

LCBO TRADE DAY 2021

Merchandising Updates

Agenda

- 1 Meet the Team
- 2 Performance Summary
- 3 F20/21 Key Highlights
- 4 F21/22 Key Priorities & Projects

Meet the Team



Abhay Garg
Vice President Merchandising



Marie Cundari
Director
NW & Ontario Wines



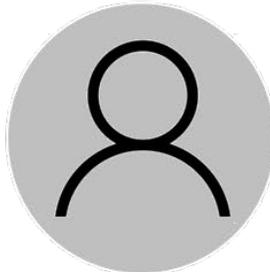
Chris Robertson
Director
Beer Cider & RTD



Alanna Bailey
Director
Spirits



Stacey Roth
Director
EU Wines &
Destination Collection



Vacant
Director
Merchandising
Operations

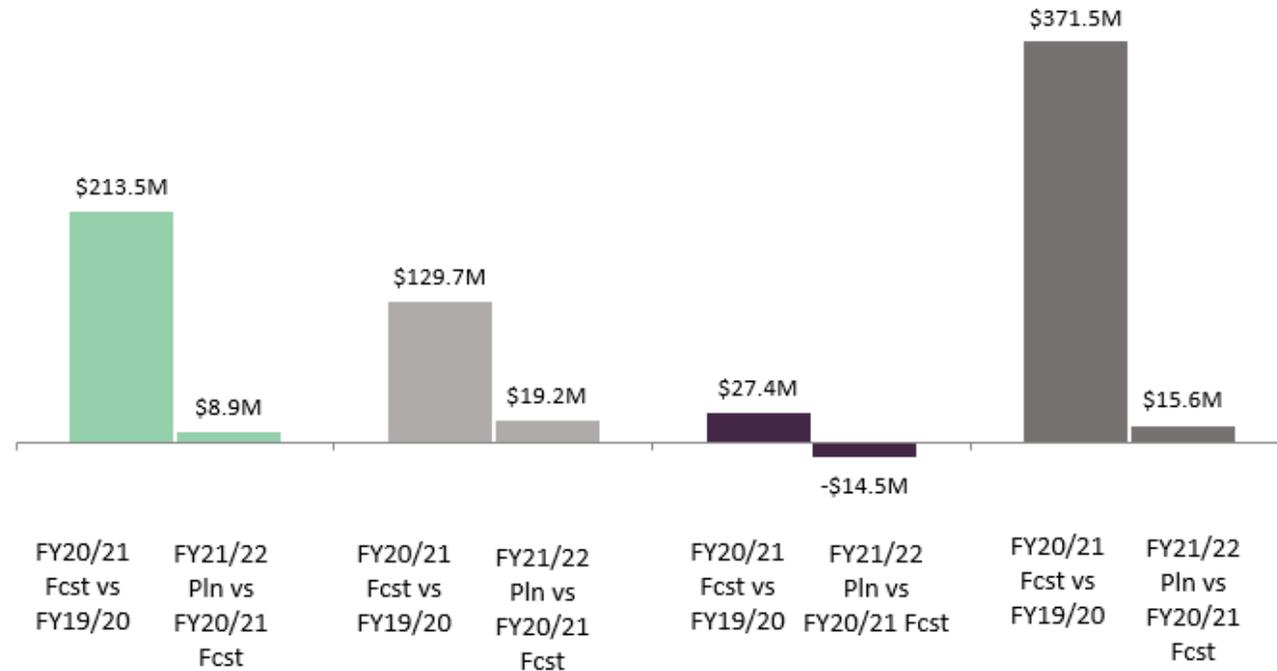
F20-21 Performance & F21-22 Plan

Results and Plan F21-22

LCBO Home Consumer

Fiscal (in \$ millions)	Spirits		Ready-To-Drink, Beer & Cider		Wines & Vintages		Total
	Sales (\$)	Market Share	Sales (\$)	Market Share	Sales (\$)	Market Share	Sales (\$)
FY19/20	\$ 2,308.6	▲ 1.1%	\$ 1,342.5	▲ 0.7%	\$ 2,177.3	▼ -1.8%	\$ 5,847.6
FY20/21 Forecast*	\$ 2,522.2		\$ 1,472.2		\$ 2,204.8		\$ 6,219.1
FY21/22 Plan	\$ 2,531.0	▲ 0.0%	\$ 1,491.4	▲ 0.2%	\$ 2,190.3	▼ -0.3%	\$ 6,234.6

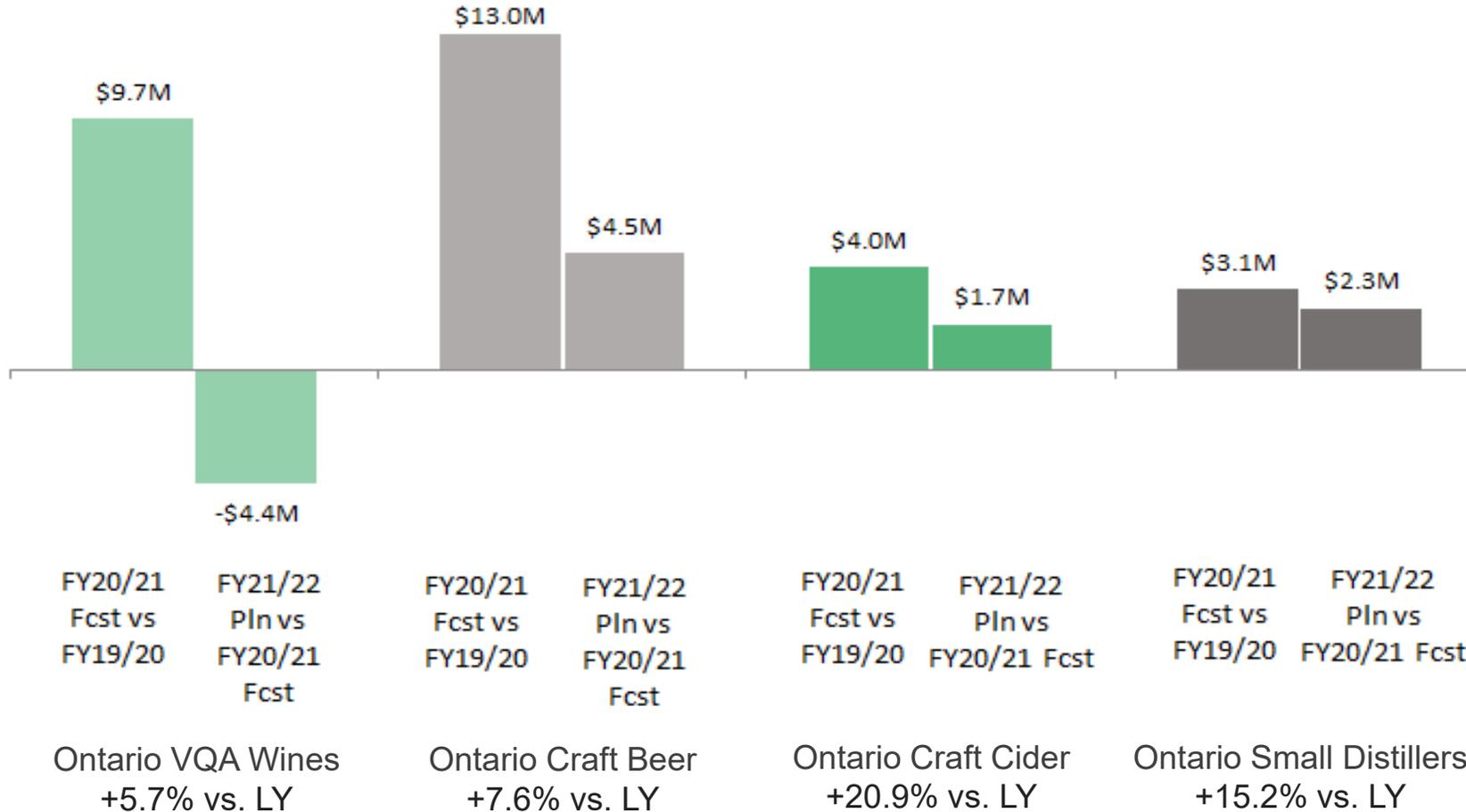
% Dollar Growth ▲ 9.2% ▲ 0.4% ▲ 9.7% ▲ 1.3% ▲ 1.3% ▼ -0.7% ▲ 6.4% ▲ 0.3%



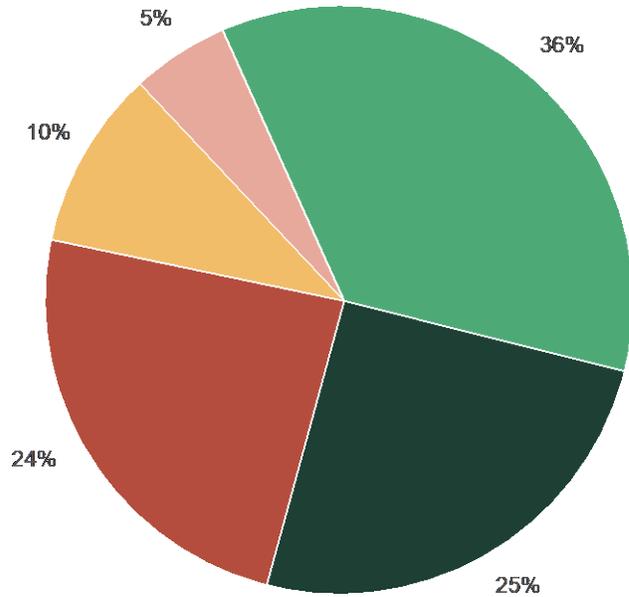
*Forecast represents P10YTD Actual Sales + P11-13 Forecast.

Notes: Grocery, TBS, Duty Free, and Specialty Services are excluded.

Local Craft Growth



Pre COVID-19

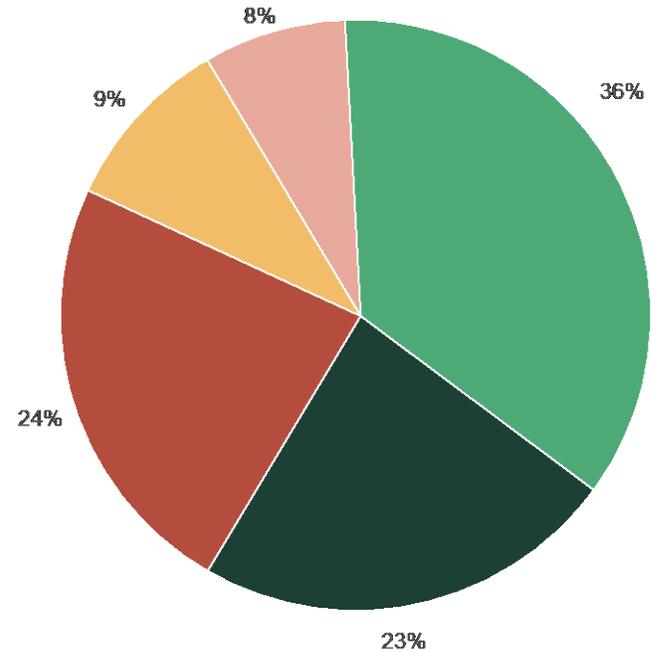


Total \$6.4B

+2.4% YOY

Net Sales R13 – As of P12 2019-20

Post COVID-19

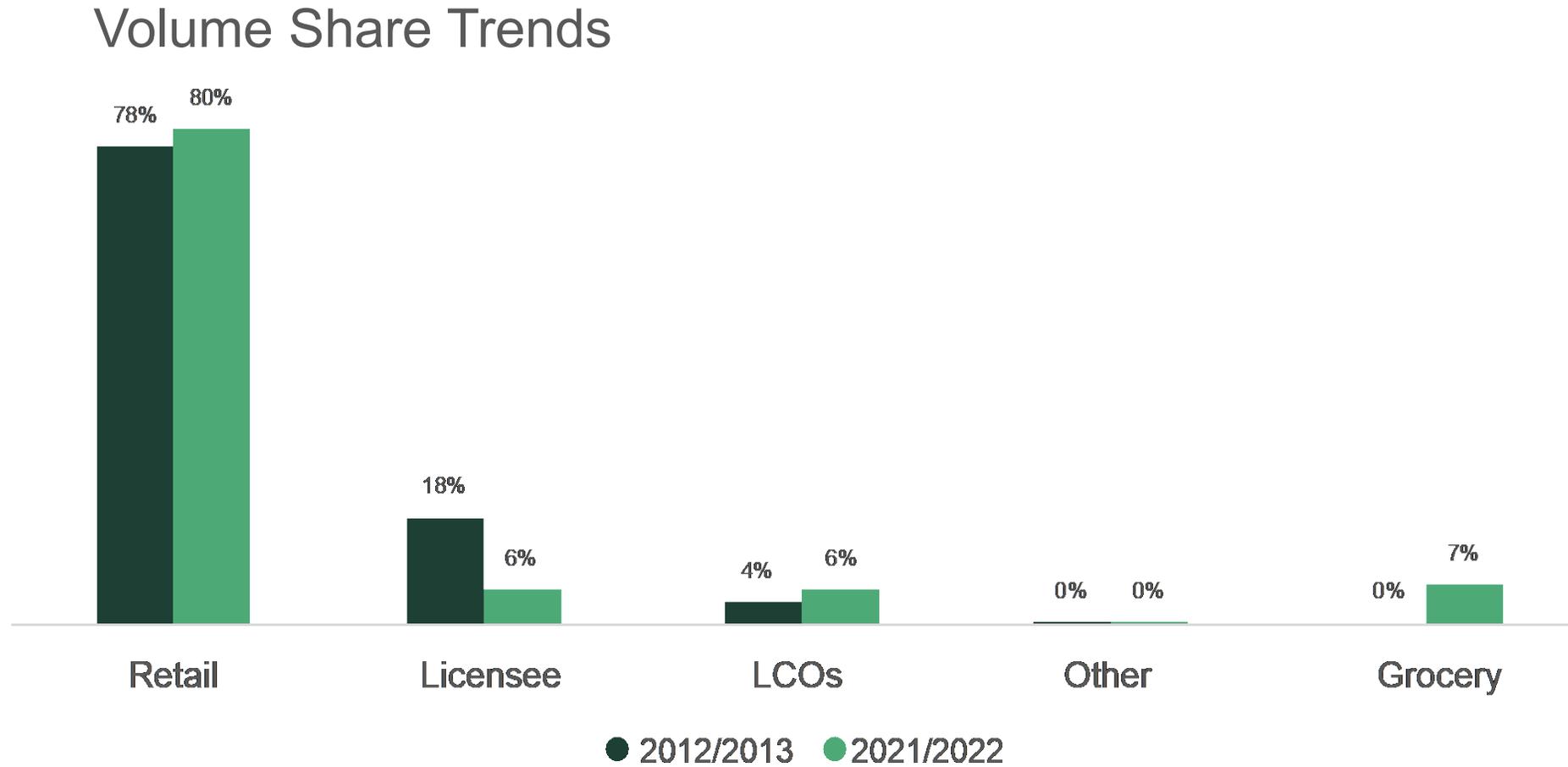


Total \$7.1B

+8.2% YOY

Net Sales – Fiscal Year 2020/21

Volume share across all Channels



Pandemic drove E-Com and SDP demand



Trends

#Trending on Social



READY, SIP, SAVOUR

SHOP THESE PICKS



Star Appeal



Bring Value Home



Lighten Up



Local Love



F20-21 Highlights

New & Expanded Trade Opportunities

eCommerce Opportunities

FEATURE PAGE



NEW ARRIVALS (TIERED OPPORTUNITIES)



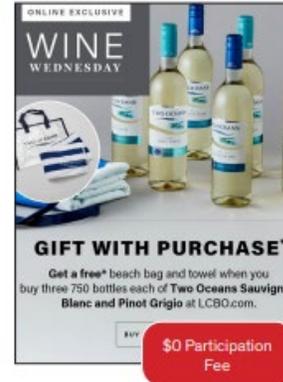
VIRTUAL EXPERIENCES



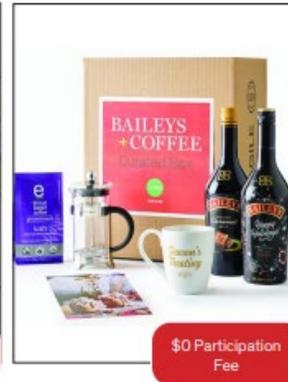
ONE DAY SALES



ONLINE EXCLUSIVE PRODUCTS WITH VALUE ADDS



ONLINE EXCLUSIVE CURATED BOXES



New & Expanded Trade Opportunities

OmniCommerce Opportunities

The following four in-store displays have added opportunities for ecommerce extension for brands and their products.

**COCKTAIL OF THE MONTH
ENTRANCE TABLE & PROGRAM PAGE**



**FRONT NESTING TABLE
IN-STORE DISPLAY & HOME PAGE
FEATURE A**



ENHANCED ACTIVATION & CATEGORY PAGE



**MIDDLE NESTING TABLE
IN-STORE DISPLAY & HOME PAGE
FEATURE B**



New & Expanded Trade Opportunities

Power Aisle and In-Section Opportunities

END AISLES



BLOCK PILES A & B



MIDDLE NESTING TABLE



MINI-THEMATIC C
(BEER, CIDER, RTD)



ENHANCED DISPLAY
ACTIVATION (BLOCK PILE D)



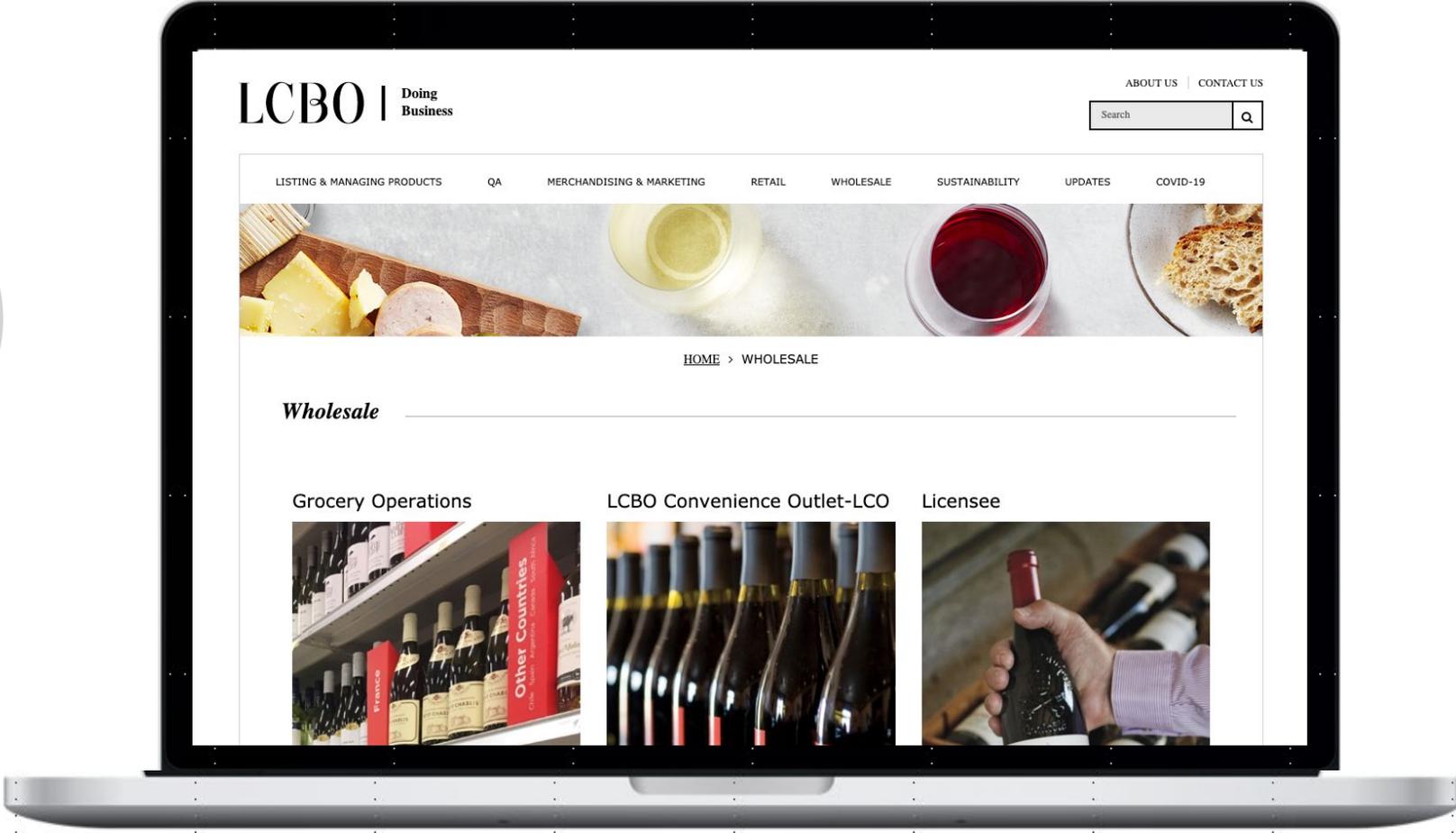
WINES FLEX SPACE



Online Virtual Experiences



DoingBusinessWithLCBO.com



Inclusive and Improved

- AODA Compliant
- All your questions answered in one place
- Ownership means timely updates
- Built-In Tools

LCBO Portfolio Submissions

ACCOUNTS PAYABLE	+
ACCOUNTS RECEIVABLE	+
CONSOLIDATED DISTRIBUTION OF ONTARIO BEER, WINE, CIDER AND SPIRITS	
DESTINATION COLLECTION	
DIRECT DELIVERY TO LICENSEES PROGRAM (ONTARIO WINE AND CIDER)	
INTRODUCING PRODUCT TO RETAIL STORES	
LCBO PORTFOLIO SUBMISSIONS	
ONLINE TOOLS SYSTEMS FORMS	+
PRODUCT NEEDS LETTERS	
PRICING	
VINTAGES PRODUCT SUBMISSION	
WINERY OFF-SITE WAREHOUSING PROGRAM	

The first step to submitting your product for consideration is to review the **current Product Needs Letter**, also known as Open Calls found in Helpful Forms and Links tab, as outlined in this website.

An LCBO team member from each respective category will decide what products are purchased for retail.

When you have reviewed the product needs letter you can now submit your product for review via the **New Items Submission System (NISS)**. If you don't have access to this system you may apply for access via the **Trade Access Request Program** linked here.

Once you have submitted your product in NISS it will be reviewed for:

Quality
Price
Value
Packaging
Marketing plans

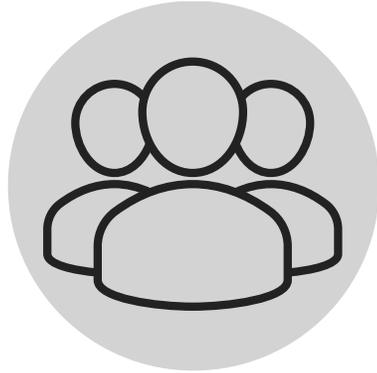
If your new product is purchased, it's important that agents stay on top of their product's performance. Since demand for shelf space is so high, products that aren't selling to the published *Annual Sales, Sell-through* or negotiated *Targets* will be discontinued to make room for others that will. Let's work together to develop marketing programs that will draw consumer attention to new products and build lasting sales.

Product Submission Process

F21-22 Priorities

Category Strategy

Develop an enterprise-wide competitive category strategy, with a focus on the Vintages



VALUE TO CUSTOMERS

- Transformation Plan
- Category and Assortment Strategy



GROW PROFITS & EFFICIENCIES

- Business Process Review and Optimization
- Organization and Capability Enhancement Opportunities

Multi-Pronged Approach



**ASSORTMENT
SIMPLIFICATION**



**INTEGRATED
PLANNING**



**CATEGORY
MANAGEMENT
BEST PRACTICES**



**VINTAGES
TRANSFORMATION**

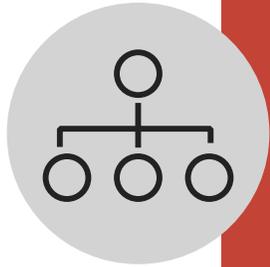


**CHANNEL
STRATEGY**

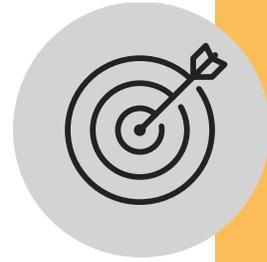


**MERCHANDISING
OPERATIONS
REVIEW**

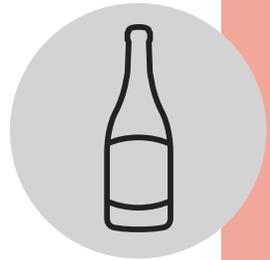
Assortment Simplification



Refine Category functions



Update Sales Targets

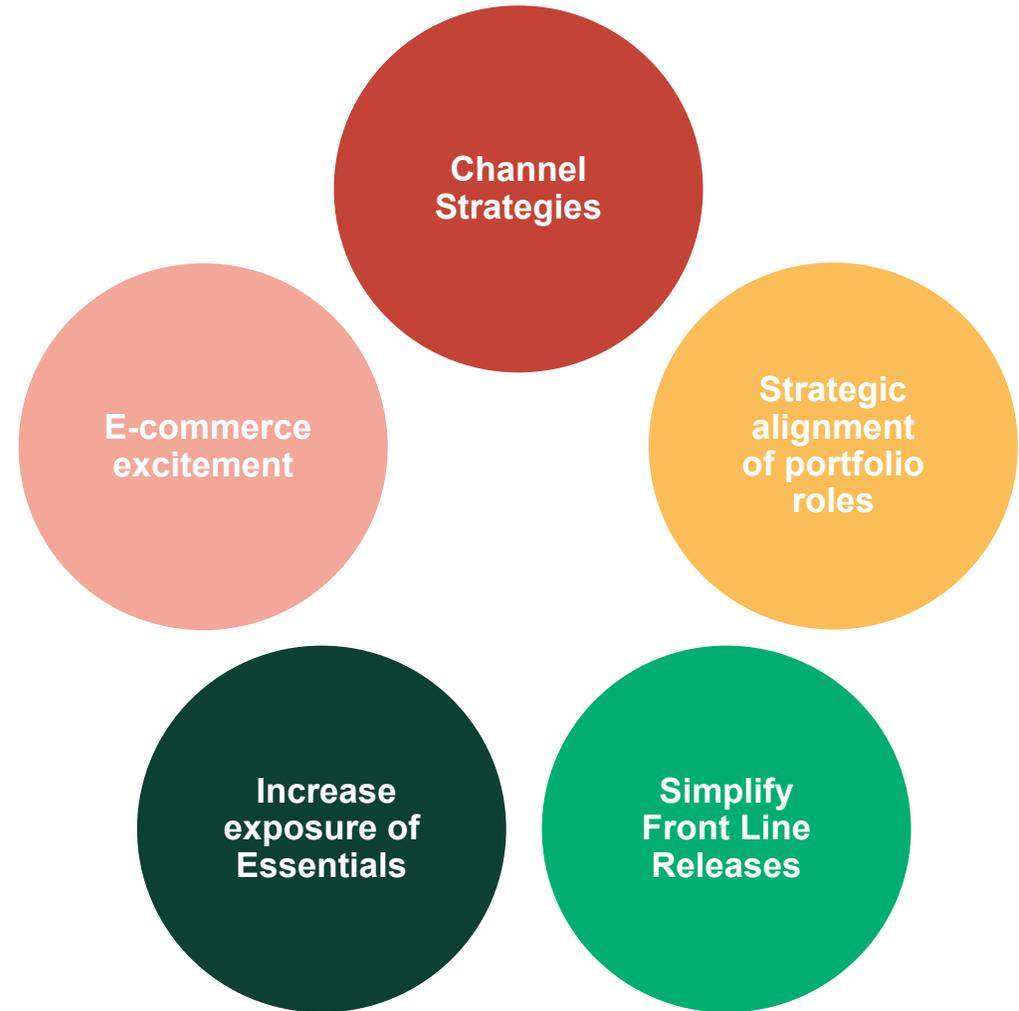


Define Set Roles



Review Purchasing Cadence

Vintages Transformation



Destination Collection



Streamline Listing Process

Introduce Online Boutiques

Define KPIs & Guardrails

Review Space in Existing Stores



Thank you