

# Welcome

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WE WILL BEGIN SHORTLY.**

## MEETING TIPS

- If you are experiencing technical difficulties, please exit and rejoin the call.
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## QUESTIONS

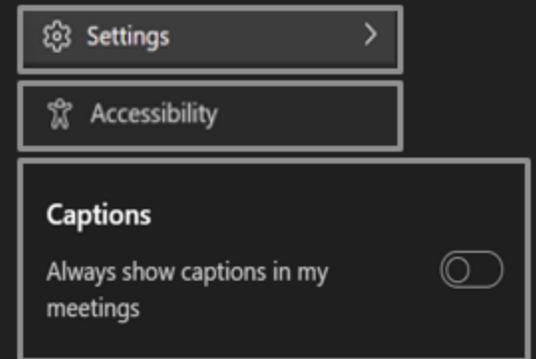
Please scan the QR code below to submit any questions you may have.



## ACCESSIBILITY

### FEATURES (if needed)

Select More, to turn on live captions.



# LCBO

## Quarterly Trade Update

**February 23, 2026**

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# Agenda

**01** Wholesale pricing

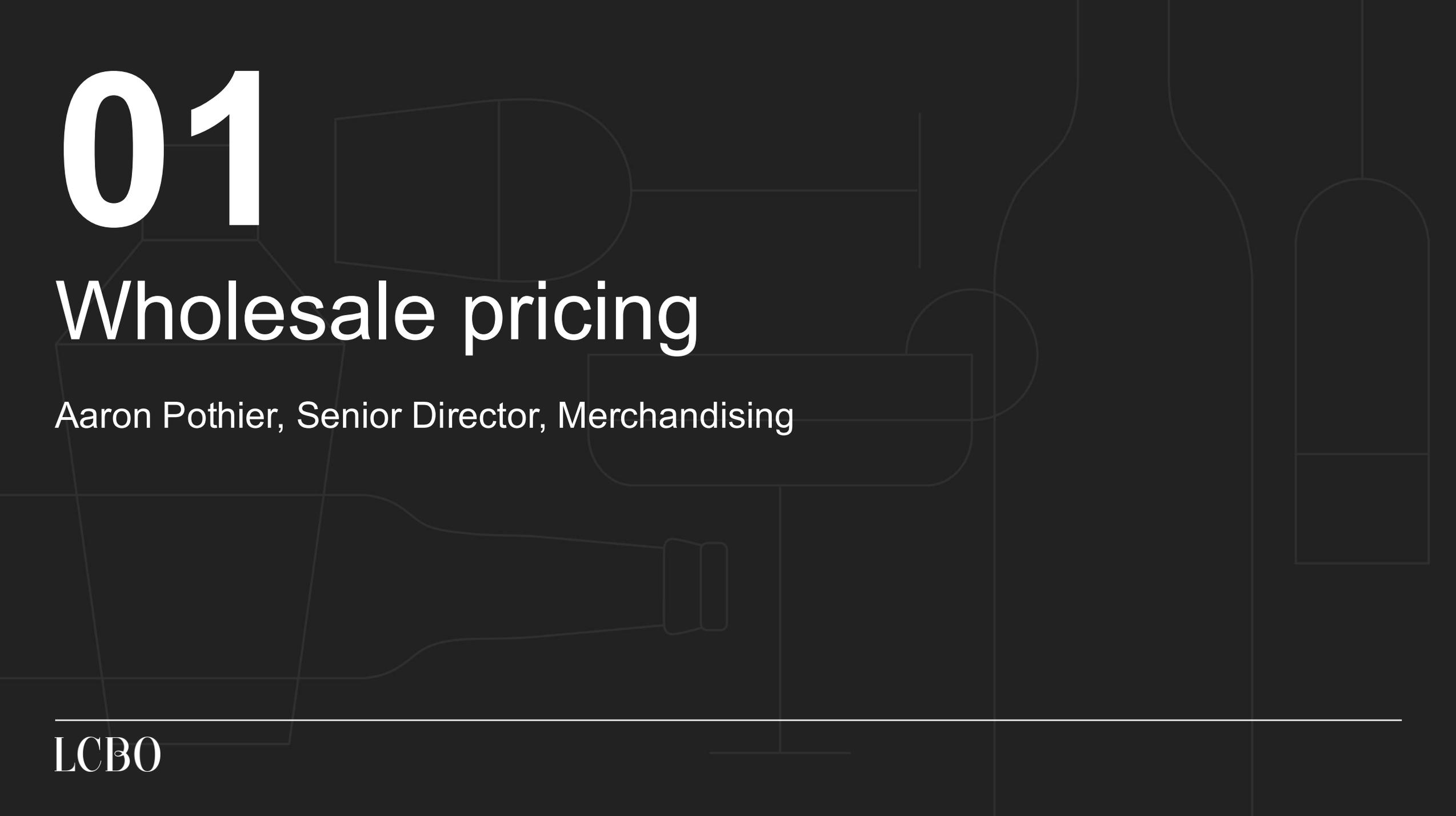
**04** Next steps

**02** Future State  
Modernization

**05** Q&A

**03** Other  
planned modernization  
changes

# 01



## Wholesale pricing

Aaron Pothier, Senior Director, Merchandising

# New cost-plus wholesale pricing structure

## Current – LCBO retail minus discount:

### Supplier quote

- + Federal excise tax and import duties
- + Freight

### Total Landed Cost

- + Mark-up (varies by category and channel)
- + Wine levy (wine only)
- + In-store cost of service (beer only)
- + Out-of-store cost of service (beer only)
- + Volume levy
- + Environmental levy
- + COSD (import spirits, wine, cider, RTD)

### Basic Price

- 10% wholesale discount
- + HST
- + Container deposit

### LCBO Wholesale Price

## New for Apr 1 – Cost plus:

### Supplier quote

- + Federal excise tax and import duties
- + Freight

### Total Landed Cost

- + LCBO wholesale mark-up (varies by category)
- + COSD (import spirits, wine, cider, RTD)

### Basic Wholesale Price

- + HST
- + Container deposit

### Wholesale Price

Uniform wholesale prices will apply on sales to grocery stores, convenience stores, the Beer Store, LCOs, and LCBO Retail.

Brewers may continue to set a different price for beer for hospitality licensees, as stipulated in the Early Implementation Agreement.

A warehouse handling fee of \$2.17 per case will be charged to suppliers for beer handled through LCBO warehouses, that is set to reflect LCBO's warehousing costs. This fee will not apply on beer that is not handled by the LCBO.

# New product categories and ABV tiers

Five product categories for pricing purposes

				
<b>Spirits</b>	<b>Wine</b>	<b>Ready-to-Drink (RTD)</b>	<b>Cider</b>	<b>Beer</b>
0.5 to 7.1% ABV	0.5 to 7.1% ABV	0.5 to 7.1% ABV	0.5 to 7.1% ABV	Manufacturer
7.2 to 18% ABV	7.2 to 18% ABV	7.2 to 18% ABV	7.2 to 18% ABV	Microbrewer
>18% ABV	>18% ABV	>18% ABV	>18% ABV	Draught Non-draught

# New wholesale mark-up rates / charges – April 1, 2026

Wholesale mark-up rates on sales to grocery, convenience, hospitality, LCO, The Beer Store, and LCBO retail

Spirits, Wine, RTD, Cider							
Wholesale Mark-up Applied as percentage of the landed cost				Cost of Service Differential Applied on volume (\$ / L) after the mark-up			
	ABV ≤ 7.1%	ABV >7.1% and ≤ 18%	ABV >18%	CUSMA	EU	CPTPP	Other
<b>Spirits</b>	75%	80%	115%	\$0.2986	\$0.5651	\$1.7479	\$1.7479
<b>Wine</b>	66%	68%	70%	\$0.2616	\$0.3790	\$0.2959	\$0.6753
<b>RTD*</b>	35%	50%	90%	-	\$0.7028	\$0.9172	\$0.9172
<b>Cider</b>	20%	25%	30%	\$0.2616	\$0.3790	\$0.2959	\$0.6753

Example: Red wine from Italy

Landed cost + 68% wholesale mark-up + \$0.3790 / L COSD  
= Basic Wholesale Price (before HST and deposit)

*\*RTDs may contain alcohol base that comes from wine, spirits, malt, cider, and/or sugar brews*

# New wholesale mark-up rates for Beer – April 1, 2026

Wholesale mark-up rates on sales to grocery, convenience, hospitality, LCO, The Beer Store, LCBO retail, including sales through the Direct Delivery Program

Beer Wholesale Mark-up Applied on volume (\$ / L)		
Brewery Type	Packaged Format	Draught Format
Manufacturer	\$1.18	\$0.90
Microbrewer	\$0.46	\$0.36

Example: Domestic manufacturer packaged beer

Landed cost + \$1.18 / L wholesale mark-up  
= Basic Wholesale Price (before HST and deposit)

**\*NEW\*** - A warehouse handling fee of \$2.17 per case will be charged to suppliers only for beer handled through LCBO warehouses, set to reflect LCBO's warehousing costs

# Other pricing updates – effective April 1, 2026

Changes to Minimum Retail Pricing and beer mark-ups to support quote submission process

Minimum Retail Price (MRP) Changes	Beer Basic Mark-up – Indexation Pause
<ul style="list-style-type: none"><li>• Effective April 1, 2026, MRP for cider and wine (including wine-based RTDs) will increase under O. Reg. 750/21.</li><li>• LCBO-listed products below revised MRP will be automatically adjusted for April 1, 2026.</li><li>• For Period 1 2026/27 Limited Time Offers, retail will be forced to floor price where applicable; LTOs below threshold will be cancelled.</li><li>• <b>Reminder:</b> As of April 1, 2025, MRP for all spirits (including spirit-based RTDs) was removed. MRP for beer (including malt-based RTDs) remains unchanged.</li></ul>	<ul style="list-style-type: none"><li>• The Ontario government has made regulatory amendments to further pause the indexation of beer basic tax rates</li><li>• As a result, LCBO will pause indexation of beer basic mark-ups scheduled for March 1, 2026. And begin annual indexation adjustments starting March 1, 2027.</li></ul>

# Updated quote change schedule

Supplier Quotes will be accepted until **12PM on February 26** (extended from February 2) for effective date of **March 2**. These quotes are used to determine the LCBO wholesale price.

Wholesale pricing effective date is April 1, 2026.

## Quote change schedule for all products except Ontario beer

Quote Submission Deadline	Quote Effective Date	Wholesale Price Change
February 26, 2026	March 2, 2026	April 1, 2026
March 30, 2026	April 27, 2026	May 25, 2026

Key change

Please note:

- Weekly Ontario Beer quotes will be accepted up until March 2 for quote and price effective date of March 16  
Submissions will not be accepted for the following dates: March 9, 16, 23 and 30 due to the planned cutover  
Next available submission for beer will be April 6, with quote and price effective date on April 20
- For LCBO retail pricing, period 13 prices will remain in effect until the end of Period 2 (May 25th)
- All LCBO retail limited time offers will proceed as scheduled.

# 02

## Future State Modernization

- Program update
- Preparing for LCBO Gateway launch

Abhay Garg, Vice President, Merchandising

# Program update



# Revised FSM roadmap summarized

Release	Description	Revised go-live date
<b>Release 1B: Foundational</b>	Centralized core data, order management & launch LCBO Gateway	<b>April 1, 2026</b>
<b>Release 1C – Warehouse Management</b>		
❖ <b>Ottawa, London + Thunder Bay, Durham, Ottawa FC, GTA FC</b>	Consistent warehouse and transportation management across sites	<b>Late-Spring 2026 – Mid 2027</b>
<b>Release 2A: Marketing</b>	Enhancing customer experience with targeted offers and loyalty tracking	<b>Late-Spring, 2026</b>
<b>Release 3: Supply Chain Optimization</b>	Optimizing order and inventory management, & enhancing LCBO Gateway	<b>Late-Summer, 2026</b>
<b>Release 4A: Integrated Business Planning</b>	Enhancing merchandising capabilities, pricing, and promotions	<b>Late-Summer, 2026</b>
<b>Release 4B: Hyperion</b>	Enhancing internal financial systems	<b>End of 2026</b>
<b>Release 5: Store Operations</b>		
❖ <b>Capabilities &amp; Store Pilot</b>	New capabilities to the LCBO Retail stores / in-store transformation, including a new POS	<b>Late-Fall, 2026</b>
❖ <b>Store Rollout</b>		<b>2027</b>

# Summary of R1B changes for trade



## **LCBO Gateway**

Alcohol suppliers (including supplying sources) will use LCBO Gateway to action PO and view invoices and payments



## **Dropshipping**

Supplying sources to choose how they want to fulfill/deliver all wholesale customer orders (by SKU, by region, by customer type)



## **Requotes on import products**

Now effective on periodic basis



## **Warehouse bookings**

Domestic suppliers who book appointments at LCBO warehouses will now do so by contacting LCBO's transportation team

Any changes must be submitted to [groceryandconvenience@lcbo.com](mailto:groceryandconvenience@lcbo.com) after April 1.



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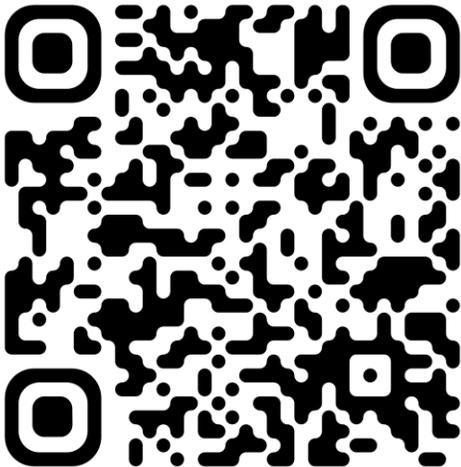
# Key dates for suppliers

March / April					
Monday	Tuesday	Wednesday	Thursday	Friday	Sat
Mar 23	Mar 24	Mar 25	Mar 26	Mar 27	Mar 28
⚠ Final B2C / B2B online orders for delivery (6pm)		⚠ Final B2C / B2B online orders for Same-day Pickup (11pm)		⚠ Last date to transact in Elite (order pick up in Opendock continues)	⚠ ASNs in GMS must be submitted by 12pm otherwise orders will be cancelled
➡ Most B2B customers who shop online have interim ordering solutions (no impact to in-store shopping)					
					🚫 No opening / amending of POs
Mar 30	Mar 31	Apr 1	Apr 2	Apr 3	Apr 4
⚠ Price requote deadline for effective date of April 27		▶ LCBO Gateway is live & operations resume / Federal Excise tax change pricing will initiate Apr 1 (effective for P2) / new wholesale pricing effective			
➡ 🚫 lcbo.com/wholesale.lcbo.com offline					
			➡ Note: Agents will be asked to fill out additional product attributes (outside of the NISS) until late summer 2026. These will be new requirements for all applications.		



**Reminder:** Today (February 23) is the last date to submit any changes to products, including product SKUs or descriptions. Otherwise, changes will be made after April 1. February 26 is the last date to submit requotes for an effective date of March 2.

Quick reference calendar soon available here



SUN	MON	TUE	WED	THU	FRI	SAT
Feb 22	Feb 23	Feb 24	Feb 25	Feb 26 12 pm deadline to submit quotes for a quote effective date of March 2nd	Feb 27	Feb 28
Mar 1	Mar 2 4 pm deadline to submit Domestic Beer Quotes and Rebate Quotes for a price and quote effective date of Mar 16.	Mar 3	Mar 4	Mar 5	Mar 6	Mar 7
LCBO Gateway training available						
Mar 8	Mar 9	Mar 10	Mar 11	Mar 12	Mar 13	Mar 14
Mar 15	Mar 16	Mar 17	Mar 18	Mar 19	Mar 20	Mar 21
Mar 22	Mar 23 Final B2C / B2B online orders for delivery (6pm)	Mar 24	Mar 25 Final B2C / B2B online orders for same-day pickup (11pm)	Mar 26	Mar 27 Last day to transact in Elite (order pick up in Opendock continues)	Mar 28 LCBO will not be opening or amending any purchase orders.
Mar 29 Deadline to submit quotes for a quote effective date of April 27th.	Mar 30	Mar 31	Apr 1 LCBO Gateway goes live. Order resumes per regular schedule (if applicable). April 1 Federal Excise tax change pricing will initiate April 1, effective for Period 2.	Apr 2	Apr 3	Apr 4
Apr 5	Apr 6 Domestic Beer Quote Submissions resume for a price and quote effective date of April 20th.	Apr 7	Apr 8	Apr 9	Apr 10	Apr 11

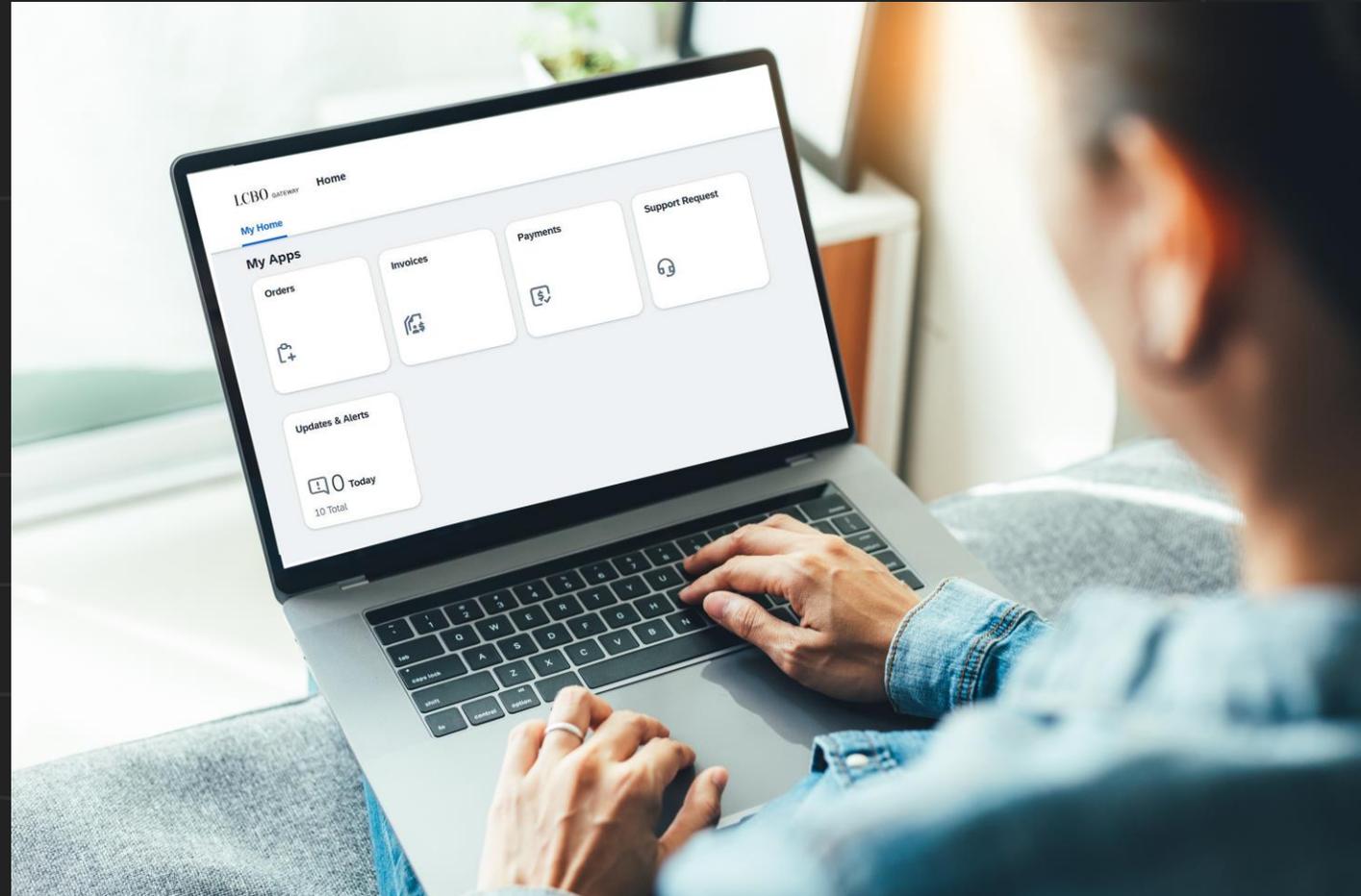
**Legend**

- March 23 - 31:** GMS will be unavailable for customers to place new orders after 6pm on March 23, in preparation for the transition to wholesale.lcbo.com.
- March 24 - 31:** Agents will be unable to place sales orders. All sales orders placed by March 27 must have a booked Trillium appointment or be picked up by 12pm on March 28, otherwise they will be cancelled. Note: there is no interruption in the creation of Purchase Orders (POs).
- March 24 - 31:** Most B2B customers who shop online have interim ordering solutions (no impact to in-store shopping).
- March 30 - 31:** lcbo.com / wholesale.lcbo.com will be offline.

*Note: Agents will be asked to fill out additional product attributes(outside of the NISS) until spring 2026.These will be new requirements for all applications.*

# Preparing for LCBO Gateway

Musonda Kidd,  
Senior Manager, LCBO Gateway Support



# Steps to launch LCBO Gateway

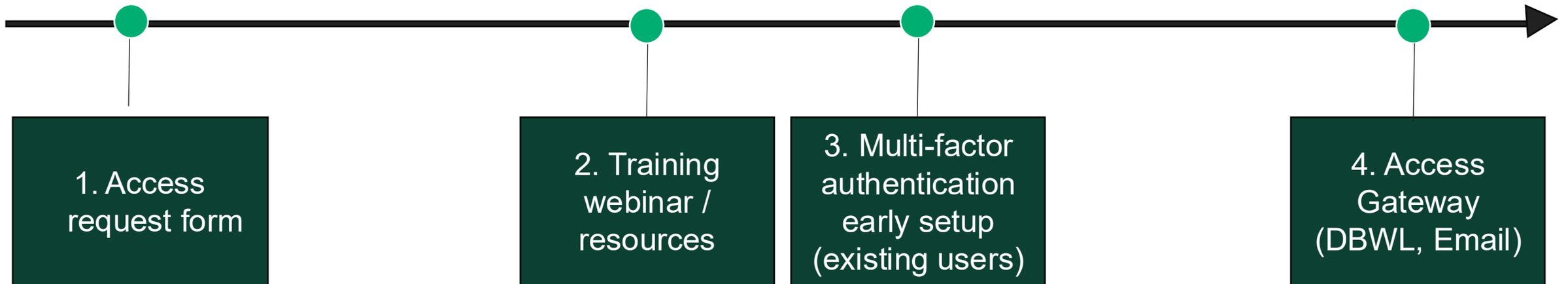
LCBO Gateway: a secure, centralized portal to view orders, invoices and payments in one place. It replaces Oracle iSupplier, WebPO, Direct Delivery Vendor Portal (DDVP) and GMS (for supplying sources).

**Sent Feb 23 – must be completed by March 13**

**Wk March 9**

**Wk March 9 / 16**

**April 1**



# Access permissions in LCBO Gateway



## Read access

- **View data**
- Download data
- Submit support requests
- View updates



## Write access

- **Act on PO data (eg decline PO, submit ASN)**
- Download data
- Submit support requests
- View updates

# Other access

## Agents

- Vendors can continue to provide agents with access
- If granted access, agent can view all of the vendor's orders, including products they agent may not represent.
- Agents who access multiple vendor accounts no longer require separate user accounts for each vendor. Instead, agents may need two email addresses, depending on whether they require read and/or write access.

## Specialty Services

- Specialty Services transactions will continue on Elite
- Invoice/payment details for SSE POs to vendors will be available on LCBO Gateway

## Vendors who transact with LCBO via EDI

- All vendors must confirm ship dates/quantities and submit ASNs. If these are not being transmitted via EDI, vendors must complete these actions in LCBO Gateway

In alignment with LCBO's cybersecurity policies, access to LCBO systems is restricted for contacts located in select countries.



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# Submit your access permissions by March 13

In preparation for the launch we need the following information:

- What access is required by suppliers (vendors determine agent access)
- Each user email address must be assigned to one individual only

Complete the Access Request Form by March 13. Form available on [doingbusinesswithlcbo.com](http://doingbusinesswithlcbo.com)

**Important Note:** For go-live on April 1, existing permissions will be applied. The access requests will be reviewed and adjusted after go-live as needed.



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# Training outline – Week of March 9

Refresh on FSM changes for alcohol suppliers

Vendor Performance program updates

LCBO Gateway overview (including demo)

Next steps

Access & security (including MFA requirements)

What's changing and what's not

Keep an eye out for invites at the end of February. Recording & resources will follow the training on [doing businesswithlcbo.com](https://businesswithlcbo.com)

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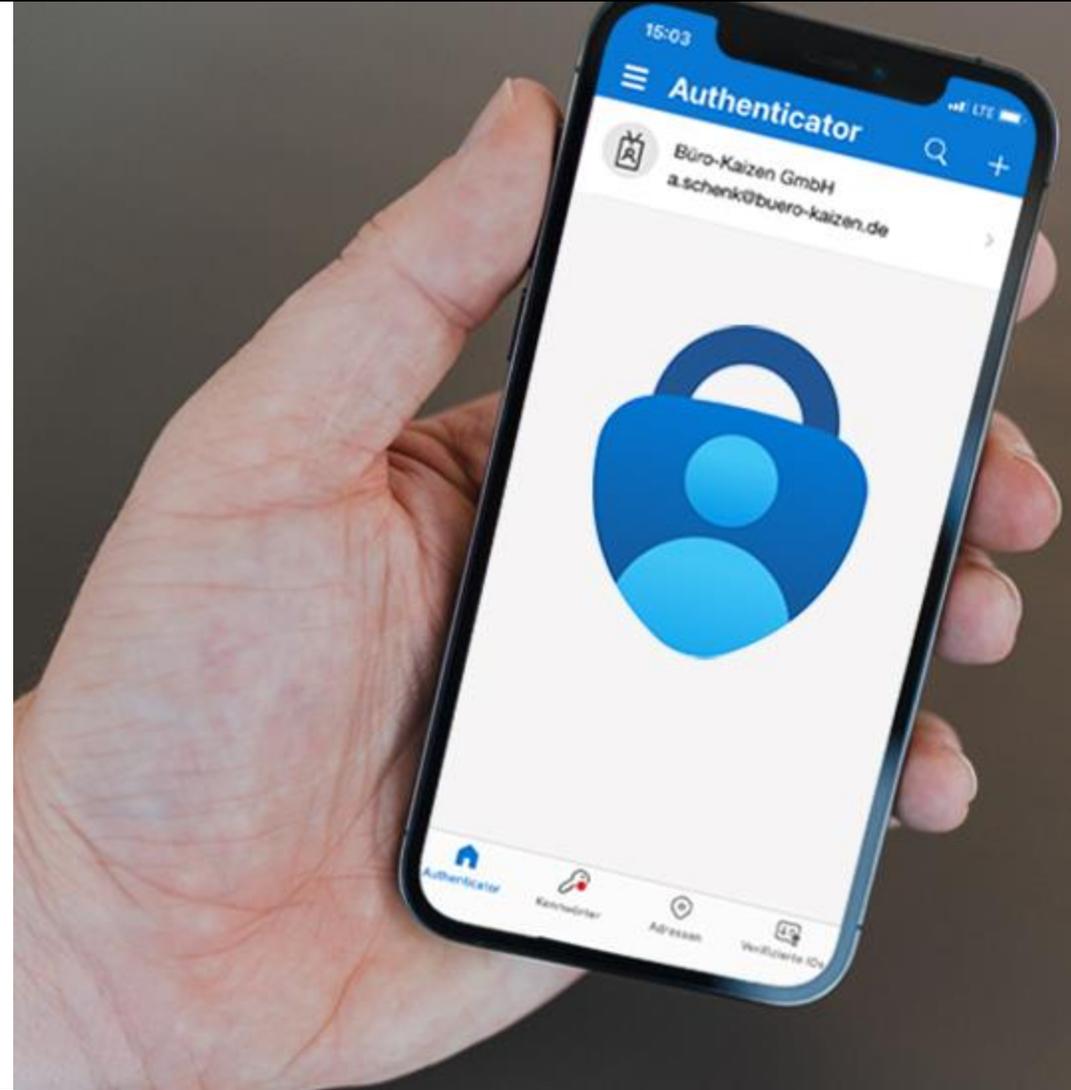
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# Multifactor authentication

## Protecting your data

- LCBO Gateway uses **multi-factor authentication (MFA)** to verify the user's identity when signing in.
- MFA provides an extra layer of security and protects against stolen passwords.
- The initial set up requires multiple steps, including downloading the Microsoft Authenticator from the Apple Store or Google Play Store.
- Subsequent visits are more seamless and require you to retrieve a code from the app to enter the site.
- More details will be available during training in the week of March 9 and, if you are an existing user of systems today, we will encourage you to complete the MFA set up thereafter (in advance of April 1).



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# Support

**Have questions about access requirements  
or the Access Request Form?**

Contact [LCBOgateway@lcbo.com](mailto:LCBOgateway@lcbo.com)



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# 03

## Other modernization changes

Chris Dini  
Senior Director, Corporate Affairs

# April 1, 2026



**LCBO**  
**becomes exclusive**  
**wholesaler of record**

## Reminder: Three key changes

- 1 Southern LCBO Convenience Outlets (LCOs) no longer purchase domestic beer through The Beer Store. All products must be purchased through LCBO's online ordering platform ([wholesale.lcbo.com](https://wholesale.lcbo.com)) or from local producers authorized under LCBO's Direct Delivery Program.
- 2 The Beer Store will be authorized to continue selling beer to hospitality licensees (e.g. bars, restaurants). Licensees will also be able to purchase beer at LCBO retail stores along other products.
- 3 All domestic brewers that currently sell directly to bars & restaurants or LCOs must be authorized under LCBO's Direct Delivery Program or listed on [wholesale.lcbo.com](https://wholesale.lcbo.com).

Contact [lco@lcbo.com](mailto:lco@lcbo.com) or [licensee@lcbo.com](mailto:licensee@lcbo.com) for more information.

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# Spring 2026



## Open listings for LCBO wholesale catalogues

LCBO programs are being created to bring new opportunities to market. More details will be available in April.

LCBO is developing an open listing process to support the expansion of its wholesale role. Upcoming changes will enable retailers and producers to bring new products to the market.

### Upcoming changes

- 1 Access to LCBO retail exclusives:** Suppliers who are currently part of LCBO's *Vintages Essentials* will be able to opt-in to wholesale catalogues by sales channel (e.g. grocery). Suppliers and retailers cannot use the *Vintages* brand (LCBO trademark).
- 2 Access to more Canadian products:** Out of province suppliers will be eligible for an open call to list Canadian products in wholesale catalogues. They will be able to act as a Supplying Source (i.e. manage fulfillment/delivery) or partner with an authorized logistics company.
- 3 Access to more import products:** Agents will be eligible for an open call to list import products in wholesale catalogues. They will be able to act as a Supplying Source and partner with an authorized logistics company.

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# Spring 2026



## Distribution to service wholesale customers

LCBO programs are being created to bring new opportunities to market. More details will be available in April.

LCBO is strengthening and streamlining distribution networks, creating a more flexible supply chain that adapts to the market. Upcoming changes will tailor services to customers.

### Upcoming changes

- 1 Dropshipping and delivery flexibility:** Dropshipping will be expanded to all wholesale customers as of April 1. Supplying Sources will decide if they want to manage some or all fulfillment and delivery for each SKU, by region, by customer type.
- 2 Convenience Store Distributors:** Due to the unique challenges of convenience stores, LCBO is developing a new program to work with authorized distributors to improve service to these retailers by allowing products to be warehoused and delivered along with other non-alcohol products.

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# 04

## Next steps

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LCBO

# Immediate next steps

- **Feb 23:** Submit any changes to product SKUs or descriptions / Communications to Vintages suppliers re: grocery & convenience catalogues / Access Request form sent
- **Feb 26:** Next quote submission deadline
- **Wk March 9:** LCBO Gateway training webinar
- **March 13:** Deadline to submit your Access Request Form for LCBO Gateway

The screenshot shows the LCBO Doing Business website. At the top, there is a navigation bar with the LCBO logo, a search bar, and links for 'SUBSCRIBE FOR TRADE UPDATES', 'ABOUT US', and 'CONTACT US'. Below the navigation bar is a horizontal menu with categories: LISTING & MANAGING PRODUCTS, QUALITY ASSURANCE, MERCHANDISING & MARKETING, RETAIL, WHOLESALE, SUSTAINABILITY, and UPDATES. The main content area features a hero image of food and drink. Below the image is a breadcrumb trail: HOME > MARKETPLACE & MODERNIZATION CHANGES FOR SUPPLIERS. The main heading is 'Marketplace & Modernization Changes For Suppliers'. The text below explains that in 2023, the provincial government announced the modernization of the marketplace to create more convenience and choice for consumers. It also mentions that LCBO will become the exclusive wholesaler for all retail, bars, and restaurants selling alcohol, and a new 'cost-plus' wholesale pricing would be developed that was consistent for all retailers. These changes will be implemented April 2026. At the same time, LCBO has embarked on a multi-year program called Future State Modernization (FSM) that will strengthen their IT systems, and streamline their business processes, improving their operations for their company and their stakeholders. FSM is a critical enabler of marketplace modernization, and both will result in changes for suppliers in spring 2026. Below the text is a section titled 'Resources and Support' with three icons: 'Direct Delivery Program' (bottles), 'Pricing' (price tag with dollar sign), and 'Wholesale Listings' (document).

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# 05

## Questions

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LCBO

# LCBO

## Thank you

