

LCBO

TRADE DAY

2022

# Spirits – Breakout

# Agenda

**1**

Meet the team

**2**

F22 Performance

**3**

F23 Plan

**4**

Assortment Priorities

**5**

Promotional Priorities

# Spirits Team



**Peter Cloutier**  
Sr. Category Manager  
Brown Spirits



**Emily Liao**  
Product Manager  
Whisky



**Mike Hodgson**  
Product Manager  
Brandy, Liqueurs, Tequila



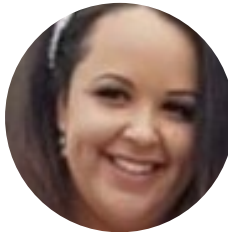
**Tania Hofweller**  
Category Administrator  
Brown Spirits



**Daniel LeFebvre**  
Product Advisor



**Alanna Bailey**  
Sr. Director



**Jeryca Dillas**  
Sr Category Manager  
White Spirits



**Amanda Mustard**  
Product Manager  
White Spirits



**Mandeep Singh**  
Category Analyst



**Vacant**  
Category Administrator  
White Spirits



**Helen Deterville**  
Administrative Assistant  
Spirits, Beer, Cider & RTD

# Spirits F22 Results

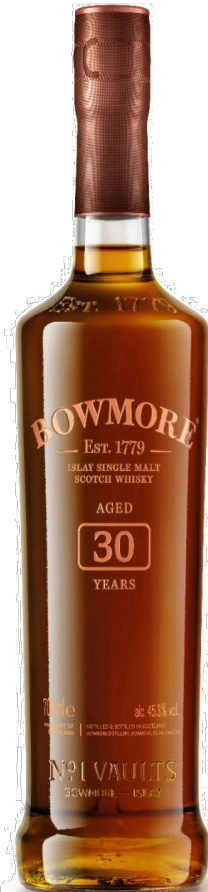
# Spirits F22 Results

All \$ in thousands ("000"s)	FY2022 Net Sales	YOY % Chg
<b>Whisky</b>	\$921,158	3.3%
<b>Vodka</b>	\$644,661	-0.7%
<b>Rum</b>	\$308,404	0.5%
<b>Gin</b>	\$133,692	2.5%
<b>Brandy/Cognac</b>	\$141,377	6.4%
<b>Liqueurs Classic</b>	\$166,084	-0.9%
<b>Liqueurs Cocktail Mixers</b>	\$70,920	12.5%
<b>Liqueurs Sippers Bitters</b>	\$98,435	10.7%
<b>Tequila</b>	\$162,562	54.3%
<b>Asian Spirits</b>	\$8,180	3.5%
<b>Other Spirits</b>	\$504	-14.9%
<b>Total Spirits</b>	<b>\$2,655,472</b>	<b>4.4%</b>

Note: All sales numbers are preliminary and unaudited

# Top spirit trends F22

1



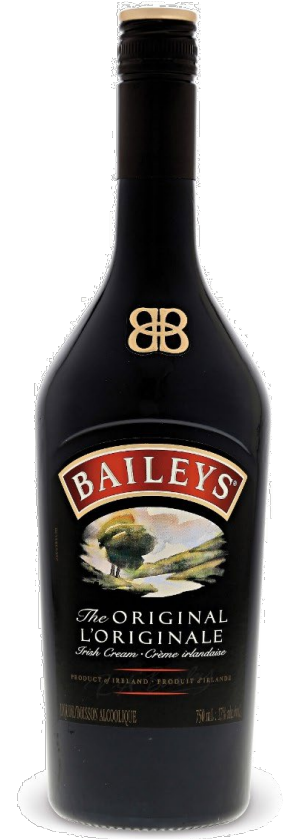
Premiumization

2



Tequila

3



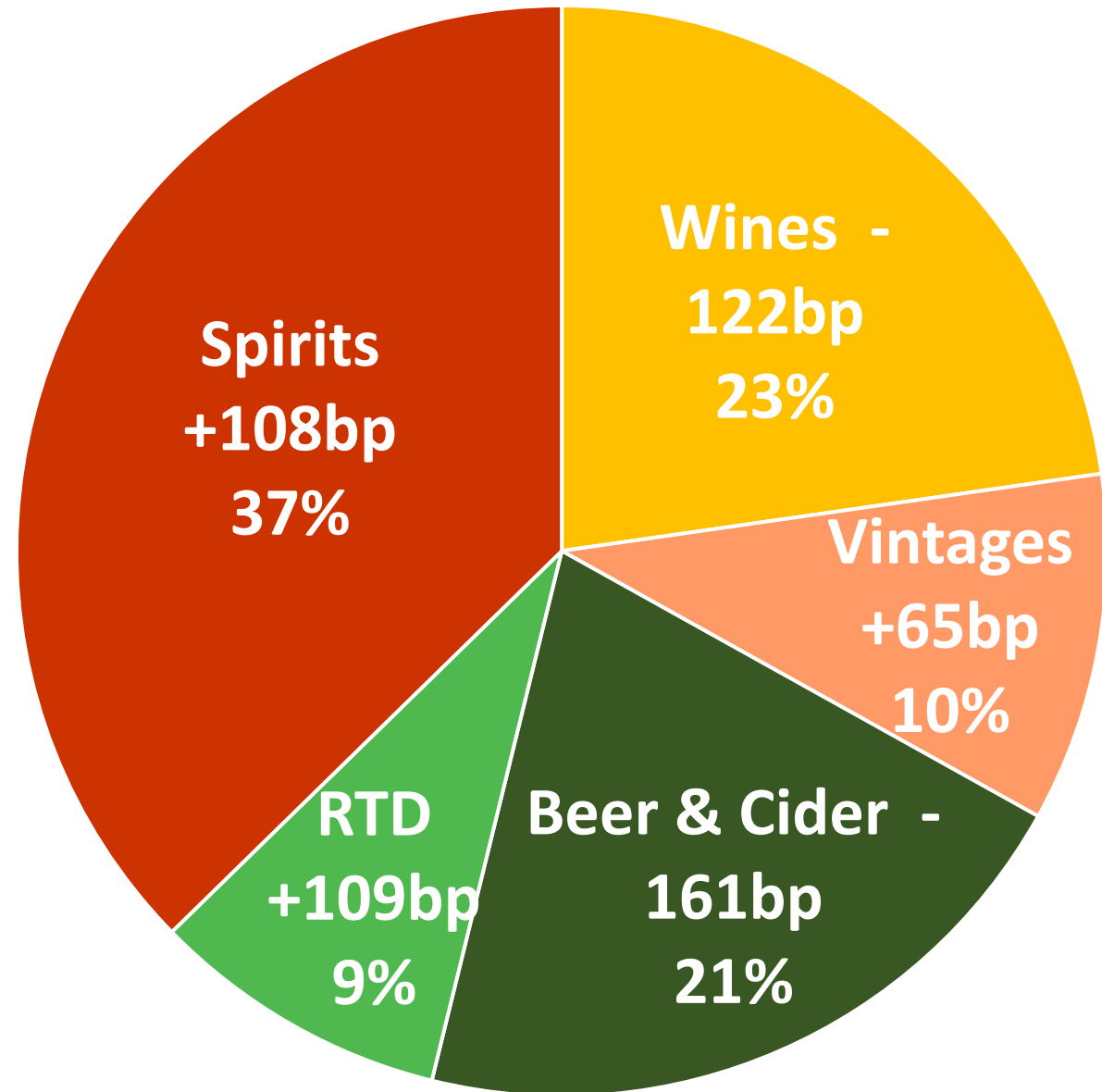
Pandemic Impacts

# Continued impact of social & influencers

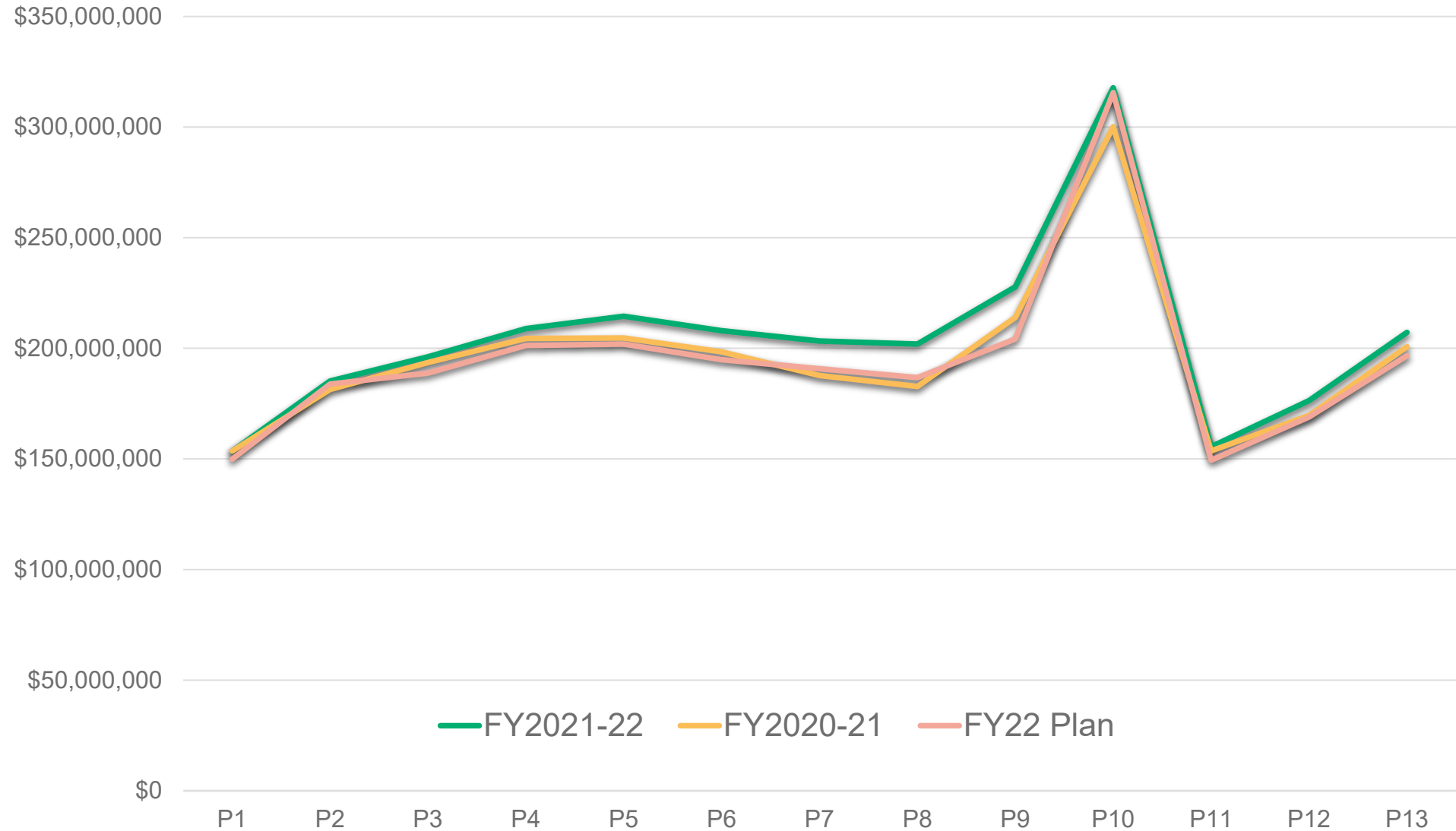




# Market share by product category

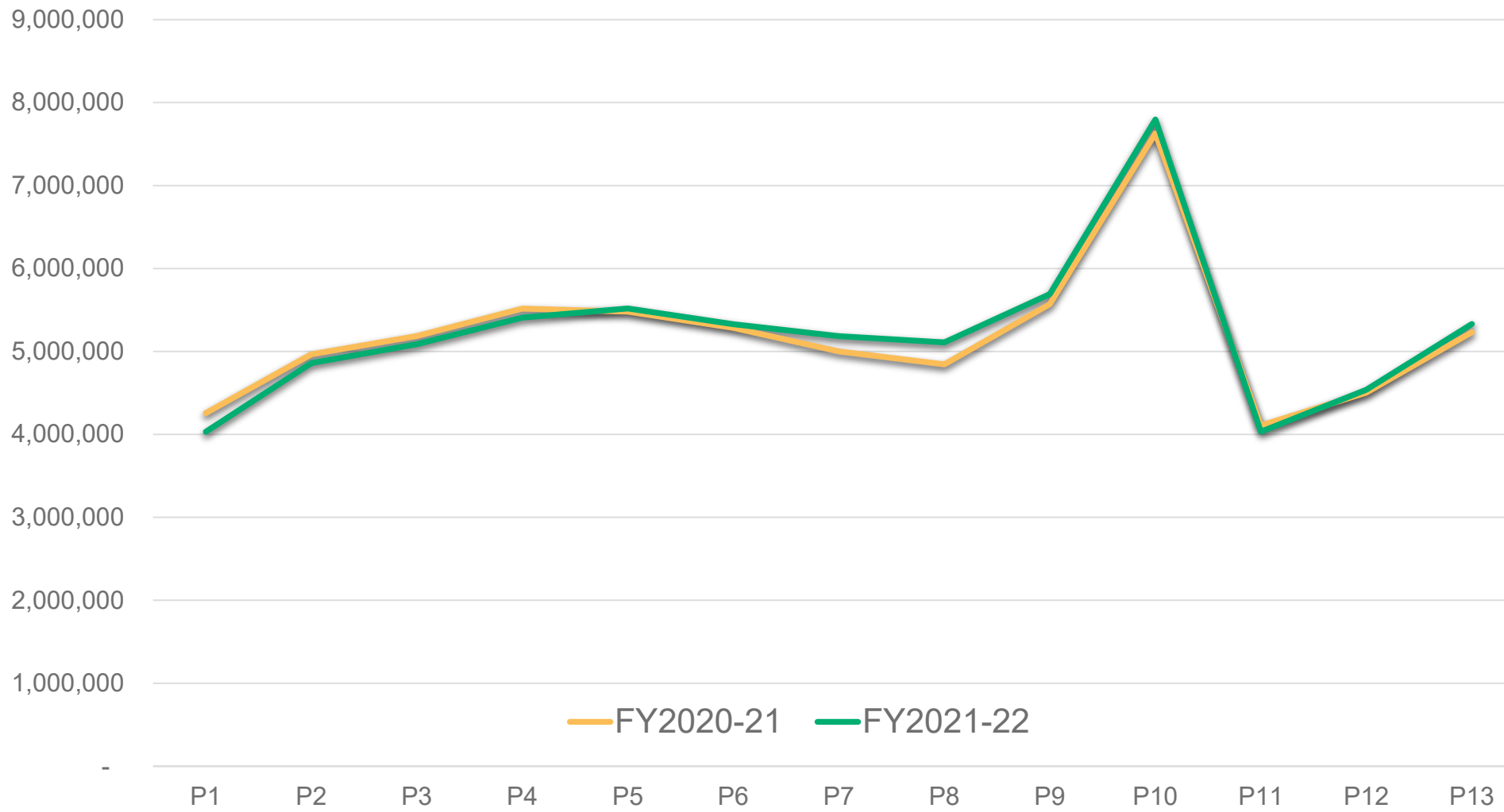


Q2, Q3  
saw higher  
gaps to  
plan & LY  
during  
reopening



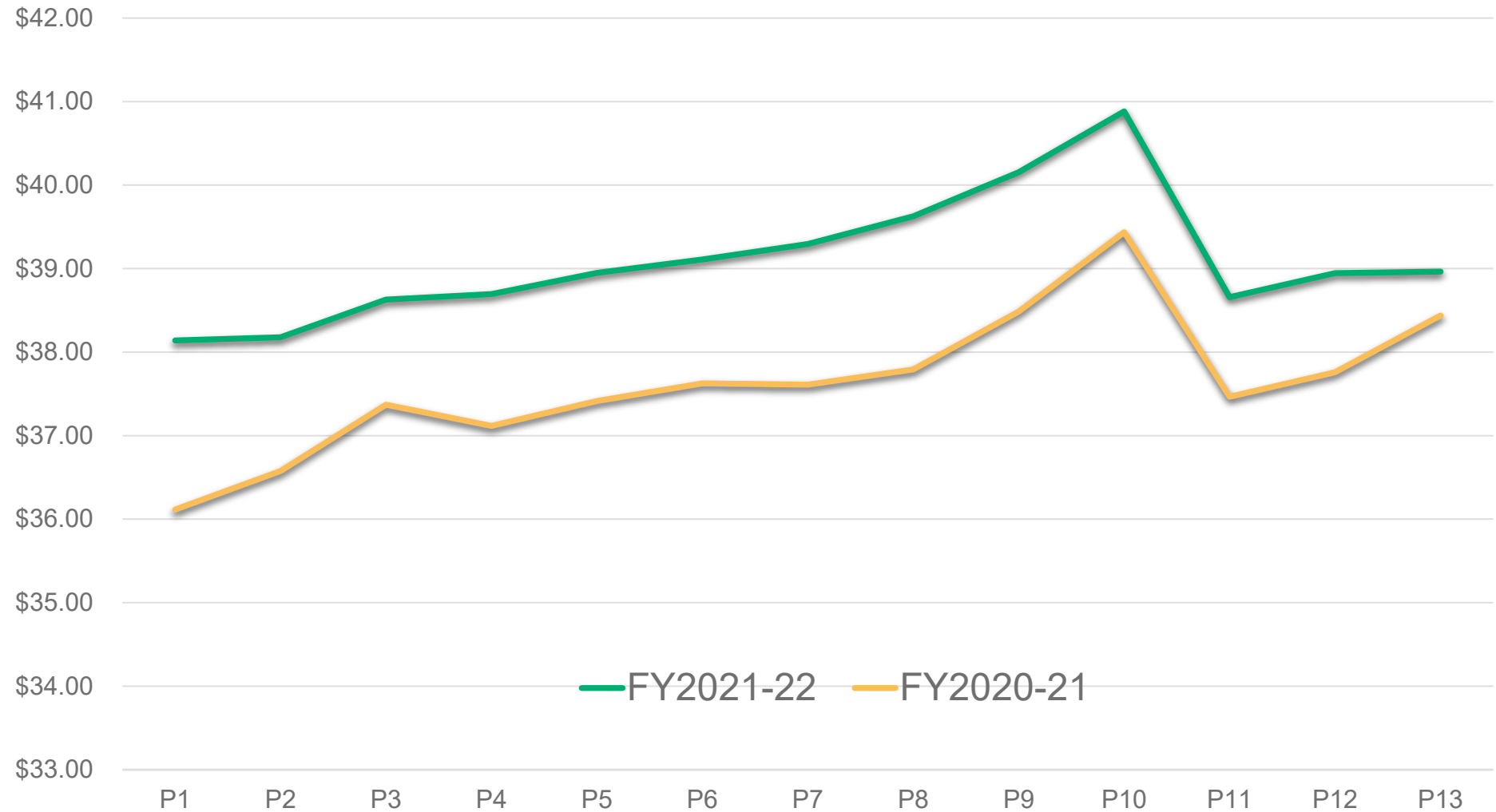
Total 2021/22 - **\$2.66B**  
Total 2020/21 - **\$2.54B**  
Total 2021/22 Plan - **\$2.53B**  
YoY Growth - **4.4%**

Sales volume stayed similar to LY

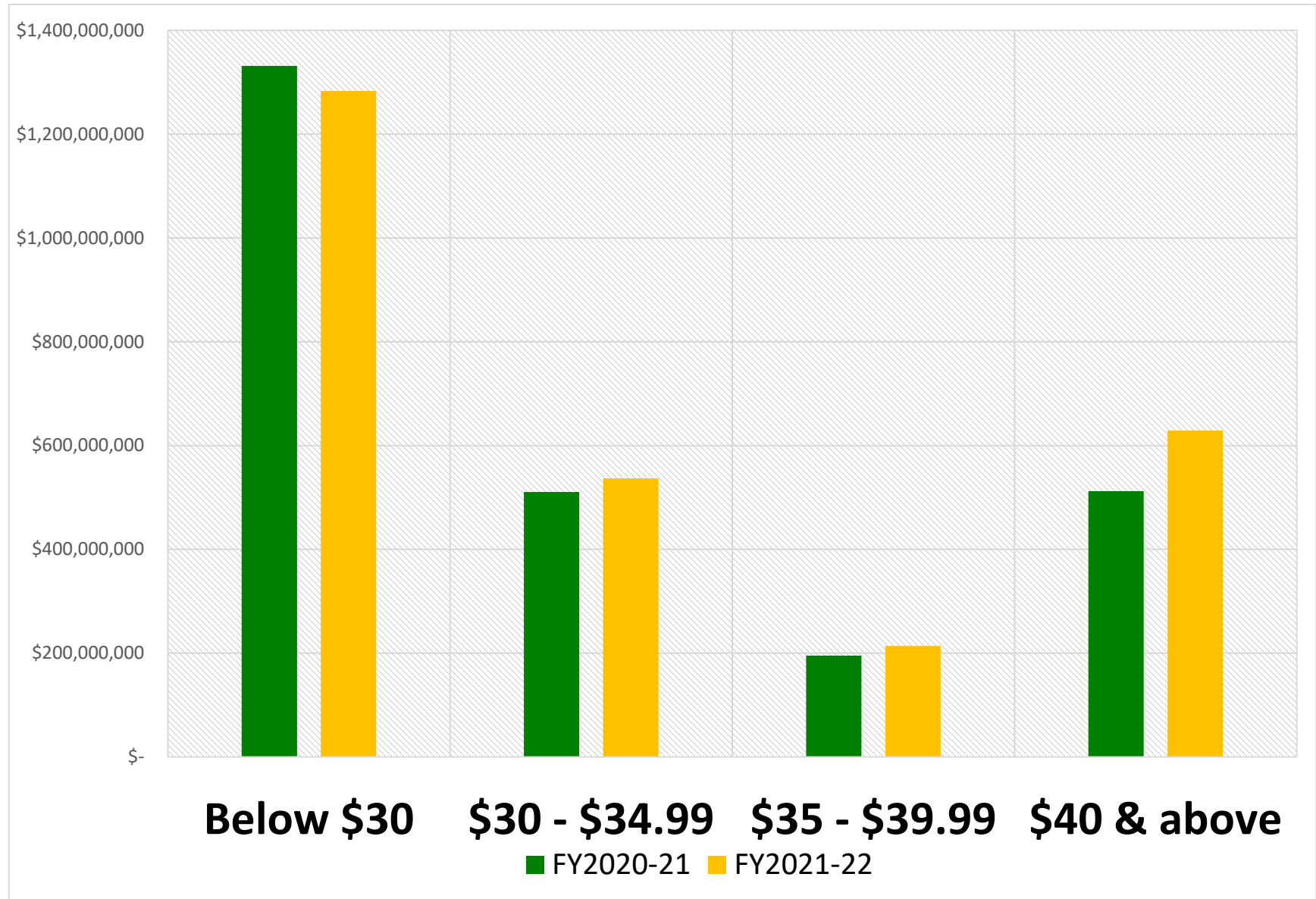


Total 2021/22 - **67.9M**  
Total 2020/21 - **67.6M**  
YoY Growth - **0.5%**

Spirits  
net/litre  
was  
significantly  
above LY all  
year



Spirits sales  
below \$30  
declined,  
above \$30  
grew vs LY



# Drivers of premiumization trends



**Growth in deluxe categories:**

Scotch, Whisky Shop, Cognac, Tequila





**Mainstream categories shifts:**

Trade-up in vodka and Canadian whisky declines in standard

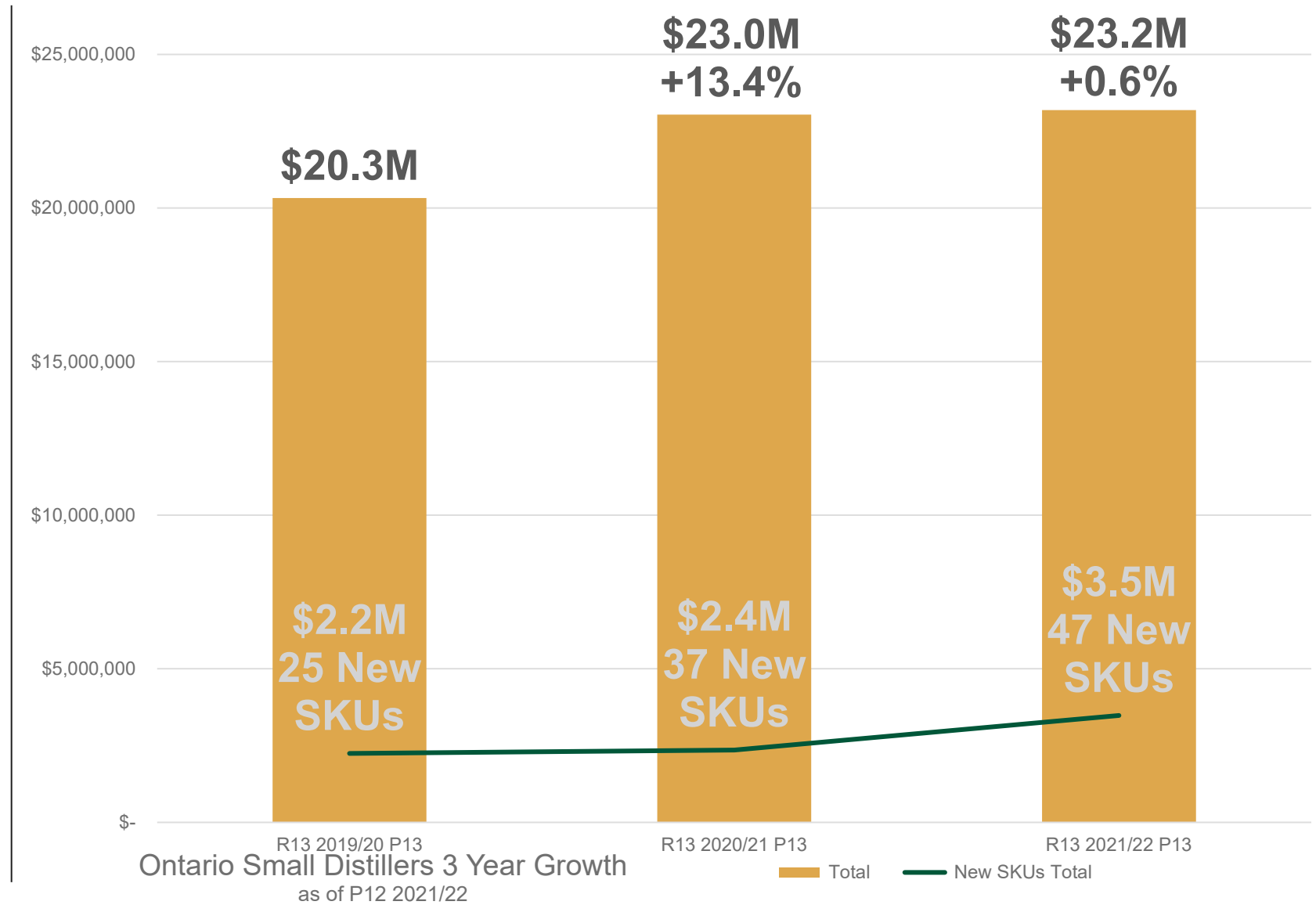
**Market variables:**

Share of wallet & inflation

Spirits shops growing as customer interest in premium spirits grow

	<h3>Whisky Shop</h3> <ul style="list-style-type: none"><li>• \$36.5M, +37% vs LY</li><li>• 141 Stores + Online</li></ul>
	<h3>Tequila Shop</h3> <ul style="list-style-type: none"><li>• \$15.5M, 108% vs LY</li><li>• 15 Stores + Online</li></ul>
	<h3>Gin Shop</h3> <ul style="list-style-type: none"><li>• \$2.7M, -6% vs LY</li><li>• 31 Stores + Online</li></ul>
	<h3>Rum Shop</h3> <ul style="list-style-type: none"><li>• \$6M, 240% vs LY</li><li>• 23 Stores + Online</li></ul>

# Local Spirits continue to grow





# F23 Plans



## LCBO Spirits

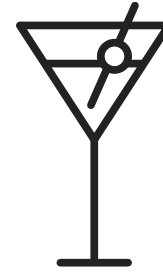
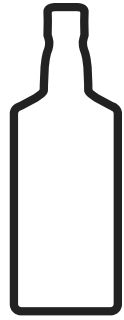
Spirits is growing, lead product category with a profitable and traffic driving assortment providing strong solution-focused consumer promotions.



## F23 Focus

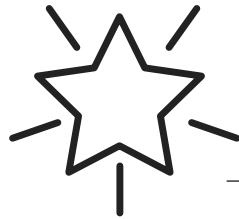
Optimize exclusive assortment offerings and promotional plans to provide Ontarians with the of best of spirits innovation, local and global products

Optimized  
assortment



Effective  
promotions

Product  
Inspiration



Elevate  
local

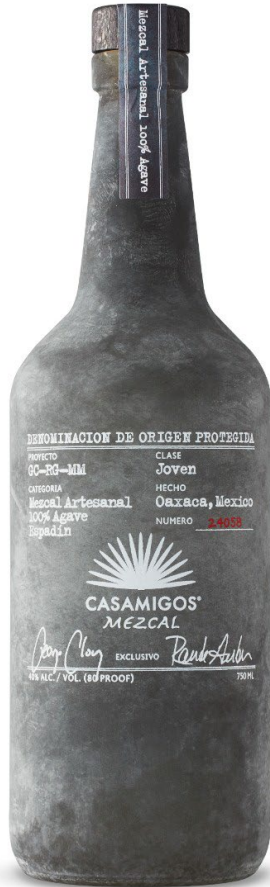
# Spirits F23 P1 Actual + Forecast

All \$ in thousands ("000"s)	FY2023 Net Sales Fcst	YOY % Chg
<b>Whisky</b>	\$943,478	2.4%
<b>Vodka</b>	\$659,784	2.3%
<b>Rum</b>	\$310,743	0.8%
<b>Gin</b>	\$137,159	2.6%
<b>Brandy/Cognac</b>	\$146,281	3.5%
<b>Liqueurs Classic</b>	\$166,384	0.2%
<b>Liqueurs Cocktail Mixers</b>	\$70,222	-1.0%
<b>Liqueurs Sippers Bitters</b>	\$101,716	3.3%
<b>Tequila</b>	\$190,724	17.3%
<b>Asian Spirits</b>	\$11,124	36.0%
<b>Other Spirits</b>	\$448	-11.2%
<b>Total Spirits</b>	<b>\$2,738,064</b>	<b>3.1%</b>

# Aged spirits



# Tequila



# @Home Bar trends



# Lighter options





# Assortment

# Approach

Customer driven roles

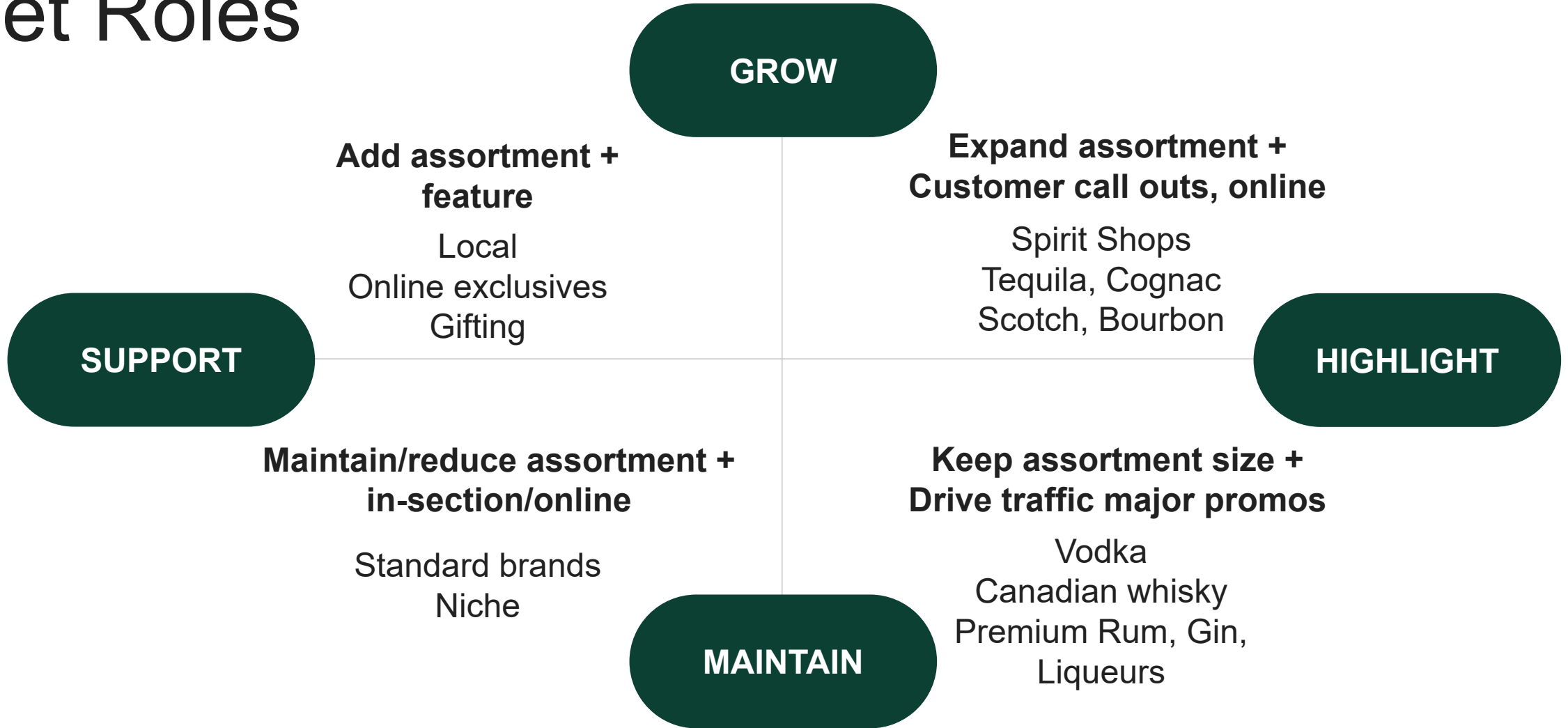
Leverage channel mix

Well-timed innovation

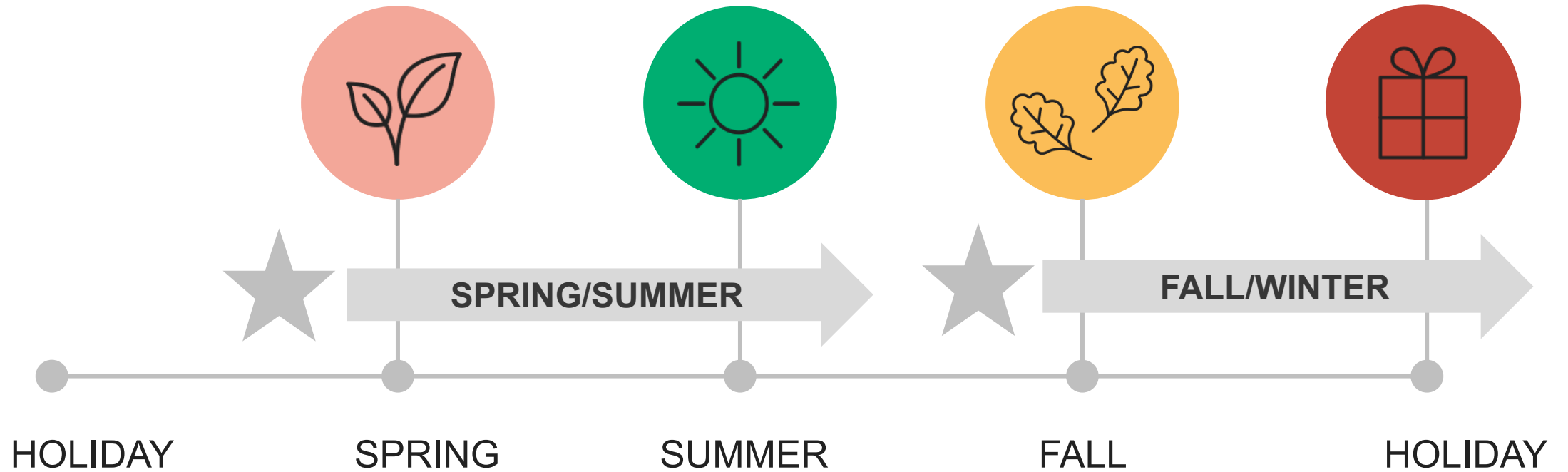
Strong gift offerings



# Set Roles



# Optimize Innovation Cycles



# Leverage channel mix



# F23 Planogram Strategy



# Holiday Gifting Strategy



**Focus  
on favourites**



**Seek out  
innovation**



**Compliment with  
E-commerce**



**Local Craft  
Spirits**

# Holiday Gifting Strategy



**Focus  
on favourites**



**Seek out  
innovation**



**Compliment with  
E-commerce**



**Local Craft  
Spirits**



# Product calls notables



**Tequila/Mezcal**



**Strategic Shop Buys**



**Lighter Styles**



**Ontario Small Distillers**

# Support Ontario Small Distillers

3 product calls/ year for direct  
delivery

Display Ops including end  
aisle to showcase OSD SKUs

Increased assortment in the  
Holiday Gifting Program

LCBO.com feature  
showcasing different  
distilleries



# Local Spirits Merchandising Test

15 Local SKUs

12 Test stores (Class A)

Dedicated section in stores with 'Ontario Small Distillers' signage

Range of SKUs selected from top performing Sets (Gin, Vodka, Cda Whisky)

Overall, average \$ sales per store in Test stores were 15% higher than in Control stores



# Promotions

# Approach



TREND



Relevant &  
compelling  
traffic  
drivers

Leverage  
innovation,  
trends

Amplify  
out-of-  
home

# Return to experiential

Incent trial through in-store tastings & sampling

In person events experiences

Larger disruptive activations



# LCBO Spirits

**AEROPLAN** 

**Mass  
offers to  
disrupt**

**Encourage  
trial on  
innovation**



**Targeted  
tactics**

**Grow  
customer  
insights**

# Promoting via Omni- commerce

The screenshot displays the LCBO website's 'Spirits' category page. At the top, the LCBO logo is centered, with a search bar to its right containing the text 'What can we help you find today?' and a shopping cart icon. Below the logo is a horizontal navigation menu with links for 'Products', 'New Arrivals', 'Gifts', 'Promotions', 'Collections', 'Food & Drink', and 'Social Impact'. A breadcrumb trail below the menu shows 'Home / Products / Spirits'. The main content area features a large promotional banner for 'Spring Picks' spirits. The banner is split into two sections: the left side has a green background with the text 'Spring Picks' and 'These special spirits make the perfect present for every occasion', accompanied by a 'Shop now' button; the right side shows a product shot of a rum bottle, a cocktail glass with a drink and garnishes, and a snifter glass with rum, with the text 'GIVE THE GIFT OF RUM' overlaid. Below the banner is a 'Browse by Category' section.

LCBO

What can we help you find today?  

Products New Arrivals Gifts Promotions Collections Food & Drink Social Impact

[Home](#) / [Products](#) / [Spirits](#)

## Spirits

### Spring Picks

These special spirits make the perfect present for every occasion

[Shop now](#)

GIVE THE  
**GIFT OF  
RUM**

Browse by Category



# Optimize promotional plans



# Engagement with sales team

Refresh Advocates

Cocktail training

Return to tastings

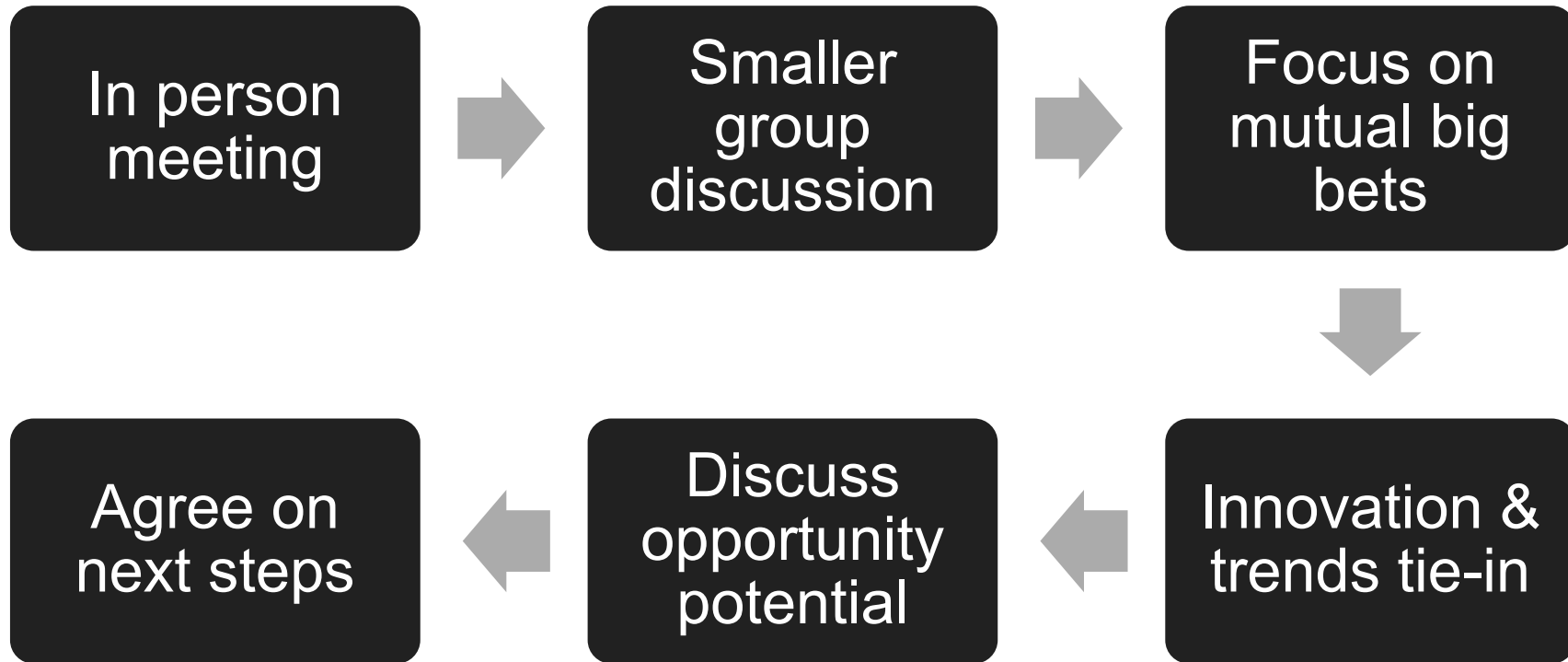
Online learning



# F23 Next steps

*Coming soon!*

# Collaborative planning simplification



# What we need from you

**01**

Prioritized access to  
innovation, allocations,  
inventory



**02**

Strategic multi-tool approach  
to promotional mix



**03**

Collaborative planning feedback,  
access to insights

# Thank you