



**The SAQ records a 1% increase in net earnings
in the second quarter of its 2018-2019 fiscal year**

Montreal, November 30, 2018 – For the second quarter of its 2018-2019 fiscal year, which began June 24 and ended September 15, 2018, the SAQ had net earnings of \$268.9 million, an increase of \$2.7 million or 1% from the preceding fiscal year. For the fiscal year to date, net earnings totalled \$529 million, a \$30.7 million or 6.2% increase. All the company's net earnings are remitted to the Quebec government to the benefit of all Quebecers.

For its second quarter of the fiscal year, the SAQ reported sales of \$747.9 million, a decrease of \$4.3 million (0.6%) from the corresponding period last year. It should be noted that last fiscal year, the Fête nationale holiday sales fell in the second quarter, which was not the case this fiscal year. Had the holiday sales period been in the second quarter just ended, sales would have increased.

Dollar sales totalled \$1.503 billion for the first six months of the fiscal year, a \$52 million (3.6%) increase over the corresponding period of the preceding fiscal year. Volume sales rose 1.7 million litres (1.8%) to 98.7 million litres.

Sales down slightly in stores and specialized centres

- In the second quarter of fiscal 2018-2019, dollar sales in the store and specialized centre network decreased \$3.6 million (0.5%) to \$669.7 million. Volume sales in the network fell 2% to 40.1 million litres.
- Dollar sales in the wholesale grocer network totalled \$78.2 million, a 0.9% decrease. The corresponding volume sales were down 2.2% to 9.1 million litres.

Improvement in the ratio of net expenses to sales

- Net expenses in the second quarter totalled \$112.5 million, a \$1.9 million (1.7%) decrease from the preceding fiscal year.
- Expressed as a percentage of sales, net expenses were 15%, compared with 15.2% in the second quarter of fiscal 2017-2018.

These results reflect the constant efforts made to improve the organization's efficiency while continuing to provide high-quality advisory service to customers.

Highlights of the quarter

Significant growth in cooler sales

Sales of coolers, also known as ready-to-drinks (RTDs), rose \$2.3 million or 13.8% to \$18.9 million. The corresponding volume sales grew 13.3% to 3.4 million litres. The category's excellent performance is at least partly due to 2018's exceptionally warm summer.

Canadian price leader

According to a twice-yearly survey conducted by the Canadian Association of Liquor Jurisdictions (CALJ), of all Canadian liquor control boards, the SAQ has, since 2017, offered the lowest prices on wine and spirits.



Recognition for the SAQ, the world's biggest buyer of French wines

In its ranking of the 200 most influential people in the wine world, the latest issue of *La Revue du vin de France* gives first place to SAQ President and CEO Catherine Dagenais alongside the president of the *République*. Specifically, Ms. Dagenais is referred to as “French viticulture’s most influential ambassador.”

According to the RVF’s editor in chief, Denis Saverot, “She is, as head of the Société des alcools du Québec, the world’s biggest buyer of French wine. In her person, Quebecers, who are great connoisseurs of Burgundy, Bordeaux and other Loire wines, surely deserve this place at the top of our ranking of the 200 most influential people in wine.”

Interactive screens in stores

To provide customers with an even more personalized shopping experience, the SAQ has equipped all its stores with interactive screens that allow customers to see their Inspire profile, purchase history and personalized offers as well as the latest arrivals. The tool also enables in-store advisors to know more about the customers they interact with and to point them toward discoveries and other products even more likely to please them.

Talks with the SEMB union

Talks with the SEMB union are ongoing and the SAQ is prepared to continue the discussions in accordance with the Treasury Board’s settlement parameters. Until such time as an agreement is reached, the SAQ will, in the event of a strike, continue serving customers to the best of its ability. The SAQ regrets any inconvenience caused to its customers.

The Quarterly Report Q2 2018-2019 is now available (in French only) on SAQ.com.

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