

Q4 F25 Earnings

June 19, 2025

Disclaimers

Forward-Looking Information

This presentation contains forward-looking statements which are presented for the purpose of assisting the reader to contextualize the Company's financial position and understand management's expectations regarding the Company's strategic priorities, objectives and plans. These forward-looking statements may not be appropriate for other purposes. Forward-looking statements are identified by words or phrases such as "anticipates", "expects", "believes", "estimates", "intends", "could", "may", "plans", "predicts", "projects", "will", "would", "foresees" and other similar expressions or the negative of these terms.

These forward-looking statements include, but are not limited to, the following items:

- The Company's plans to purchase for cancellation Class A shares under the normal course issuer bid ("NCIB"), which may be impacted by market and macro-economic conditions, availability of sellers, changes in laws and regulations, and operating results;
- The Company's aim to increase total adjusted earnings per share ("EPS") through net earnings growth and share repurchases, as well as its intention to continue improving sales, gross margin (excluding fuel) and adjusted EBITDA margin, all of which could be impacted by several factors including a prolonged unfavourable macro-economic environment and unforeseen business challenges, as well as the factors identified in the "Risk Management" section of the fiscal 2025 annual MD&A;
- The Company's plan to invest \$850 million capital in its network in fiscal 2026, including new store expansions and renovations and renovate approximately 20% to 25% of the network between fiscal 2024 and fiscal 2026 which could be impacted by cost of materials, availability of contractors, operating results, and other macro-economic impacts;
- The Company's expectation that the Scene+ program will accelerate engagement by focusing on scaling personalization, which may be impacted by customer response, Scene+ app usage and the pace at which personalized offers are rolled out;
- The Company's expectation that it will meet targeted store growth of FreshCo, which may be impacted by customer response, availability of contractors, operating results, and other macro-economic impacts;
- The Company's expectations regarding the amount and timing of costs relating to the completion of the future CFC, which may be impacted by supply of materials and equipment, construction schedules and capacity of construction contractors;
- The Company's expectation that it will continue to focus on driving efficiency and cost effectiveness initiatives including the ability to successfully pursue other e-commerce cost saving initiatives which could be impacted by supplier relationships, labour relations, successfully implementing operational efficiencies and other macro-economic impacts;
- The Company's expectation that it will continue its e-commerce expansion with Voilà and that actions are expected to have a positive impact on Voilà's financial performance in fiscal 2026 and its ability to gain access to a larger segment of the grocery e-commerce market, which may be impacted by future operating and capital costs, customer response and the performance of its technology provider, Ocado Group plc ("Ocado");
- The Company's plans to further grow and enhance the Own Brands portfolio, which may be impacted by future operating costs and customer response;
- The Company's expectation that Other income plus Share of earnings from investments, at equity will in aggregate, be in a range of \$120 million to \$140 million in fiscal 2026, which assumes completion of pending real estate transactions by the Company and Share of earnings from investments, at equity being consistent with historical values adjusted for significant transactions and may be impacted by the timing and terms of completion of real estate-related transactions and actual results from Crombie REIT and Real estate partners;
- The Company's expectation regarding its ability to ensure competitive pricing for customers and pursue long-term growth, which may be impacted by supplier relationships and negotiations and the macro-economic environment; and
- The Company's expectation that recent imposition of tariffs by the United States and retaliatory tariffs by the Canadian government will create volatility in the Canadian economy, including higher future costs for importing goods potentially contributing to higher inflation if increased costs are passed to Canadian consumers, which may be impacted by the length of time tariffs are imposed, the extent of counter measures imposed by other countries, the changes in consumer behaviour, and the extent of the impacts on the supply chain.

Non-GAAP Financial Measures & Financial Metrics

There are measures and metrics included in this investor presentation that do not have a standardized meaning under generally accepted accounting principles ("GAAP") and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. The Company includes these measures and metrics because it believes certain investors use these measures and metrics as a means of assessing financial performance.

In addition, management adjusts measures and metrics, including operating income, EBITDA and net earnings in an effort to provide investors and analysts with a more comparable year-over-year performance metric than the basic measure by excluding certain items. These items may impact the analysis of trends in performance and affect the comparability of the Company's core financial results. By excluding these items, management is not implying they are non-recurring.

For a more complete description of Empire's non-GAAP measures and metrics, please see Empire's Management's Discussion and Analysis for the fourth quarter and fiscal year ended May 3, 2025.

Highlights: Q4-F25

Q4 F2025 Highlights

- **Delivered adjusted EPS growth of 8.8% in fiscal 2025; within the financial framework**
- **Sales of \$7,637 million, an increase of 3.0%;** primarily driven by positive growth across the business, particularly in Full-Service and FreshCo.
- **Same-store sales – food⁽¹⁾ increased by 3.8%;** continued momentum since Q4 F24 and up 120 bps versus Q3 F25.
- **Gross margin, excluding fuel, increased by 32 bps,** reflecting strong performance in Full-Service banners as a result of disciplined execution in our stores, including shrink reduction initiatives.
- Excluding the \$49M increase in long-term incentive program expenses, SG&A growth would have been 2.9% over the prior year.
- **EPS and adjusted EPS of \$0.74;** no adjustments in Q4 F25.
 - Increase in long-term incentive program expenses versus last year impacted Q4 F25 EPS by \$0.15.
- Prior year EPS and adjusted EPS of \$0.61 and \$0.63 respectively. Adjustments included:
 - Restructuring: \$15.5 million, net of taxes
 - Cybersecurity insurance recoveries: \$10.4 million, net of taxes
- When excluding other income and share of earnings from equity investments from both years, EPS was \$0.07 higher than Q4 F24.
- The Company's e-commerce platforms - Voilà (incl. curbside pickup), IGA.net, ThriftyFoods.com and partnerships with Instacart and Uber Eats generated a combined sales increase of 80% compared to the same quarter in the prior year.
- Repurchased \$400 million in shares in fiscal 2025.

(1) Previously named – same-store sales, excluding fuel.

Outlook / Business Updates

- The Company delivered positive results across all major financial measures and achieved adjusted EPS growth within its financial framework.
- The Company's internal food inflation continued to be below the Consumer Price Index for food purchased from stores.
- Subsequent to the quarter, the Company opened one FreshCo store in Western Canada and expects to open an additional six stores in fiscal 2026.
- In Q3, management estimated that the average of the Company's annual sales related to goods sourced from the United States was approximately 12%. This percentage has continued to decline as the Company remains focused on promoting local and Canadian products and seeking alternate sources of supply outside of the United States
- For fiscal 2026, capital spend is expected to be approximately \$850 million, with approximately half of this investment allocated to renovations and new store expansion.
- Annual dividend increased by 10%.
- Intention to repurchase up to \$400 million of shares in fiscal 2026.
- During fiscal 2026, the Company expects aggregate pre-tax earnings from Other income plus Share of earnings from investments, at equity to be in the range of \$120 to \$140 million.

Financial Summary: Q4-F25 and Full Year 2025

Quarterly and YTD Financial Summary

(\$ million, unless otherwise noted)	Q4 F25 13 weeks	Q4 F24 13 weeks	Fiscal 2025 52 weeks	Fiscal 2024 52 weeks
Sales	\$7,637	\$7,412	\$31,277	\$30,733
Same-store sales growth (%) – food ⁽¹⁾	3.8%	0.2%	2.3%	2.0%
Gross Profit	\$2,109	\$2,006	\$8,382	\$8,071
Gross margin % ⁽²⁾	27.6%	27.1%	26.8%	26.3%
Other income plus Share of earnings from investments, at equity	\$37	\$26	\$158	\$131⁽³⁾
Selling and Administrative Costs	\$1,833⁽⁴⁾	\$1,740	\$7,251⁽⁴⁾	\$6,991
Selling and administrative %	24.0%	23.5%	23.2%	22.7%
Adjusted EBITDA⁽⁵⁾	\$599	\$563	\$2,423	\$2,327
Adjusted EBITDA margin % ⁽⁵⁾	7.8%	7.6%	7.7%	7.6%
Adjusted Earnings per Share – diluted⁽⁵⁾	\$0.74	\$0.63	\$2.98	\$2.74⁽³⁾
Free Cash Flow	\$318	\$105	\$728	\$730
Capital Expenditures⁽⁶⁾	\$233	\$416	\$721	\$831

(1) Previously named – same-store sales, excluding fuel.

(2) Gross margin rate, excluding fuel, improved by 32 basis points versus Q4 F24.

(3) Fiscal 24 excludes the gain associated with the Western Canada fuel sale in Q1 F24.

(4) SG&A in Q4 F25 and Fiscal 25 reflects y/y increases in share based long-term incentive program expenses of \$49 million and \$81 million respectively.

(5) Adjusted Metrics exclude: costs incurred to plan and implement strategies to optimize the organization and improve efficiencies, insurance recoveries related to the Cybersecurity Event, gains associated with the Western Canada fuel sale and a one-time charge related to ending the mutual exclusivity agreement with Ocado.

(6) Capital expenditures in Q4 F24 and F24 includes approximately \$110 million associated with the land purchase in Montreal.

Supporting and Promoting Canadian Products

- We've moved quickly to elevate our local strategy, making it easier for customers to make informed choices about buying Canadian products.

In-Store Marketing

Out-of-Store Marketing



Long-Term Financial Framework

8% to 11%

Long Term Average Adjusted EPS Growth

Driven by our intention to improve Sales, Gross Margin (excluding fuel), and adjusted EBITDA margin

Continued Focus on Stores

We intend to invest capital in our store network and we are on track with our plan to renovate approximately 20% to 25% of our network between fiscal 2024 and fiscal 2026. This capital investment includes important sustainability initiatives such as refrigeration system upgrades and other energy efficiency initiatives.

Enhanced Focus on Digital and Data

Our focus on digital and data will include continued e-commerce expansion, personalization and loyalty through Scene+, improved space productivity and the continued improvement of promotional optimization.

Efficiency and Cost Optimization

We will continue to focus on driving efficiency and cost effectiveness through initiatives related to sourcing of goods not for resale, supply chain productivity, and the organizational structure. We have implemented several cost savings initiatives in the Voilà business, including pausing the opening of our fourth CFC and ending our mutual exclusivity with Ocado and continue to pursue other cost saving initiatives.



Continued Share Repurchases

Continued Focus on Stores

Renovations



20%–25% of network over between F24 and F26

- Sales and margin uplift
- Enhanced store productivity
- Store department optimization

Space Productivity



Improve store layouts, optimize category/product adjacencies, tailoring assortment

BETTER DATA
STORE FOCUSED SALES/SQ.FT.
Customer-Centric
SHELF PRODUCTIVITY ENABLER
Better Planograms

Discount Expansion



Continue to pursue expansion by market

West:

- 49 new FreshCo stores since F18
- Continued focus on store conversions

Ontario:

- >100 FreshCo locations
- Additional opportunities in Canada's largest province

Own Brands



1,250+ new private label SKUs since F20

- Own Brands sales growth of ~35%⁽¹⁾ since F20
- ~600 new SKUs expected from F24 to F26



(1) Sales growth from F2020 to F2025.

Enhanced Focus on Digital and Data



A differentiated national loyalty platform - driving incremental sales and earnings



Co-owner



Personalization
at Scale



Drive
Incrementality



Data Ownership to
Drive Insights



Differentiated
Experience



Connected Banners to Drive
Omni-Channel Strategy



New Customer
Acquisitions



Enhanced Customer
Loyalty



>15M
Members

Scene+ now has over
15 million members

+5M
New
Members

Over 5 million new
members have
joined since Scene+
launched at Empire

55%+
Higher Spend

Scene+
members spend
55%+ more
than non-
members.

>2,000
Card Swipes

There are over
2,000 Scene+
card swipes
every minute

Enhanced Focus on Digital and Data

voilà

Key Areas of Focus



Superior In-Stock Position
Extremely low substitution rate,
Differentiated Freshness



Best-in-Class Delivery Experience
White glove delivery



Substantial Assortment
39K SKUs at mature CFCs



Ongoing Innovation
[Ocado Re:Imagined](#)



Loyalty & Personalization
Increased engagement



Omni-Channel Focus
Voilà AOV is ~3.8x in-store AOV
Omni AOV⁽¹⁾⁽²⁾ > Voilà AOV



Target:

95%

Weekly on-time delivery score

ABOVE TARGET

↑

Target:

98%

Fulfillment rate

ABOVE TARGET

↑

Target:

70 NPS

Net Promoter Score (NPS) – industry best-in-class

ABOVE TARGET

↑

(1) AOV is average order value.
(2) Omni AOV refers to customers who shop both through Voilà and in-store.

Efficiency and Cost Optimization

Strategic Sourcing



Drive efficiency and cost effectiveness through various initiatives within goods not for resale, consisting of:

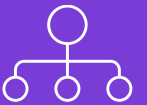
- Transportation
- Construction
- Store Services and Maintenance
- Marketing
- Information Technology

Supply Chain



- Drive supply chain productivity and cost effectiveness
- Focus on processes/technology to improve cost to serve and improve resiliency
- Continue to expand automation capabilities
- Enabler for outstanding store service, profitability and sustainable growth

Organization / Other



- Turnaround Era (F18 - F23):
Transitioned from a regional to national organizational structure
- F24: Began implementing strategies to optimize our organization, improve efficiencies and reduce costs, including changes to the leadership team and organizational structure.
- F25: Pursuing cost savings in the Voilà business by pausing the opening of our fourth CFC and ending our mutual exclusivity with Ocado, amongst other initiatives.

ESG¹ Goals: Steady and tangible progress

Planet



We're reducing our impacts and taking action on climate change to do OurPart™ to protect our planet for future generations.

FOOD WASTE

~30M lbs of surplus food donated, gaining recognition from Second Harvest as Canada's Top Food Rescue Partner for the second consecutive year



CLIMATE ACTION

26.7%

reduction in Scope 1 and 2 targets compared to 2019 baseline – ahead of near-term target trajectory

CLIMATE ACTION

64%

set science-based targets on their Scope 1 and 2 emissions by the end of calendar year 2027. We are over half way to our target

PLASTICS & PACKAGING

Completed the removal of the 5 single-use plastic items according to the Federal single-use plastics prohibition: stir sticks, straws, checkout bags, cutlery, select foodservice

Products



We're doing OurPart™ by delivering sustainable and ethical product choices for our customers.

ETHICAL & SUSTAINABLE SOURCING

96%

of Own Brands seafood were sustainably sourced



ETHICAL & SUSTAINABLE SOURCING

86%

of palm oil in products were certified sustainable



SUPPLIER PARTNERSHIPS

380+

women entrepreneurs supported in fiscal 2024



People



We're focused on growing and empowering a diverse, equitable and inclusive workforce to enable our customers and communities to thrive.

DIVERSITY, EQUITY & INCLUSION

91%

of Directors and above set DE&I performance and accountability goals



DIVERSITY, EQUITY & INCLUSION

Advanced our commitment to reconciliation by completing the Aboriginal Relations Phase 2 Certification

DIVERSITY, EQUITY & INCLUSION

90% of People Managers and above facilitated Speak Freely discussions with teams to create safe spaces, listen actively, foster healthy debate, and build on contributions

COMMUNITY INVESTMENT

~\$23M

donated to support healthy bodies and minds in our communities (~\$7M in corporate donations and ~\$16M raised)



We are proud to share our progress and some of our stories in our Sustainability Business Report at: www.SobeysSBReport.ca

(1) ESG is Environmental, Social and Governance

Executive Leadership Team



Pierre St-Laurent
Chief Operating Officer



Costa Pefanis
Chief Financial Officer



Sandra Sanderson
Chief Marketing Officer



Doug Nathanson
Chief Development
Officer & General Counsel



Julia Knox
Chief Technology and
Analytics Officer



Simon Gagné
EVP, Human Resources