LCBO

let's get together

Sales and Trends:
Wine at the LCBO

Shari Mogk-Edwards
Vice-President, Products, Sales & Merchandising

March 3, 2015

$4.4B

$2.1B

TOTAL $6.5B

SALES OF WINE IN CANADA

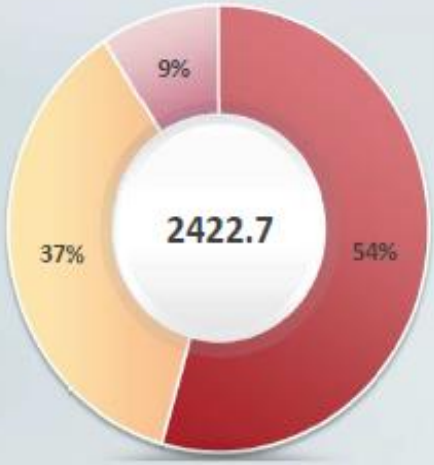
Source: Statistics Canada

Global Trends

THE GLOBAL **WINE MARKET**

STILL WINES CONSUMPTION – BY COLOR

Million of 9L Cases (Still Wines)



Market Split in 2014

Evolution 2014/2018

Red Wine White Wine Rosé Wine

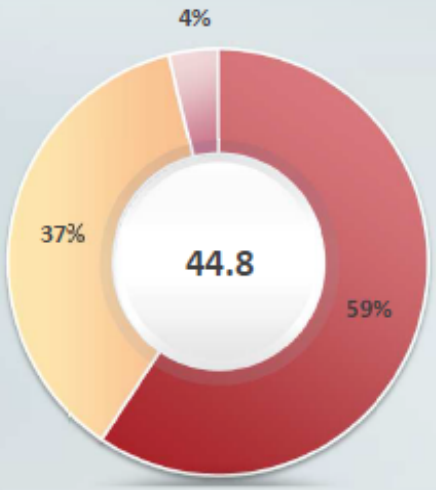
February 2015

Global Trends

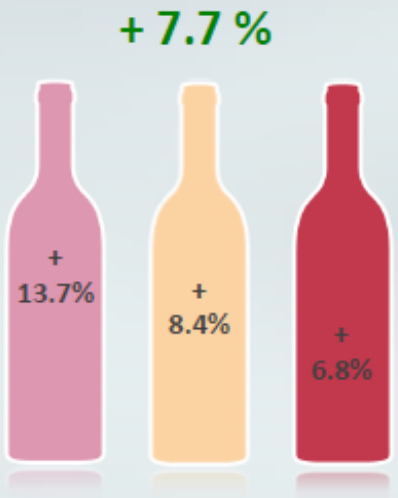
THE CANADIAN **WINE MARKET**

CANADIAN STILL WINE CONSUMPTION – BY COLOR

Million of 9L Cases (Still light Wines)



Market Split in 2014



Evolution 2014/2018

Red Wine White Wine Rosé Wine

LCBO BY NUMBERS

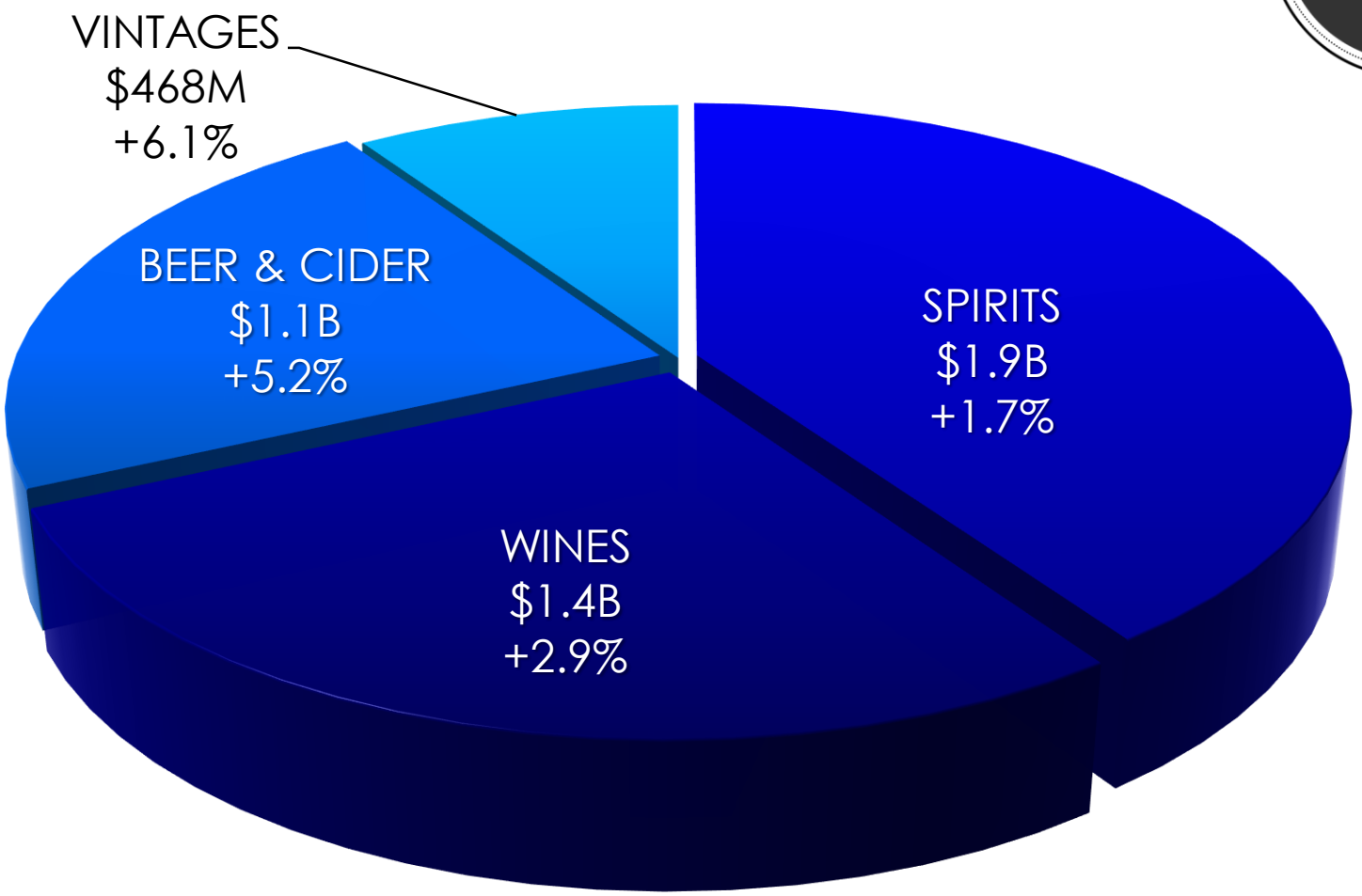
634
STORES
ACROSS ONTARIO

3,666 FULL-TIME
4,035 CASUAL
EMPLOYEES

126 MILLION
TRANSACTIONS
ANNUALLY

LCBO
BY
NUMBERS
Net sales of
$4.997B
in 2013/14
LCBO transferred
$1.74B DIVIDEND
to the Government
of Ontario
for 2013-14
Ontario's
beverage alcohol
market worth
$10B
LCBO holds
50.8 %
of Ontario
beverage alcohol
market

Sales by Business Unit



Total net sales = $4.9B
Growth = +3.2%

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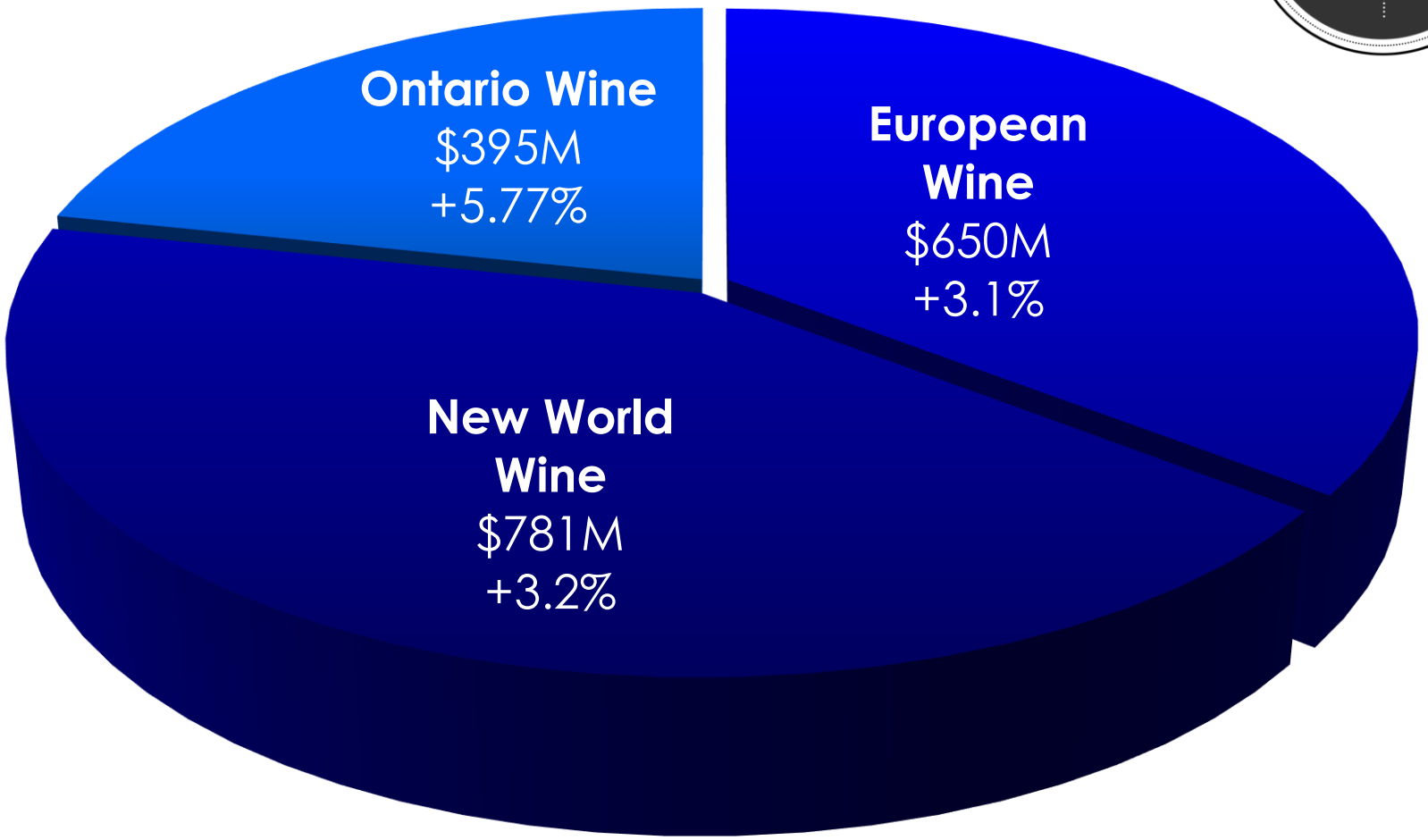
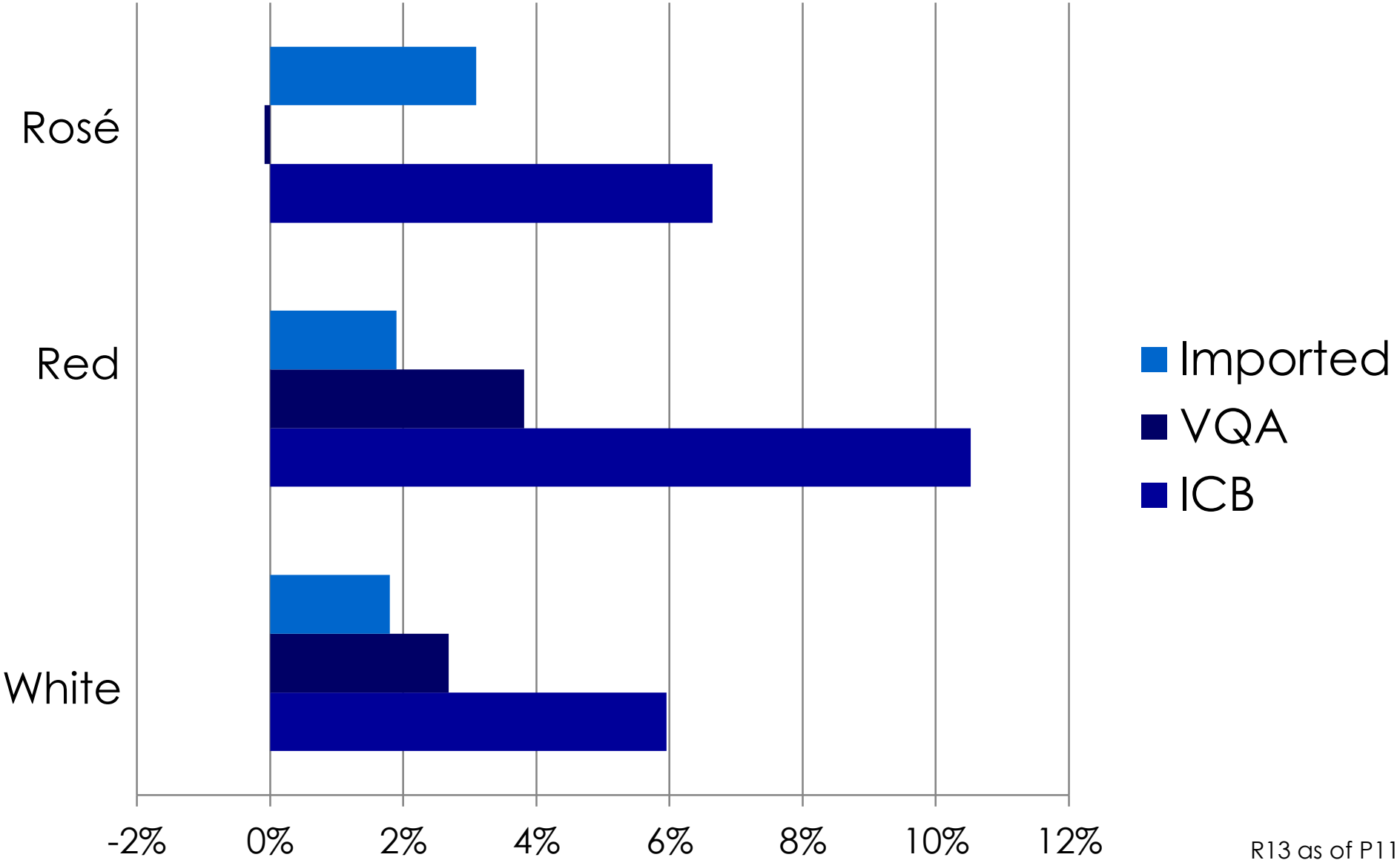
LCBO & VINTAGES Wine Sales



R13 as of P11

LCBO Wines Sales Trends by Type



R13 as of P11

Growth rates by Category

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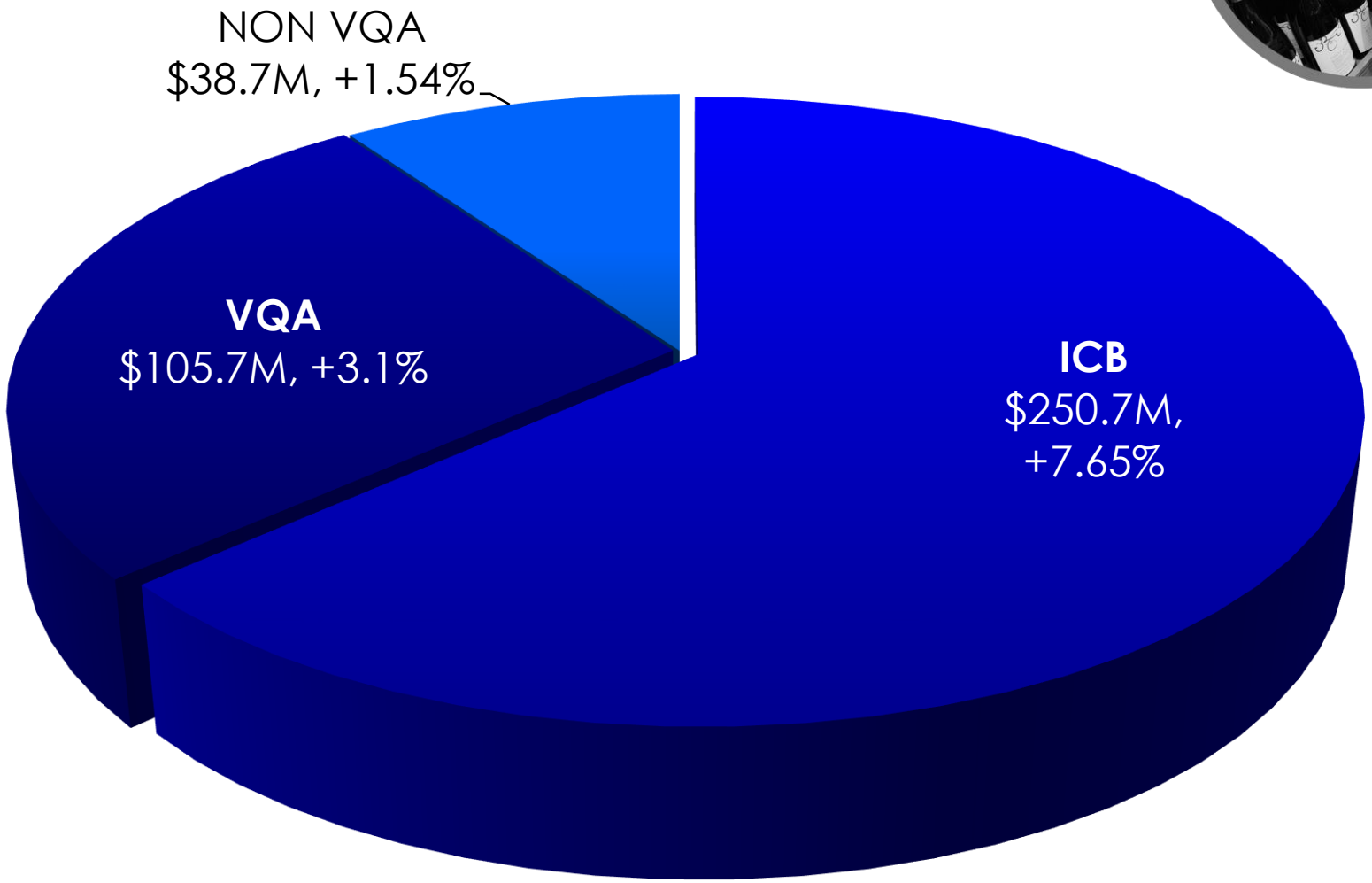
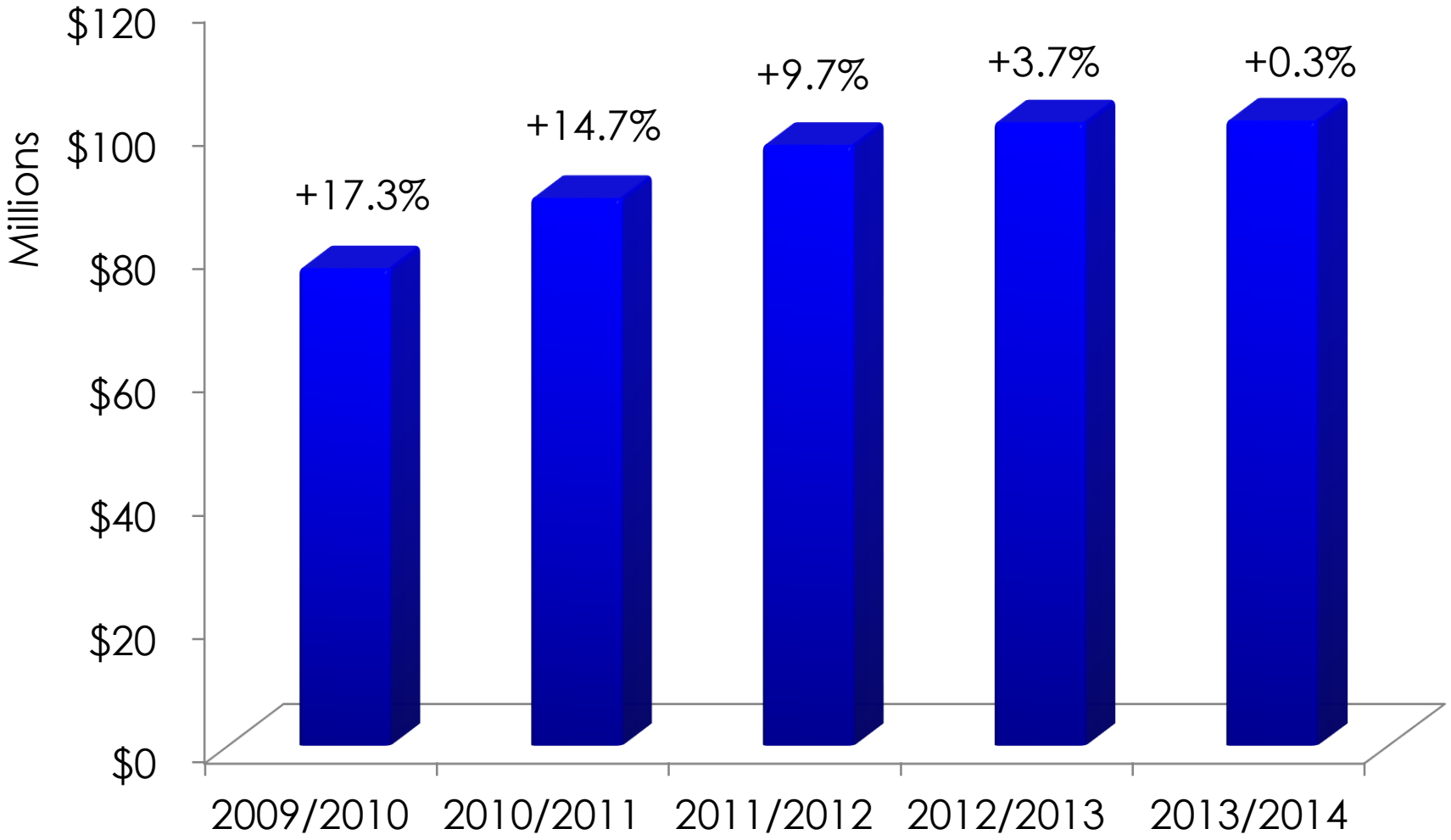
LCBO Ontario Sales by Type

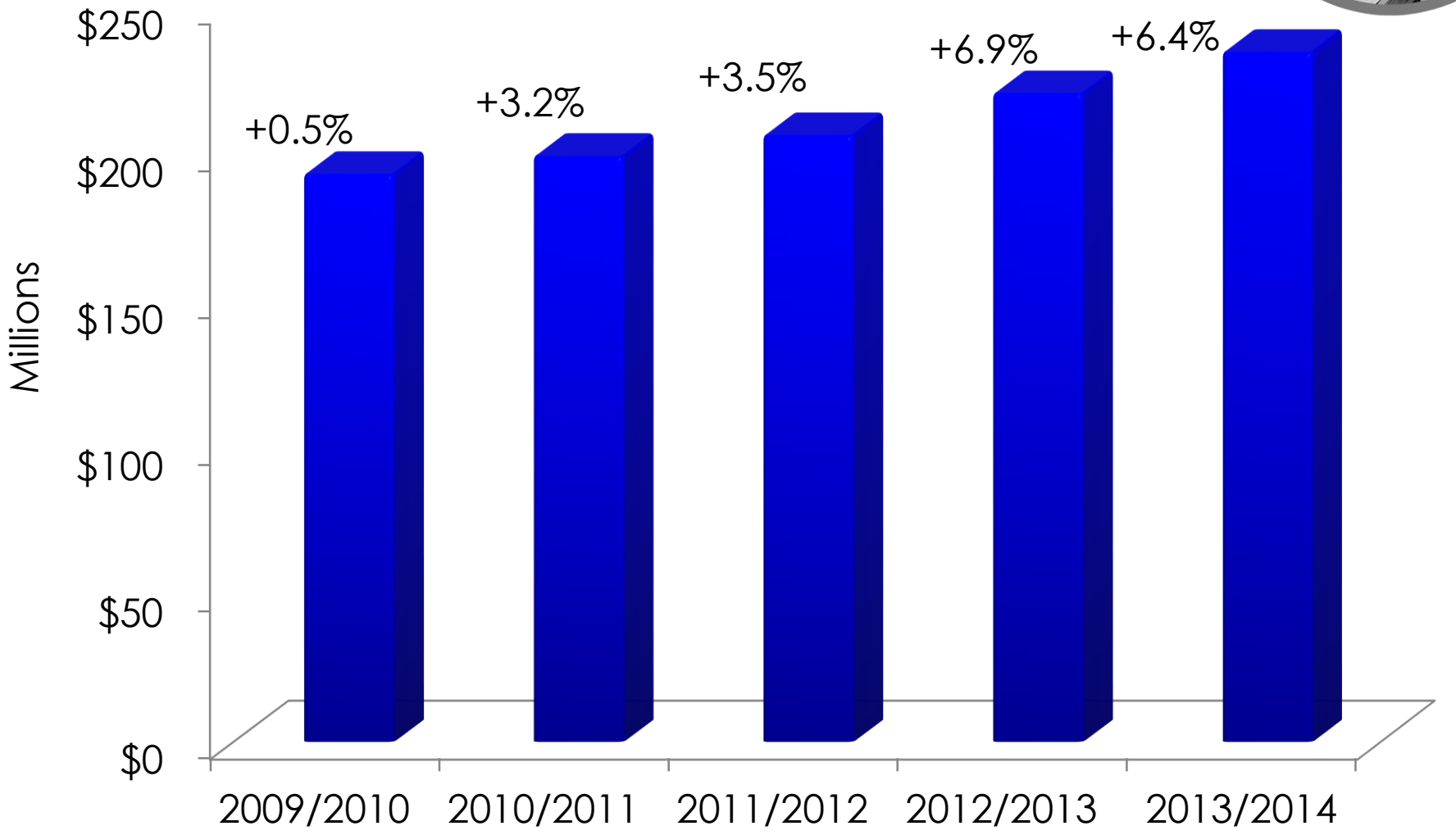


R13 as of P11

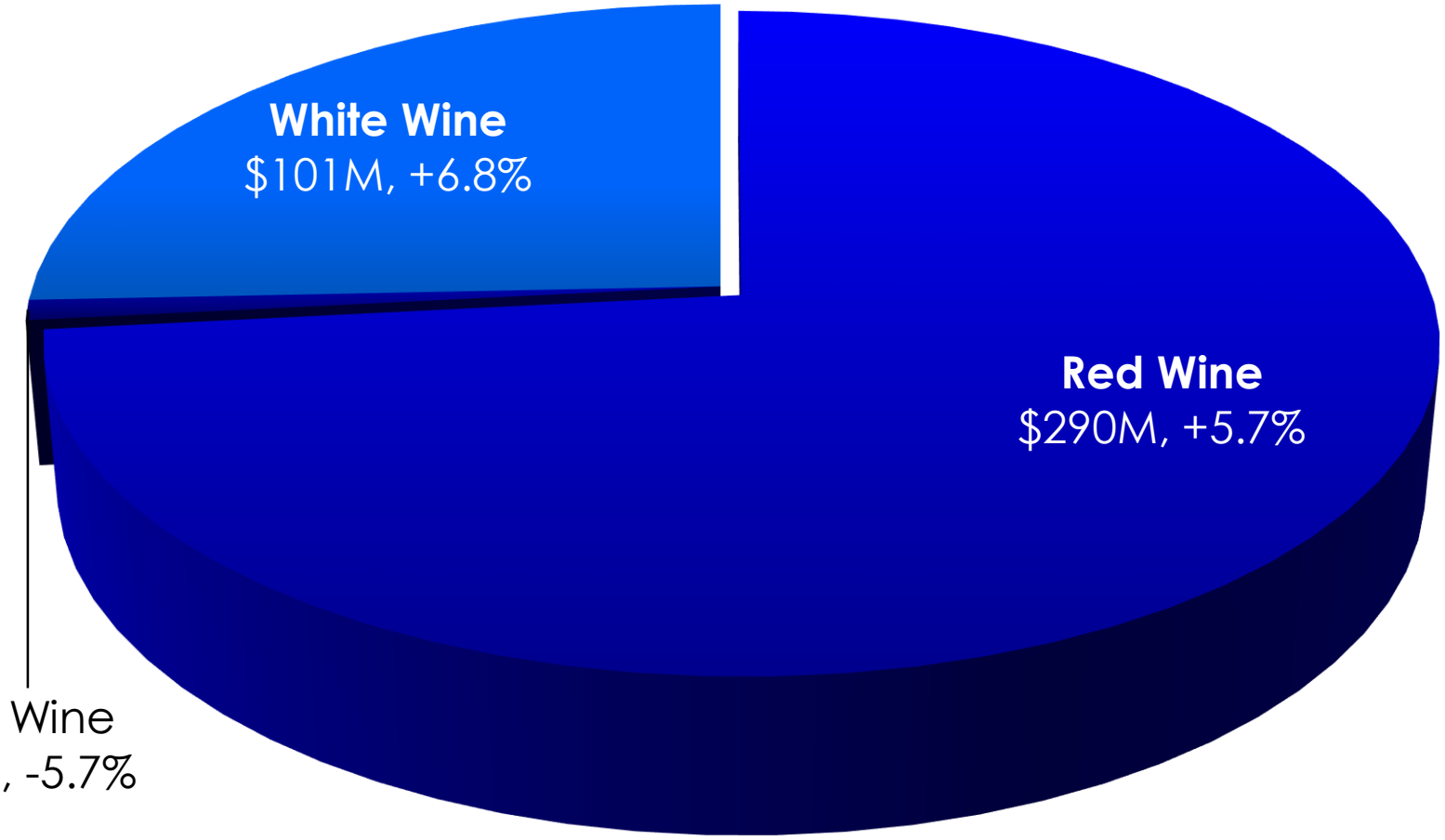
VQA Wines Category Growth



ICB Wines Category Growth

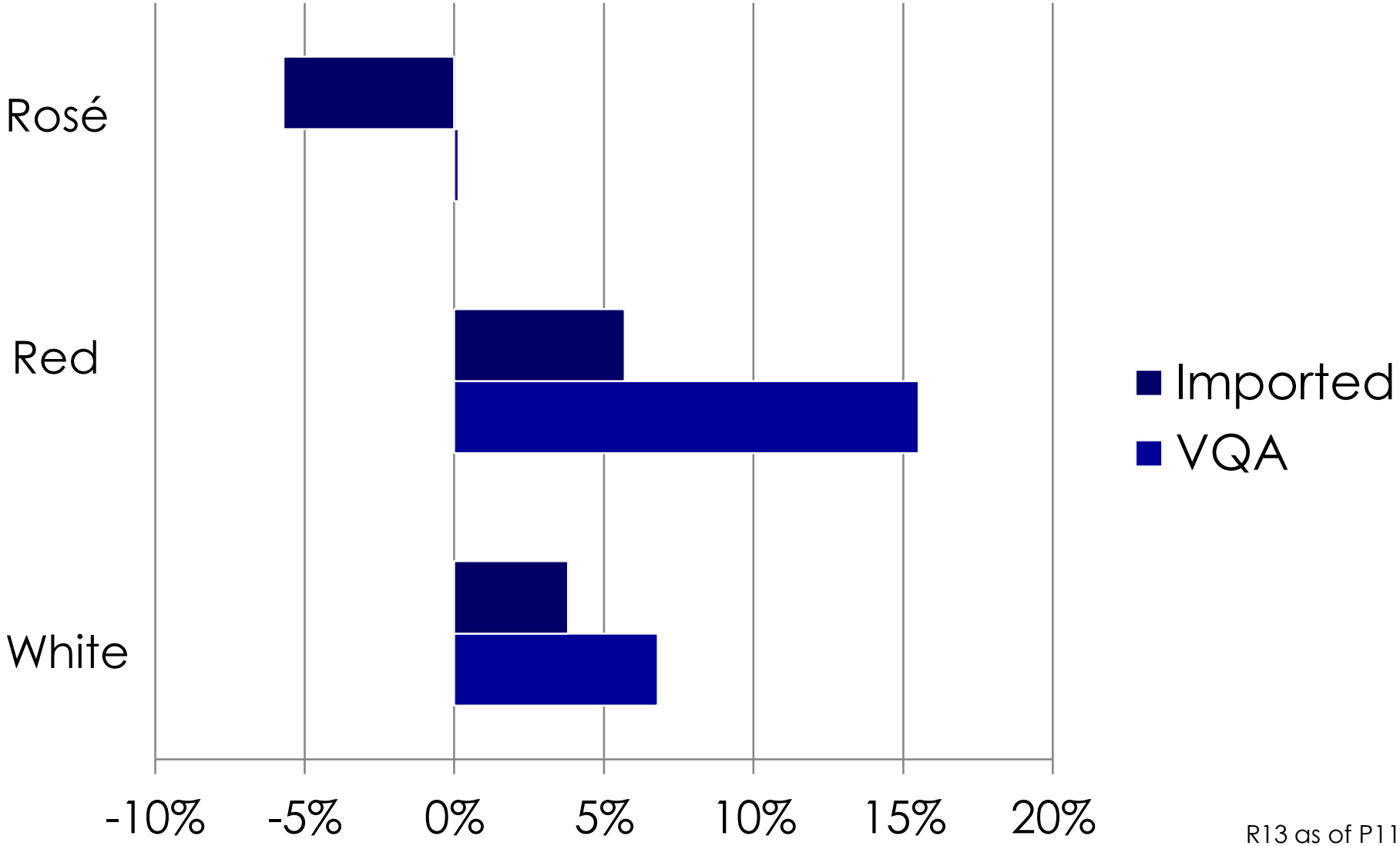


VINTAGES Sales by Type



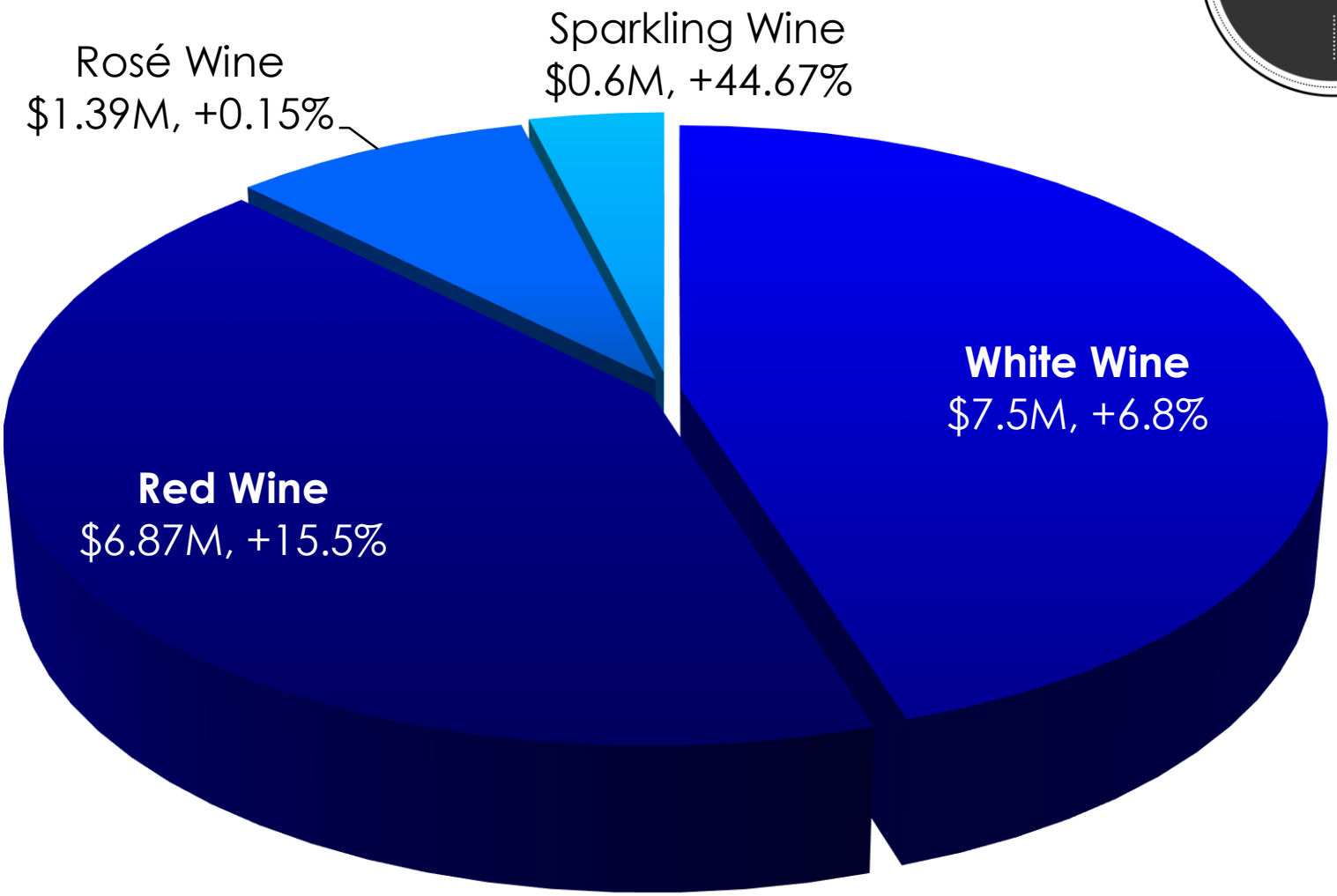
R13 as of P11

VINTAGES Wines Sales Trends by Type



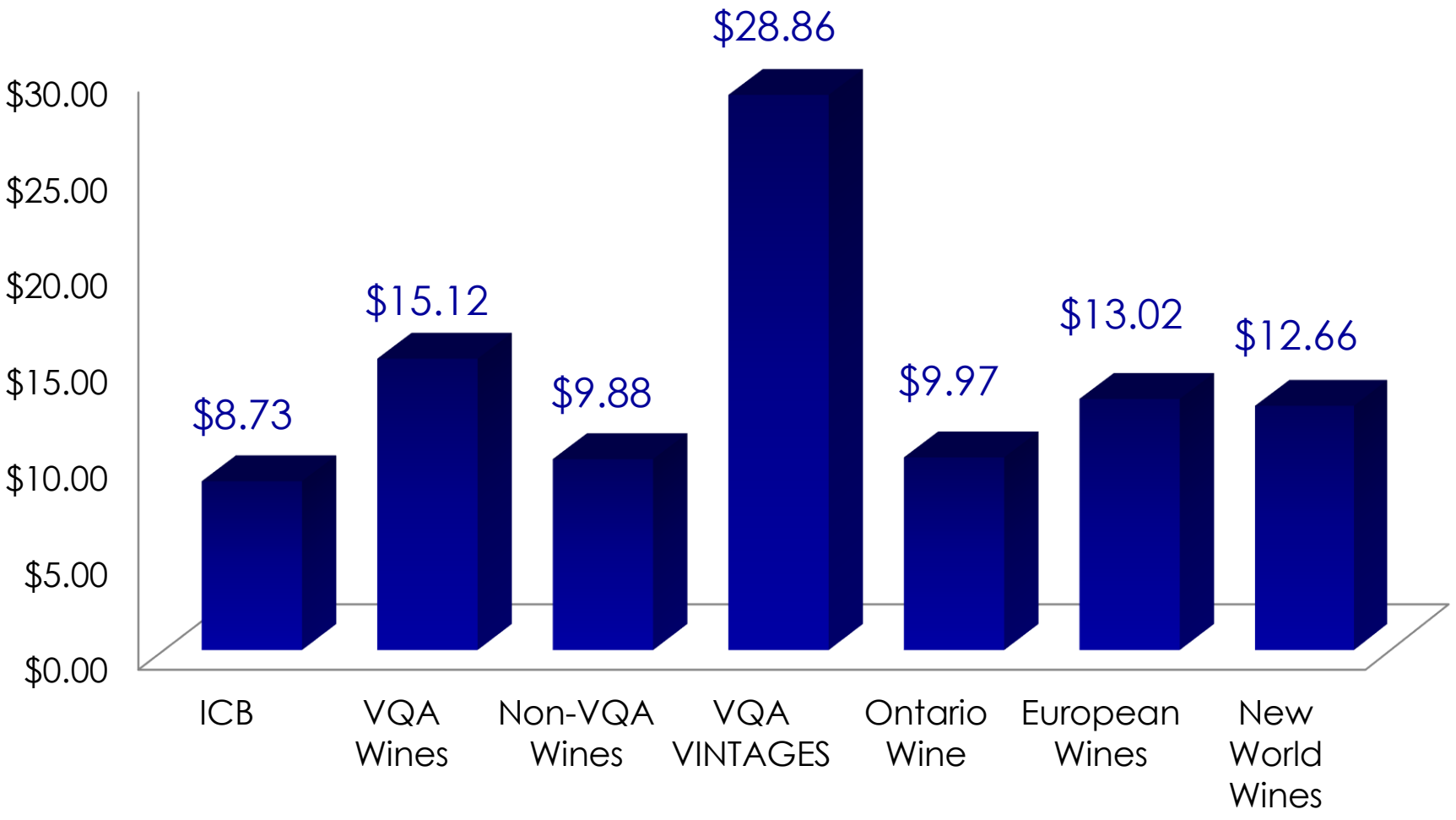
R13 as of P11

VQA VINTAGES Sales by Type



R13 as of P11

Average Price Points of LCBO Wines



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R13 as of P11

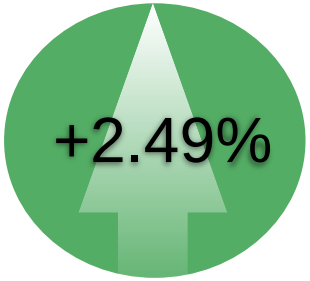
ICB Price Points

< $8.00 (55% of sales)

$8.00 - $10.00 (39.5% of sales)

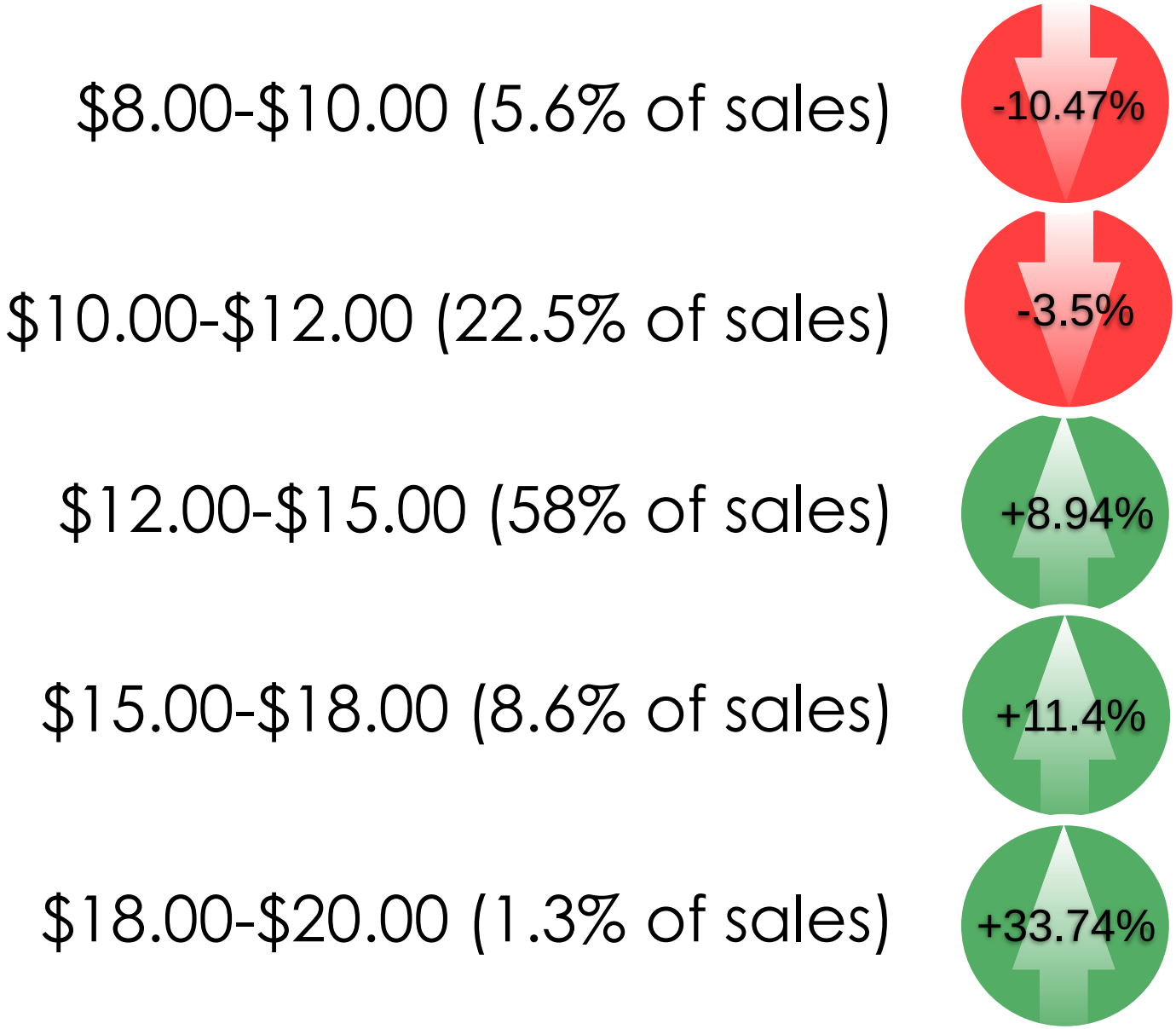
$10.00-$12.00 (5.1% of sales)

$12.00-$15.00 (0.2% of sales)



Per 750ml bottle

VQA Price Points



Per 750ml bottle

VINTAGES VQA Price Points

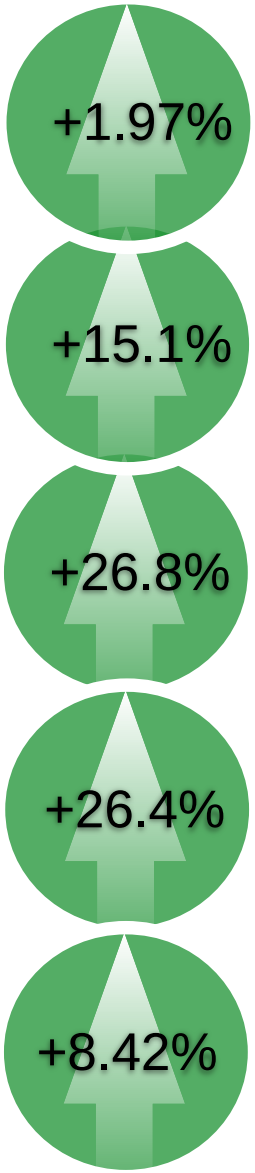
< $8.00 (28.3% of sales)

$18.00-$20.00 (19.19% of sales)

$20.00-$25.00 (13.45% of sales)

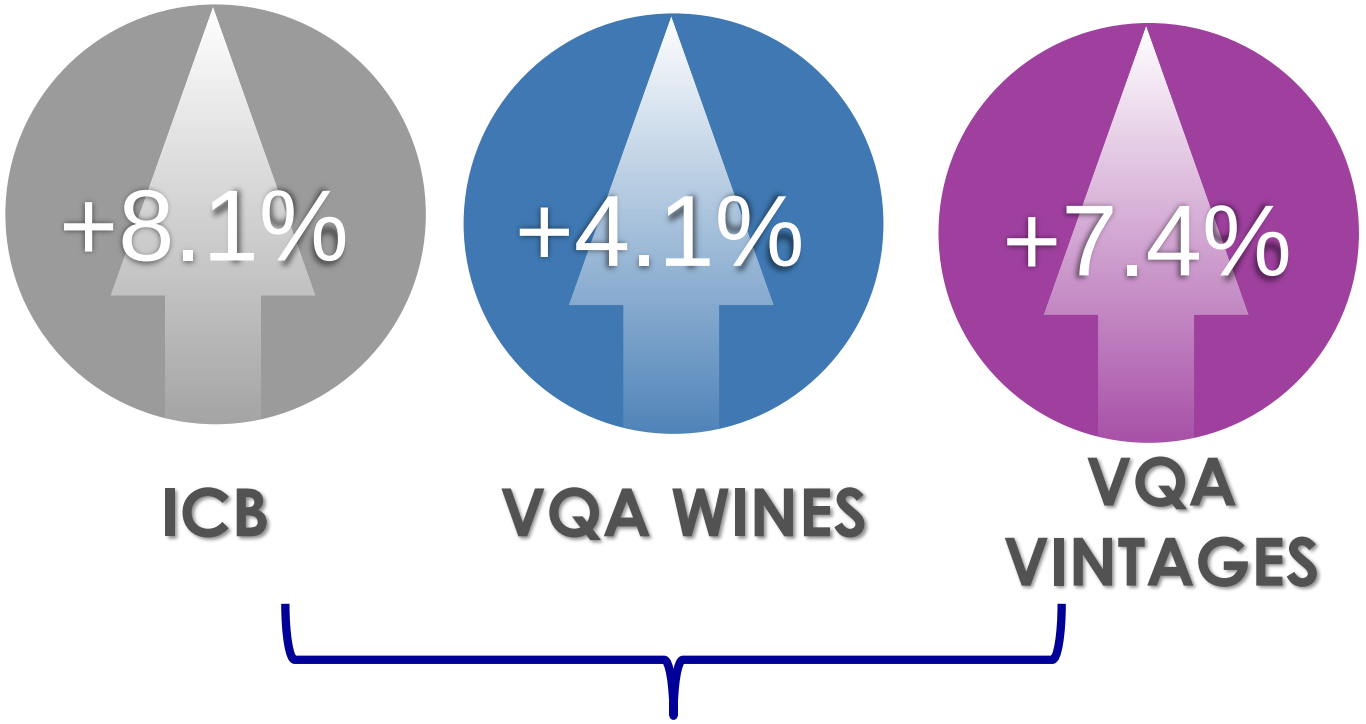
$25.00-$30.00 (4.05% of sales)

+ $30.00 (34.97% of sales)



Per 750ml bottle

Ontario Wines are Expected to Finish 2014-15 **+$25.8M**



TOTAL ONTARIO WINES NET SALES $421.7M,+6.5%

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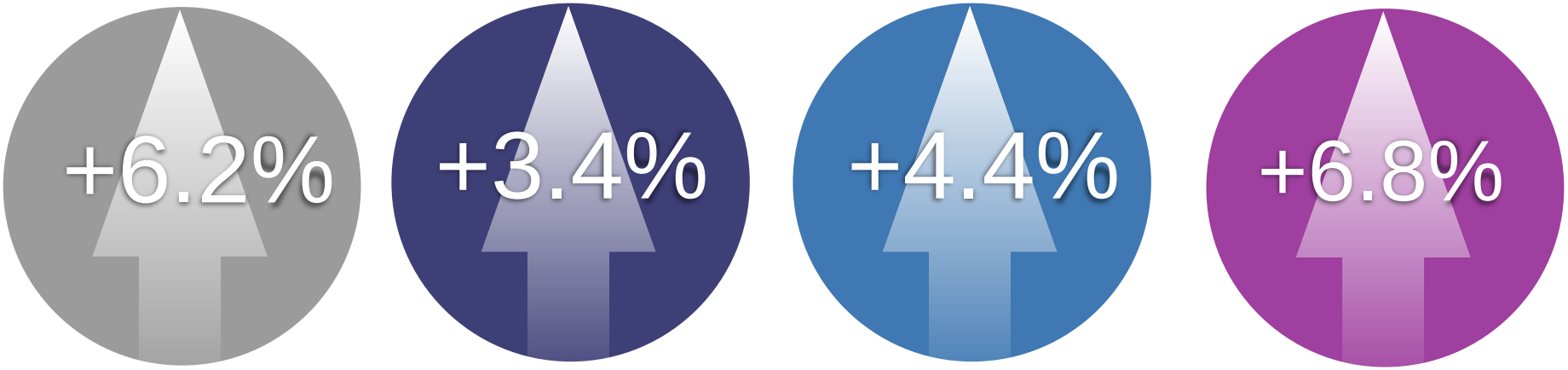
R13 as of P11

2015-16 Sales Outlook

VQA is Poised for Continued Growth!

Total VQA +4.8%



ICB **NON-VQA** **VQA WINES** **VQA VINTAGES**

TOTAL ONTARIO WINES NET SALES $444.9M, +5.4%

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Customer Favourites!

Cabernet-Merlot
+8.5%

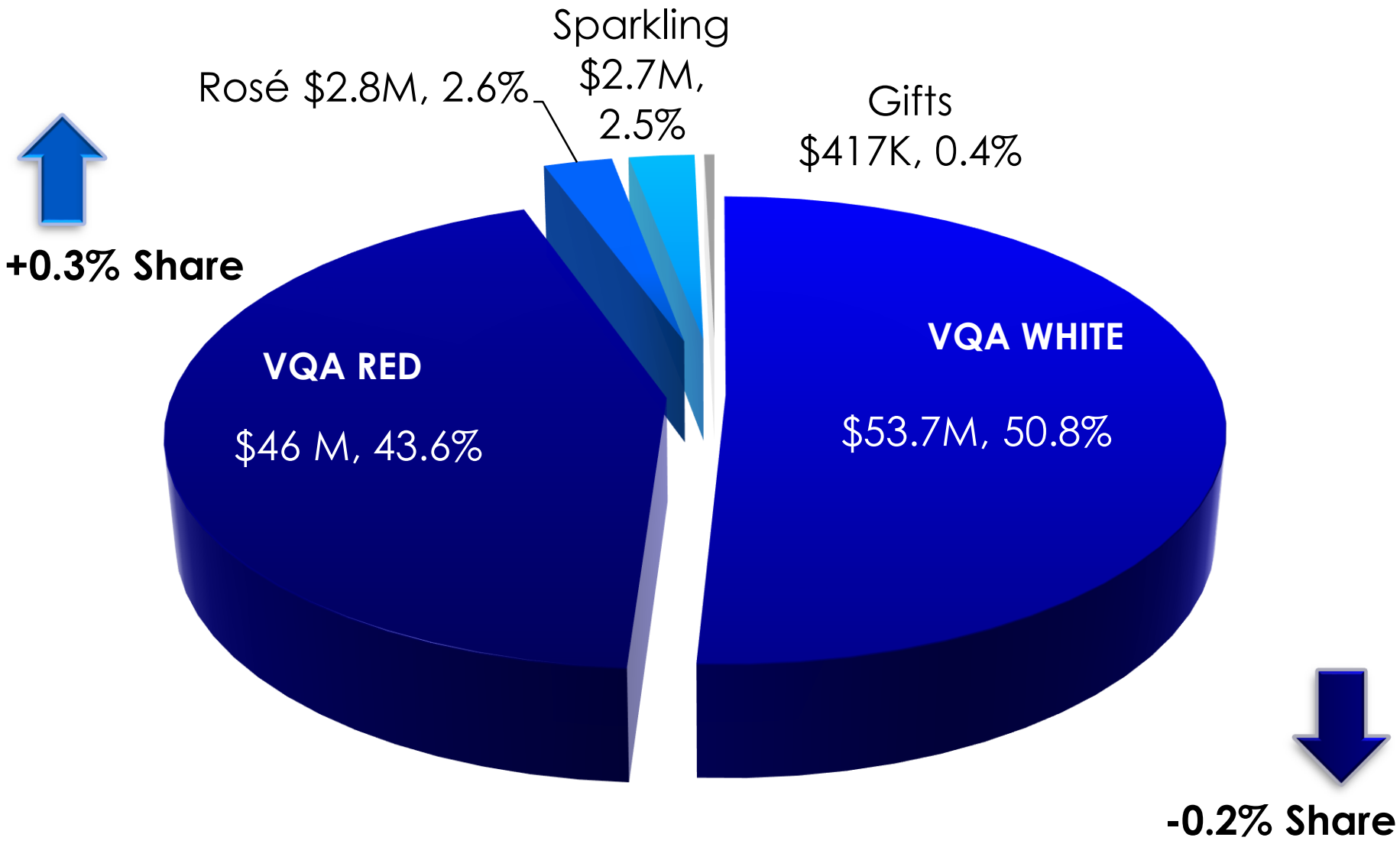
Riesling
+5.4%

Pinot Noir
+12.3%

Baco Noir
+12%

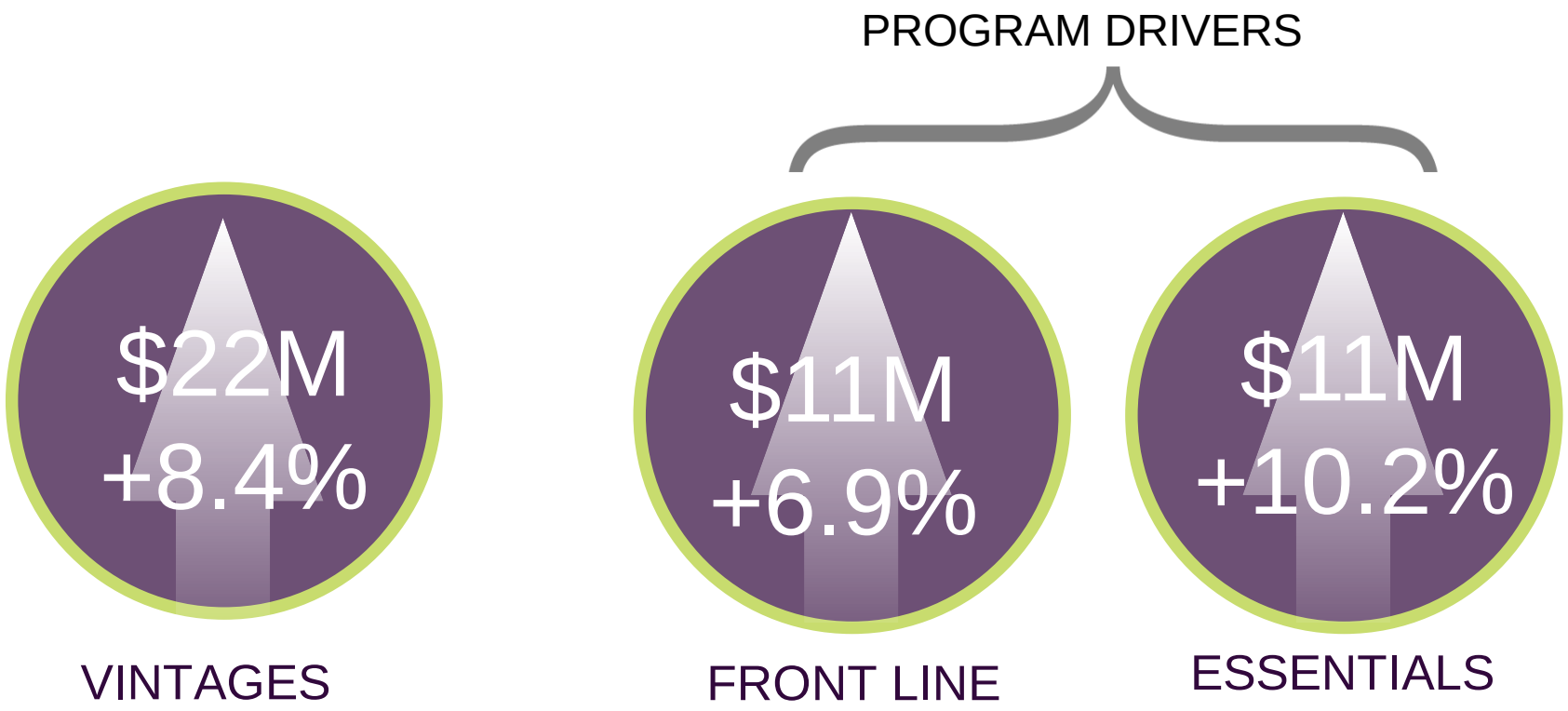
LCBO

The Ontario Customer's VQA Preferences



R13 as of P11

VINTAGES is a trusted destination for VQA wines



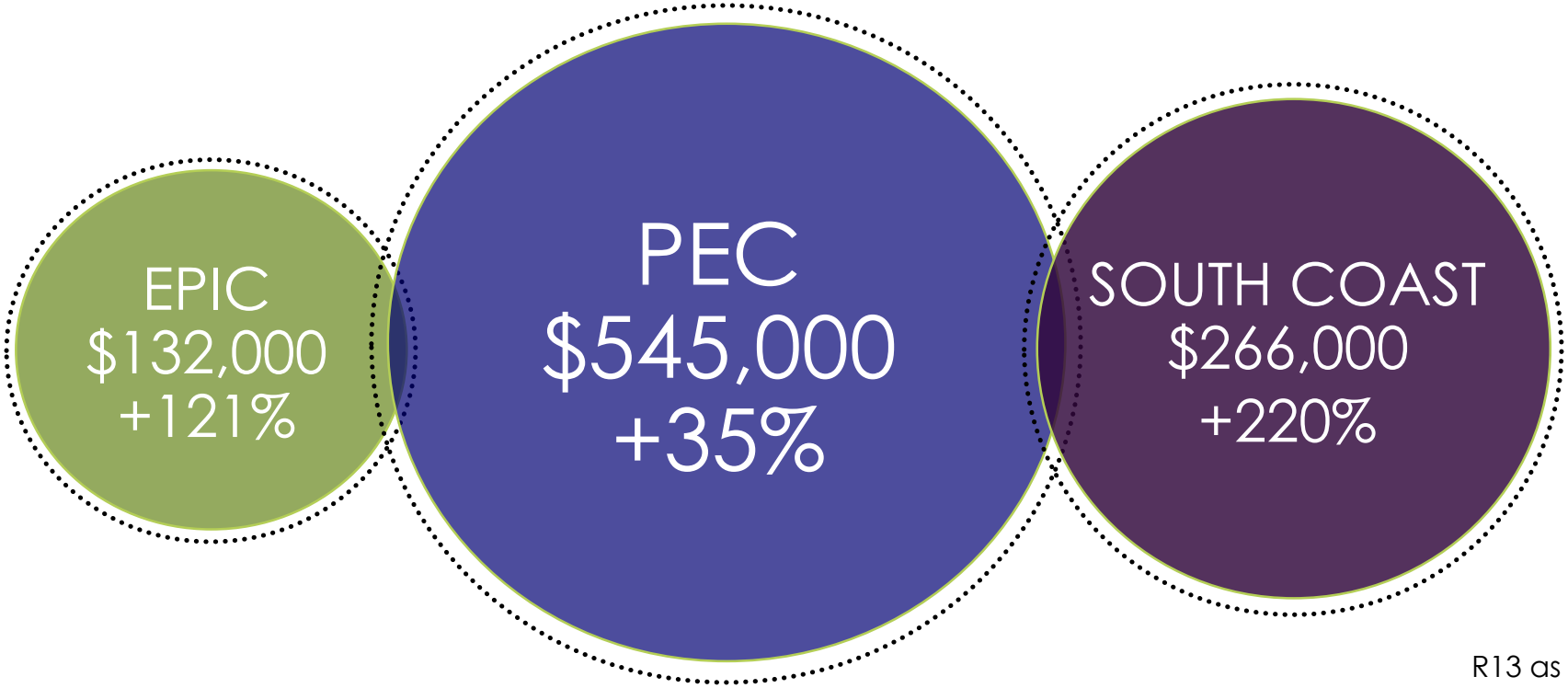
R13 as of P11

LCBO

Direct Delivery program helps to drive regional sales in key markets

Enhanced assortment and new store clusters support growing customer demand for regional wines

Top performing store clusters are Regional!



R13 as of P11

OWC Boutique VQA Sales Outpacing Total LCBO YTD

LCBO

R13 as of P11

BE SHELF CONFIDENT

We've added more product information to our shelf tickets to make it easier for you to find a wine you like.

Read on to discover the 5 Ways to Shop...

VIOGNIER | AROMATIC & FLAVOURFUL | FRANCE
PHILIPPE DE ROTHSCHILD VIOGNIER
750 mL Bottle (XD – 4 g/L)
$10.75 + 20¢ Deposit = $10.95
619221

NEW!
For easy reference, we've included the varietal or region right on the shelf ticket.
Read more on page 24.

NEW!
All LCBO wines are now labelled by wine style. Use the shelf ticket to help you browse.
Turn to page 10 to find your style.

NEW!
Now there are five sweetness descriptors to indicate how dry or sweet a wine will taste.
Read more on page 36.

NEW!
With the LCBO On the Go mobile app, available for iPhone, you can scan these barcodes for tasting notes and food-pairing suggestions, where available.
Read about food matching on page 28.

iPhone is a trademark of Apple Inc.

WHAT'S YOUR GRAPE?

A varietal is simply a wine made from just one type of grape. There are thousands of varieties of wine grapes and it can get a little confusing, so we're here to help. Explore some of your favourite varietals here, or use our system of wine styles to explore wines that share some key characteristics.

Explore wines by WINE STYLES »

Find wines by varietal

Enter the name of a wine varietal you like

Explore new varietals or find a bottle of your favourite grape. Type the varietal name in the search box - and we'll suggest some options to try. It's a quick and easy way to find a new favourite!

Browse popular varietals at the LCBO

White Wine Varietals

› Explore

Red Wine Varietals

› Explore

BLEND ASSEMBLAGE	CANADA	AROMATIC & FLAVOURFUL AROMATIQUE ET SAVOUREUX	(D - 15g/L)	Exotic blend of floral and citrus notes; slightly sweet to soothe the heat of curries. **FRESH GEWURZTRAMINER RIESLING** 572156 750 mL $9.75 + 20¢ Deposit = **$9.95**

Make shopping for wine easier

Global Trends

THE WORLD **TRENDS**

OTHER LONG-TERM TRENDS

Concept of "Living well"

Female & Millennial consumers

Rise of the "global consumer"

Own label/large retailer power

WHAT WE NEED FROM YOU

LCBO

How to Find Success at the LCBO

LCBO

Opportunities for Great Quality VQA Wines

Continue to grow share in premium price bands

- LCBO VQA Wines +$12
- VINTAGES VQA Wines +$20

Ripe, round Ontario Reds!

Increased opportunities for smaller production wines

- Direct delivery
- Wines to Watch
- Our Wine Country Boutiques

LCBO

TOP **3 THINGS** TO REMEMBER

VQA GROWTH
is an LCBO priority

ENGAGE CUSTOMERS
through an enhanced in-store customer experience

OPPORTUNITIES
for quality wines in LCBO and VINTAGES that over deliver!

Thank You

LCBO
WINE SPIRITS BEER
VINS SPIRITUEUX BIÈRE
LCBO
LCBO
LCBO