LCBO

TRADE DAY 2021

Breakout Session

Merchandising Update: Beer, Cider & Ready-to-Drink

Agenda

Meet the Team

Performance Summary

Plans and Priorities

Meet the Beer Cider and Ready-to-Drink Team

Chris Robertson
Director Beer
Cider & Ready-to-Drink

Mark Wilson
Category Manager
Beer & Cider

Lesley Morgan
Product Manager
Ready-to-Drink

Helen Deterville
Administrative Assistant
Spirits, Beer, Cider & RTD

Neal Boven
Product Manager
Ontario Craft

John Tyler
Product Manager Imported
Domestic Beer & Cider

Karen Carter
Category Administrator
National & Ontario Beer

Holly Garner
Category Administrator
Grocery, TBS, Imports &
Cider

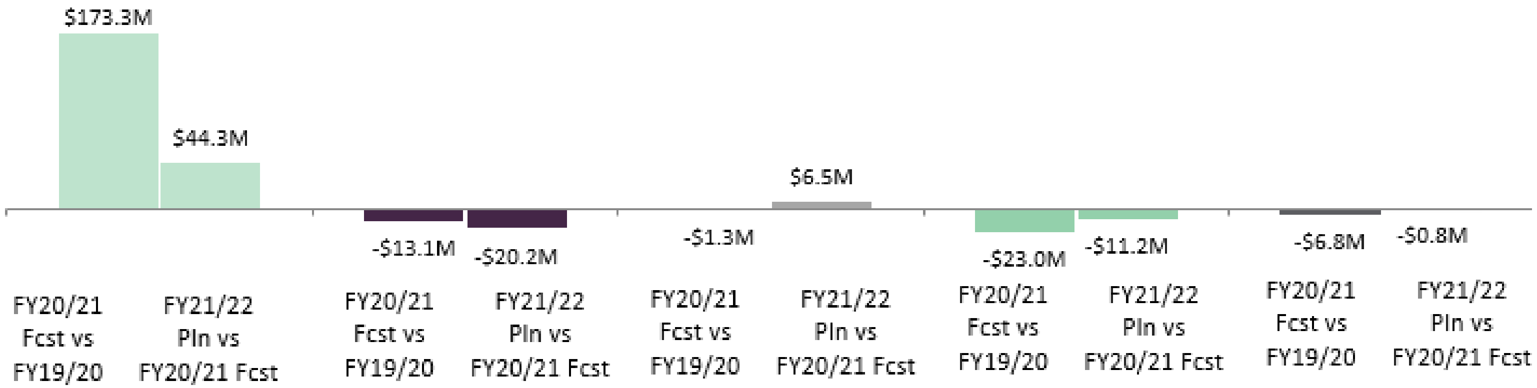
F20-21 Performance

Beer sales soften as customers ration shopping trips while Ready-to-Drink continues to outpace all categories

Note: TBS, Grocer, Duty Free is Excluded

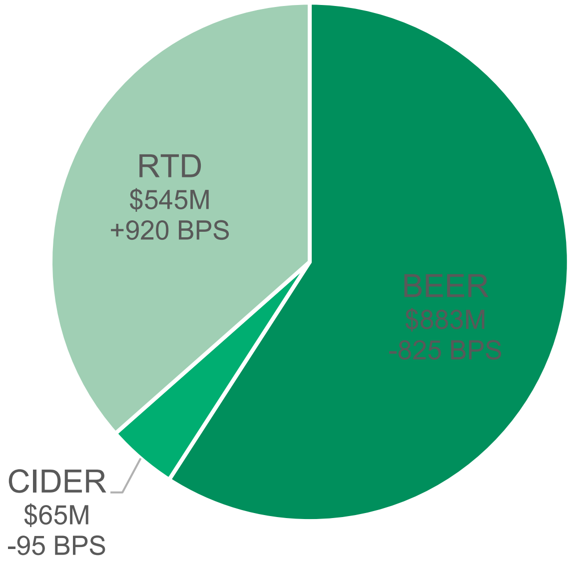
Fiscal (in $ millions)	Ready-To-Drink		Premium		Craft Beer		Mainstream Beer		Cider	
	Sales ($)	Market Share	Sales ($)	Market Share	Sales ($)	Market Share	Sales ($)	Market Share	Sales ($)	Market Share
FY19/20	$365.7	▲ 9.4%	$550.8	▼ -4.5%	$189.5	▼ -1.3%	$163.1	▼ -2.6%	$71.3	▼ -0.9%
FY20/21 Forecast*	$539.1		$537.7		$188.2		$140.1		$64.5	
FY21/22 Plan	$583.3	▲ 2.5%	$517.5	▼ -1.8%	$194.6	▲ 0.3%	$129.0	▼ -0.9%	$63.8	▼ -0.1%
% Dollar Growth	▲ 47.4%	▲ 8.2%	▼ -2.4%	▼ -3.8%	▼ -0.7%	▲ 3.4%	▼ -14.1%	▼ -8.0%	▼ -9.5%	▼ -1.2%

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

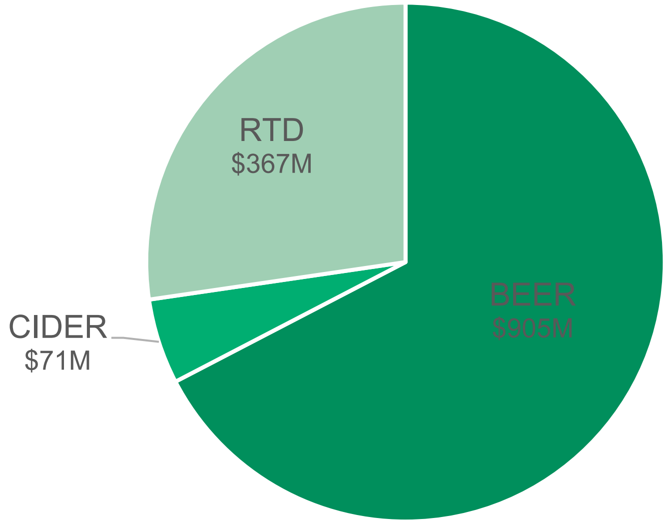


Ready-to-Drink grows market share

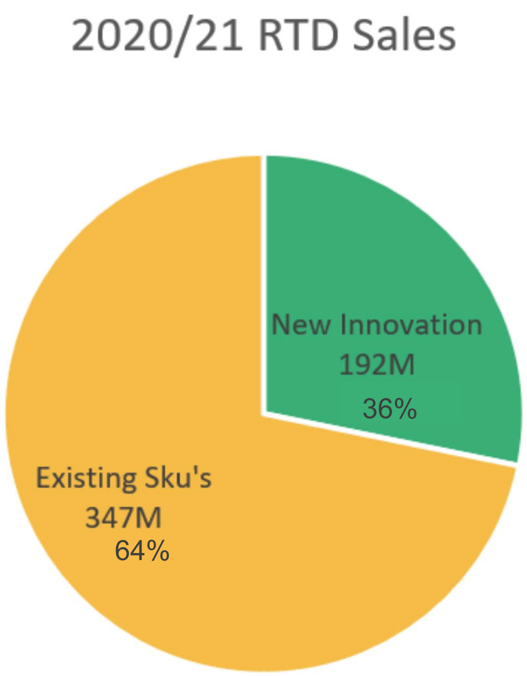
2020/21



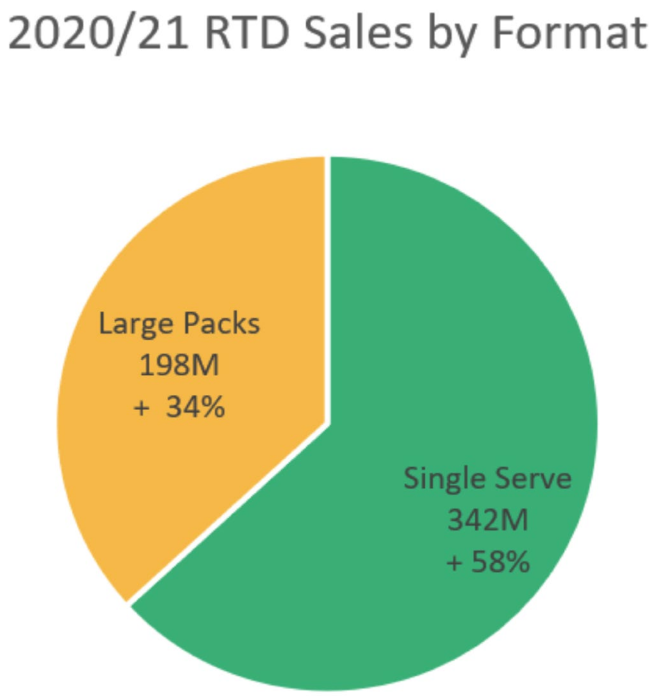
2019/20



Innovation and large packs sizes drive Ready-to-Drink performance

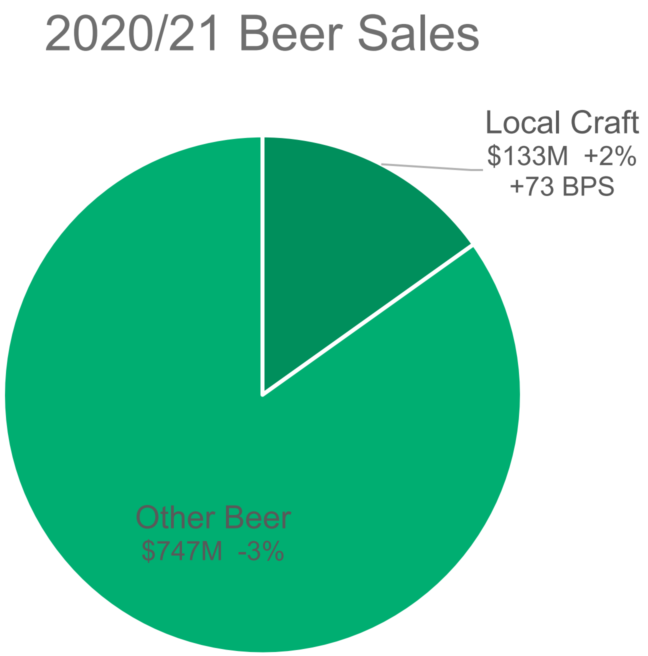


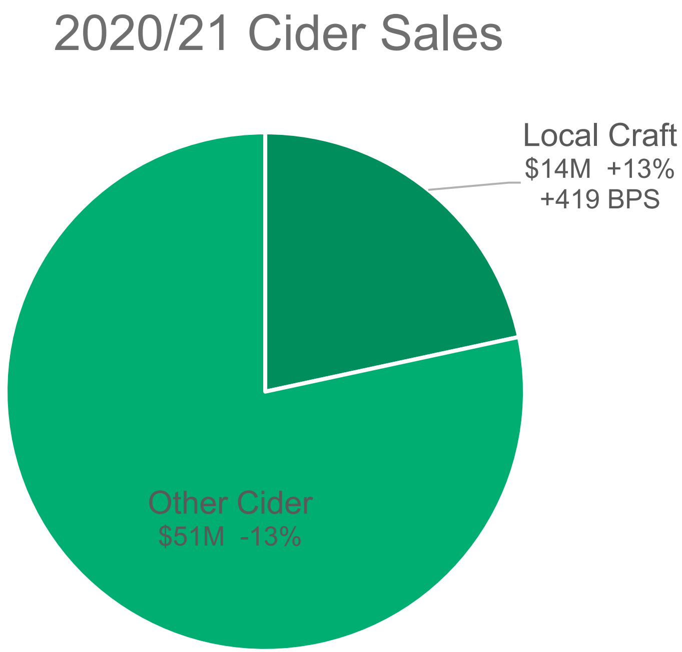
Innovation sku's consistently dominate top 10 sales positions each week.



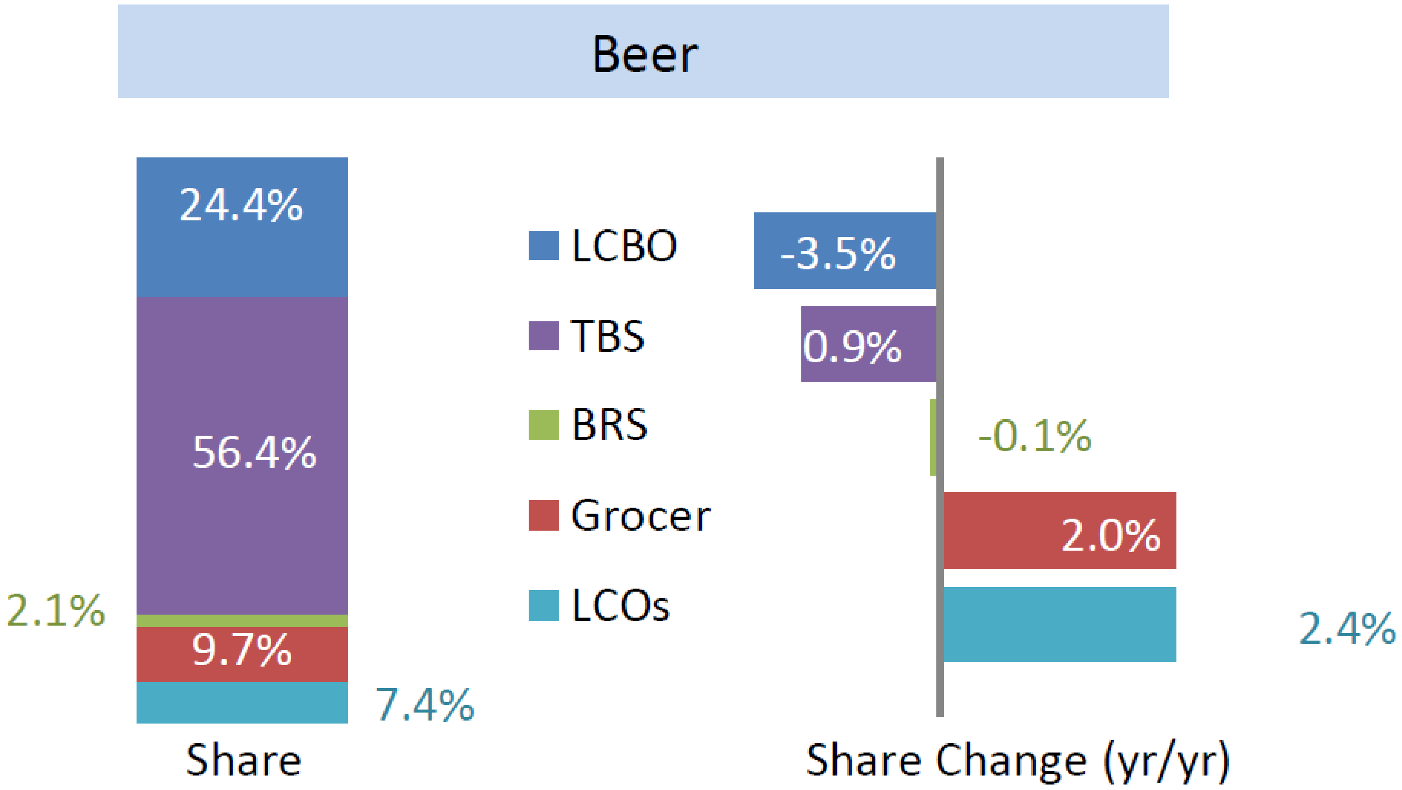
Large Packs sales have grown by 340BPS

Craft beer and cider outpace regular segments

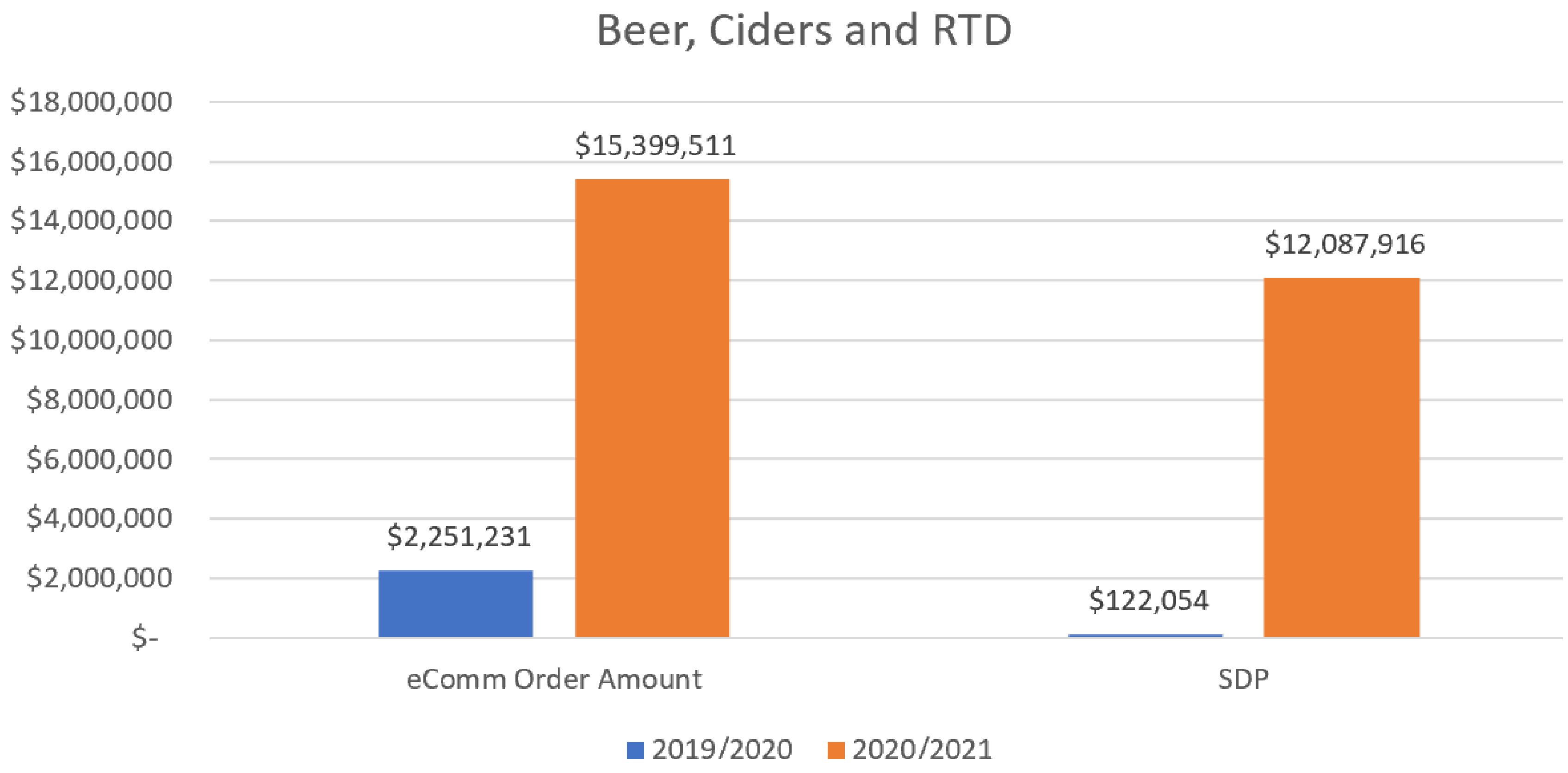




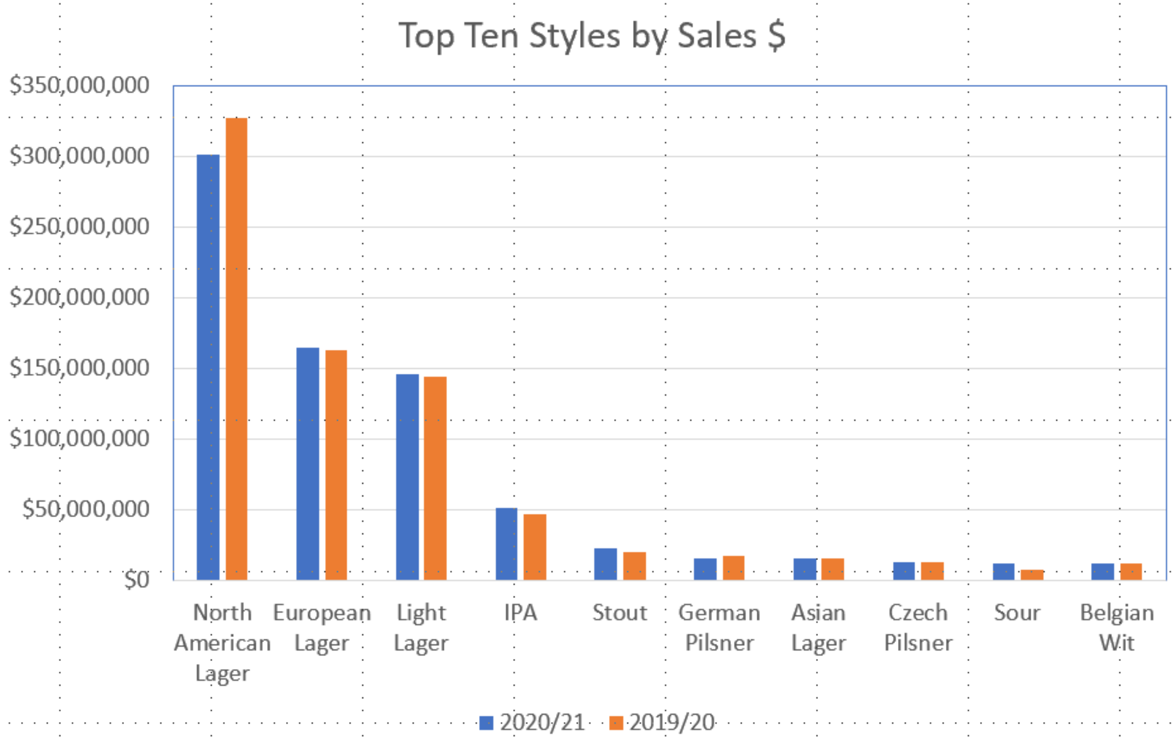
Grocery and LCOs gain market share at the expense of LCBO and Beer Store



E-Commerce grow on the strength of expanded Same-Day Pick-Up



Lagers continue to dominate share while IPAs, Sours and Stouts post the fastest stye growth

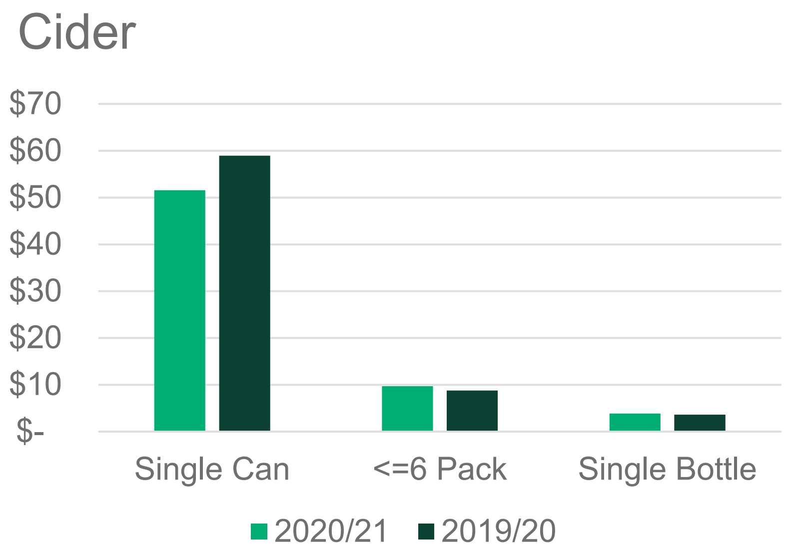


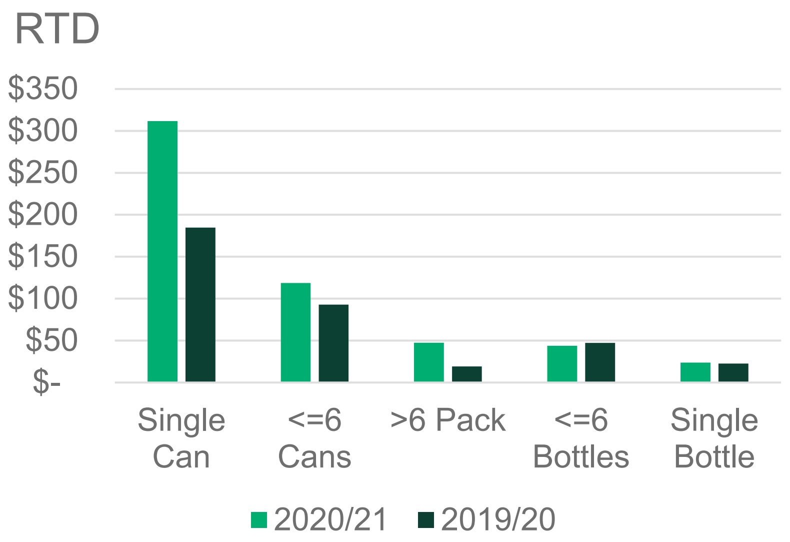
Largest Sales $ Variances

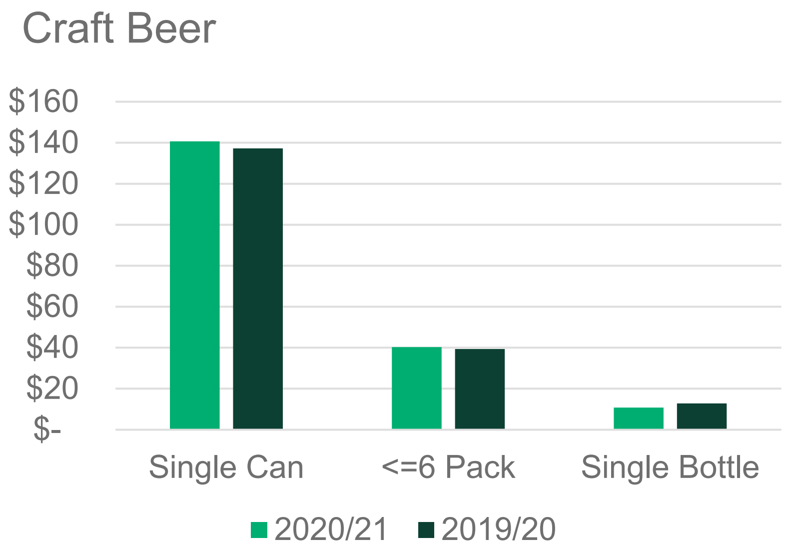
Style	2020/21 Sales	$ Change	% Change
North American Lager	$301M	-$26M	-8%
IPA	$51M	+$5M	10%
Sour	$12M	+$4M	51%
Stout	$23M	+$3M	14%
European Lager	$165M	+$2M	1%

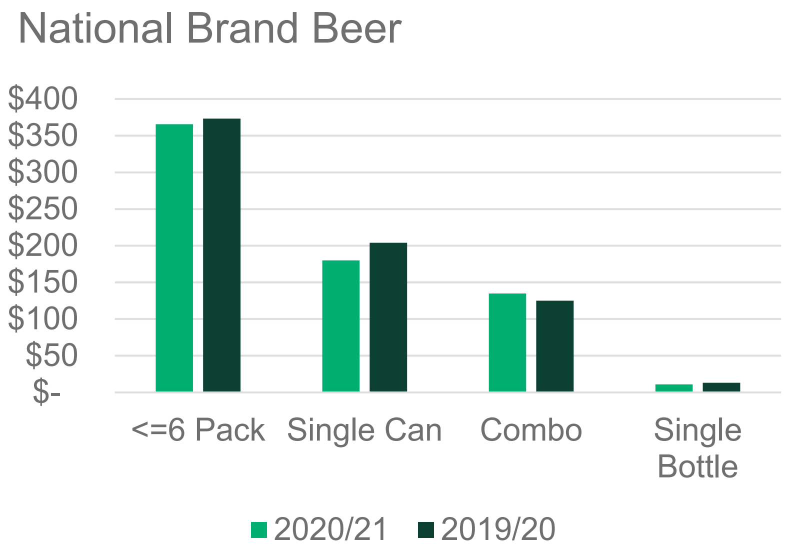
Single Cans dominate share in Cider, Craft, & RTD; 6-packs in National Brand Beer

Sales by Format $,000,000









F22 Plans & Priorities

Assortment Priorities F22

Product Set	Craft Beer	Premium Beer	Value Beer	Cider	Ready to Drink	Non Alcohol
Status	Grow	Grow	Maintain	Grow Local	Grow	Grow
Role	Lead Differentiator, Growth Opportunity, Dominant Assortment	Compete Revenue & Traffic Driver, Protect Market Share	Play Traffic Driver, Maintain Customer Relations	Lead Local; Compete Premium	Lead Profit Driver, Traffic Driver, Channel Exclusive	Compete Differentiator, Grow Market Share
Needs	Local Driven High Churn Exclusivity	First-To-Market Exclusive Offers & Promotions	Everyday Value Deep LTOs	Premium Offering Local Focus	Innovation Lead Exclusivity Assortment Breadth	Exclusivity Style Breadth Competitive Costs
Product Call	Yes	Planning	No	Yes	Yes	Planning

F2021/22 Sales Targets

READY-TO-DRINK

SET	SUBSET	New Target
Coolers	MULTI-PACKS & SERVINGS	$1,300,000
	SINGLE SERVES	$1,100,00
Premixed Cocktails	ALL FORMATS	$640,000

PRODUCT GROUPING*	New Target
Mainstream Beer	305,000
Premium Beer - Domestic	360,000
Premium Beer - Import	145,000
Craft Beer - Domestic	60,000
Craft Beer - Import	25,000
Combo	85,000
Non-Alcoholic	25,000
Cider	730,000
Ontario Craft Cider	120,000

Key Initiatives & Projects

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

Improves Performance

Supports Innovation

Refreshes Assortment

New & Expanded Trade Opportunities

eCommerce Opportunities

FEATURE PAGE

NEW ARRIVALS
(TIERED OPPORTUNITIES)

VIRTUAL EXPERIENCES

ONE DAY SALES

ONLINE EXCLUSIVE PRODUCTS WITH VALUE ADDS

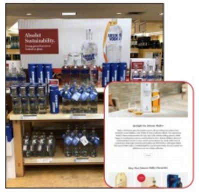
ONLINE EXCLUSIVE CURATED BOXES

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

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

Beer, Cider & Ready-to-Drink Promotional Opportunties

Beer Excitement Zone

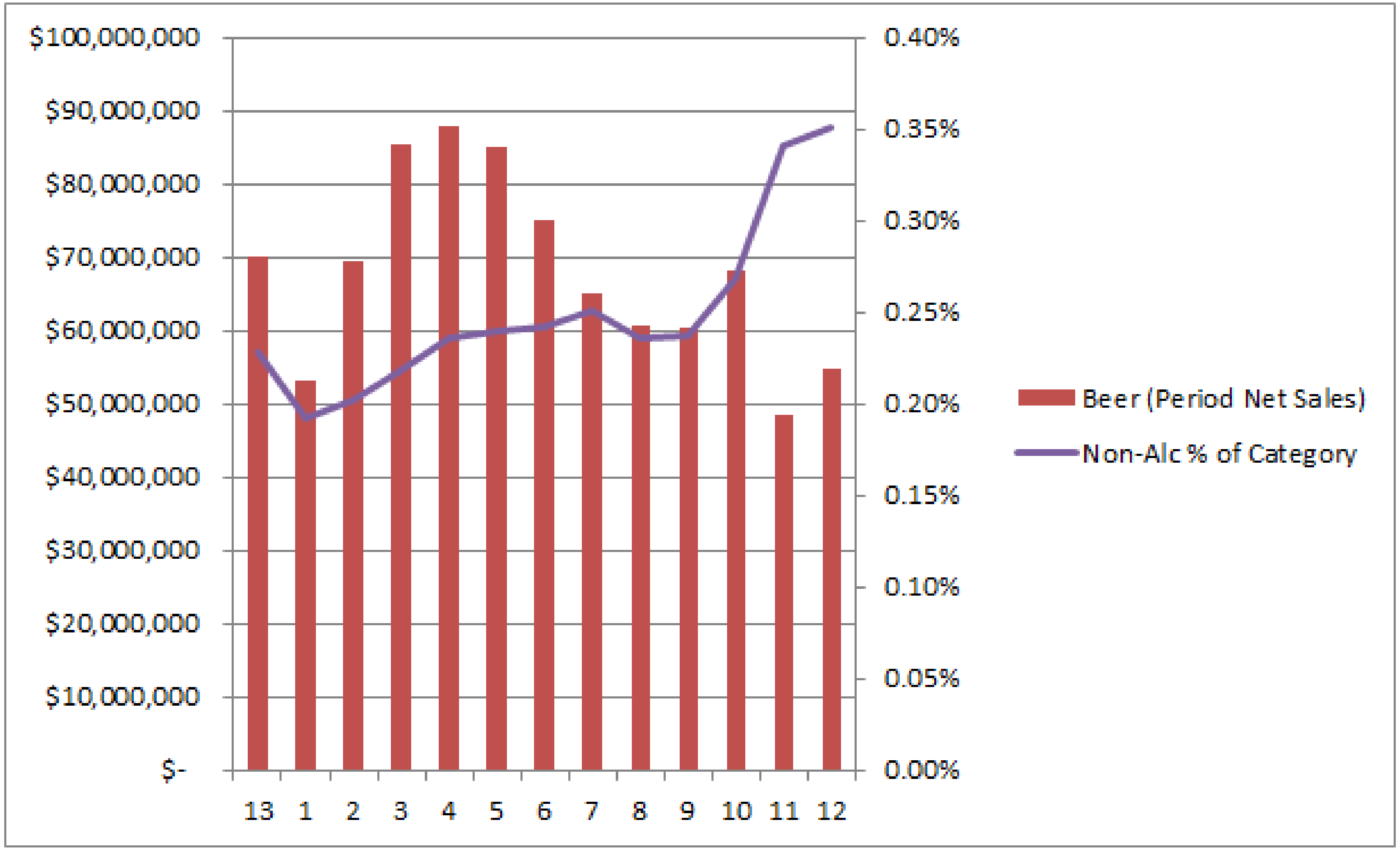
Increased End Aisles

Year-round blockpile

Double Digit Non-Alcohol Beer Growth

Assortment Priorities:

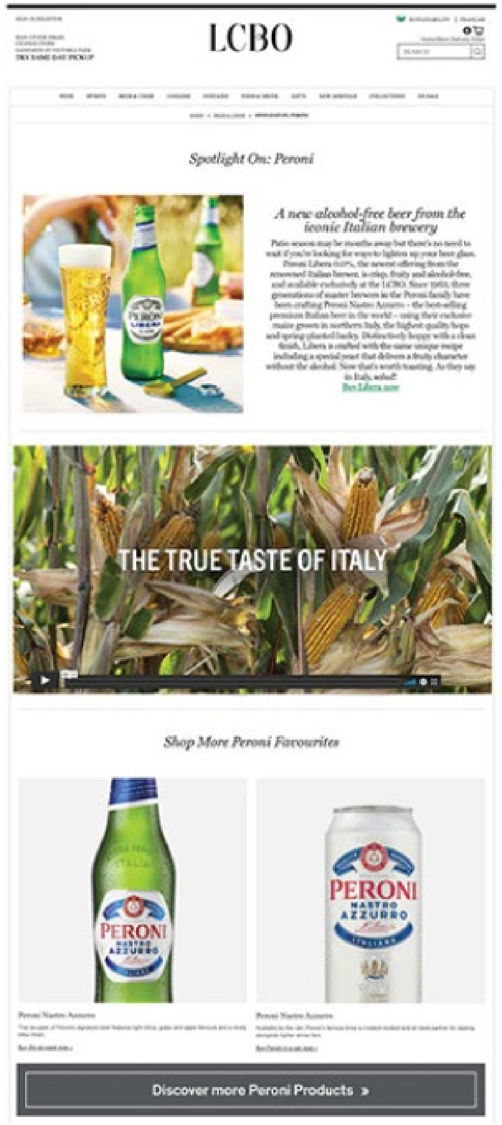
- Craft and Premium
- Exclusivity
- Better for you



Supporting Local

Ecommerce Opportunities

- Exclusive offers and products
- Beer Pop-Up Shop
- Virtual events



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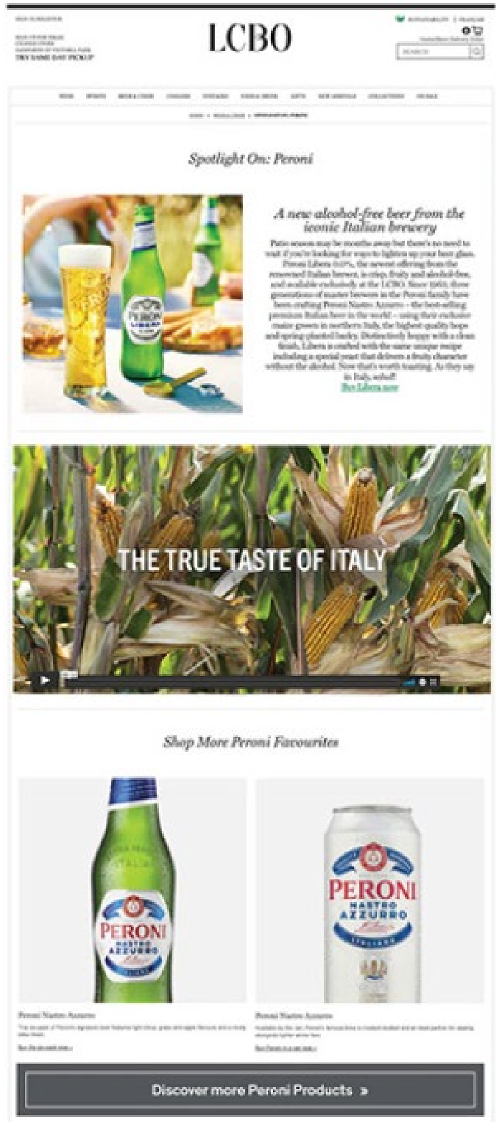
Grow Sales and Customer Awareness



Thank You