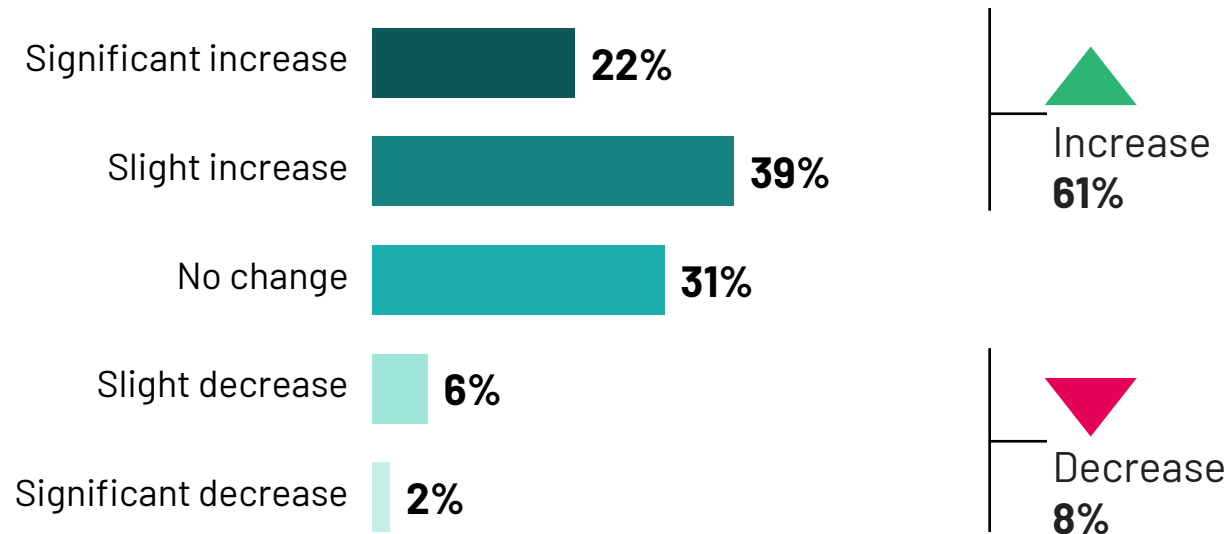
The **current geopolitical situation with the US** has also helped increase the **support** for local products.

What do you think drives consumer demand for local products in your business?
Base: ALL (n=468)

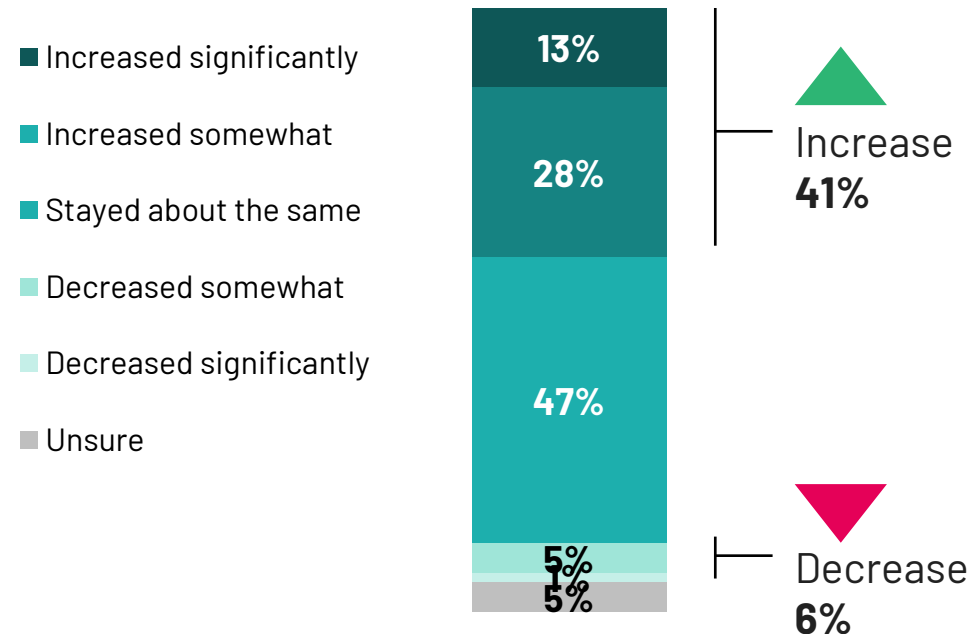
Consumer demand for Ontario products is moving in a positive direction, with six in ten reporting increased interest

Change In Consumer Demand For Ontario Products In The Past Year

Wholesale Customer's POV on Consumers



Consumers POV



Wholesale: In the past year, how would you say consumer interest in local Ontario products has changed? Base: ALL (n=468)
Consumer: Compared to one year ago, how have your purchases of alcohol produced in Ontario changed? Base: P1Y Ontario alcoholic beverage purchasers (n=879)

Almost half are satisfied with their current local assortment, while one in three want to order more

Current Approach To Ontario Products

47%

I am satisfied with the current level of local products

35%

I would like to increase orders, but face barriers

Barriers To Ordering Ontario Products

Overall
49%
Have experienced a barrier to ordering or increasing their orders

High price/not price-competitive vs. imports or large national brands

Product availability /stock-outs /inconsistent supply

Limited product range /selection (not listed with or available through LCBO)

Ordering website /portal /system issues (hard to navigate, errors, unclear info)

Low consumer demand /customers prefer other (often imported /major) brands

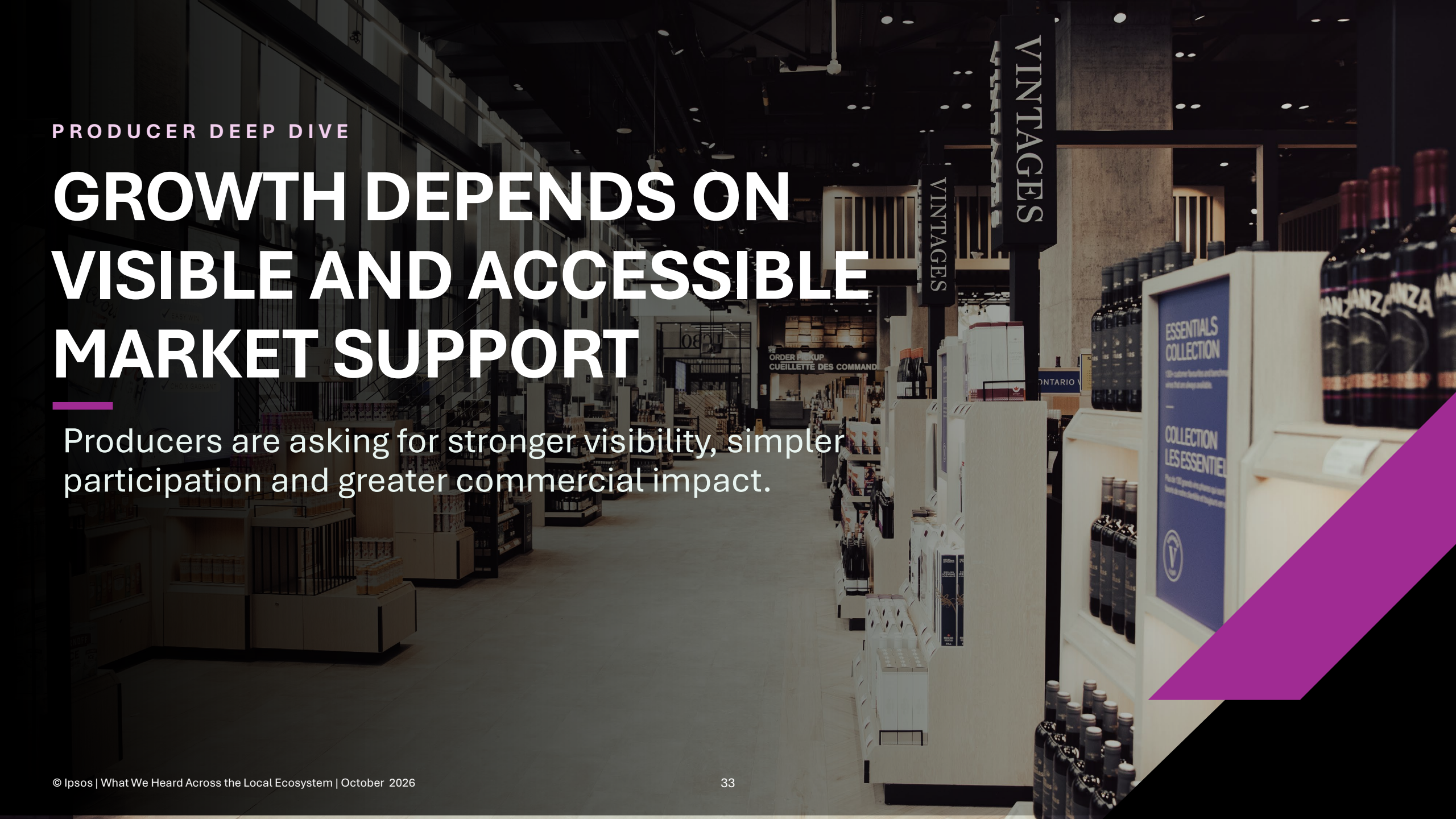
Which best describes your current approach to Ontario-made products? Base: ALL (n=468)
What barriers, if any, are preventing you from ORDERING/INCREASING your orders for local Ontario products? Base: All respondents (n=468). Open-ended responses among those mentioning a barrier (n=231)

Perceptions of the LCBO catalogue suggest opportunities to improve local selection, discoverability, and assortment depth

Perceptions Of LCBO’s Wholesale Catalogue

	<u>Agree</u>
There is a good selection of local products in the LCBO’s wholesale catalogue	57%
I wish I knew more about local brands available through the LCBO wholesale catalogue	57%
There are enough choices of local products in LCBO’s wholesale catalogue to meet your retail needs	54%
It is easy to find Ontario products in the LCBO’s wholesale catalogue	52%

To what extent do you agree or disagree with the following statements?
Base: Valid responses (n=444-459)



PRODUCER DEEP DIVE

GROWTH DEPENDS ON VISIBLE AND ACCESSIBLE MARKET SUPPORT

Producers are asking for stronger visibility, simpler participation and greater commercial impact.

Key Themes at a Glance

1

Market access across LCBO retail and wholesale channels is the dominant challenge facing Ontario producers

2

LCBO builds awareness and provides market value, but the producer relationship has room to improve

3

LCBO supports achieve broad reach, and many individual initiatives are positively rated by participants

4

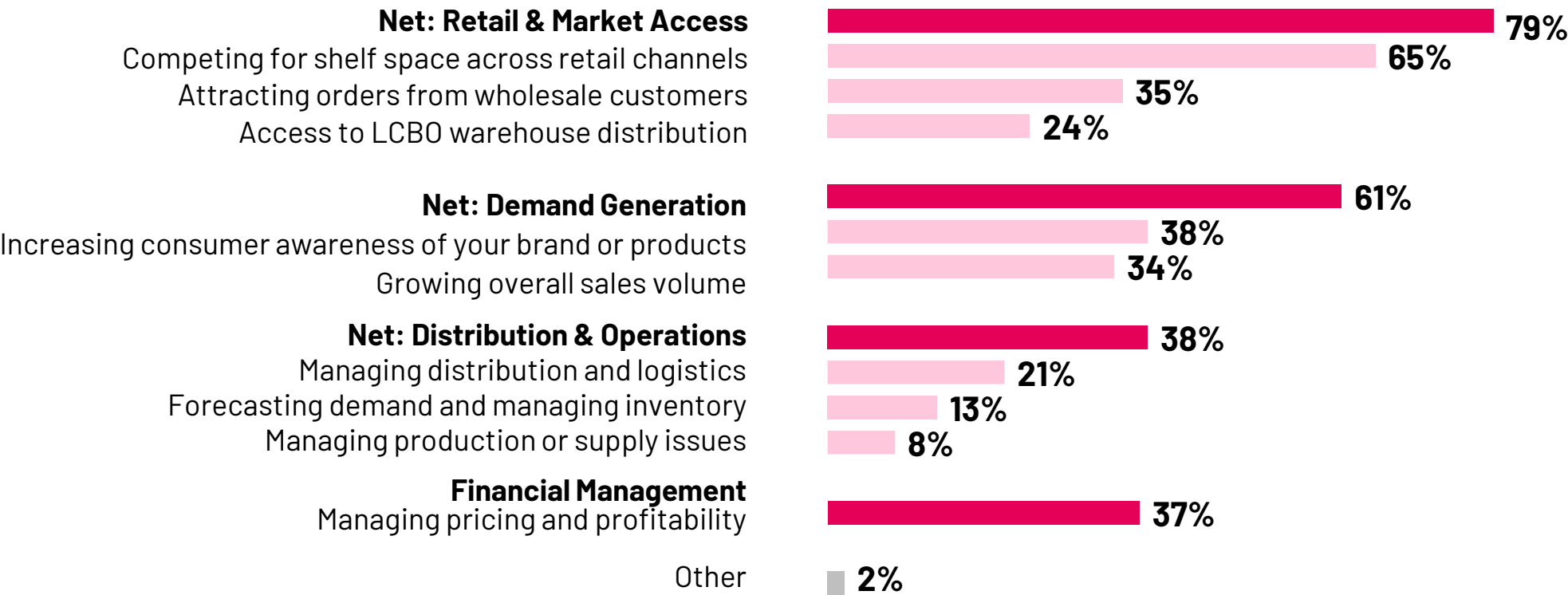
Cost, limited program access and process complexity constrain participation

5

Greater retail visibility is producers' clearest priority for strengthening LCBO support

Market access stands out as the leading challenge to business growth

Business Growth Challenges



Regardless of channel, which of the following are the most difficult aspects of growing your business?
Base: ALL (n=144)

Satisfaction is driven by supports creating opportunities, valuable market access and supportive LCBO relationships

What Is Working Well

Most positive



Lower satisfaction centers on market access, financial pressures, and operational complexity

What Is Not Working Well

Most negative



Ontario producers show strong awareness of LCBO support programs, however participation lags and varies

Local Supports – Program Area Total Awareness Summary

	Wine (n=42) 	Beer (n=27) 	Cider (n=22) 	Spirits (n=21) 	RTD (n=25) 
Merchandising & Visibility	<div><div></div></div> 93%	<div><div></div></div> 75%	<div><div></div></div> 95%	<div><div></div></div> 95%	<div><div></div></div> 81%
Sampling & Events	<div><div></div></div> 93%	<div><div></div></div> 100%	<div><div></div></div> 95%	<div><div></div></div> 95%	<div><div></div></div> 96%
Media & Promotional	<div><div></div></div> 100%	<div><div></div></div> 93%	<div><div></div></div> 100%	<div><div></div></div> 100%	<div><div></div></div> 96%
Product Calls	<div><div></div></div> 95%	<div><div></div></div> 96%	<div><div></div></div> 100%	<div><div></div></div> 100%	<div><div></div></div> 88%
Distribution Programs	<div><div></div></div> 98%	<div><div></div></div> 100%	<div><div></div></div> 95%	<div><div></div></div> 95%	<div><div></div></div> 88%
Staff Ambassador Programs	<div><div></div></div> 74%	<div><div></div></div> 71%	<div><div></div></div> 77%	<div><div></div></div> 77%	<div><div></div></div> 73%

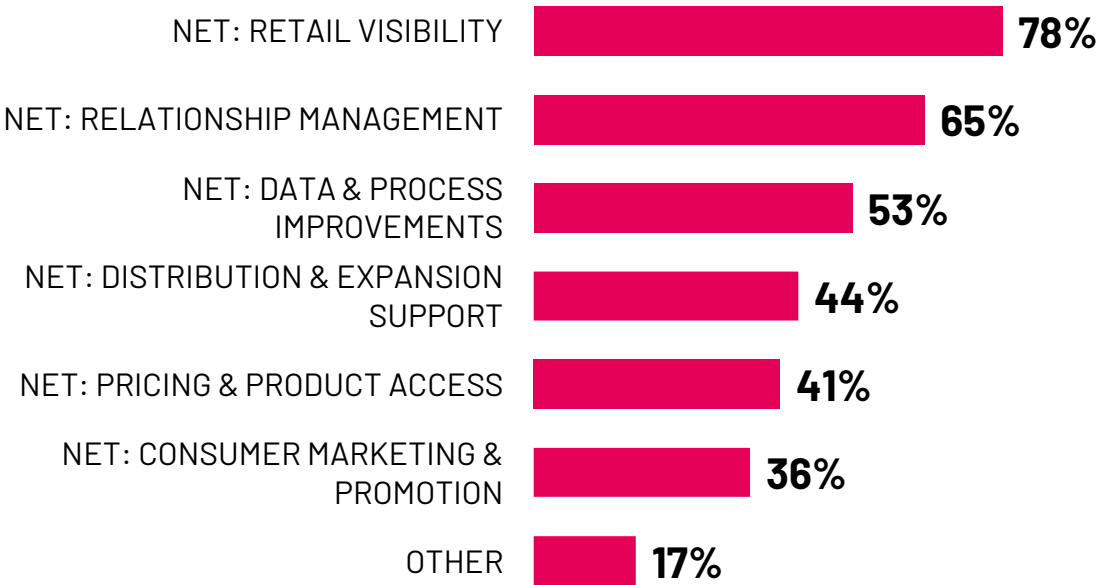
Note: Results shown are summary NET scores based on awareness of or participation in any initiative within each program area. Detailed initiative-level results are provided on the slides that follow.
Note: Blank cells indicate that the program area is not applicable to the producer category.

Thinking specifically about your CATEGORY business, which of the following LCBO local support initiatives are you aware of, and which have you participated in?
Base: Those asked about each category(n varies)

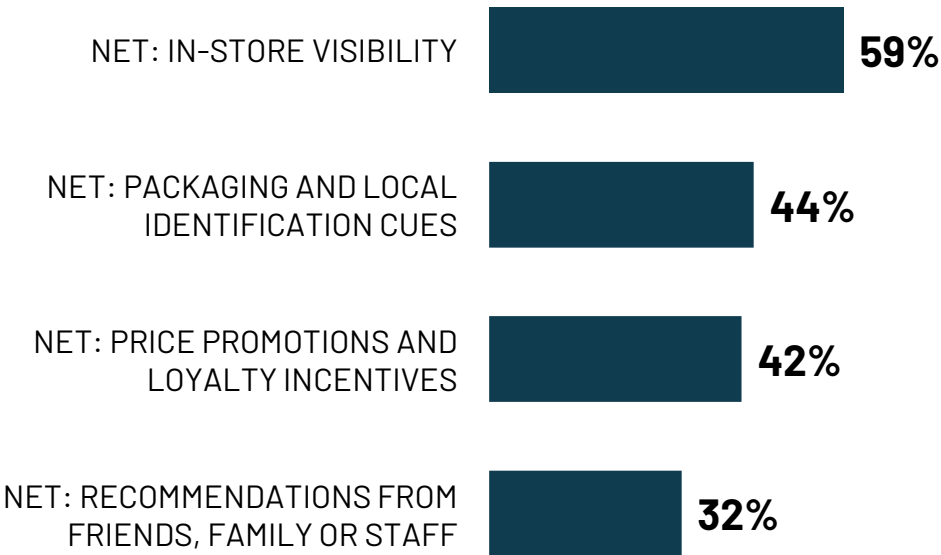
Greater retail visibility is local producers' clearest priority for impactful support from LCBO

Areas Of LCBO Supports: Greatest Impacts On Business Success (Mentioned In Top 5 Responses)

Producers: LCBO supports with the greatest impact on business success



Consumers: Key factors encouraging the purchase of Ontario products



Producer: Which of the following areas of support from the LCBO do you think would have the greatest positive impact on your business? Base: Those who sell through LCBO retail stores/LCBO.com (n=110)
Consumer: Earlier you mentioned that you have shopped at the LCBO and/or discovered Ontario-made products at the LCBO (online or in-store), when you were at the LCBO, which of the following has encouraged you to purchase an Ontario-made alcoholic beverage in the past 12 months? Base: Those who have shopped or discovered Ontario products at LCBO (n=934)

What you should take away

1

LCBO's role in driving discovery and purchase is a clear strength

2

Wholesale is the next growth opportunity

3

Producer growth depends on visible and accessible market support

4

The shared opportunity is better connection across the ecosystem



100



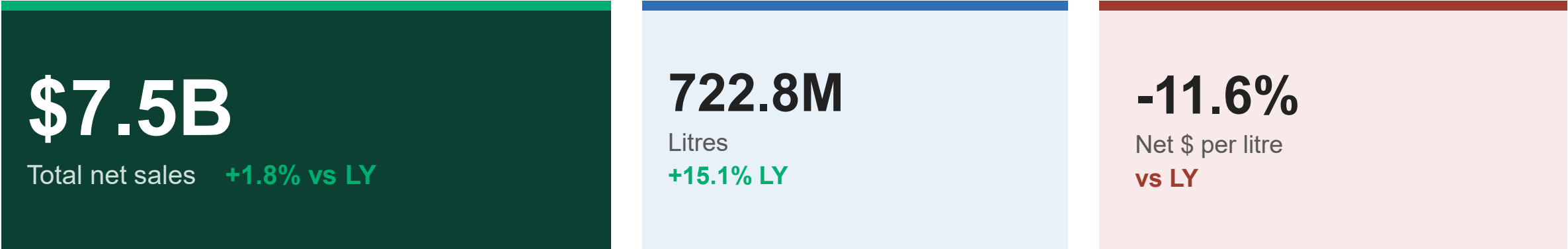
Ontario Product Sales

Total sales across all channels

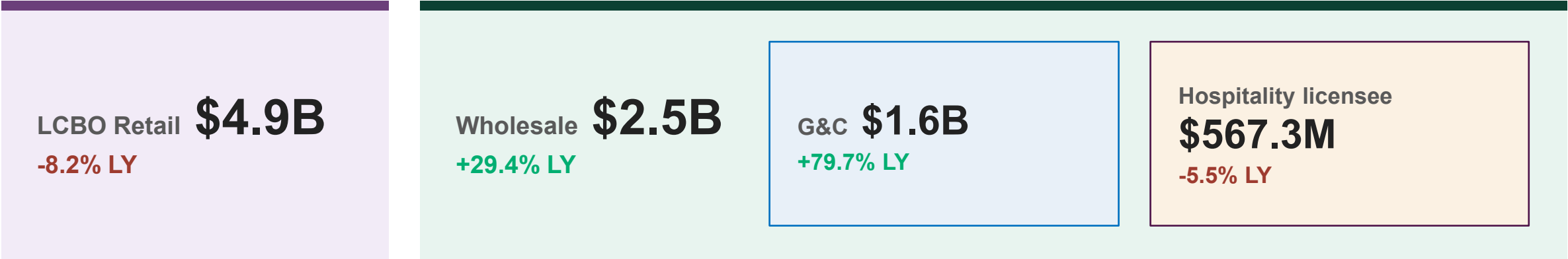
Marie Cundari, Senior Director, New World & Ontario Wines
Chris Robertson, Senior Director, Beer, Cider & Ready-to-Drink
Alanna Bailey, Senior Director, Spirits
Julia Sousa, Senior Director, Integrated Marketing & Operations

Total Sales (All Channels)

FY26 NET \$ SALES



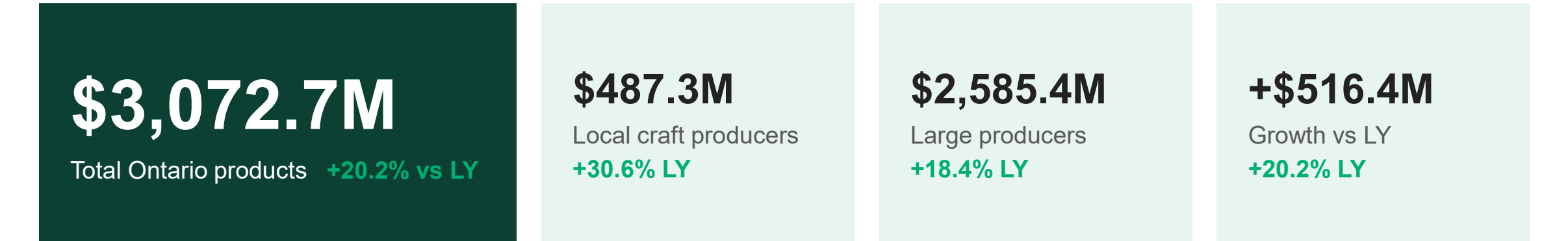
CHANNEL SPLIT



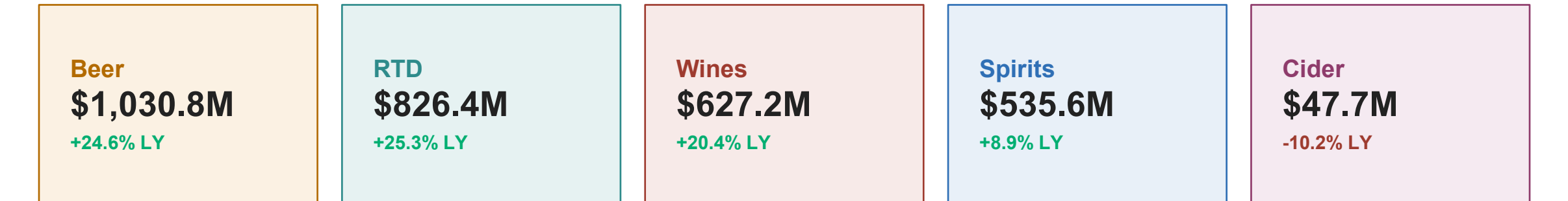
Total Sales: Local Products (all channels)

Ontario products including local craft are up 20.2%. Wines and spirits are benefitting from U.S. products restrictions as customers most notably substitute with Ontario and Canadian-made products.

FY26 NET \$ SALES | ONTARIO PRODUCTS



CATEGORY SPLIT



Customer Trends Across Categories

Shared demand drivers and distinct category trends

CONTINUED SUPPORT FOR LOCAL

Ontario-made remains front of mind across categories.

VALUE FOR MONEY

Everyday value matters as shoppers manage discretionary spending.

U.S. ALTERNATIVES

Shift to local and non-U.S. origins for bolder tastes.

Spirits

COCKTAIL CULTURE

Replicating favourite drinks at home for entertaining.

Wine

MODERATION & LIGHTER OPTIONS

Lower-alcohol and lighter styles.

Beer, Cider & Ready-to-Drink

LARGER & MIXED PACKS

Entertaining solutions and customer value.

SPRITZ STYLE COCKTAILS

Classic and new spritz variations continue to trend.

SPARKLING & REFRESHING STYLES

Bubbles and crisp whites extend beyond summer.

READY-MADE COCKTAILS

Bar quality and often bar strength.

CONVENIENCE & SMALLER FORMATS

Easy-mix solutions and portable formats for everyday occasions.

FLAVOURS & COCKTAIL INSPIRATION

Flavour-forward and cocktail-style profiles broaden appeal.

CUTTING-EDGE INNOVATION

Unique formats, trendy flavours and styles.

An illustration of a woman with long dark hair, wearing a bright yellow dress, riding a teal-colored bicycle away from the viewer down a light-colored dirt path. The path is flanked by rows of grapevines with green leaves and clusters of purple grapes. In the background, there are rolling green hills under a blue sky with soft, white clouds. The overall style is artistic and serene.

LCBO Retail

Sales performance, programs & opportunities

LCBO

Local Support: FY26 LCBO Retail KPIs

Performance is exceeding expectations as demand for and interest in local products remains high

01 LOCAL PRODUCT SALES

+20.2%

increase in craft Ontario product sales across category YoY

02 LCBO INCREASED SUPPORT

+19%

increase in Ontario craft product listings across category

03 LCBO INCREASED SUPPORT

+\$10.7M

increase in LCBO investment & in-kind support in promotions for Ontario craft products

04 LCBO INCREASED SUPPORT

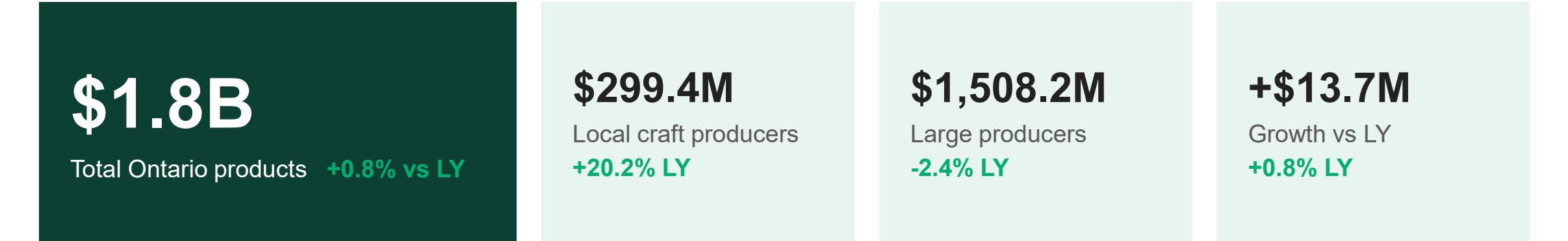
+57.7%

increase in Customer Service Representatives and Product Consultants with local training

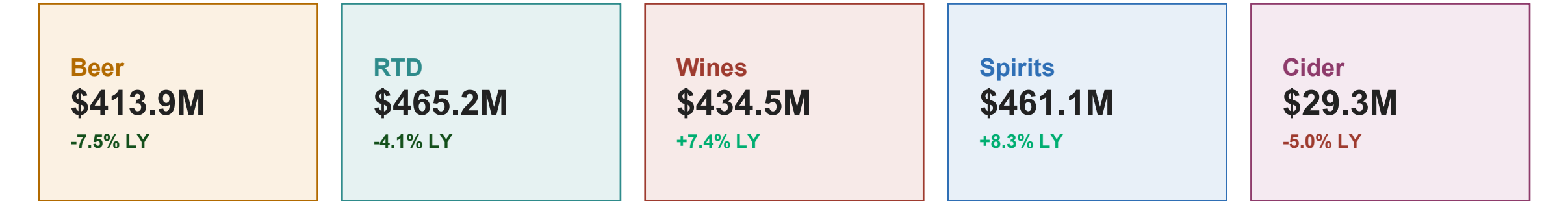
LCBO Retail: Local Products

Ontario products including Local Craft are up 0.8%, Wines and spirits are benefitting from U.S. products restrictions as customers most notably substitute with Ontario and Canadian-made products.

FY26 NET \$ SALES | ONTARIO PRODUCTS



CATEGORY SPLIT





Wine

LCBO

Wines

TOTAL LCBO RETAIL FY26 NET SALES

\$1.6B, -11.1% LY

Litres: 90M, -9.8% LY

TOTAL ONTARIO NET SALES

\$433.0M, +7.4% LY

LCBO Wines: \$405.2M

Vintages Essentials: \$19.3M

Vintages Release: \$8.4M

ONTARIO

VQA

\$151.7M, +28.7% LY

LCBO Wines: \$124.3M

Essentials: \$19.1M

Vintages release: \$8.2M

CATEGORY DRIVERS

- **Red** \$63M, +40.4%
- **White** \$64M, +28%
- **Rose** \$9.4M, +16.4%
- **Sparkling**
\$7.7M, +7.1%
- **Icewine** \$6.8M, +1%

IDB

\$254M, -0.8% LY

LCBO Wines: \$254M

CATEGORY DRIVERS

- Largest category, led by value segment and large format BIB
- **Red** \$96M, +0.6%
- **White** \$147M, -1.1%
- **Rose** \$10.8M, -8.3%

NON-VQA/OTHER

\$27M, -6.0% LY

LCBO Wines: \$26.5M

Essentials: \$0.3M

Vintages release: \$0.2M

CATEGORY DRIVERS

- Non-VQA Ontario
- **Specialty/Flavoured**
\$14.8M, +2%
- **Fruit** \$1.2M, +21.5%
- **Fortified** \$4.5M, -21%
- **Sparkling** \$6.2M, -15%

FY26 VQA New Support Initiatives

Piloted new, effective initiatives across the three Local Strategy pillars within LCBO Retail

ROUTE TO MARKET

- Expanded VQA distribution of LCBO wines across LCBO store network - *\$64M in participating SKU sales, +9.9%*
- Optimize inventory orders for replenishment and promotion to assist small Ontario VQA wineries – *23,500 cases in 2025, up 138% from 2023*
- More suppliers participated in the Direct-to-Store Delivery program – *up 19% expanding access for producers*
- Increased VQA representation in Vintages New Release Program - *up +50% (+130 more products annually)*



FY26 VQA New Support Initiatives

Piloted new, effective initiatives across the three Local Strategy pillars within LCBO Retail

SUPPORT SALES

- Expansion of new VQA listings and formats within LCBO wines and Vintages Essentials
- Leverage Aeroplan to drive VQA basket through incremental offers - *\$6.2 million in offer-driven net sales.*
- Incremental Local product calls including new Support Ontario product call (repeat in FY2026-27) - *30 net new wines to 200 stores and \$1.3 million in net sales*



FY26 VQA New Support Initiatives

Piloted new, effective initiatives across the three Local Strategy pillars within LCBO Retail

CREATE AWARENESS

- Executed incremental in-store and online promotional opportunities – *including tactical Icewine and Riesling promotions*
- Increased customer trial and engagement through free tastings and local events including Discover Ontario (repeat in 2026) – *Sold out to 800+ customers*
- Enhanced Ontario Wine Ambassador and Product Consultant training – *283 Product Consultants and 450 Ambassadors trained last year!*





CLOSSON
CHASE
VINEYARDS
EST. 1998

The background of the slide is a photograph of a person wearing a blue long-sleeved shirt and a tan baseball cap, seen from behind, reaching into a dense tree to harvest small, round, red fruits. The tree is filled with green leaves and many of these red fruits are visible. The overall lighting is soft, suggesting an overcast day.

Beer, Cider & RTD

LCBO

Beer, Cider & RTD

TOTAL LCBO RETAIL FY26 NET SALES

\$1.3B, -6.5% LY

Litres: 219.4M, -7.6% LY

LOCAL RETAIL SHARE

Beer 59.1%
Cider 74.6%
RTD 80.8%

ONTARIO

BEER

\$413.9M, -7.5% LY

Local Craft \$96.0M, -3.1%
Non-Craft \$317.9M, -8.8%

CATEGORY DRIVERS

- Marketplace expansion
- Light/Low Carb +15%
- Non Alc. +21%
- Craft Singles share 82%

CIDER

\$29.3M, -5.0% LY

Local Craft \$11.8M, +13.4%
Non-Craft \$17.5M, -14.3%

CATEGORY DRIVERS

- Marketplace expansion
- Local craft innovation
- Craft share +6.5% to 30%

RTD

\$465.2M, -4.1% LY

Incubator \$12.5M, +167.6%
Non-Incubator \$452.7M, -5.8%

CATEGORY DRIVERS

- Marketplace expansion
- RTD cocktails +20%
- RTS (Premixed) +7%
- Higher ABV trending

FY26 BCRTD New Support Initiatives

Piloted new, effective initiatives across the three Local Strategy pillars within LCBO Retail

ROUTE TO MARKET

- Craft listings: Grew craft beer and cider listings *by 11% and 7 respectively*
- RTD Incubator: More than doubled RTD Incubator products *which helped drive a 178% sales increase*
- Industry engagement: Ongoing dialogue and collaboration
- Local area allocation for direct delivered beer



FY26 BCRTD New Support Initiatives

Piloted new, effective initiatives across the three Local Strategy pillars within LCBO Retail

SUPPORT SALES

- Increased share of new listings: *Local craft products accounted for 75% of all new beer listings and 82% of all new cider listings*
- Craft beer displays: *Increased OCB end aisles by 46% and more than doubled the OCB extender locations*
- Support Ontario call: *Introduced 32 new beer, cider and RTD products, generating \$2.3 million in net sales*
- P4 OCCA Aeroplan Promotion: *drove a 43% increase in sales and helped to introduce craft cider to new customers*



FY26 BCRTD New Support Initiatives

Piloted new, effective initiatives across the three Local Strategy pillars within LCBO Retail

CREATE AWARENESS

- Dedicated Craft Cider section: Launched a dedicated local cider section in 100 LCBO locations
- New & seasonal display: Leveraged to promote trial of local craft beer and cider in the 139 locations with the end aisle
- Beer & cider ambassador training: Enhanced employee knowledge with dedicated training for 400 plus CSRs





LOCAL BEERS YOU'LL LOVE

WE'RE ALL IN ON ONTARIO

An illustration of a distillery featuring large copper stills. A large circular hatch is open in the foreground, revealing the interior of a still. The background shows more complex distillation equipment with various pipes and valves. The word "Spirits" is centered in the image.

Spirits

LCB0

Spirits

TOTAL SPIRITS FY26 NET SALES

\$2.0B, -6.4% LY

Litres: 46.4M, -5.5% LY

TOTAL ONTARIO NET SALES

\$461.1M, +8.3% LY

Local Craft Spirits: \$27.5M, +61%

Large Producers: \$433.7M, +6.1%

ONTARIO

WHISKY

Canadian

Total: \$269M, +7.6% LY

Local Craft: \$8.5M, 218.8% LY

CATEGORY DRIVERS

- Whisky \$269M, +7.6%
 - Supporting local is a key consumer motivation
 - Premium price points and bolder taste profiles

WHITE SPIRITS

Vodka, Gin, Rum

Total: \$140M, 5.4% LY

Local Craft: \$14.7M, 26.4% LY

CATEGORY DRIVERS

- Vodka \$94M, +5.3%
- Gin \$8M, +3.6%
 - Ontario products outpacing total category trends
 - Value price points are leading growth

OTHER SPIRITS

Liqueurs, Brandy, Other

Total: \$52M, 21% LY

Local Craft: \$3.9M, 51.4% LY

CATEGORY DRIVERS

- Liqueurs \$52M, +22%
 - local alternatives for cocktail recipes
 - Value price points and on-trend flavours

FY26 Spirits New Support Initiatives

Piloted new, effective initiatives across the three Local Strategy pillars within LCBO Retail

ROUTE TO MARKET

- Small distiller listings: Grew listings on our assortment of small distillers - *231 SKUs (+24%)*
- Merchandising team supports and listing coaching
- Direct-to-Store Delivery program & delivery rebate. *20% DDP rebate, \$5.1M returned to producers*
- Growing assortment of locally-produced mixers and cocktail ingredients - *14 local mixer SKUs = 33% of portfolio, \$246.5K sales*



FY26 Spirits New Support Initiatives

Piloted new, effective initiatives across the three Local Strategy pillars within LCBO Retail

SUPPORT SALES

- Expand Ontario assortment and promotions in response to U.S. product restrictions with the Support Ontario tender.
- Incremental Support Ontario section to highlight the new listings - *15 new products, 200 stores, \$3.3M net sales.*
- Expanded local spirits double merchandising sections to 30 stores - *\$1.4M program sales.*



FY26 Spirits New Support Initiatives

Piloted new, effective initiatives across the three Local Strategy pillars within LCBO Retail

CREATE AWARENESS

- Increase customer trial and engagement - *959 complimentary tastings (\$48K); reduced cost for events*
- Incremental promotional opportunities for local spirits
- Increase staff training for local spirits - *299 PCs trained; 400 Ambassadors in FY27*





BARNBURNER

HANDCRAFTED ONTARIO WHISKY

85 PROOF

SMALL BATCH

A man in a blue and white plaid shirt, blue jeans, and a brown cap is walking from left to right through a large warehouse. The warehouse is filled with numerous wooden barrels stacked on metal racks. The lighting is warm and focused on the man, with the background being dark and filled with the repetitive pattern of the barrels.

Marketing

LCBO

FY26 Marketing Support Initiatives

Enhanced existing supports and new piloted initiatives across two strategic pillars.

CREATE AWARENESS (ALWAYS-ON ENGINE)

- In store & LCBO.com
- Vintages New Release catalogue local features
- Food & Drink magazine editorial integration
- Email marketing local product curation
- Social Media (organic) local product curation
- Seasonal campaign integration (paid media)

NEW AWARENESS & SALES SUPPORT INITIATIVES

- Eh List always-on campaign
- Eh List Aeroplan Send & Get Promotion
- Food & Drink advertising craft rate

Awareness and sales supports are driving customer discovery, trial and purchase of local products in LCBO channels.

Local Awareness in LCBO Marketing Channels

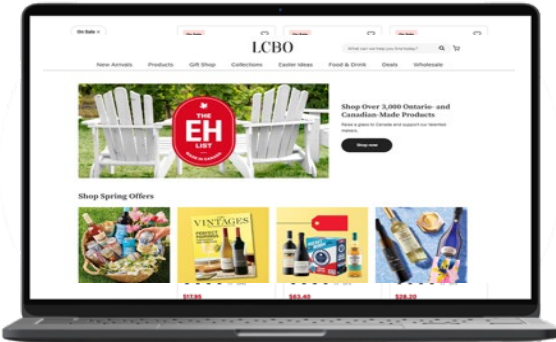
SOCIAL
455,000+
followers



IN STORE
8.5 million
Avg. monthly
transactions



LCBO.COM
3 million avg.
monthly visits



**On Demand
Delivery Partners**
+130k monthly
orders



FOOD & DRINK
450,000+ copies,
3+ million readers
/issue



**VINTAGES
CATALOGUE**
10,000+
copies

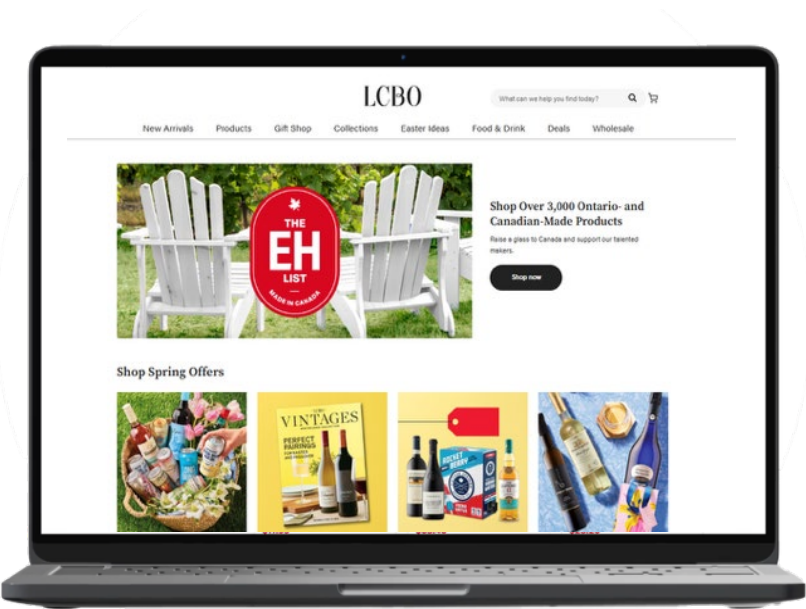


EMAIL
500,000+
subscribers



EH LIST Local Support

Shoppable collection of 3,000+ Ontario & Canadian made products launched March 2025, with marketing communications ongoing every period.



Digital Discovery



Frontline
Local Champions



External Awareness



On-shelf Discovery

Eh List Aeroplan Points Promotion



THE EH LIST
MADE IN CANADA

EARN 50 BONUS POINTS

When you spend \$50 or more on Ontario- and Canadian-made products. Look for the maple leaf on-shelf.*

 **ONE WEEK ONLY**
May 5 – 11, 2025

AEROPLAN 

*Some listed products may include domestic and imported ingredients.

\$1.26M
Incremental
Sales

LCBO funded
week-long Aeroplan
spend & get offer
delivered

**\$6.46M total net
sales**

Food & Drink: Local Editorial Integration



45%
Ontario-made
products

Food & Drink: Preferred Rate for Ontario Craft

9 REASONS TO VISIT NIAGARA BENCHLANDS WINERIES

1 Appearance

12TH STREET WINERY

2 Terrain

CAVE SPRING VINEYARD

3 Outstanding

VILLINGO ESTATE WINERY

4 History

HENRY OF PELHAM FAMILY ESTATE

5 Artisanal

LEARNING POST WINES

6 Sustainable

MALVOIRE WINE COMPANY

7 Panoramic

PENINSULA RIDGE ESTATES WINERY

8 Ambiance

SUE ANN STAFF ESTATE WINERY

9 Craftsmanship

WESTCOTT VINEYARDS

A FRESH TAKE ON WINE COUNTRY.
Niagara Benchlands Wineries, a collection of 37 wineries, that brings you premium wines, big personality, delectable cuisine, and a landscape that's anything but ordinary.

Visit our website to learn more!
niagarabenchlandswineries.com

NIAGARA BENCHLANDS WINERIES

WELCOME TO OUR PRIVATE CLUB

SMOKE GAMBLE
CABERNET
\$19.95
LCBO#16207

SMOKE GAMBLE
APPASSIMENTO
\$49.99
LCBO#09933

IT'S OK TO GET A LITTLE FRISKY!

FRISKY BEAVER
BACASS RACI
\$15.95
LCBO#17440

FRISKY BEAVER
BUNNY BEAVER
\$17.95
LCBO#27462

THE CRAFT SIDE OF SUMMER

Maclean's LIGHT
LIGHT BEER • BIÈRE LÉGÈRE
473mL

Maclean's

Three Real Ingredients.
One Proper Whisky Sour.

Broken Paddle Whisky Sour
Shake. Crack. Sip.
Now at the LCBO

whiskyatlcbo.com @whiskyatlcbo

\$225k
In-kind
Advertising
Subsidy

Drink Local This Summer
Ontario produces some of the finest wines, spirits, craft beers and ready-to-drink cocktails in the world—everything you need for your summer entertaining occasions.

Patio Cocktail Party
Reach for your shaker and cocktail spoon, and start mixing up white-hot concoctions. The party starts here!

Top No. 5 Vodka
LCBO #1001, \$19.95
Crested from Crested, this ultra-smooth vodka is made with 100% Canadian grain and is 100% neutral spirits.

Ginslingers Dry Gin
LCBO #1001, \$19.95
Wild juniper and other botanicals from the Heart of Ontario give this drink a unique character.

Muskrat Barrel-aged Whisky
LCBO #1001, \$19.95
A full, smoky barrel of aged whisky, barrel-aged in muskrat barrels, has a smoky, oaky, and slightly sweet character.

Backyard Hangs
Put your cooler with a broad choice of local beers, wines and spirits, and cocktails guaranteed to please the whole crew.

Burdock Brewery
Duck IPA
LCBO #1001, \$19.95
A double-dry-hopped beer with a hoppy, citrusy, and slightly bitter taste.

Acacia Hill Winery
Vodka
LCBO #1001, \$19.95
Sweet and smooth, with a hint of vanilla, this vodka is perfect for any cocktail.

Thornbury Craft Apple Cider
LCBO #1001, \$19.95
The juice of fresh-picked apples, with a hint of cinnamon and nutmeg, this is a perfect fall drink.

Twelve Apostles
Singapore Sling
LCBO #1001, \$19.95
Inspired by a classic cocktail, this is a refreshing and slightly sweet drink.

Muskrat Barrel-aged Whisky
LCBO #1001, \$19.95
A full, smoky barrel of aged whisky, barrel-aged in muskrat barrels, has a smoky, oaky, and slightly sweet character.

Al Fresco Dinner Party
Red or white, sparkling or not, Muskrat Barrel-aged Whisky is the perfect choice for a welcome spirit and on the dinner table.

Cherry & Lime Vodka
LCBO #1001, \$19.95
Niagara's Niagara Hills makes this water-ginger, high-proofed vodka from 100% grain neutral spirits, giving it a clean, crisp, and slightly sweet character.

Burnt Ship
Bourbon
LCBO #1001, \$19.95
Behind the well-known brand of grapefruit and honey, this is a smooth and slightly sweet drink.

Reservoir Run Pils
LCBO #1001, \$19.95
A crisp and clean Pilsener beer, this is a perfect choice for a welcome spirit and on the dinner table.

Chimney Dues
Chimney Dues
LCBO #1001, \$19.95
A full, smoky barrel of aged whisky, barrel-aged in muskrat barrels, has a smoky, oaky, and slightly sweet character.

VINS · SPIRITUEUX · BIÈRES

Continuing support for
Ontario products



LCBO

New Local Supports LCBO Retail FY27

More Visibility. More ways to discover Ontario products.

LISTINGS + DISTRIBUTION	RETAIL SUPPORT	SHELF SPACE	MARKETING
<p>Support Ontario product call: On shelf Q4 2026–27</p> <p>Local products: performance leniency, increased purchases</p> <p>Expanded distribution of local products across store network</p>	<ul style="list-style-type: none">• VQA staff picks each period• Free in-store tastings P2-6• Expanded Product Consultant Development Day tastings• Enhanced product education	<p>400+ front-of-store visibility added</p> <ul style="list-style-type: none">• 306 Feature fixtures• 186 entrance tables• 329 front end merchandisers	<p>In-store + digital</p> <ul style="list-style-type: none">• Buy Ontario retail signage package rolled out in August.• Buy Ontario radio & in-store radio

LCBO Retail has continued to expand space, increase listings and augment with incremental marketing support.

BUY ONTARIO Front-of-Store Visibility



Feature Fixture A & B



Front Entrance Table



Front End Merchandiser

400+ Front-of-store shelf space added

BUY ONTARIO Marketing Supports



**P7 Exterior Banners &
Digital Screen Signage**



**P8 Onward:
Evergreen Signage**

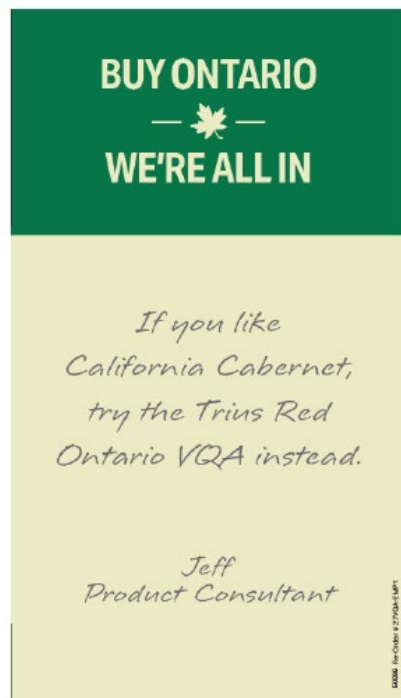


Store Entrance Banner

BUY ONTARIO Marketing Supports



Employee Endorsement Signage



Window Showcard



Category Signs

Buy Ontario In Store Radio

P6 – Ongoing

Supporting Local: A look ahead

PROCESS ENHANCEMENTS

Simplify the path to shelf

Focus on faster, clearer onboarding steps and listing timelines.

COSTS AND FEES

Make participation affordable

Review existing program fees and promotional costs.

IN STORE VISIBILITY

Keep local findable

Focus on sustained local visibility and more consistent in-store execution.

SUPPLIER EDUCATION

Close the knowledge gap

Provide clearer guidance, enhance education and trade communication.

Priority areas to be reviewed within collaborative industry focus groups, shaped by producer survey feedback

Our ask of you



Align product plans with customer demand

Focus on trending categories, relevant formats, flavour profiles and clear value proposition.



Prepare for LCBO listing opportunities

Stay up-to-date with local product call opportunities via trade website. Provide a complete and accurate submission by noted deadline.



Use local promotional and trial opportunities

Explore Buy Ontario support, in-store tastings, dedicated display programs and staff education.



Help shape the next phase of support

Share specific challenges or ideas through your Association or reach out to the Category team

An illustration of a brewery worker in a dark uniform and cap, pouring golden beer from a large fermenter into a bucket. The scene is set in a brewery with various pipes, valves, and other brewing equipment visible in the background. The overall color palette is muted, with browns, greys, and the golden color of the beer.

Wholesale

Sales performance, programs & opportunities

LCBO

Local Support: FY26 LCBO Wholesale KPIs

Performance is exceeding expectations as wholesale customers embrace local products

01 LOCAL PRODUCT SALES

+66.0%

increase in overall Ontario product sales across category YoY

02 LOCAL PRODUCT SALES

+51.2%

increase in Ontario craft product sales across category YoY

03 DIRECT DELIVERY PRODUCT SALES

\$106M

Direct Delivery program sales of wine, cider and spirits to LCBO Convenience Outlets, hospitality licensees and duty free

04 SUPPLYING SOURCE DELIVERY & FULFILLMENT

+300

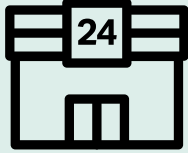
Ontario manufacturers of beer, cider, wine and ready-to-drink fulfilling and delivering to grocery and convenience retailers

Our local selection



Grocery

~2600
products



Convenience

~2600
products



LCBO
Convenience
Outlets (LCO)

~1100
products



Hospitality

~2600
products



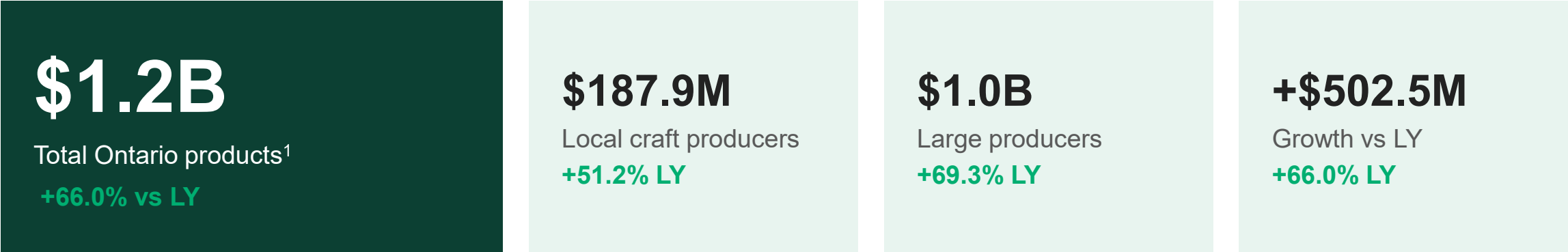
Duty Free

~250
products

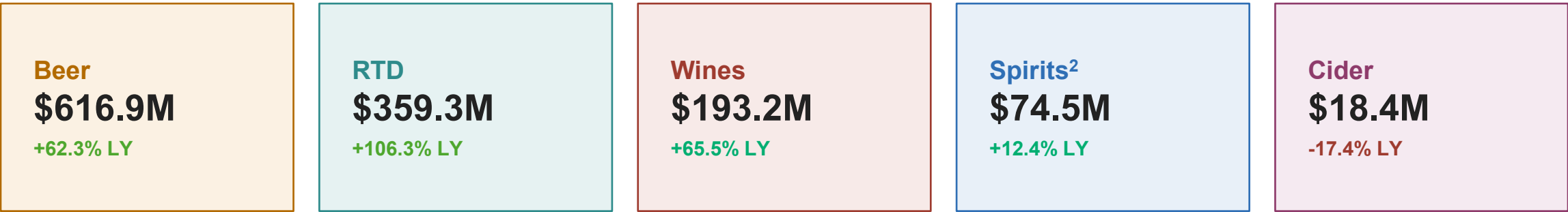
LCBO Wholesale: Local Products

Ontario products including Local Craft are up 66.0% benefitting from a full year of market expansion sales to convenience retailers and increase in grocery locations. Consumer support for local and US products restrictions also contributed to growth in Ontario products as wholesale customers adjusted purchasing and assortments.

FY26 NET \$ SALES | ONTARIO PRODUCTS



CATEGORY SPLIT



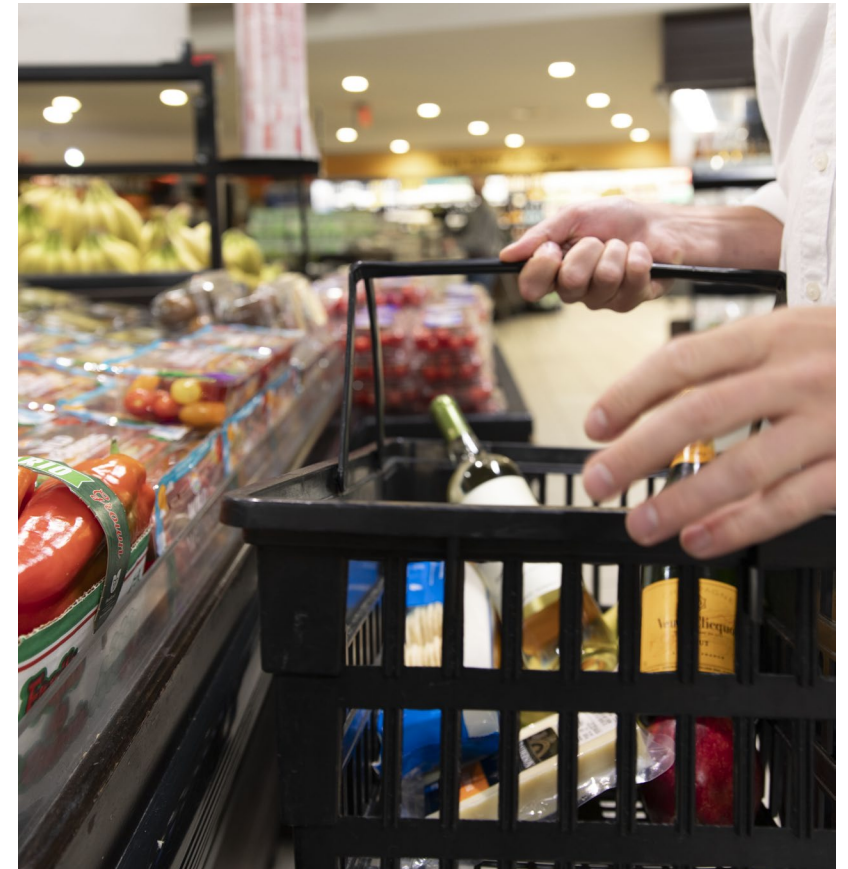
• ¹ Excludes Southern LCBO Convenience Outlet beer sales, Direct Delivery Program and Specialty Services
• ² Hospitality Licensees, LCBO Convenience Outlets and Duty Free only

FY26 Wholesale Support Initiatives

Solid foundations support wholesale customers in accessing local products

ROUTE TO MARKET

- Wholesale product catalogues for all customer groups
 - Grocery and convenience retailers access hundreds of local products from Ontario suppliers who fulfil and deliver on LCBO's behalf
- Direct Delivery Program for LCOs, hospitality licensees and duty free allows them to purchase direct from Ontario manufacturers of wine, cider, ready-to-drink and spirits products
- Introduced new local products through Ontario product calls



FY26 Wholesale Support Initiatives

Support growth with data, seasonal product offerings and promotional programs

SUPPORT SALES

- Sales ranking reports for wholesale customers to assist with assortments, planograms and menus
 - Flag small producers and VQA wines
- Holiday Gifting program offers expanded local product assortment supporting seasonal demand
- Limited Time Offers available to LCOs and Hospitality Licensees to drive sales



FY26 Wholesale Support Initiatives

Focused marketing initiatives created awareness and discovery of local products

CREATE AWARENESS

- Eh List Campaign
 - Feature on wholesale.lcbo.com for LCOs and hospitality licensees
 - 3000+ Ontario and Canadian products
- Product Trend Report Spring/Summer
 - Feature local product trends
 - Reached 5000+ convenience retailers

LCBO

What's Trending for Convenience Stores for Spring/Summer 2026



Customers are Reaching for Refreshment

While customer interest in cocktail style beverages continues to grow, **seltzers** remain the most popular product, followed by sweeter, more **traditional cooler** options. We're also seeing customers choosing **larger packs** when they're buying **trusted brands**, while newer or less familiar brands are more often tried in single cans or smaller multipacks.

Keeping it Low Carb, Light, and Local

Customers continue to gravitate towards **low-carb premium** and mainstream beer, especially outside of Toronto. Craft beer options are outperforming larger domestic craft labels, with **IPAs** and **lagers** still leading the way.

What's trending in beer formats? Cans remain the preferred format, with some companies shifting away from bottles altogether.



FY27 New Support Initiatives

Expanded, enhanced and introduced new programs and initiatives to wholesale customers across the three Local Strategy pillars

ROUTE TO MARKET

- Expanding wholesale product catalogues
- Expanded product offerings through Direct Delivery program

SUPPORT SALES

- Wholesale LTOs: grocery, convenience, duty free and hospitality licensees
- LCBO Convenience Outlet product sampling

CREATE AWARENESS

- Small producer feature on wholesale.lcbo.com
- Made in Ontario identifiers on wholesale.lcbo.com

Expanding product catalogues and promotional programs and introducing new features to create awareness for local products

FY27 New Wholesale Support Initiatives

Wholesale customers have more options to meet their needs with expanding product catalogues

ROUTE TO MARKET

- Evolving product catalogues for all wholesale customers
- Expansion of drop shipping offers new local product to LCOs and hospitality licensees
- Expanded product availability in LCBO's Direct Delivery Program for LCOs, hospitality licensees and duty free
 - Ontario beer (packaged and kegs)
 - Ontario large distillers (ready-to-drink products $\leq$ 18% ABV)

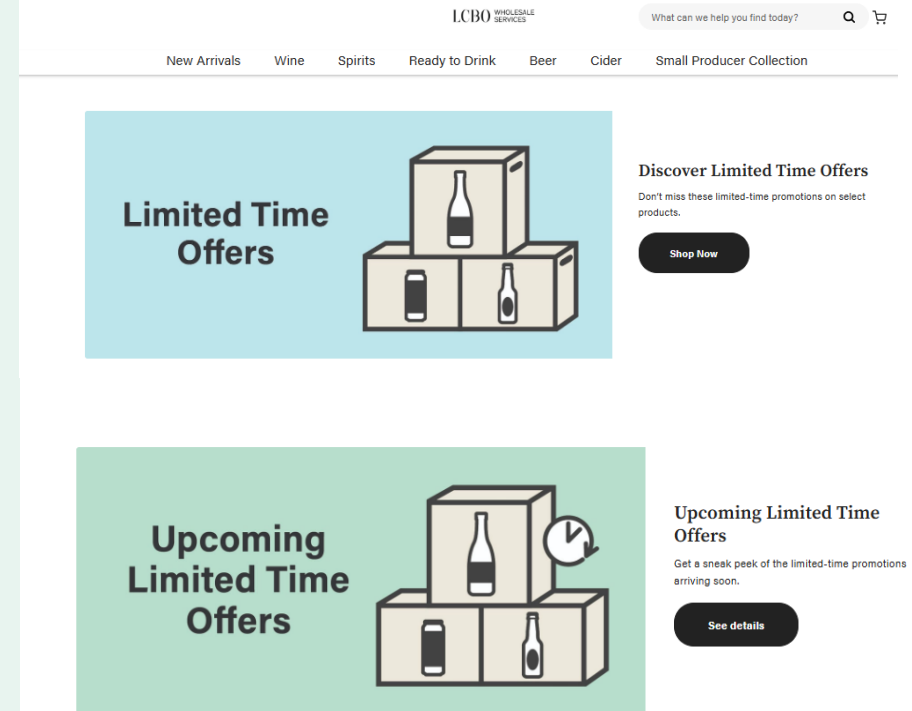


FY27 New Wholesale Support Initiatives

New wholesale promotional programs launched in July for retailers and hospitality licensees

SUPPORT SALES

- Wholesale Limited Time Offers (LTO) provide an opportunity for wholesale customers to generate sales
 - 615 local products participating in promotional periods 7-13
 - Grocery, convenience and duty free pass the discount to consumers and receive a rebate for units sold
 - Hospitality licensees purchase at a discount
- Product sampling at LCOs to encourage consumer discovery and purchase



FY27 New Wholesale Support Initiatives

Wholesale.lcbo.com enables discovery opportunities across all wholesale customer groups

CREATE AWARENESS

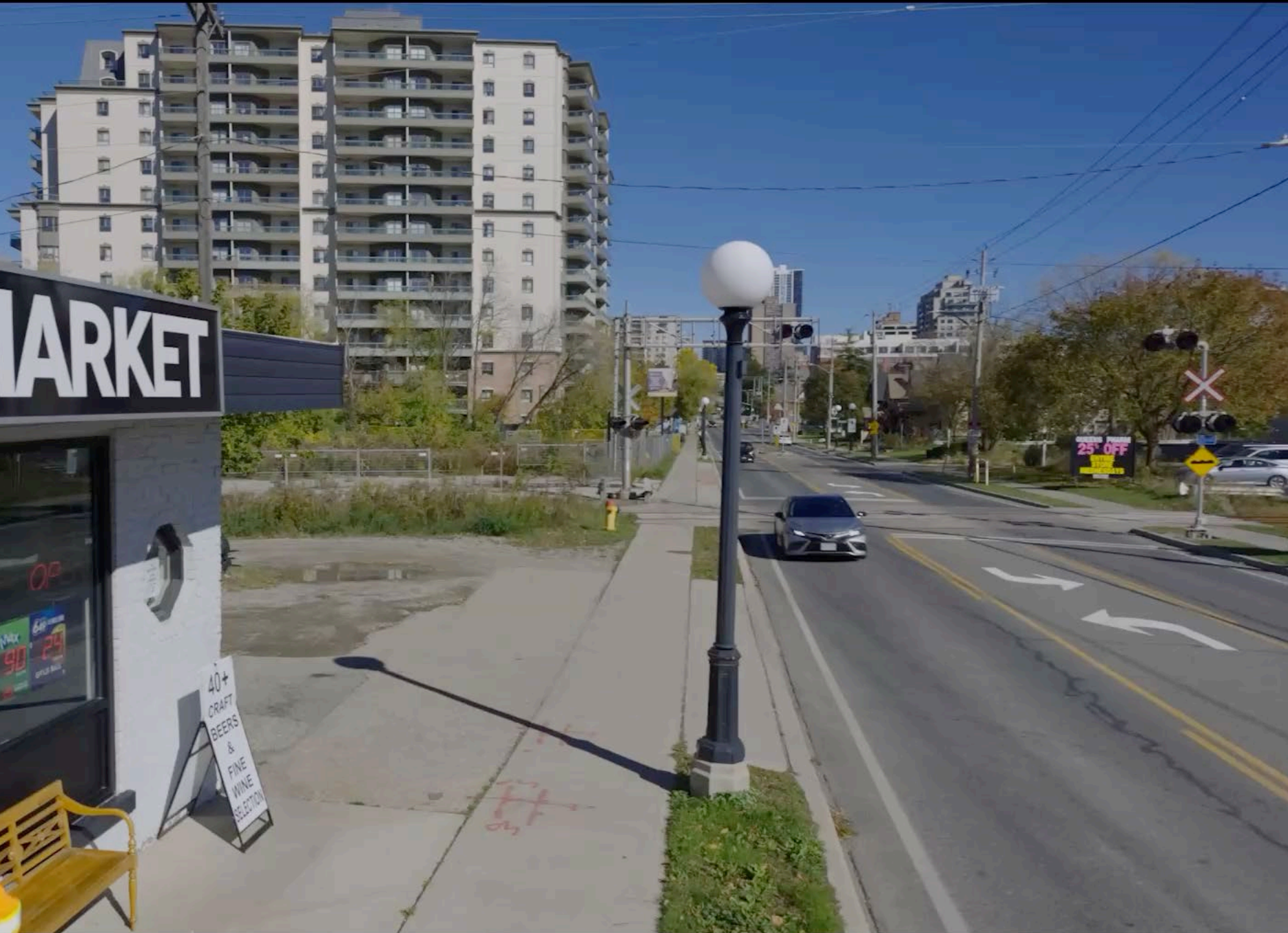
- Small producer feature
 - Wholesale customers can discover products from small and local producers
 - Help grocery and convenience retailers meet minimum regulatory shelf requirements
- Made In Ontario
 - Trillium icon visible to all wholesale customers
 - Highlight VQA and Craft products



Discover Small Producers

From wines and ready-to-drink beverages to beers and ciders, shop Small Producers from across Ontario.

[Shop Now](#)



Supporting Local: wholesale customers needs

ACCESS

Seamless ordering and reliable fulfillment

Improve access, ease and execution to drive growth

ECONOMICS

More competitive pricing or margins

Supplier review of price competitiveness to national and import brands

AVAILABILITY

More consistent supply and wider selection

Demand and support is high for local products, removing limits leads to additional purchases.

DISCOVERY

Easier identification and better local product information

Make local products easier to find and understand

LCBO priority areas: strengthen local product access, availability and discovery.

Our ask of you



Understand wholesale customer needs

Recognize business priorities and objectives, review assortment opportunities and ordering/fulfillment options



Reliable supply and delivery

Consistent and predictable product availability leads to wholesale customer loyalty and growth



Education, discovery and promotions

Educate, encourage discovery and support wholesale promotions to drive sales



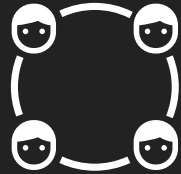
Help shape the next phase of support

Share specific challenges or ideas through your Association or directly with the Wholesale team

—  —
**WE'RE
ALL IN
ON ONTARIO**



LCBO



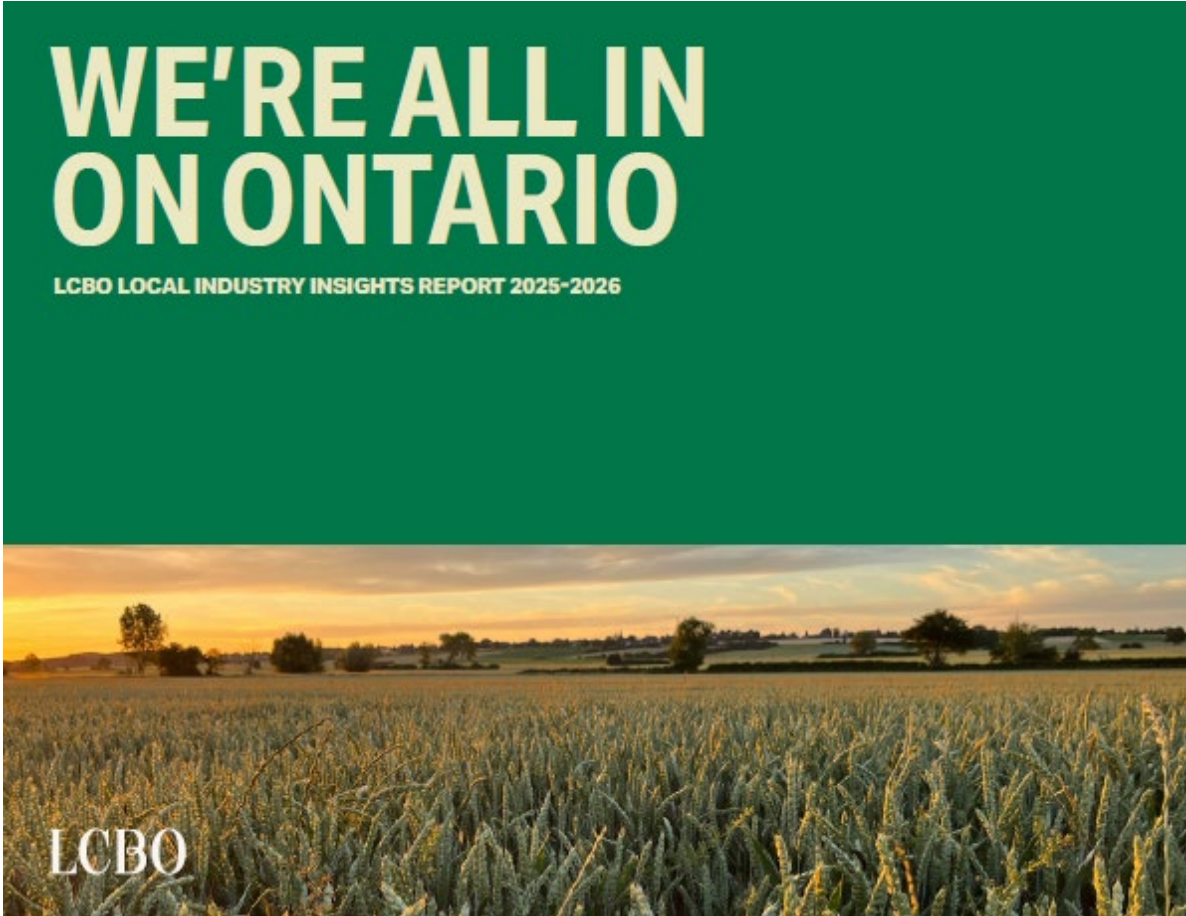
What's Next?

Consult and collaborate

Plan and take action

Measure progress and refine

Local Industry Insights Report



Thank You!

LET'S RAISE A GLASS
TO LOCAL!



LCBO