

2022 OASC Jurisdiction Report

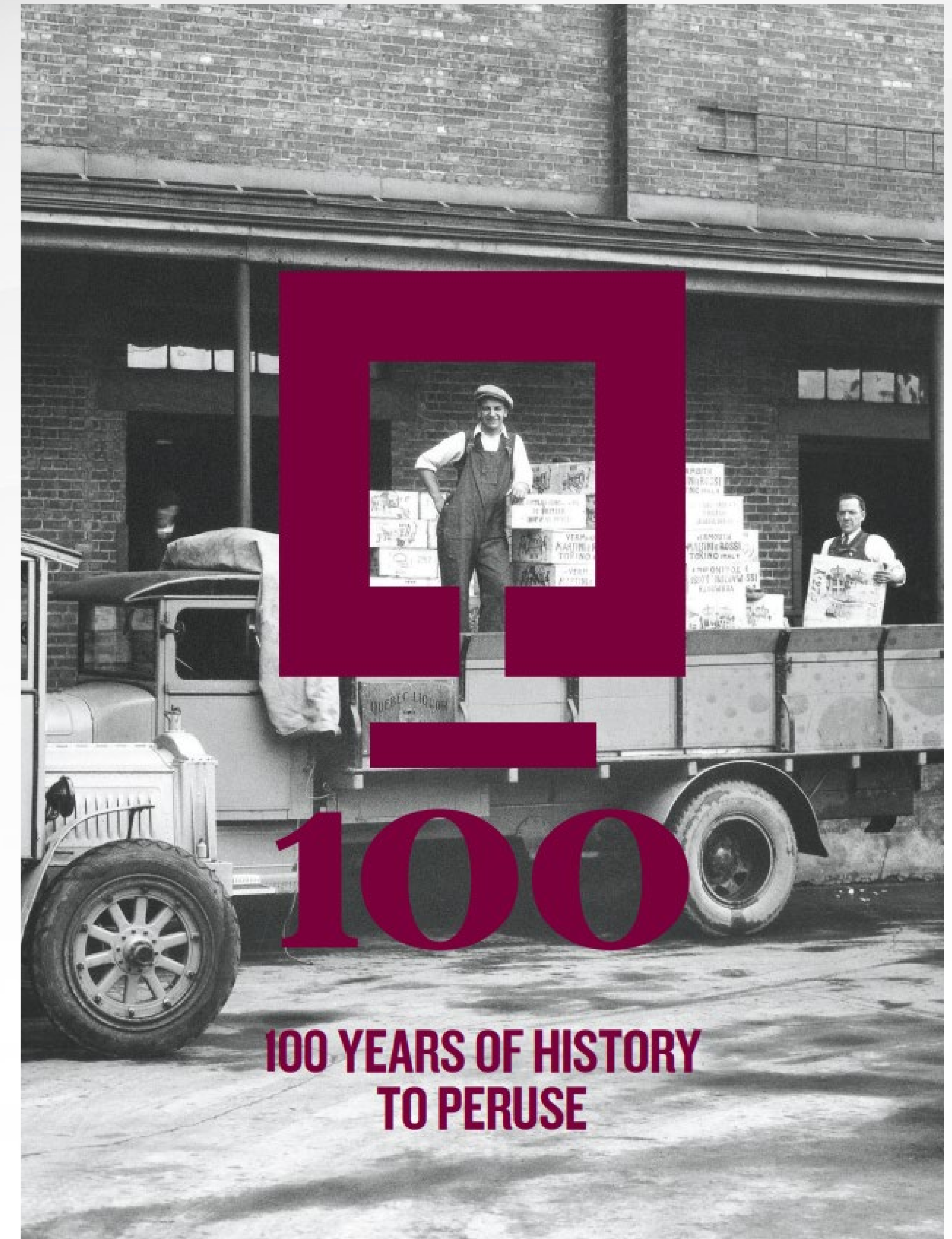
Société des alcools du
Québec



WHAT'S NEW?

Celebrating 100 years of history

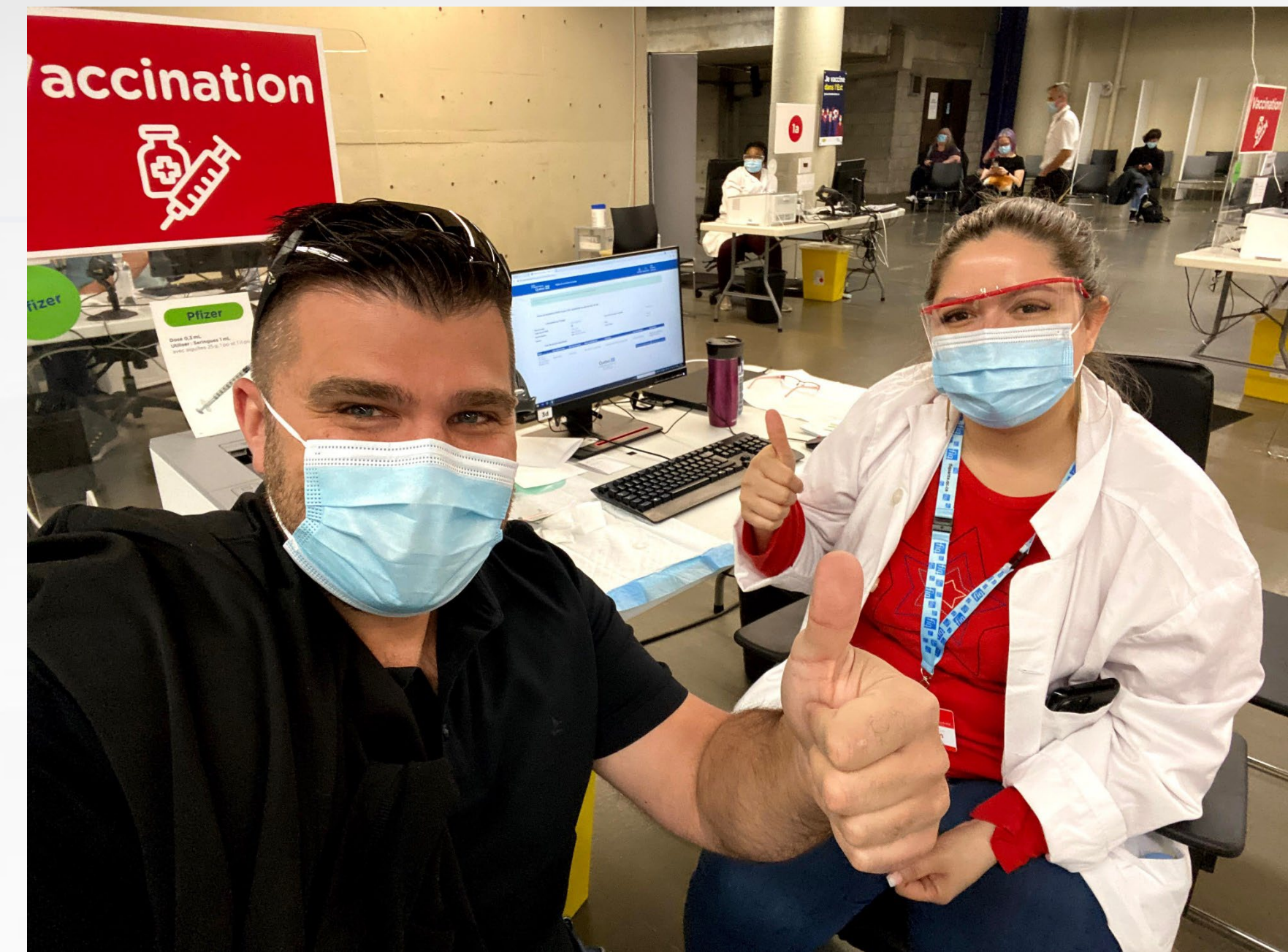
- Documentary titled **SAQ, 100 ans d'histoire** was produced
- **Dedicated exhibits** at the Pointe-à-Callières and McCord museums
- **Quebec Tour**, an online tasting event with livestreams of local producers
- Final print edition of our ***The Spirit of Sharing* magazine**
- A commemorative sparkling wine, **L'Effervescent**
- **22 products in limited editions**
- A Facebook Live event, the **SAQuiz**
- Customers, suppliers, partners and employees were encouraged share their **vision of the SAQ of tomorrow**.



WHAT'S NEW?

Vaccinating to slow the COVID-19 pandemic

- **25 employees volunteered** to lend a hand as administrative officers, vaccine administrators and IT technicians, maintaining an SAQ presence at the stadium for 16 weeks
- More than **25,000 shots were administered** by our five “syringe operators”
- Our teams complied with the government’s directive to **check the vaccination status of all visitors** to our stores



INSPIRING QUEBECERS' PRIDE

Our strategic orientations for 2021-2023

1

Deliver
an integrated,
omnichannel
customer
experience

2

Improve our
performance

3

Provide our
employees
with a rewarding,
pride-inspiring
experience

4

Place social
responsibility
at the centre of
our activities

1

DELIVER AN INTEGRATED, OMNICHANNEL CUSTOMER EXPERIENCE

- Offer products that appeal to customers: more local, organic, natural, orange and low-alcohol products
- Creation of relevant, up-to-date content – new series of podcasts
- Strong performance of the SAQ Inspire program
 - 1.9 million active members
 - 73.9% of consumer sales connected to an Inspire account
 - 83% of customers satisfied with their SAQ Inspire experience and the benefits enjoyed under the program
- 516,000 transactions completed via our mobile app and on SAQ.COM (+9.8%)
- 96,000 product ratings and comments shared online
- Launch of Prestige Arrivals (online)



2

IMPROVE OUR PERFORMANCE

- A year full of challenges that called for adaptability
 - rising demand at a time of supply chain disruptions
- Negotiating a new collective agreement with our distribution centre employees
- Introducing a new smart tool that notifies permit holders of impending deliveries and allows the deliveries to be confirmed electronically
- Working on the expansion of our Montreal distribution centre



Beverage alcohol – financial results

(millions of dollars)	Fiscal 2021-22	Fiscal 2020-21	\$Δ	% Δ
Net sales	\$3,854.1	\$3,590.2	\$263.9	7.4%
Gross margin	\$1,934.0	\$1,803.8	\$130.2	7.2%
Total expenses	\$584.0	\$584.7	\$0.7	(0.1)%
Net income	\$1,350.0	\$1,219.1	\$132.2	10.7%

Product details

9-litre equivalent cases (millions of cases)	Fiscal 2021-22	Fiscal 2020-21	Cases Δ	% Δ
Spirits	3.4	3.1	0.3	9.8%
Wines	19.2	19.6	(0.4)	-2.0%
Beers (including ciders)	0.3	0.3	(0.0)	0.0%
Refreshments*	2.3	1.6	0.7	43.8%

*Include all ready-to-drink products

Product details

Sales (millions of dollars)	Fiscal 2021-22	Fiscal 2020-21	\$Δ	% Δ
Spirits	\$1,037.4	\$949.3	\$88.1	9.3%
Wines	\$2,674.2	\$2,535.7	\$138.5	5.5%
Beers (including Ciders)	\$24.0	\$22.7	\$1.3	5.7%
Refreshments*	\$118.4	\$82.4	\$36.0	4.4%

**Includes all ready-to-drink products*

Fiscal 2022/23 Q1 Beverage Alcohol Financial Results

(millions of dollars)	Fiscal 2022-23 (April-June)	Fiscal 2021-22 (April-June)	\$Δ	% Δ
Net Sales	\$913.1	\$832.2	\$80.9	9.7%
Gross Margin	\$460.0	\$412.5	\$47.5	11.5%
Total Expenses	\$134.4	\$128.5	\$5.9	4.6%
Net Income	\$325.6	\$284.0	\$41.6	14.7%

Sales (millions of dollars)	Fiscal 2022-23 (April-June)	Fiscal 2021-22 (April-June)	\$Δ	% Δ
Spirits	\$244.8	\$211.4	\$33.4	15.8%
Wines	\$625.4	\$576.4	\$49.0	8.5%
Beers (including Ciders)	\$5.9	\$5.4	\$0.5	9.3%
Refreshments*	\$37.0	\$39.0	(\$2.0)	5.1%



OASC
CONFÉRENCE 2022
SCOA



PROVIDE OUR EMPLOYEES WITH A REWARDING, PRIDE-INSPIRING EXPERIENCE

Launch of the new employer brand



3

PROVIDE OUR EMPLOYEES WITH A REWARDING, PRIDE-INSPIRING EXPERIENCE

- New telework guidelines
- Training sessions to make recruiters aware of unconscious biases that could impact hiring + ensure successful integration of persons from diverse backgrounds
- OHS priority: Implementing lifting appliances



4 PLACE SOCIAL RESPONSIBILITY AT THE CENTRE OF OUR ACTIVITIES

Projects promising for all Quebecers:

- **Quebec's deposit-return system (DRS)**
 - Test various types of recovery equipment, evaluate locations, measure citizen response
 - Hosted one of the seven expanded DRS pilot projects
 - Updated DRS coming in spring 2023
- **Lightweight glass bottles**
 - 82% of regular wines retailing for \$20 and less come in lightweight glass bottles



4 PLACE SOCIAL RESPONSIBILITY AT THE CENTRE OF OUR ACTIVITIES

- **Sales ethic**
 - New awareness campaign: “16 or 24? When in doubt, we ask for ID”
 - Updated content for the sales ethic training program
- **Showcasing local products**



PLACE SOCIAL RESPONSIBILITY AT THE CENTRE OF OUR ACTIVITIES

- **Support for food assistance**
 - Partnering with the Food Banks of Quebec (FBQ) network for the last 13 years
 - \$2.5 million donated to the organization
 - Before drinking well, it's essential to have enough to eat



- **A vegetable garden for the neighborhood**



EMERGING ISSUES

- **How to continue improving to remain well-performing and relevant?**
- **Adapt to business realities:**
 - to the challenges facing the supply chain
 - to the labour shortage
- **New round of bargaining talks with store employees**
- **Continue our OHS shift**
- **Remain a responsible company even more involved in the community**



Questions?

APPENDIX

SAQ Podcast (French only)

<https://www.saq.com/en/content/keyword/podcasts>

Articles - Social responsibility

<https://www.saq.com/en/content/about-us/responsibility>