



# BREAKTHRU

BEVERAGE GROUP

**BBG Overview Deck**

May 2024

# In 2016 the Merinoff & Wirtz families came together to form Breakthru Beverage Group

*3<sup>rd</sup> and 4<sup>th</sup> generation family leaders are still actively engaged in the business*



**CHARLIE  
MERINOFF**

Co-Chairman, BBG

- 3<sup>rd</sup> Generation Family Owner
- Served as **Chairman and CEO of Charmer Sunbelt Group** before the BBG Merger
- Sits on the boards of the **Culinary Institute of America**, the **Thurgood Marshall College Fund**, and the **Federal Law Enforcement Foundation**






**DANNY  
WIRTZ**

Co-Chairman, BBG

- 4<sup>th</sup> generation Family Owner
- Served as **President and CEO of Wirtz Beverage Group** before the BBG Merger
- Former chairman of **WSWA**
- Sits on Boards of **several Chicago-based civic organizations**
- **Chairman and President of Wirtz Corporation**


# Breakthru Beverage Group's History

**McKesson** 1934-1945  
 1934-1945  
 1945  
 McKesson Wine and Spirits, Blue Crest Wine and Spirits & Wirtz Corporation begin beverage distribution


 1946-1996  
 Merinoff and Wirtz families expand beverage holdings in the East, Midwest and Southwest

 1997  
 McKesson & Merinoff Holdings merge to form Charmer Sunbelt Group

 1997-2010  
 Charmer Sunbelt continues to expand U.S. footprint


 2010  
 Wirtz-owned distributors consolidated into Wirtz Beverage Group

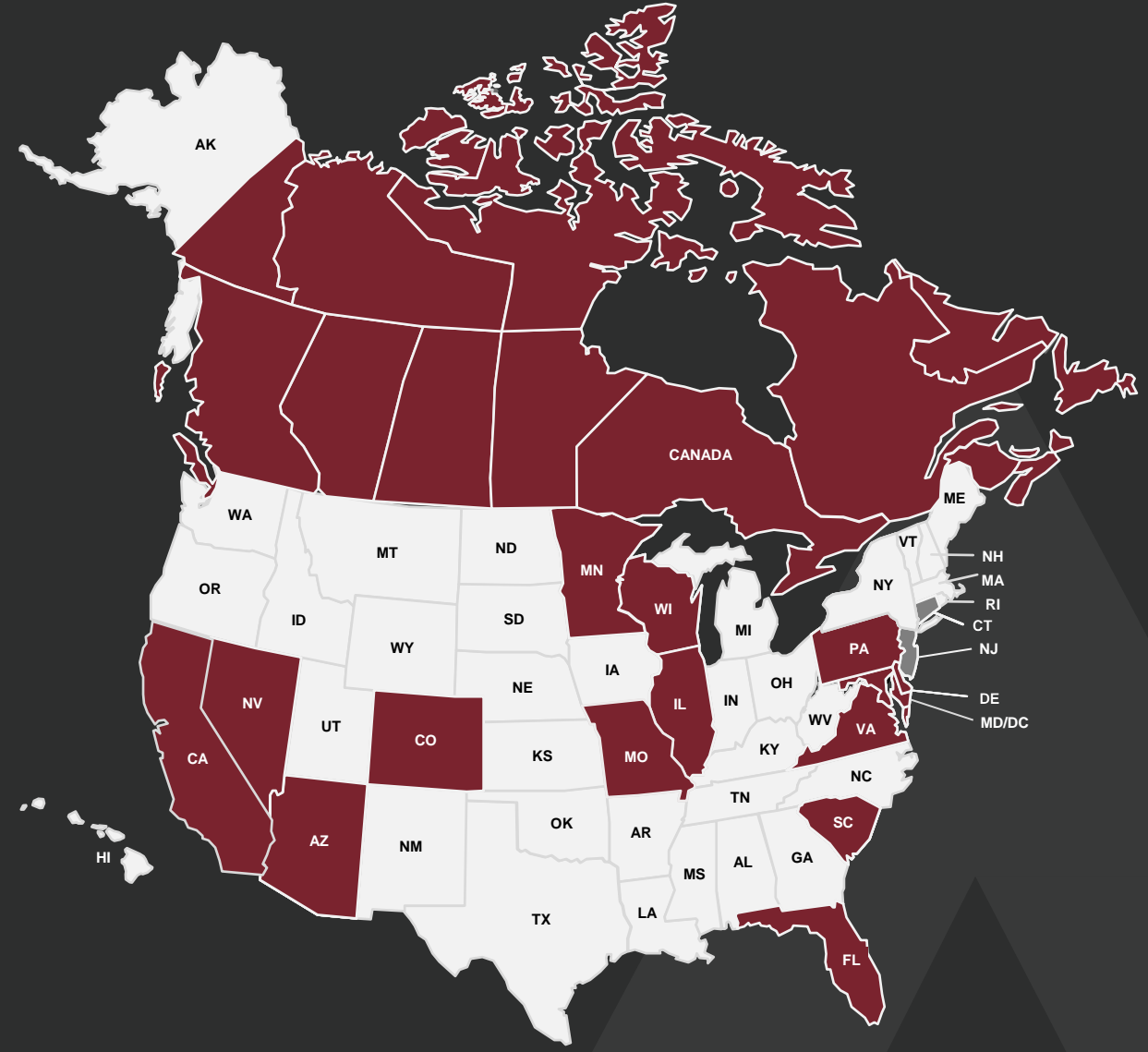
 2014  
 Wirtz Beverage Group expands into Canada

 2016  
 Merinoff & Wirtz families come together to form Breakthru Beverage Group

 2018  
 Kindred is established in Canada

 2022  
 Breakthru enters MO through Major Brands acquisition & expands footprint in MN through JJ Taylor acquisition

 2023  
 Breakthru enters CA through Wine Warehouse acquisition



*Proprietary and Confidential*

# BREAKTHRU BEVERAGE GROUP

**~\$8.5  
BILLION**  
annual revenue

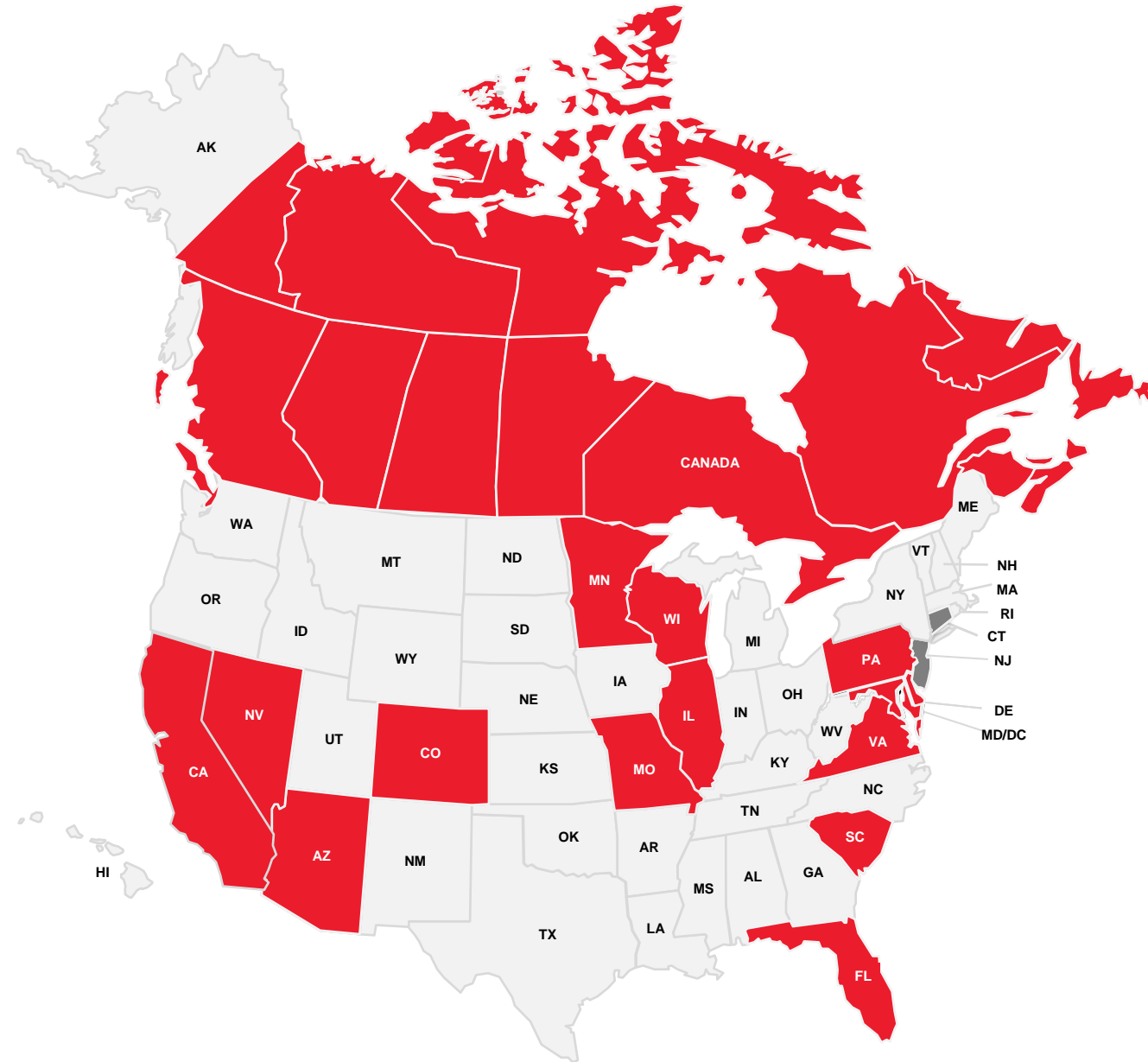
**10,000+**  
associates

**TBA**  
portfolio of  
premium spirits,  
wine, beer and  
non-alc

**16**  
U.S. markets,  
and across  
Canada\*

**3rd**  
largest wine &  
spirits distributor  
in the United  
States

**4th**  
generation,  
family owned  
and operated



**Proprietary and Confidential**

\*CDI is a BBG affiliate  
\*BBG owns a minority interest in Allied Beverage Group

# Family Ownership Operates Across the Business, from the BBG Board to In-market Sales and Merchandising



**BRIAN ONUFRYCHUK**

- Vice President, Board and Shareholder Affairs at BBG
- Boards of Directors, BBG and CDI (a BBG affiliate)



**JACOB ONUFRYCHUK**

- Vice President, Corporate Development, BBG
- Boards of Directors, BBG and CDI (a BBG affiliate)



**CHAD STONE**

- Vice President, Business Transformation and New Frontiers, BBG
- Boards of Directors, BBG, CDI (a BBG affiliate), and Allied Beverage Group



**ARTHUR WIRTZ**

- EVP, Operations, BBG
- Board of Directors, BBG
- Board of Directors, Wirtz Corp



**HILLARY WIRTZ**

- Sr. Director, Culture & Inclusion
- Board of Directors, BBG
- Board of Directors, Wirtz Corp



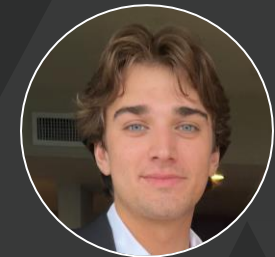
**WILLIAM FIX**

- Manager, Project - Operations



**JAMES WIRTZ**

- Account Development Specialist, BBG



**MICHAEL WIRTZ**

- Merchandiser, BBG

# Breakthru NextGen Group – Breakthru is and will always be a Family-led Business



*Breakthru Next Gen*



*Next Gen Family Retreat*

## NextGen Mission Statement

We champion the vision of Breakthru Beverage Group by embodying and promoting the values and family culture of our company.

## Collective Activities and Impact Areas

- Building close professional and personal connections
- Developing BBG's **CSR strategy** in collaboration with a cross-functional management team
- Visiting and building **supplier relationships** with BBG suppliers
- “**Voice of the family**” panel discussions in market and region meetings

# Breakthru's President & CEO, Tom Bené



## SUMMARY

- Joined BBG **October 4, 2021**
- Is focused on driving the next phase of Breakthru's evolution including **growth and expansion, accelerating technology and innovation and executing with excellence** for supplier and customer partners
- Has a proven track record of **driving growth and modernizing business models** throughout his career
- **Past Experiences Include:**
  - **National Restaurant Association:** President & CEO
  - **Sysco Corporation:** Chairman, President & CEO
  - **PepsiCo:** President, Foodservice



# Executive Leadership Team



## EXECUTIVE LEADERSHIP TEAM



**TOM BENÉ**  
President and CEO



**MELISSA CALDERWOOD**  
EVP, Chief  
Financial Officer



**STEPHANIE SOTO**  
EVP, Chief  
Human  
Resources  
Officer



**JULIAN BURZYNSKI**  
EVP, Chief  
Operating  
Officer



**ARLYN MILLER**  
EVP, Chief  
Legal Officer



**KEVIN ROBERTS**  
EVP, Chief  
Commercial  
Officer



**ART WIRTZ**  
EVP,  
Corporate  
Operations



**JOE BRUHIN**  
EVP, Chief  
Information  
Officer



# Leadership Principles – Definitions



## People First

### How we defined it

We believe all exceptional results start with our people. We want to be deliberate and purposeful in their nurture and development so that they feel valued.



## Boldly Seek a Better Way

### How we defined it

Be bold. Think differently about the business and look for opportunities to do things better.



## Customer & Supplier Focused

### How we defined it

Understand and execute against our suppliers' consumer strategies while delivering best-in-class performance to our customers.



## Listen to Understand

### How we defined it

Listen. Ensure everyone feels heard, resulting in better decisions and outcomes for all.



## One Team

### How we defined it

We are One Breakthru. We strive for individual excellence and know that to achieve our strategic ambition, we must work for the good of the whole. Together we win!

# We Launched Our Bold People Strategy in FY23

*Our People Strategy Vision: To Be the Place Everyone Wants to Work*



## ATTRACT & RETAIN

Find and recruit the best talent to fuel our growth strategy and retain them throughout the stages of their career.



## EMPOWER ASSOCIATES

Enable associates to use their expertise and passion to solve problems, innovate solutions and drive business results.



## GROW OUR TALENT

Provide associates with tools to achieve peak performance and the opportunity to advance in their career.



## CULTIVATE A PURPOSE

Connect associates to a cause larger than themselves, creating a sense of belonging, and a culture of trust and respect.



## REWARD PERFORMANCE

Design performance management to achieve business strategy. Reward results.



## UNLEASH TECHNOLOGY

Unleash the power of technologies and leverage them as a seamless enabler of innovation to enhance the associate experience.

## Shaped By Guiding Principles

*People Focused \* Innovative \* Flexible \* Performance Based \* Diverse & Inclusive \* Technology Enabled*

# We Launched Our 1<sup>st</sup> Annual Corporate Social Responsibility Report



- Our first **CSR Report: Crafting the Future, Together** was released April 10.
- The CSR Report represents our collective Breakthru story—strong leadership, force for good, focus on growth, leading beverage company, values-based & people-centric culture, legacy of philanthropy, DE&I advocacy, and differentiated associate experience.
- **External**
  - Social media
  - BBG website
  - Press release



# THE BREAKTHRU EXPERIENCE

Growth. Belonging. Wellness.

The colorful rainbow target represents the vibrant nature of our culture and diversity of our people. The Breakthru Spear aims courageously at the center which represents our individual and shared success.

The three pillars of the Breakthru Experience are *Growth*, *Belonging* and *Wellness*.



# THE BREAKTHRU EXPERIENCE

Growth. Belonging. Wellness.

We are committed to being the place everyone wants to work, fostering an environment where you feel like family, you enjoy and are proud of your work, and success is celebrated. We provide the opportunity for you to reach your full potential, thrive in a collaborative & inclusive culture, and be supported in living well.

## GROWTH

Breakthru provides learning, development, and career opportunity.

- Industry-leading Training (e.g., WSET)
- On-demand Learning Platform (*The Learning Bar*)
- Sales Enablement Training & Industry-leading Certifications
- Various Development Session Offerings
- Leadership Principles & Development Programs
- Early Career Opportunities
- Scholarship Programs
- Education Assistance Program
- Mentorship Program
- Job Opportunities Promoted Internally

## BELONGING

Breakthru has a celebratory, inclusive, and family-like culture.

- Family-owned
- Strong Company Values
- Associate Resource Groups (ARGs)
- Diversity Events/Celebrations
- Culture Ambassadors
- Community Volunteering Opportunities
- Proud Heritage of Philanthropy
- Associate Recognition & Appreciation Programs
- Environmentally Sustainable Efforts (ESG)
- Employee Referral Program

## WELLNESS

Breakthru offers support and benefits to live well.

- Hybrid & Flexible Work\*
- Competitive and Comprehensive Total Rewards (Bonus Plans, Sales Commissions/Incentives, Medical, Dental, Vision, HSA & FSA, Pet Insurance)\*
- Paid Time Off + Holidays
- Employee Assistance Program (*ComPsych*)
- Wellness Platform (*Pulse*)
- Early Wage Access (*Payflex*)
- Parental Leave & Adoption Assistance
- Retirement Savings (401K)
- Discount Program (*Work Perks*)

# We've Built Incredible Momentum Over the Past Few Years, Enabling Us to LEAD GROWTH



Acquisition of Major Brands in Missouri



Acquisition of Wine Warehouse in California



Acquisition of JJ Taylor In Minnesota



SAZERAC

Moët Hennessy



Recognizing private company success



# Vision: To be the leading beverage company in North America

Mission: Build value for our suppliers, customers, associates and communities

## STRATEGIC PILLARS



### **GROWTH**

We will pursue opportunities to grow our business

GROWTH

### **INNOVATION**

We will move with pace to enable new digital capabilities and business models



INNOVATION



### **PRODUCTIVITY**

We are focused on performance and profitability

PRODUCTIVITY

### **TALENT**

We will invest in the diversity and expertise of our people



TALENT

## STAKEHOLDERS

### **SUPPLIERS**

Building the value of brands

### **CUSTOMERS**

Driving superior trade performance

### **ASSOCIATES**

Be the employer of choice in beverage

### **COMMUNITY**

Ensure a force of good in all our communities

### **SHAREHOLDERS**

Deliver strong performance and fiscal stewardship

**Values:**

**Be Courageous.**

**Be Inclusive.**

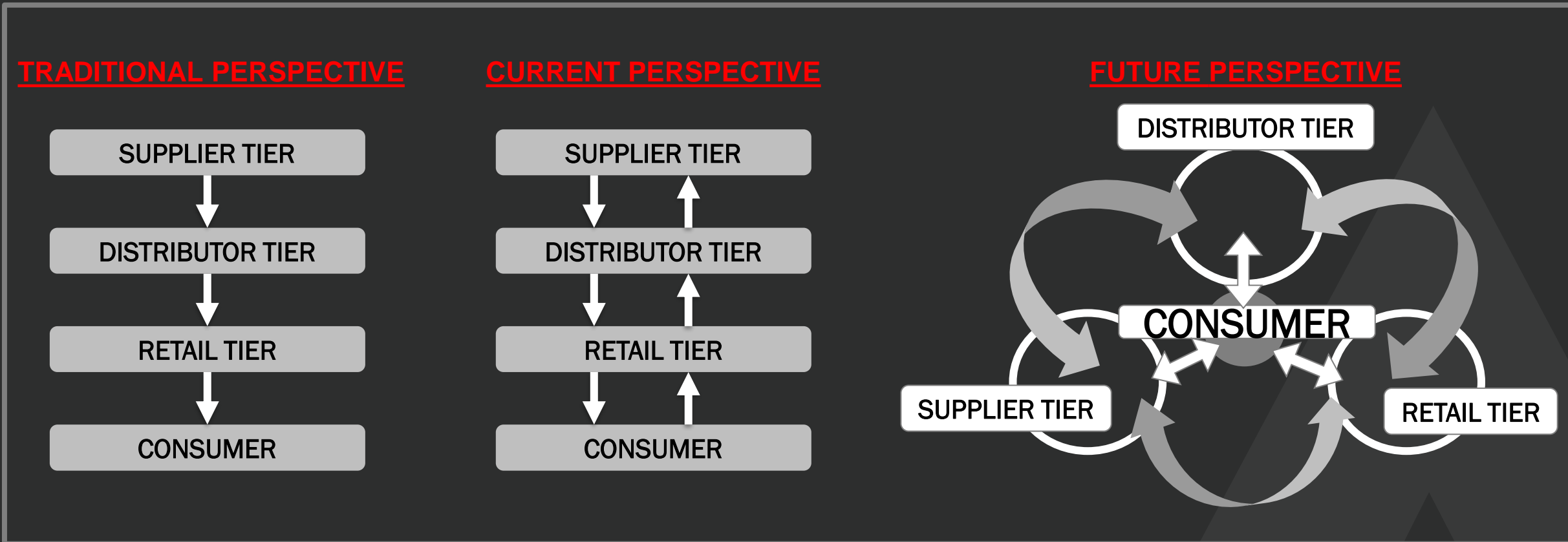
**Be Passionate.**

**Be True.**

*Proprietary and Confidential*

# Evolving With The Market

Consumer driving demand for new ways of working across industry



***Breakthru will not stand still – shifts in consumer behavior require new capabilities, increased scale, and agility***



# Successfully Implementing our Strategic Priorities

## GROW THE CORE – OPTIMIZE CURRENT BUSINESS



**Portfolio Strategy**



**Digital Evolution**



**Revenue Management**



**Optimizing Fulfillment**



**Efficient Organization**



**Route-to-Consumer**



**People Strategy**



**MERGERS & ACQUISITIONS –  
GEOGRAPHIC EXPANSION**



**NEW FRONTIERS –  
GROWTH OPPORTUNITIES**

## 2024 COMPANY OBJECTIVES



**GROW  
ASSOCIATE  
ENGAGEMENT**



**EXECUTE  
ROUTE TO MARKET**



**DELIVER  
OUR  
FINANCIAL PLAN**

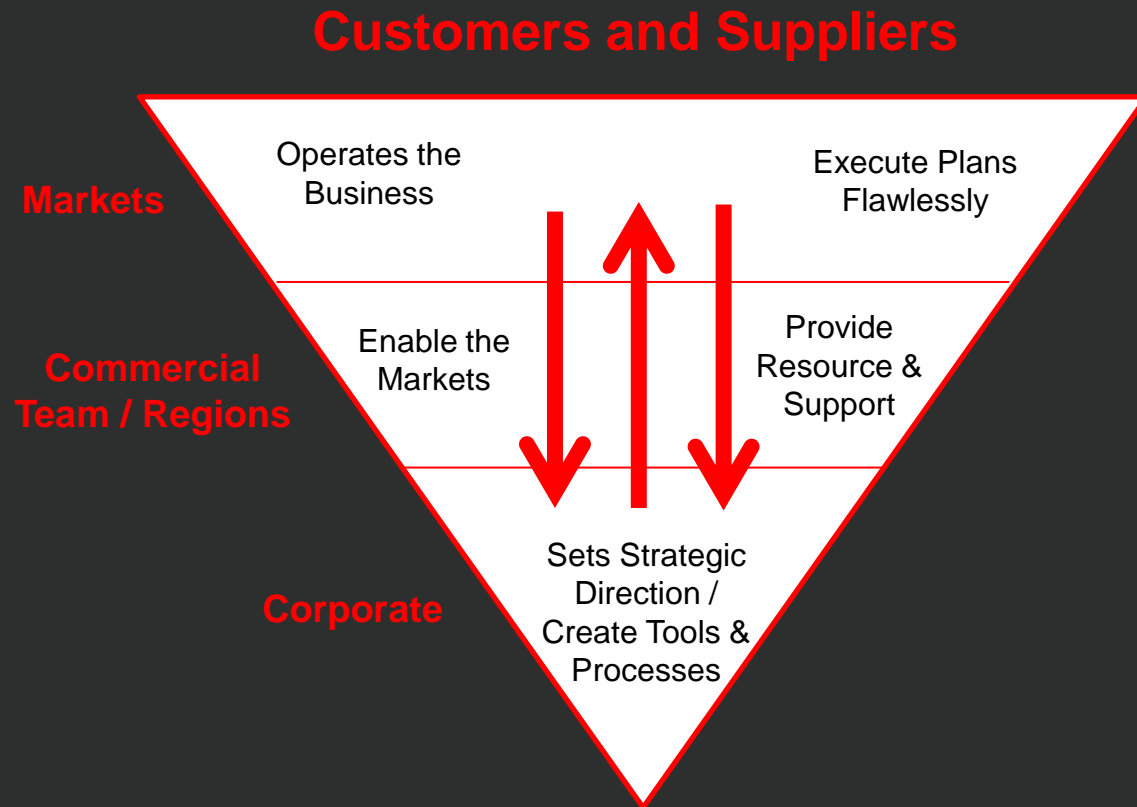


**IMPROVE  
OPERATIONAL  
EXCELLENCE**



**DELIGHT OUR  
CUSTOMERS &  
SUPPLIERS**

# Leveraging the Customer First Model to Win



- **Accelerate growth** by removing barriers / obstacles
- Providing clarity / speed of **decision making**
- Enable more **consistent execution** of strategic plans / initiatives
- Ensure the **voice of the customer / supplier** is always in the room
- Reinforce the importance of **two-way communication**

# Evolving our Value Proposition in Support of Growth

## Top Performing Distributor



A **consistent yet scalable market structure** that drives effectiveness, a culture of compliance, and makes us easier to do business with



A **consumer-backed approach** to how we go to market and win across customer channels



A **digitally enabled sales force** empowered to focus most their time on **consultative selling**, armed with precision insights on shoppers and highest ROI activities



A full suite of **forecasting and inventory management tools** to ensure **we meet customer needs as efficiently as possible**, increase speed-to-shelf of new products, dramatically reduce out-of-stocks, and improve data visibility and insights to suppliers



A foundation for **advanced pricing analytics** and spend analytics to better inform optimal price points & future pricing investments

# Commercial Business is supported by Operations, Supply Chain and Logistics expertise

## Breakthru's Operational Infrastructure



**59**

Office and warehouse facilities



**7.9 million**

Square feet of warehouse



**1,322**

Trucks in our fleet



**15,000**

Deliveries per day



**151,000**

Average bottles picked per night



**93 million**

Cases delivered per year

## Breakthru is committed to driving continuous improvement

- We are investing in state-of-the-art facilities in Florida
- We are advancing demand planning to improve service levels and inventory management
- Deliver consistent, high-quality supply chain and operational execution that outperforms the competition



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