



# Quarterly Trade Update

August 18, 2025

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**LCBO**

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# Agenda

- 01** Welcome & business update
- 02** LCBO as the exclusive wholesaler & what this means to you
- 03** Future State Modernization and next steps
- 04** Q&A

**Quarterly Trade Update  
Ask a Question**

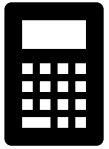


# Business update

George Soleas  
President & CEO

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## Wholesale discount

Effective May 26, 2025

Increase the wholesale discount – from 10% to 15% – for select wholesale customers until Dec 31, 2025



## LCBO markup reductions

Effective Aug 1, 2025:


- Microbrewers: 50% reduction
- Cider: 47% reduction
- Wine- & spirit-based RTDs: 20-50% reduction



PROTECT  
ONTARIO



PROTÉGER  
L'ONTARIO

Ontario 

# U.S. products remain unavailable





LCBO DISCOVER EVENT

FOR THE LOVE OF LOCAL

Evergreen Brick Works, Toronto | Sept 19

Early-bird Tickets  
\$60  
until Aug 24



Earn 250 Aeroplan<sup>®</sup> bonus points with ticket purchase\*

Grab your tickets now!

LCBO

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# LCBO as the exclusive wholesaler & what this means to you

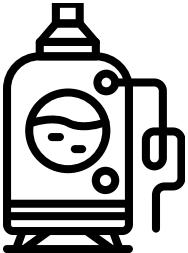
Nick Nanos

Chief Supply Chain Officer

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Manufacturer or  
supplier of alcohol



LCBO

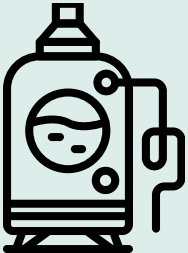
The exclusive  
wholesaler



Supplying  
source  
partners



Retailers or  
hospitality  
licensees



**Manufacturer or supplier of alcohol**

Follow a listing process to put eligible products on the LCBO product catalogue for grocery stores



LCBO

**The exclusive wholesaler**



**Supplying source partners**



**Retailers or hospitality licensees**



Manufacturer or  
supplier of alcohol

**LCBO**

**The exclusive  
wholesaler**

The only legal way to  
purchase and pay for  
alcohol products



Supplying  
source  
partners



Retailers or  
hospitality  
licensees





Manufacturer or  
supplier of alcohol



LCBO

The exclusive  
wholesaler



Supplying  
source  
partners

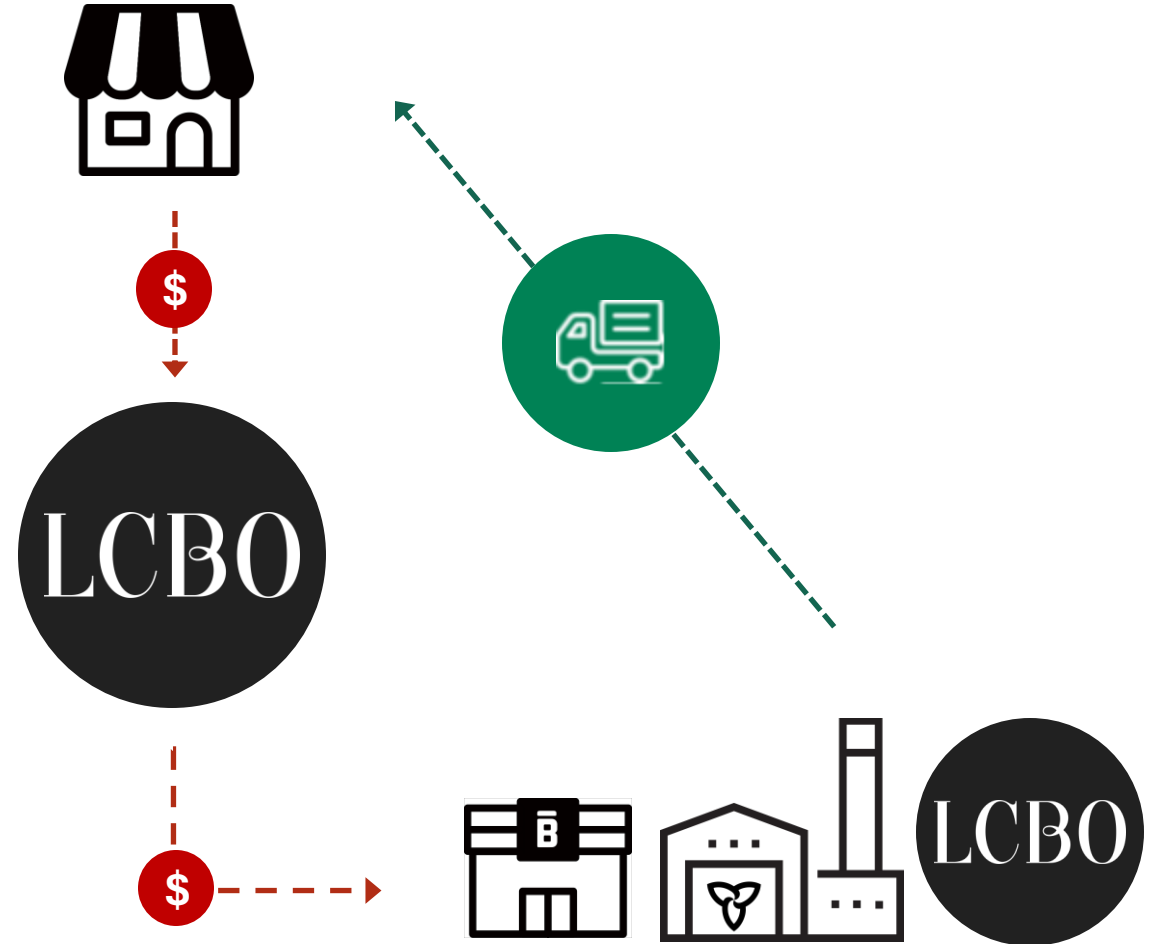


**Retailers or  
hospitality  
licensees**  
Sell products to  
customers

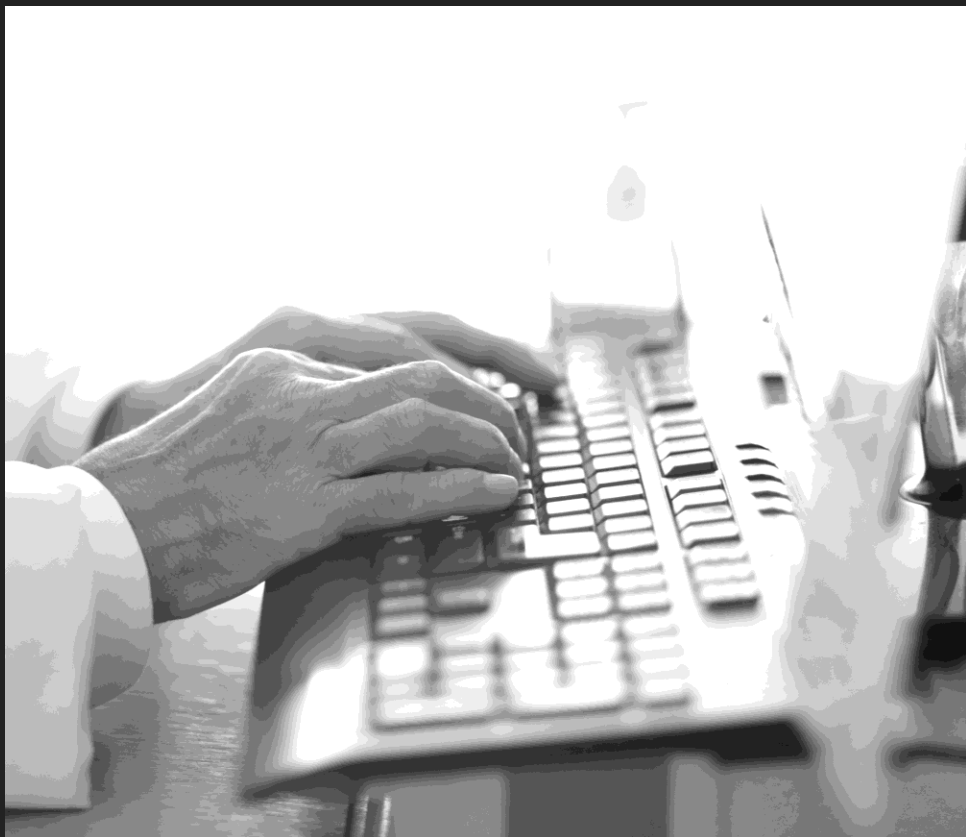
The drop-shipping model used with convenience and grocery customers will be expanded to all wholesale customers.

Local manufacturers will be able to decide if they want to manage some or all fulfillment and delivery for each SKU, by region and by customer type.

Suppliers will have flexibility about how to fulfill & deliver these orders.



A supplying source can be any domestic producer ( their designated 3rd party) or the LCBO



# FSM Update

## Next Steps

Geoff Cronin

Chief Information Officer



# What is Future State Modernization (FSM)?

A multi-year program to re-envision the way we operate.

Our vision is to enhance operational excellence through integrated processes, data and systems, driving improved speed to market and a streamlined employee and customer experience.

Our guiding principles are:

- Retail & wholesale industry best practices
- Business process standardization
- Out-of-the-box functionality
- Protect our investment/evolve our investment.



# How this benefits you

- New centralized portal for collaboration, sales, promotions, financial information and order management. Create a seamless, self-serve experience for LCBO business partners
- Centralized pricing system with more automation and ability to execute price changes quickly
- Wholesale.lcbo.com platform enhancements will make it easier for more wholesale customers to seamlessly complete orders and view current inventory
- Improved inventory planning and forecasting processes means getting the right products in the right locations at the right time, while improving inventory visibility
- Standardized warehouse management systems and integration with transportation management to optimize routes and loads to get products to shelves faster



## 2025

### Release 1a and 1b

- **April 2025:** R1a – Retail and warehouse operational improvements (internal) ✓
- **Dec 28 2025: R1b:** ↓
  - Launch of SAP / master data (internal)
  - New Transportation Management System (internal)
  - Launch of LCBO Gateway for suppliers
  - Enhanced online shopping experience (B2C and B2B)

## 2026-27

### Release 1c -6

- R1c - New warehouse technology & processes
- R2 - Personalized marketing & new marketplace platform
- R3 – Optimize order and inventory management / expand LCBO Gateway functionality
- R4 - Enhanced merchandising capability (e.g. category & assortment management)
- R5 - New POS system in retail stores & other operational enhancements / enhanced functionality in LCBO Gateway
- R6 - Data & analytics capabilities

# Summary of key changes for alcohol suppliers & agents

**1. Alcohol suppliers use Oracle iSupplier and WebPO to access purchase orders, invoices and payments (as relevant)**

**2. Select alcohol suppliers (~250) use Direct Delivery Vendor Portal (DDVP) to deliver directly to LCBO stores**



## **1 & 2. Alcohol suppliers will use a new vendor portal (LCBO Gateway)**

- One-stop-shop for doing business with the LCBO
- No need to remember multiple passwords
- Accessed on any device
- Dedicated support e.g. issue resolution & changes to user permissions
- The ability to download PO/invoice/payment data

### **Things of note:**

- Option of EDI for PO transactions
- Accessing certificates of analysis
- Carriers contact supplier with transportation details
- Specialty Services agents will have access to invoice/payments; POs will continue be in Elite.
- Suppliers will continue to grant agents read-only or write access as required
- Mandatory step to submit Advanced Shipping Notification (ASN)

**3. Supplying sources receive orders via GMS**

**4. Supplying sources for grocery & convenience must choose to either fulfill/deliver all orders or let LCBO fulfill/deliver all orders**



**3. Supplying sources will receive orders via LCBO Gateway**

- Different platform; same seamless process.

**Things to note:**

- Vendors also have the option of working with the LCBO via EDI for PO transactions
- Suppliers prepare their own shipping paperwork
- Suppliers must submit PO confirmations (i.e. changing quantities) individually

**4. Supplying sources can choose how they want to fulfill/deliver orders for grocery, convenience, duty free, LCOs (by SKU, by region, by customer type)**

- Supplying sources will have greater flexibility about how to fulfill & deliver these orders

5. Requotes on import products are effective once purchase orders are received (may take several months)

6. Some domestic suppliers book appointments at LCBO warehouses using IMS



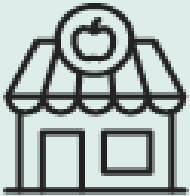
5. Requotes on import products are effective on periodic basis

- Less time for suppliers to increase the retail price of products

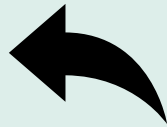
6. These domestic suppliers will now contact LCBO to make LCBO warehouse appointments

# Summary of key changes for LCBO customers





Grocery, convenience, Duty Free and TBS will transition to a new ordering platform: [wholesale.lcbo.com](https://wholesale.lcbo.com)



Returns/claims for convenience, grocery, duty-free, LCO, TBS & online hospitality orders will now be managed through [wholesale.lcbo.com](https://wholesale.lcbo.com)



More seamless process for domestic beer orders made by LCOs



Enhancements to [lcbo.com](https://lcbo.com) & expansion of Same-Day Pick up benefits B2C and licensees who shop online



New ways of working with TBS

# What to expect next?

- Supplying source outreach
- Training & resources
- Quarterly Trade Update (Nov)
- Migration preparation e.g. Inbound ordering timelines
- Go live

Pricing change deadlines – no change

- December 8
- January 5





# Q&A

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Thank you

Quarterly Trade decks posted here

Sign up for trade notifications

Future State Modernization page launching soon!

The screenshot shows the LCBO Doing Business website. At the top, there is a navigation bar with the LCBO logo and 'Doing Business' text. A search bar is located to the right. Below the navigation bar, there are several menu items: 'LISTING & PRICING PROJECTS', 'QUALITY ASSURANCE', 'MARKETING & PROMOTING', 'NEWS', 'SCHEDULE', 'SUBSCRIBE', and 'LPG/RSB'. The 'MARKETING & PROMOTING' and 'LPG/RSB' items are circled in red. Below the navigation bar, there is a welcome message: 'Welcome to Doing Business with LCBO'. Below this, there is a section for news updates, including 'Spirit of Sustainability', 'General Updates', and 'Retail Updates'. Below the news updates, there is a section for 'Beverage Alcohol Marketplace Modernization for Trade'. At the bottom, there is a 'Quick Links' section with four items: 'LCBO Pricing Bulletins', 'Pricing Calculators for Listings', 'Product Calls for Listings', and 'Specialty Services'. The 'Quick Links' section is also circled in red.

