

BUSINESS PLAN

FISCAL 2023-2024





2023-2024

MESSAGE FROM CHAIR

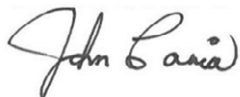
As a Crown Corporation incorporated under the New Brunswick Liquor Corporation Act, the primary business of Alcool NB Liquor (ANBL) is the purchase, distribution, and sale of alcoholic beverages throughout the Province of New Brunswick. We are honored to have the trust bestowed upon us as the province's responsible retailer for beverage alcohol, and this has been a key factor in the development of the goals and objectives for fiscal 2023-2024.

As Chairman, I am accountable for the preparation and submission of the annual business plan, as directed in both the New Brunswick Liquor Corporation Act and the Accountability and Continuous Improvement Act, and for achieving the specific goals and objectives therein. ANBL developed the annual business plan for FY2023-2024 with a strategic approach that aligns with government direction as outlined in the mandate letter, and to emphasize the customer experience in all channels of the business and to respect our stakeholders' investment. As the global pandemic is anticipated to continue having a lingering impact on the people of New Brunswick, ANBL will continue learning, adjusting its methodologies where needed, and holding true to best practices for all facets of our business.

ANBL will begin a major ERP replacement that will transform the way we do business, sustain success and open opportunity for innovation. Due to the complexity of this transformation, FY2023-2024 will be a bridging year of readiness that will also set the stage for the next multi-year strategic plan that will be presented with the business plan beginning 2024-2025. This due diligence is core to any strategic plan and lends to the focus, alignment and accountability of each and every TEAM member at ANBL.

Simultaneously, ANBL will continue to run a successful business that delivers the best value on investment for the people of New Brunswick by having the right product at the right place at the right time. We have established performance measures specific to the goals and initiatives outlined in the business plan for FY2023-2024 and, in due course, we look forward to sharing the results in our annual report.

Our TEAM is eagerly engaged to achieve the target goals, which represent the anticipated return of \$184 million of net income for infrastructural improvements and investment within the province. I am very proud of and impressed by the effort and expertise of the ANBL TEAM that is reflected in the 2023-2024 annual business plan, and the entire Board appreciates the collaborative effort as well. I am also very pleased with the well-balanced and strong Board of Directors at ANBL.



John Correia
Chairman of the Board of Directors

2023-2024

BUSINESS PLAN

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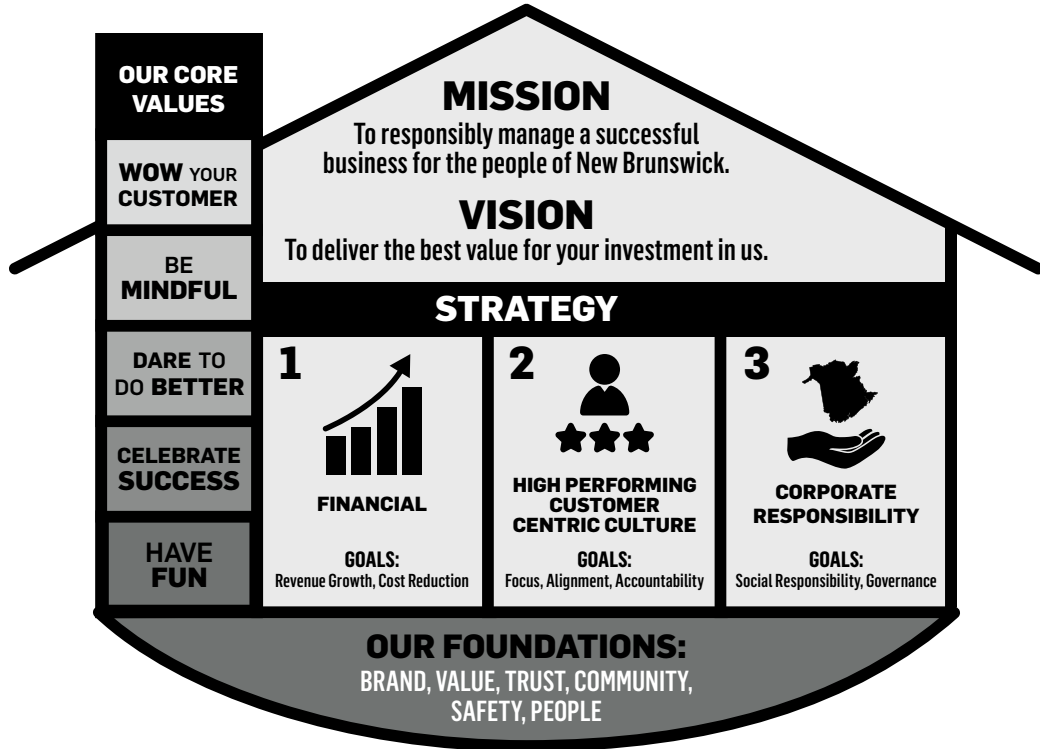
2023-2024

STRATEGIC PLAN

MISSION To responsibly manage a successful business for the people of New Brunswick

VISION To deliver the best value for your investment in us

STRATEGY Financial
High Performing Customer Centric Culture
Corporate Responsibility





2023-2024

STRATEGIC GOALS & OBJECTIVES

1. Revenue Growth & Cost Reduction

- Deliver on net income target to the Province, by focusing on revenue growth and cost reductions

2. Focus, Alignment & Accountability

- Optimize value for customers & stakeholders

3. Social Responsibility & Governance

- Heightened health & safety



2023-2024

PERFORMANCE MEASURES

MEASURE	F22 ACTUAL	F23 DRAFT*	F24 TARGET
# of weeks	53	52	52
Revenue Growth & Cost Reduction			
Net income (\$ millions)	\$ 198.7	\$ 199.6	\$ 184.0
Total sales (\$ millions)	\$ 519.9	\$ 523.3	\$ 523.5
Net income as % sales	38.2%	38.1%	35.1%
Operating expense as % of sales	14.7%	13.8%	17.6%
Labour costs as a % of sales	8.1%	8.5%	8.9%
Focus, Alignment & Accountability			
Average Transaction Value	\$ 41.16	\$ 41.18	\$ 41.40
Employee Engagement score	4.02 / 5	4.11 / 5	Maintain or Higher than F23
Corporate Social Responsibility & Governance			
Achieve framework/program milestones on time	Achieved	Achieved	On Track

*Based on unaudited F23 results



2023-2024

BUDGETED STATEMENT OF OPERATIONS AND CAPITAL BUDGET

	BUDGET 2023-2024	BUDGETED PERCENTAGE OF SALES	GROSS PROFIT %
Sales - Products			
Spirits	\$130,469,281	24.9%	
Wine	113,530,830	21.7%	
Beer	209,857,643	40.1%	
Coolers & Ciders	69,154,403	13.2%	
Non Liquor	500,445	0.1%	
Total Sales - Products	<u>523,512,602</u>	<u>100.0%</u>	
Cost of Goods Sold			
Spirits	48,104,223	9.2%	63.1%
Wine	44,511,186	8.5%	60.8%
Beer	115,365,108	22.0%	45.0%
Coolers & Ciders	31,332,762	6.0%	54.7%
Non Liquor	272,194	0.1%	45.6%
Total Cost of Sales - Products	<u>239,585,473</u>	<u>45.8%</u>	
Gross Profit - Product Sales	<u>283,927,129</u>	<u>54.2%</u>	
Other Income	3,915,250	0.7%	
Less: Commissions & Discounts	<u>11,819,370</u>	<u>2.3%</u>	
Net Revenue from Operations	<u>276,023,009</u>	<u>52.7%</u>	
Operating Expenses (net of Shared Services)	<u>64,472,319</u>	<u>12.3%</u>	
EBITDA	<u>\$211,550,690</u>	<u>40.4%</u>	
Non-Operating Expenses			
Depreciation, Amortization & Lease Costs	9,542,897	1.8%	
Interest on Lease Obligation	<u>1,457,471</u>	<u>0.3%</u>	
Total Non-Operating Expenses	<u>11,000,368</u>	<u>2.1%</u>	
Net Income	<u>\$ 200,550,322</u>	<u>38.3%</u>	
ERP Replacement Project	<u>\$ 16,590,795</u>	<u>3.2%</u>	
Net Income including ERP Replacement Project	<u>\$ 183,959,527</u>	<u>35.1%</u>	
Total Capital Budget Fiscal 2023-2024	<u>\$ 4,279,136</u>		