FINAL TRANSCRIPT

Empire Company Limited

First Quarter Fiscal 2027 Conference Call

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PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to the Empire Company First Quarter F27 Conference Call. At this time, all lines are in a listen-only mode. Following the presentation, we will conduct a question-and-answer session for analysts only. If at any time during this call you require immediate assistance, please press star zero for the operator. This call is being recorded on Thursday, September 10, 2026.

I would now like to turn the conference over to Katie Brine. Please go ahead.

Katie Brine

Thank you, Julie. Good morning and thank you for joining us today for Empire's First Quarter Fiscal 2027 Conference Call. Today we will provide summary comments on our results and then open the call for questions. This call is being recorded and the audio recording will be available on the Company's website at www.empireco.ca. There is a short summary document outlining the points of our quarter available on our website as well.

Joining me on the call this morning are Pierre St-Laurent, President and Chief Executive Officer; Costa Pefanis, Chief Financial Officer; and Luc L'Archevêque, Chief Customer Officer.

Before we begin, I would remind you that today's discussion includes forward-looking statements. We caution that these statements are based on management's assumptions and beliefs and are subject to risks and uncertainties that could cause actual results to differ materially. I refer you to our news release and MD&A for more information on these assumptions and factors.

With that, I'll turn the call over to Pierre.

Pierre St-Laurent

Thanks, Katie. Good morning, everyone.

We delivered a strong first quarter, driven by disciplined execution across the business and continued progress against our strategic priorities. Despite the market environment that remains challenging, with customers highly focused on overall value and affordability, our banners continued to perform well. We delivered a record high first quarter EPS of $1.04, up 14.3% year over year. This performance reflects improvement in our core business and benefit from our cost efficiency initiatives. Our Q1 results reflect the strength of our underlying operation as well as the focus we have placed on productivity, efficiency, and disciplined execution across the organization. I'll focus on three topics today: our first quarter results and market trends, an update on our strategic priorities and growth initiatives, and our new leadership appointment.

Starting with Q1 results, food sales grew 1.7% with same-store sales up 1.2%. This reflects positive growth in both our full-service and discount businesses. Total e-commerce sales across our platforms and third-party partnerships increased 11.3% year over year. Gross margin, excluding fuel, was essentially flat year over year. That was in line with our expectation given strong prior year comparison, higher supply chain costs, and elevated fuel-related expenses during the quarter. Despite those headwinds, we were pleased with the performance of the core business. We were also pleased with our cost efficiency during the quarter. The improvements we are seeing reflect the benefit of our multi-year focus on productivity and efficiency across the organization. This was our third consecutive quarter with operating leverage. Costa will provide more details on the drivers.

Turning to the current environment, internal inflation remained below StatCan food CPI during the quarter, reflecting our continued focus on delivering value for customers while managing supplier cost increases in a disciplined manner. The market environment remained challenging, and consumers continue to be focused on value and affordability given fuel price volatility and ongoing trade-related uncertainty. Across North America, retailers are reporting a more cautious customer environment, and we are seeing many of the same trends here in Canada. Against this backdrop, we are pleased to be gaining share in full service while maintaining our position in discount despite the rapid expansion of discount formats across the market. As we continue to expand discount footprint, we expect that growth will increasingly support market share gains in the channel.

The recent escalation in the Canada and US trade tensions has also increased customer interest in supporting Canadian businesses and products, which is something we are equally passionate about. While purchasing decisions will continue to be driven by value, quality, and convenience, we believe our deep Canadian roots, longstanding relationship with Canadian suppliers, and portfolio of locally-operated banners positions us well to serve customers in this environment. As a proud Canadian company, we will continue to invest meaningfully across the country through new stores, new jobs, local supplier partnership, and the ongoing growth of our business to help our country become stronger.

Against this backdrop, our priorities are unchanged: delivering value for customer, maintaining operational discipline, and executing with focus against our priorities. We continue to increase momentum across our four strategic priorities: customer, stores, growth, and cost efficiency. We have already touched on cost efficiency, so I'll spend a few minutes sharing an update on the other three.

Starting with customers, our investments in customer value are resonating. We are seeing very encouraging improvement in price perception and growing recognition in the value of the label across all our banners. In the current environment, we continue to strengthen our value proposition through promotions, loyalty, own brands, personalization, and our value-size offers. We are encouraged by the progress we are seeing in our customer data and remain committed to delivering value, compelling value, whether you are shopping at Sobeys, FreshCo, Safeway, IGA, Farm Boy, Longo's, Voilà, or any other banner.

Turning to stores, we continue to invest in our store network to support long-term growth. We opened four new stores during Q1 plus the addition of four Mayrand stores. We now expect to complete more than 25 new stores this year, up from our prior expectation of more than 20. We are pleased with the performance of recently opened stores. We are meeting or exceeding our expectations and reinforcing our confidence in the strength on our growth pipeline. These investments are now expected to deliver approximately 2% square footage growth and strengthen our ability to serve customers across the country. We continue to evolve our approach to real estate, balancing new store growth with opportunity to optimize our existing network and improve capital efficiency. While our real estate strategy continues to evolve, our investment discipline remains the same. We pursue attractive white space opportunities and deploy capital where we believe it will generate the highest return for shareholders. And we continue to focus on making our stores more efficient and customer focused. This includes the continued rollout of electronic shelf labels, with over 400 stores now live across the country, as well as initiatives to enhance in-store signage, improve store conditions, and evolve our ways of working to spend less time on manual tasks and more time focused on customers.

On growth, we have accomplished a lot since we last spoke and this remains a top priority for us. A key milestone in our discount expansion strategy was the opening of our first FreshCo stores in Atlantic Canada in August and early customer response are very encouraging. We also completed the Mayrand acquisition in June and in August broke ground for a new Mayrand location in Trois-Rivières, Québec. While we’re still in early stage of the integration, we are excited about the opportunity ahead and the potential to expand this business. We continued to grow our store footprint and just in the last month opened two new FreshCo stores in Calgary, a new IGA Extra in Montreal, a new IGA in Edmonton, a new Safeway in Vancouver Oakridge Park development, and a new FreshCo in Paris, Ontario.

These openings reflect the strength of our growth pipeline and our commitment to serving more customers in communities across Canada.

We also continue to strengthen our pharmacy business, which remains an attractive growth platform for Empire. In August, we welcomed Nitu Singh, our new SVP Pharmacy. Nitu, who reports to our Chief Pharmacy and Development Officer, Doug Nathanson, brings more than 20 years of industry experience and has already hit the ground running. Last month, we announced the acquisition of nine Morelli's pharmacies co-located with Longo's stores in Ontario. These pharmacies will be integrated into our national pharmacy operations and rebranded as Longo's Pharmacy. While the acquisition is modest in size, strategically, it is important. It expands our network in markets where we already have strong customer relationships and reflects our disciplined approach to growing this business through both organic initiatives and targeted acquisitions.

Finally, I'm pleased to welcome Lara Skripitsky to Empire's executive leadership team as our new Chief Technology and Transformation Officer. With more than 20 years of experience, most recently having spent 12 years in a leading global consumer brand, Lara brings a proven track record of driving transformation, modernizing technology platforms, and enhancing the customer experience. Julia Knox will work closely with Lara to ensure a seamless transition.

Overall, this first quarter reinforces our confidence in both our strategy and outlook for the year ahead. Our banners are competing effectively, our growth initiatives are gaining traction, and our focus on productivity and efficiency is delivering results. As a result, we continue to expect adjusted EPS growth at the high end of our long-term financial framework in fiscal 2027. Our focus remains very clear: delivering value for customers, driving sustainable growth, and strengthen our business for the long term. With a strong start to the year, we remain well positioned to deliver attractive returns to our shareholders. Dynamic environments create opportunity for strong operators to differentiate themselves and that is what we will continue to do.

With that, I'll turn the call over to Costa.

Constantine (Costa) Pefanis

Thanks, Pierre. Good morning, everyone. I'll begin with our first quarter results and then discuss capital allocation.

We delivered a solid start to the year with Q1 fiscal 2027 EPS of $1.04, up 14.3% from last year. The results reflected sales growth, disciplined cost control, including benefits from our e-commerce changes and share repurchases. While we benefited from the previously announced pension settlement gain, this was offset by lower year-over-year contribution from other income and share of earnings from equity investments. We delivered good top-line growth this quarter and we expect the gap between same-store and total sales growth to widen in the quarters ahead as contribution from new stores begins to ramp up as they mature.

Excluding the mix impact of fuel sales, gross margin was consistent with last year. Strong execution in full service offset higher fuel-related supply chain costs, demonstrating the resilience of our business. While performance can vary from quarter to quarter, our focus remains on driving sustainable improvement over time and we continue to target annual gross margin expansion, excluding fuel, of 10 to 20 basis points.

Turning to SG&A, our focus on cost efficiency continues to deliver stronger results. Excluding depreciation and amortization, our SG&A rate improved by 80 basis points, driven by lower year-over-year incentive program expenses, the pension settlement gain, and better overall cost efficiency in the business, including e-commerce operational improvements. These benefits more than offset continued business expansion, investment in the business, including stores, tools and technology, and higher retail salaries. We continue to advance initiatives to optimize supplier and procurement spend, leverage new technology and digital capabilities, and enhance how work gets done across the business. As these initiatives mature, they are helping create capacity to reinvest in growth while supporting operating leverage.

As we look ahead, SG&A performance may not progress in a straight line each quarter, but we're confident in our ability to generate operating leverage on an annual basis. As a result, EBITDA was $712 million, higher by 6.1% year over year, and our EBITDA margin was 8.4%, higher by 28 basis points year over year. This was the strongest EBITDA performance that we've delivered since Project Horizon began more than 10 years ago. Our effective tax rate was 26.1% compared to 26% last year.

And now I'll move on to capital allocation. Our strong balance sheet and cash generation provide the flexibility to invest in the business, pursue strategic opportunities, and return capital to shareholders. We continue to expect fiscal 2027 capital expenditures of approximately $850 million, with about half allocated to renovations and new store expansion. These new stores are expected to grow our net square footage by about 1.5% year over year and that's before taking into account the new Mayrand stores. As of today, we have repurchased approximately two million shares for a total consideration of $95 million.

Moving on to real estate, in Q1 we disposed of our equity interest in Genstar for proceeds of $71 million and a gain of $4 million. And while this was a great investment, we felt that it was the right time to liquidate. We will deploy these proceeds to accelerate growth of our business. The sale of Genstar won't impact our guidance on other income and share of earnings from equity investments and we continue to anticipate fiscal 2027 contribution to range from $90 million to $110 million. Based on our current visibility, we expect the quarterly cadence for the rest of the year to be approximately 15% in Q2, 20% in Q3, and 50% in Q4.

In closing, Q1 demonstrated the earnings potential of our core operations and the early benefits of the strategic actions we begun to implement across the business. We delivered EPS growth of 14.3%, generated operating leverage, improved EBITDA margin to 8.4%, and continue to invest for the future. Despite a dynamic operating environment, we continue to expect adjusted EPS growth at the high end of our financial framework of 8% to 11% in fiscal 2027, supported by gross margin expansion and operating leverage.

With that, I'll turn it back to Katie for your questions.

Katie Brine

Thank you, Costa. Julie, you may open the line for questions at this time.

Q & A

Operator

Thank you. Ladies and gentlemen, we will now conduct the question-and-answer session for analysts. If you'd like to ask a question, please press star one on your telephone keypad. If you would like to withdraw your question, press star two. One moment please for your first question. Your first question comes from Chris Li from Desjardins. Please go ahead.

Chris Li — Desjardins

Hi. Good morning, everyone. My first question is, Pierre, as you mentioned, as the consumer remains challenged and industry tonnage is a little bit softer, just curious to see, are you seeing any notable changes in the competitive environment? Is the intensity remaining stable or have you seen sort of an uptick during the quarter? Thank you.

Pierre St-Laurent

I'll ask my Chief Customer Officer to answer this question and I will complete if I need.

Luc L'Archevêque

Yeah. Good morning. So no, we haven't seen anything in the market that indicates promotional activities being different than the previous quarters. It's very stable. This is based, obviously, on third-party data.

Chris Li

Okay. Perfect. And then my follow up is, I know you don't provide any quarterly guidance, but I just wanted to ask what are you seeing in terms of Q2 to date in terms of same-store sales. Are you seeing a bit of a stabilization versus what you reported in Q1? Just any directional comments would be helpful. Thank you.

Pierre St-Laurent

It's a bit early to answer this question, Q2, and particularly because there's some timing effect for the long weekend for Labour Day. Last year it was earlier than this year. So it's a bit early to look at it. But in terms of customer behaviour, it's remained unchanged so far. Where we're going to then have for the Q2 results, it's too early to take a position on that. We need to wait another full two, three weeks to see the full impact of that timing on a year to two-year basis. But too early. But don't see any major changes. So the market tonnage is something we will measure at the end of quarter, but again, sentiment remained the same. The promo intensity remained the same. Customer behaviour, it's nothing new. I think customers are looking for value, they are making different choices considering the fuel price volatility, but it's all that stuff, it's not something new for us, it's manageable, and our merchandising team is doing an amazing job to navigate through it.

Chris Li

Perfect. Thank you and all the best.

Pierre St-Laurent

Thank you.

Operator

Your next question comes from Tamy Chen from BMO Capital Markets. Please go ahead.

Tamy Chen — BMO

Hi. Good morning. Thanks for the question. I'm just trying to reconcile your comments about, you know, you sound happy with the performance of your newer/recently opened stores, but your food same-store sales, I think, is softer than some of us expected and especially given that a competitor has been having strike issues. So are you able to help me reconcile that? Like are we starting to see all the square footage growth, you know, so the new stores for everybody are hitting the ground well, but everybody's existing stores tonnage is giving up some of that to the new stores?

Pierre St-Laurent

Okay. So, on new stores, I mentioned the recent openings, which are in Q2. It was not in Q1, to answer your question. I know you're trying to reconcile numbers and I understand that. So my message was more on the most recent store openings. We're pleased with that, especially in Atlantic Canada. What else? What was the other question? Sorry about that.

Tamy Chen

Just on the strike.

Pierre St-Laurent

On the strike, okay. I don’t have my competitor’s numbers, but one thing I can say is at the beginning of the strike we saw a slight positive impact in produce in Québec, but it took, as usual, two, three weeks to put in place a strong contingency plan, like we did in the past, we know that type of thing, and they did the same thing. And I think since then no significant impact. And it was in Q4. It was not in Q1.

Tamy Chen

I guess what I’m getting at, a bit of bigger picture, is the square footage growth continues in the industry, not just by you, and so how do you think about that over the next one to two years just in terms of same-store tonnage for you, how to maintain your fair share versus your competitors? Because everyone seems to be adding or possibly even just accelerating the pace of new store openings. thank you.

Pierre St-Laurent

It’s a good question. So right now, so when we’re investing in real estate, we’re investing for the long term. Right now, we’re facing unique conditions. It’s a cycle. My first degree at university was in economics. It’s clearly a cycle. When we look at different indicators and when you are listening to economists, it’s obvious that conditions are not at their best. I think, over time, this will improve. So if you think about the fuel price, if you think about market customer confidence and you look at uncertainties, it’s a current situation. In the future, in my opinion, there’s just upside. And we’re investing capital for the long term, not for next week. So our approach in investing capital is not on average. We’re not looking at total number across the country. We’re looking at opportunities market by market. And we have a strong portfolio of brands and we’re using it as a leverage to be relevant for customers. That’s our approach.

So, over time, what will be the result of that? Right now it’s tough to, I would say, make association with current number with a long-term investment plan. Right? So we’re facing a unique condition right now. Could be just better in the future. We remain confident that, in the future, things are going to improve. We’re doing the right thing. We’re very disciplined in our approach and everything we do at Empire and it is going to benefit us over time. We are very confident about that. And everybody is having a different strategy. We believe in our strategy, obviously, and the early results of our new store openings are very encouraging. We did select locations, which was very white space for us, and this is the approach we’ll continue to have.

Tamy Chen

Thank you.

Operator

Your next question comes from John Zamparo from Scotiabank. Please go ahead.

John Zamparo — Scotiabank

Thanks very much. Good morning. Pierre, it sounds like you're fairly constructive on the ability to operate in a tougher consumer environment. I wonder if you could talk about how your business performed through the quarter. Was there any meaningful change month to month?

Pierre St-Laurent

Not really. We're improving, focused on disciplined execution and focusing where we have control. And there's many areas in our business where we have control. And I'm very pleased with the performance of the team. If you look at SG&A, gross margin, the focus on cost, people are looking for the future, we're a company that delivered. We had a long-term view, long-term focus, and it won't change. I think tough conditions are creating opportunities and right now we're trying to leverage every single opportunity that tougher conditions are bringing to the business. So we have reasons to improve things right now because we have to and we will benefit from all the actions we're taking right now, the control we have on the business right now. When conditions will improve, I'm very confident that our results will be great.

John Zamparo

Okay. Understood. And then I wanted to ask about SG&A. A lot of moving parts to that this quarter. I wonder if you can share what core SG&A growth was this quarter absent those items. And I know you don't look quarter to quarter, but is it fair to say for this year you're targeting an SG&A growth rate excluding those items that is below the pace of sales growth?

Pierre St-Laurent

I'll ask Costa to answer this question. No one is better positioned to answer this question than Costa.

Constantine (Costa) Pefanis

Good morning, John. Yeah, so to answer the question, excluding the puts and takes that we talked about in the prepared remarks, we continue to see that our SG&A run rate is stable and declining when you take into consideration the cost of the inflationary pressures on the business. So we're very happy to say that our operating leverage continues to be a big piece of the strategy, especially in the conditions that we're facing right now. So the answer is we continue to optimize around our spend so that we can get better value out of what we're doing.

John Zamparo

Okay. I'll pass it on. Thank you.

Operator

Your next question comes from Vishal Shreedhar from National Bank. Please go ahead.

Vishal Shreedhar — National Bank Financial

Hi. Thanks for taking my questions. I know it's a bit early, but the escalating trade circumstances with the US seems to have caused a customer reaction and I was wondering if you're seeing any early signs of buy Canada and do you expect that movement to benefit your stores? And similarly, should the pressure related to these trade circumstances exacerbate or last longer than we hope, how do conventional banners react in periods of consumer malaise? Do we see more promotional intensity build in these conventional banners? Maybe you can help me understand what you know from history.

Pierre St-Laurent

I'll ask Luc to start and then I will complete.

Luc L'Archevêque

Yes. Thanks for that question. So I would say, like you said, it's very early days in the tariff situation, the counter tariffs, I should say. What we know so far, it's minimal impact on our business this time around, very much less categories that are impacted. We know there's a sentiment out there from the customer to buy Canadian products, but it's too early to see any signs of that in our POS data. But if things continue that way, we do believe there could be an upswing on Canadian products for sure.

The way that we also handle this internally is, repeating myself, early days, but we have less than a handful of suppliers that reached out with cost increase submissions. So again, very minimal with the portrait that it is today. Things might change, but what we see so far, it’s minimum. And our position will remain the same as the first time around is that it’s too early, so we won’t accept any cost increases related to tariffs and we’ll work very closely with our supplier partners to find solutions so that we don’t impact our customers and we defend the value that we provide to our customers. I’ll finish by saying though that we have some experience now and better tools, so we’re going to react faster than the first time around.

Vishal Shreedhar

Thank you. And with respect to how, and I appreciate this is a question looking forward and the situation may or may not evolve, but how do conventional banners respond during periods of heightened stress? Is that hotter front-page flyers? Is that better messaging? I know it’s a little bit of above, but I’m trying to understand the playbook and the tolerance within your plan to accommodate this tariff situation should it exacerbate more than we would hope.

Pierre St-Laurent

Okay. So, first of all, in our full-service banner, we have the largest assortment. We have the largest assortment by definition. For customers, this is very convenient when they are looking for alternatives to US products. So we're extremely well positioned and, based on our past experience, our full service did perform really well in that type of context, so we're not concerned about it at all. Plus, everything we've done over the last two, three years in providing value to customers, like I said in my script, we're seeing very positive signs in price perception, our strategies are resonating more and more to customers, so we feel good. We feel even better now than 18 months ago when we had the first counter tariff situation. And we had a large assortment, so customers can make many different choices to avoid US products, so we're well positioned for that.

What else? And we're not expecting that will create inflation because, like we've done last time, we did not accept cost increases related to tariffs because we have a lot of alternatives already in our assortment. So this is not an inflationary pressure for our full-service and discount stores because our diversity in source of supply, especially in the non-US products. So we feel very confident that, based on our past experience, by the way, we did benefit from that in our past experience in our results, right now there's less category, like Luc said, so it's way more manageable and we're really well positioned with our banners across the country, our franchisees operation, well connected to customers and local suppliers, so we have tons of alternative for customers in Canada to avoid buying US products at very good prices.

Vishal Shreedhar

Thank you.

Operator

Your next question comes from Irene Nattel from RBC Capital Markets. Please go ahead.

Irene Nattel — RBC

Thanks and good morning, everyone. Sticking with the topic of the day, which is just the consumer, just wondering, you alluded in your opening remarks to maybe some sort of tweaking that you’ve done in your offering to respond to consumer value-seeking behaviour. Can you talk about some of the initiatives that you have in place, whether it’s more value packs or sort of different animal proteins, whatever it is, any shifts that you’ve made? Thank you.

Luc L’Archevêque

Yeah. Thanks, Irene. This is Luc. Yeah, well, I won’t go too much into the details, but just our private label, like we revamped a lot of products and packaging. Private label is resonating very strongly right now. Our loyalty program, Scene+, we see our membership growing rapidly, so that program is resonating as well. We use that to do personalized offers. The response is great. We always had very strong promotional offers, weekly and EDLPs. They are still very at par with the market. And we have put more focus on value sizes recently across the board, every banner, and the response has been great. So, as Pierre said, like we are really, really focused on providing value in many ways, shape, and form so that the customers appreciate it. And they see it. Like they shop our stores and they appreciate the value. We measure good value scores and it’s improving. So I would say, high level, this is what we’re doing.

Irene Nattel

That's great. Thank you. And then just shifting gears ever so slightly, there was a sequential uptick in the pace of e-commerce sales from the prior quarter. Recognizing that there's some distortion from Calgary, kind of wondering what you're seeing with the third-party partners and in the core Voilà business.

Pierre St-Laurent

As you know, we made a difficult decision a few months ago. We remain committed. So we're seeing growth in our Voilà operation as well as in our third-party partnerships. So e-commerce, generally speaking, is growing on all segments. It's a different reason to shop, so it's a planned trip versus immediacy, so we feel really good. We're well diversified to meet different customer needs. By the way, Voilà is proposing a great value compared to third-party partnership, but again, third-party partnerships are there to cover an immediacy need for customers. So we feel good about those two segments we're working on.

The team is also working to continue to leverage all the data we have, all the visits we have on our different platforms to make more connections with different digital platforms we have to drive sales in our different platforms. So more to come on that, but e-commerce growth is a big focus for us. And now, with our new chief technology officer, this is something we're going to accelerate. But we have a strong plan in place. We feel very confident that the growth you're seeing right now in our e-commerce business is going to grow faster than in the past. So, in our forecast, we're expecting to see faster growth in the future than we have right now, but we're well positioned, 11.3%, not that bad, but could be way better, so we will focus on it and it's what we call internally our e-commerce 2.0 strategy and it's a big area of focus for our team right now.

Irene Nattel

That's great. Thank you. Very much.

Pierre St-Laurent

You're welcome. Thank you for your questions.

Operator

Your next question comes from Brian Morrison from TD Cowen. Please go ahead.

Brian Morrison — TD Cowen

Thank you. Good morning. A point of clarity. Sorry if I missed this, but the five store increase to 25 from 20, the five new adds, are they conventional or discount? And then can you provide granularity upon the 25 for the full year in terms of full service and discount, please?

Pierre St-Laurent

It's both. It's a combination of discount and our four new Mayrand stores in Québec, which I don't know how you will qualify them, even ourselves. It's a unique proposition that's resonating with customers a lot right now. But yes, so basically it's a bit higher than the forecast on our initial real estate plan plus the addition of the four Mayrand stores, so we're confident to say that, as today, we added more than 25 stores and I hope we will continue to accelerate that growth in the future.

Brian Morrison

Okay. And then maybe changing gears here, and I think probably best for Costa, but one of your peers recently talked about Supply Chain as a Service as a real notable opportunity and I'm curious how you're looking at this journey, specifically, if you view this as an opportunity for Empire to better utilize your asset base, specifically for freight and warehousing.

Constantine (Costa) Pefanis

Brian, I think when we look at what we're doing with managing our costs on supply chain, having the inbound freight act as a contra to this expense is something that we've always pressed on. We continue to put more focus on that because of all the various costs associated to running our supply chain. So not only do we look at route optimization, we want to lean in with our partners to be able to provide that service. And we can call it Freight as a Service, backhauling, inbound freight partnerships, any which way you call it, we're going to continue to position that as a key part of how we manage our costs and ultimately drive third-party revenue.

Pierre St-Laurent

And we're seeing the same opportunity, by the way, we're in the same business, so right now, with the high fuel cost, our proposition with suppliers to take charge of transportation is resonating more. People are trying to avoid cost in their operation and our proposition of backhauling or whatever the name you're giving to that, it's resonating more. So I think, over time, we'll continue to generate additional revenues, like we strongly believe that retail media will also deliver additional revenue, because we did invest on that two years ago and right now it's growing very quickly.

Brian Morrison

Okay. Thank you. Do you plan on providing any sort of parameters or benchmarks for those at some point in time?

Pierre St-Laurent

Not at this time. I understand the request. We'll look at it and we'll come back to you.

Brian Morrison

Thank you very much.

Pierre St-Laurent

You're welcome.

Operator

And there are no further questions at this time. I will turn the call back over to Katie for closing remarks.

Katie Brine

Thank you, Julie. We appreciate your continued interest in Empire. If there are any unanswered questions, please contact me by e-mail. We look forward to having you join us for our second quarter fiscal 2027 conference call on December 10th. Talk soon.

Operator

Ladies and gentlemen, this concludes today's conference call. You may now disconnect. Thank you.