FOR IMMEDIATE RELEASE
June 19, 2025

Empire Reports Fourth Quarter and Fiscal 2025 Results

- Earnings per share ("EPS") and adjusted EPS[(1)(2)] of $0.74
- Prior year EPS and adjusted EPS of $0.61 and $0.63, respectively
- Delivered adjusted EPS growth of 8.8% in fiscal 2025; within the financial framework
- Sales of $7,637 million, an increase of 3.0%
- Same-store sales[(2)] - food[(3)] increased by 3.8%
- Repurchased $400 million of shares in fiscal 2025
- Capital allocation outlook for fiscal 2026:
    - Declared a dividend increase of 10.0%; 30th consecutive year of dividend increase
    - Renewed NCIB with the intention to repurchase up to $400 million of shares
    - Capital investment program expected to be approximately $850 million

Stellarton, NS. June 19, 2025 / CNW / – Empire Company Limited ("Empire" or the "Company") (TSX: EMP.A) today announced its financial results for the fourth quarter and full year ended May 3, 2025. For the quarter, the Company recorded net earnings of $173 million ($0.74 per share) compared to $149 million ($0.61 per share) last year. For the quarter, the Company recorded adjusted net earnings of $173 million ($0.74 per share) compared to $154 million ($0.63 per share) last year, an increase of 12.3% (or 17.5% per share).

"This was a very strong quarter for Empire and I am pleased with the way our team finished the year, delivering positive results across all major financial measures," said Michael Medline, President & CEO, Empire. "Our momentum continued to build throughout fiscal 2025 resulting in fourth quarter market share gains and our adjusted EPS growth of 8.8% was within our financial framework."

Dividend Declaration

The Company declared a quarterly dividend of $0.22 per share on both Non-Voting Class A shares ("Class A shares") and Class B common shares, that will be payable on July 31, 2025 to shareholders of record on July 15, 2025. This reflects an increase in the annualized dividend rate of 10.0%. These dividends are eligible dividends as defined for the purposes of the Income Tax Act (Canada) and applicable provincial legislation.

Normal Course Issuer Bid ("NCIB")

On June 18, 2025, the Company renewed its NCIB by filing a notice of intention with the Toronto Stock Exchange ("TSX") to purchase for cancellation up to 11,500,000 Class A shares representing approximately 9.6% of the public float of 120,095,524 Class A shares as of June 17, 2025, subject to regulatory approval. As of June 17, 2025, there were 133,524,593 Class A shares issued and outstanding.

The Company intends to repurchase up to $400 million of Class A shares in fiscal 2026. The purchases will be made through the facilities of the TSX and/or any alternative Canadian trading systems to the extent they are eligible. The price that Empire will pay for any shares will be the market price at the time of acquisition. The Company believes that repurchasing shares at the prevailing market prices from time to time is a worthwhile use of funds and in the best interests of Empire and its shareholders. Purchases under the renewed NCIB may commence on July 2, 2025 and shall terminate not later than July 1, 2026.

(1) Adjusted Metrics include adjusted operating income, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted net earnings, and adjusted EPS. The Company is excluding from its Adjusted Metrics: costs incurred to plan and implement strategies to optimize the organization and improve efficiencies and insurance recoveries related to the Cybersecurity Event (as defined below under the heading "Adjusted Impacts on Net Earnings"), both of which occurred in the fourth quarter of fiscal 2024.
(2) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release.
(3) Previously named – same-store sales, excluding fuel.

Based on the average daily trading volume ("ADTV") of 448,504 shares over the last six months, daily purchases will be limited to 112,126 Class A shares (25% of the ADTV of the Class A shares), other than block purchase exemptions.

Under the Company's current NCIB, that commenced on July 2, 2024 and expires on July 1, 2025, the Company received approval from the TSX to purchase up to 12,800,000 Class A shares representing approximately 9.9% of the public float of Class A shares outstanding as of June 18, 2024. As of June 17, 2025, the Company has purchased 9,882,581 shares through the facilities of the TSX and alternative Canadian trading systems, including under its automatic share purchase plan, at a weighted average price of $42.25 for a total consideration of approximately $418 million.

Shares purchased are shown in the table below:

(in millions of Canadian dollars, except per share amounts)	**May 3, 2025 13 Weeks**	May 4, 2024 13 Weeks	**May 3, 2025 52 Weeks**	May 4, 2024 52 Weeks
Number of shares	**2,196,668**	3,010,237	**9,888,014**	11,301,318
Weighted average price per share	**$ 45.53**	$ 33.32	**$ 40.46**	$ 35.40
Cash consideration paid	**$ 100**	$ 100	**$ 400**	$ 400

The Company has also renewed its automatic share purchase plan with its designated broker allowing the purchase of Class A shares for cancellation under its NCIB during trading black-out periods, subject to regulatory approval.

On June 20, 2024, the Canadian government enacted new legislation, implementing a 2.0% tax on repurchases of equity. The tax, effective January 1, 2024, applies to the net value of shares repurchased by any Canadian corporation whose shares are listed on a designated stock exchange. As a result, the Company has recognized for the quarter and fiscal year ended May 3, 2025, $3 million and $11 million respectively, as a charge to retained earnings on the Consolidated Balance Sheets for the repurchase of shares.

Company Priorities

The Company is continuing to enhance data capabilities and deepen its understanding of its customers, allowing the Company to effectively capture emerging trends. The Company aims to grow total adjusted EPS over the long-term through net earnings growth and share repurchases. The Company intends to continue improving sales, gross margin (excluding fuel) and adjusted EBITDA margin by focusing on priorities such as:

Continued Focus on Stores:

Over recent years, the Company has accelerated investments in renovations, conversions, and new stores along with store processes, communications, training, technology and tools. Investing in the store network will remain a priority, demonstrated by a sustained emphasis on renovations and continued new store expansion. The Own Brands program enhancement will remain a priority through increased distribution, product innovation and supporting Canadian suppliers.

The Company intends to invest capital in its store network and is on track with its plan to renovate approximately 20% to 25% of the 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:

The focus on digital and data will include continued e-commerce expansion, personalization and loyalty through *Scene+* (see "Business Updates – E-Commerce" and "Business Updates – *Scene+*" for more information), improved space productivity and the continued improvement of promotional optimization. Space productivity will further enhance the customer experience by improving store layouts, optimizing category and product adjacencies and tailoring product assortment for each store. The advanced analytics tools built for promotional optimization will continue to be refined through the partnership between the advanced analytics team and category merchants. Enhancing digital and data capabilities will allow the Company to deliver the best personalized experiences to elevate its in-store and e-commerce experience for its customers.

Efficiency and Cost Control:

The Company has significantly improved its efficiency and cost effectiveness through sourcing efficiencies, optimizing supply chain productivity and improving systems and processes. The Company 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. The Company has implemented several cost savings initiatives in the Voilà business, including pausing the opening of its fourth Customer Fulfilment Centre ("CFC") and ending its mutual exclusivity with Ocado Group plc ("Ocado") and continues to pursue other cost saving initiatives.

SUMMARY RESULTS - FOURTH QUARTER & FISCAL YEAR

Comparative amounts have been rounded to the nearest million to conform with current year presentation

(in millions of Canadian dollars, except per share amounts)	**May 3, 2025 13 Weeks**	May 4, 2024 13 Weeks	$ Change	**May 3, 2025 52 Weeks**	May 4, 2024 52 Weeks	$ Change
Sales	**$ 7,637**	$ 7,412	$ 225	**$ 31,277**	$ 30,733	$ 544
Gross profit[1]	**2,109**	2,006	103	**8,382**	8,071	311
Operating income	**313**	292	21	**1,289**	1,311	(22)
Adjusted operating income[2]	**313**	298	15	**1,303**	1,256	47
EBITDA[1]	**599**	557	42	**2,409**	2,382	27
Adjusted EBITDA[2]	**599**	563	36	**2,423**	2,327	96
Net earnings[3]	**173**	149	24	**700**	726	(26)
Adjusted net earnings[2][3]	**173**	154	19	**711**	681	30
Diluted earnings per share						
EPS[3]	**$ 0.74**	$ 0.61	$ 0.13	**$ 2.93**	$ 2.92	$ 0.01
Adjusted EPS[2][3]	**$ 0.74**	$ 0.63	$ 0.11	**$ 2.98**	$ 2.74	$ 0.24
Diluted weighted average number of shares outstanding (in millions)	**234.8**	243.7	(8.9)	**238.6**	248.4	(9.8)
Dividend per share	**$ 0.2000**	$ 0.1825	$ 0.0175	**$ 0.8000**	**$ 0.7300**	$ 0.0700

	May 3, 2025 13 Weeks	May 4, 2024 13 Weeks	**May 3, 2025 52 Weeks**	May 4, 2024 52 Weeks
Gross margin[1]	**27.6 %**	27.1 %	**26.8 %**	26.3 %
EBITDA margin[1]	**7.8 %**	7.5 %	**7.7 %**	7.8 %
Adjusted EBITDA margin[2]	**7.8 %**	7.6 %	**7.7 %**	7.6 %
Same-store sales[1] growth (decline)	**3.0 %**	(0.3)%	**1.9 %**	1.3 %
Same-store sales growth[1] - food[4]	**3.8 %**	0.2 %	**2.3 %**	2.0 %
Same-store sales (decline) growth[1] - fuel	**(7.8)%**	4.0 %	**(4.2)%**	(7.4)%
Effective income tax rate	**25.2 %**	28.4 %	**25.0 %**	25.8 %

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release.
(2) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release for a description of the types of costs and recoveries included.
(3) Attributable to owners of the Company.
(4) Previously named – same-store sales, excluding fuel.

FINANCIAL PERFORMANCE BY SEGMENT

Food Retailing

(in millions of Canadian dollars)	May 3, 2025 13 Weeks	May 4, 2024 13 Weeks	$ Change	May 3, 2025 52 Weeks	May 4, 2024 52 Weeks	$ Change
Sales	**$ 7,637**	$ 7,412	$ 225	**$ 31,277**	$ 30,733	$ 544
Gross profit	**2,109**	2,006	103	**8,382**	8,071	311
Operating income	**307**	280	27	**1,234**	1,265	(31)
Adjusted operating income(1)	**307**	286	21	**1,248**	1,210	38
EBITDA(1)	**593**	546	47	**2,354**	2,337	17
Adjusted EBITDA(1)	**593**	552	41	**2,368**	2,282	86
Net earnings(2)	**169**	144	25	**659**	712	(53)
Adjusted net earnings(2)	**169**	149	20	**670**	668	2

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release for a reconciliation of the adjusted metrics presented in this table.
(2) Attributable to owners of the Company.

The following table provides a breakdown of the Company's total sales for the Food retailing segment:

(in millions of Canadian dollars)	May 3, 2025 13 Weeks	May 4, 2024 13 Weeks	$ Change	May 3, 2025 52 Weeks	May 4, 2024 52 Weeks	$ Change
Food sales	**$ 7,189**	$ 6,928	$ 261	**$ 29,338**	$ 28,661	$ 677
Fuel sales	**448**	484	(36)	**1,939**	2,072	(133)

Investments and Other Operations

(in millions of Canadian dollars)	May 3, 2025 13 Weeks	May 4, 2024 13 Weeks	$ Change	May 3, 2025 52 Weeks	May 4, 2024 52 Weeks	$ Change
Crombie REIT(1)	**$ 11**	$ 12	$ (1)	**$ 65**	$ 44	$ 21
Real estate partnerships	**1**	4	(3)	**16**	13	3
Other operations, net of corporate expenses	**(6)**	(5)	(1)	**(26)**	(11)	(15)
Operating income	**$ 6**	$ 11	$ (5)	**$ 55**	$ 46	$ 9

(1) Crombie Real Estate Investment Trust ("Crombie REIT").

Empire Company Limited Operating Results

Sales

Food sales for the quarter ended May 3, 2025 increased by 3.8% primarily driven by positive growth across the business, particularly in the Full-Service and Discount banners.

Fuel sales for the quarter ended May 3, 2025 decreased by 7.4% primarily driven by lower fuel prices due to the removal of the government carbon tax.

Food sales for the fiscal year ended May 3, 2025 increased by 2.4% primarily driven by positive growth across the business, particularly in the Full-Service and Discount banners.

Fuel sales for the fiscal year ended May 3, 2025 decreased by 6.4% driven by lower fuel prices and lower volume compared to the prior year, as well as the sale of the retail fuel sites in Western Canada ("Western Canada Fuel Sale") in the first quarter of fiscal 2024.

Gross Profit

Gross profit for the quarter ended May 3, 2025 increased by 5.1% primarily driven by higher sales, strong performance and operational discipline in the Full-Service banners and expansion in the FreshCo, Farm Boy and Voilà banners.

Gross margin for the quarter ended May 3, 2025 increased to 27.6% from 27.1% in the prior year, primarily due to the mix impact of lower fuel sales and strong performance in Full-Service banners as a result of disciplined execution in targeted efficiencies in our stores, including initiatives aimed at reducing shrink. Gross margin, excluding the mix impact of fuel, increased by 32 basis points.

Gross profit for the fiscal year ended May 3, 2025 increased by 3.9% primarily driven by higher sales, strong performance and operational discipline aimed at reducing shrink and business expansion (Farm Boy, FreshCo and Voilà).

Gross margin for the fiscal year ended May 3, 2025 increased to 26.8% from 26.3% in the prior year, primarily as a result of strong performance in Full-Service banners including several targeted initiatives aimed at closely managing shrink and inventory and improving promotional mix, lower distribution costs driven primarily by efficiency initiatives in supply chain and the mix impact of lower fuel sales. Gross margin, excluding the mix impact of fuel, increased by 43 basis points.

Operating Income

(in millions of Canadian dollars)	**May 3, 2025 13 Weeks**	May 4, 2024 13 Weeks	$ Change	**May 3, 2025 52 Weeks**	May 4, 2024 52 Weeks	$ Change
Food retailing	**$ 307**	$ 281	$ 26	**$ 1,234**	$ 1,265	$ (31)
Investments and other operations:						
Crombie REIT	**11**	12	(1)	**65**	44	21
Real estate partnerships	**1**	4	(3)	**16**	13	3
Other operations, net of corporate expenses	**(6)**	(5)	(1)	**(26)**	(11)	(15)
	6	11	(5)	**55**	46	9
Operating income	**$ 313**	$ 292	$ 21	**$ 1,289**	$ 1,311	$ (22)
Adjustments:						
E-commerce Exclusivity(1)	**-**	-	-	**12**	-	12
Restructuring(1)	**-**	20	(20)	**2**	72	(70)
Cybersecurity Event(1)	**-**	(14)	14	**-**	(36)	36
Western Canada Fuel Sale(1)	**-**	-	-	**-**	(91)	91
	-	6	(6)	**14**	(55)	69
Adjusted operating income(1)	**$ 313**	$ 298	$ 15	**$ 1,303**	$ 1,256	$ 47

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release for a description of the types of costs and recoveries included.

For the quarter ended May 3, 2025, operating income from the Food retailing segment increased mainly due to higher sales and gross profit, partially offset by higher selling and administrative expenses. Selling and administrative expenses increased mainly due to higher share based long-term incentive program expenses (an increase of $49 million compared to the prior year), mainly driven by the Company's significant share price appreciation and increased vesting level. Higher retail labour costs driven by wage rate increases, continued investment in business expansion (Farm Boy, FreshCo and Voilà) and an increase in depreciation and amortization also increased selling and administration expenses.

For the fiscal year ended May 3, 2025, operating income from the Food retailing segment decreased mainly due to higher selling and administration expenses in the current year, partially offset by higher sales and gross profit. Selling and administrative expenses increased due to higher share based long-term incentive program expenses (an increase of $81 million compared to the prior year), mainly driven by the Company's significant share price appreciation and increased vesting level. An increase in compensation expense primarily driven by retail labour costs, continued investment in business expansion (Farm Boy, FreshCo and Voilà), and an increase in depreciation and amortization also increased selling and administration expenses.

For the quarter ended May 3, 2025, operating income from the Investments and other operations segment slightly decreased primarily due to a decrease in property sales in real estate partnerships.

For the fiscal year ended May 3, 2025, operating income from the Investments and other operations segment increased primarily as a result of higher equity earnings from Crombie REIT, due to an increase in property sales, which was partially offset by the Company's investment in *Scene+* driven by increase member participation and redemption of its loyalty program points.

EBITDA

(in millions of Canadian dollars)	May 3, 2025 13 Weeks	May 4, 2024 13 Weeks	$ Change	May 3, 2025 52 Weeks	May 4, 2024 52 Weeks	$ Change
EBITDA (1)	**$ 599**	$ 557	$ 42	**$ 2,409**	$ 2,382	$ 27
Adjustments:						
E-commerce Exclusivity(2)	**-**	-	-	**12**	-	12
Restructuring(2)	**-**	20	(20)	**2**	72	(70)
Cybersecurity Event(2)	**-**	(14)	14	**-**	(36)	36
Western Canada Fuel Sale(2)	**-**	-	-	**-**	(91)	91
	-	6	(6)	**14**	(55)	69
Adjusted EBITDA(2)	**$ 599**	$ 563	$ 36	**$ 2,423**	$ 2,327	$ 96

(1) See “Non-GAAP Financial Measures & Financial Metrics” section of this News Release.
(2) See “Non-GAAP Financial Measures & Financial Metrics” section of this News Release for a description of the types of costs and recoveries included.

For the quarter ended May 3, 2025, EBITDA increased to $599 million from $557 million in the prior year mainly as a result of the same factors affecting operating income (excluding the increase in depreciation and amortization of $20 million). Adjusted EBITDA margin increased to 7.8% from 7.6% in the prior year.

For the fiscal year ended May 3, 2025, EBITDA increased to $2,409 million from $2,382 million in the prior year mainly as a result of the same factors affecting operating income (which excludes the increase in depreciation and amortization of $49 million). Adjusted EBITDA margin increased to 7.7% from 7.6% in the prior year.

Income Taxes

For the quarter ended May 3, 2025, the effective income tax rate was 25.2% compared to 28.4% in the same quarter last year. The effective tax rate was lower than the statutory rate primarily due to the benefits of investment tax credits and the revaluation of tax estimates, not all of which are recurring. The effective tax rate in the same quarter last year was higher than the statutory rate primarily due to changes in tax rates and the revaluation of tax estimates, not all of which are recurring, partially offset by the benefits of investment tax credits.

The effective income tax rate for the fiscal year ended May 3, 2025 was 25.0% compared to 25.8% last year. The current year effective tax rate was lower than the statutory rate primarily due to non-taxable capital items, consolidated structured entities and non-taxable capital items that are taxed at lower rates, and the benefits of investment tax credits. The effective tax rate in the prior year was lower than the statutory rate primarily due to the revaluation of tax estimates, not all of which were recurring and the benefits of investment tax credits.

Net Earnings

(in millions of Canadian dollars, except per share amounts)	May 3, 2025 13 Weeks	May 4, 2024 13 Weeks	$ Change	May 3, 2025 52 Weeks	May 4, 2024 52 Weeks	$ Change
Net earnings[1]	**$ 173**	$ 149	$ 24	**$ 700**	$ 725	$ (25)
EPS[4] (fully diluted)	**$ 0.74**	$ 0.61	$ 0.13	**$ 2.93**	$ 2.92	$ 0.01
Adjustments[2] (net of income taxes):						
E-commerce Exclusivity[3]	**-**	-	-	**9**	-	9
Restructuring[3]	**-**	15	(15)	**2**	53	(51)
Cybersecurity Event[3]	**-**	(10)	10	**-**	(25)	25
Western Canada Fuel Sale[3]	**-**	-	-	**-**	(72)	72
	-	5	(5)	**11**	(44)	55
Adjusted net earnings[1][3][5]	**$ 173**	$ 154	$ 19	**$ 711**	$ 681	$ 30
Adjusted EPS[1][3] (fully diluted)	**$ 0.74**	$ 0.63	$ 0.11	**$ 2.98**	$ 2.74	$ 0.24
Diluted weighted average number of shares outstanding (in millions)	**234.8**	243.7	(8.9)	**238.6**	248.4	(9.8)

(1) Attributable to owners of the Company.
(2) Total adjustments for the quarter and fiscal year ended are net of income taxes of $ nil and $4 million (May 4, 2024 - $2 million and $(7) million), respectively.
(3) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release for a description of the types of costs and recoveries included.
(4) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release.
(5) See "Adjusted Impacts on Net Earnings" section of this News Release

Adjusted Impacts on Net Earnings

The Company has taken actions in its e-commerce business to decrease costs and increase its flexibility to serve customers, including ending its mutual exclusivity agreement with Ocado. The Company included in its adjusted metrics the adjustment for the exclusivity costs. In the first quarter of fiscal 2025, the Company incurred a non-cash charge related to ending the exclusivity. The impact to net earnings for the fiscal year ended May 3, 2025 was ($9) million (2024 - $ nil).

In the first quarter of fiscal 2024, Empire began to pursue strategies to optimize its organization, improve efficiencies and reduce costs including changes to its leadership team and organizational structure and the voluntary buyout of certain unionized employees (the "Restructuring"). The Company included in adjusted metrics the adjustment for restructuring costs. The impact to net earnings for the quarter and fiscal year ended May 3, 2025 were $ nil and ($2) million respectively (May 4, 2024 – ($15) million and ($53) million respectively).

In the second quarter of fiscal 2023, Empire experienced IT system issues related to a Cybersecurity Event. The Company included in its adjusted metrics an adjustment for direct costs such as inventory shrink, hardware and software restoration costs, legal and professional fees, and labour costs, net of insurance recoveries. The impact to net earnings for the quarter and fiscal year ended May 3, 2025 was a recovery of $ nil (2024 – $10 million and $25 million, respectively).

On July 30, 2023, Empire completed the sale of its Western Fuel Business to Canadian Mobility Services Limited, a wholly-owned subsidiary of Shell Canada. The sale of all 56 retail fuel sites in Western Canada was completed for approximately $100 million, which resulted in a pre-tax gain of $91 million. The impact to net earnings for the fiscal year ended May 3, 2025 was a recovery of $ nil (2024 - $72 million).

Capital Expenditures

The Company invested $233 million and $721 million in capital expenditures[1] for the quarter and fiscal year ended May 3, 2025 (May 4, 2024 – $416 million and $831 million), respectively including renovations and construction of new stores, investments in advanced analytics technology and other technology systems and Voilà CFCs.

In fiscal 2026, capital expenditures are expected to be approximately $850 million, with approximately 50% of this investment allocated to store renovations and new store expansion (including a 1.5% increase in store footprint expansion from new stores), 25% on IT projects and business development projects and the remainder on logistics and sustainability. The Company is on track to renovate approximately 20% to 25% of the network between fiscal 2024 and fiscal 2026.

(1) Capital expenditures are calculated on an accrual basis and includes acquisitions of property, equipment and investment properties, and additions to intangibles.

Free Cash Flow

(in millions of Canadian dollars)	May 3, 2025 13 Weeks	May 4, 2024 13 Weeks	$ Change	May 3, 2025 52 Weeks	May 4, 2024 52 Weeks	$ Change
Cash flows from operating activities	**$ 685**	$ 556	$ 129	**$ 2,127**	$ 2,073	$ 54
Add:						
Proceeds on disposal of assets[1] and lease modifications and terminations	**28**	32	(4)	**149**	180	(31)
Less:						
Interest paid	**(19)**	(11)	(8)	**(59)**	(50)	(9)
Payments of lease liabilities, net of payments received for finance subleases	**(176)**	(170)	(6)	**(712)**	(674)	(38)
Acquisitions of property, equipment, investment property and intangibles	**(200)**	(302)	102	**(777)**	(799)	22
Free cash flow[2]	**$ 318**	$ 105	$ 213	**$ 728**	$ 730	$ (2)

(1) Proceeds on disposal of assets include property, equipment and investment property.
(2) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release.

For the quarter ended May 3, 2025, free cash flow increased versus prior year primarily as a result of an increase in cash flows from operating activities and a decrease in capital investments.

For the fiscal year ended May 3, 2025, free cash flow decreased slightly versus prior year primarily as a result of an increase in payments of lease liabilities and a decrease in proceeds on disposal of assets and lease modifications and terminations offset by an increase in cash flows from operating activities and a decrease in capital investments.

CONSOLIDATED FINANCIAL CONDITION

(in millions of Canadian dollars, except per share and ratio calculations)	**May 3, 2025**	May 4, 2024	May 6, 2023
Shareholders' equity, net of non-controlling interest	**$ 5,410**	$ 5,341	$ 5,200
Book value per common share(1)	**$ 23.13**	$ 21.54	$ 20.09
Long-term debt, including current portion	**$ 1,082**	$ 1,096	$ 1,012
Long-term lease liabilities, including current portion	**$ 6,382**	$ 6,265	$ 6,185
Funded debt to total capital(1)	**58.0%**	58.0%	58.1%
Funded debt to adjusted EBITDA(1)	**3.1x**	3.2x	3.1x
Adjusted EBITDA to interest expense(1)	**8.2x**	8.3x	8.8x
Current assets to current liabilities	**0.8x**	0.8x	0.8x
Total assets	**$ 17,019**	$ 16,790	$ 16,484
Total non-current financial liabilities	**$ 7,379**	$ 7,430	$ 7,290

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release.

During fiscal 2025, Sobeys' credit ratings for both Morningstar DBRS ("DBRS") and S&P Global ("S&P") remained unchanged from the prior year. The following table shows Sobeys' credit ratings as at May 3, 2025:

Rating Agency	Credit Rating (Issuer rating)	Trend/Outlook
DBRS	BBB	Stable
S&P	BBB-	Stable

The amended and restated credit agreements for both Empire and Sobeys, dated November 3, 2022, were amended on June 24, 2024 for updated Canadian Overnight Repo Rate Average ("CORRA"). On June 28, 2024, CORRA replaced Canadian Dollar Offered Rate ("CDOR") and any maturing Bankers' Acceptances after this date were converted to CORRA loans. The use of CORRA rates has not resulted in a material difference in the Company's cost of borrowing under the Empire and Sobeys credit facilities compared to CDOR.

On June 21, 2024, Sobeys established a senior, unsecured non-revolving term credit facility for $120 million with a maturity date of June 20, 2025. Subsequent to the year ended May 3, 2025, on June 18, 2025, Sobeys amended the facility to extend the maturity by one year. This facility will now mature June 19, 2026. All other terms of the facility stayed the same. Interest payable on this facility fluctuates with changes in the Canadian prime rate or CORRA. The facility was fully utilized on June 21, 2024, with the proceeds used to refinance amounts owing under its existing credit facility. As of May 3, 2025, the outstanding amount of the facility was $120 million.

Sobeys, through its acquisition of Longo's, has an operating line of credit which was amended from $100 million to $115 million on March 25, 2025. As of May 3, 2025, the outstanding amount of the facility was $82 million (May 4, 2024 - $64 million). Interest payable on this facility fluctuates with changes in the Canadian prime rate.

For additional information on Empire's long-term debt, see Note 15 of the Company's audited Consolidated Financial Statements for the fiscal year ended May 3, 2025.

Business Updates

E-Commerce

Voilà, the Company's online delivery business, has three active CFCs located in Toronto, Montreal and Calgary. In the fourth quarter of fiscal 2024, the Company decided to pause the opening of its fourth CFC in Vancouver to focus efforts on driving volume and performance in its three active CFCs. Construction of the external building for the fourth CFC has been substantially completed with the internal work related to the grid build and robot commissioning not yet started. Once e-commerce penetration rates in Canada increase, the Company will be in a position to make a decision quickly on when it will proceed with the opening of its fourth CFC.

The Company has also taken actions to decrease costs and increase its flexibility to serve customers, including ending its mutual exclusivity agreement with Ocado before it was originally estimated to end. This resulted in a non-cash pre-tax charge related to ending the exclusivity of $12 million during the first quarter of fiscal 2025. On October 24, 2024, the Company announced partnerships with Instacart and Uber Eats in Ontario, providing customers with new ways to shop its stores online. On December 5, 2024, the Company expanded these partnerships to Western Canada across various banners and also to Foodland in Ontario. On March 11, 2025, these partnerships were expanded to Quebec and Atlantic Canada, completing the national grocery rollout based on serviceable locations. Subsequently on May 27, 2025, the Company launched the partnerships with Lawtons. These new partnerships complement Voilà by providing a full suite of delivery options for our customers across the marketplace platforms at many of the Company's banners such as Sobeys, Farm Boy, Longo's, FreshCo, Safeway, IGA, IGA Extra, Foodland and Lawtons.

The actions that the Company has taken as outlined above have had a positive impact on the e-commerce financial performance in fiscal 2025 and is expected to have an even greater benefit in fiscal 2026 and beyond. Voilà's future earnings will primarily be impacted by sales volume, with strong margins, operational efficiencies and cost discipline also serving as important drivers to manage financial performance. While the market penetration of Voilà continues to be strong, the size and growth of the Canadian grocery e-commerce market is smaller than anticipated, resulting in higher net earnings dilution than originally estimated.

In the quarter ended May 3, 2025, the Company's e-commerce platforms Voilà (including curbside pickup), IGA.net, ThriftyFoods.com and the new partnerships with Instacart and Uber Eats, generated a combined sales increase of 80.2% compared to the same quarter in the prior year. The increase is primarily driven by contribution from the rollouts of the new partnerships in fiscal 2025 and continued strong double-digit sales growth of Voilà.

Scene+

Along with Scotiabank and Cineplex, Empire is a co-owner of *Scene+,* one of Canada's leading loyalty programs. *Scene+* has been rewarding customers in almost all of the Company's banners since launching in fiscal 2023. In that time, *Scene+* has grown from 10 million to over 15 million members, while offering a breadth of rewards categories to its members, providing a strategic marketing and promotional tool for the Company.

The Company's key priority with *Scene+* is to accelerate program engagement by focusing on personalization. By using machine learning and artificial intelligence algorithms, personalization recommendations will be improved, delivering the right message to the right customer at the right time, through the right channels.

FreshCo

Since fiscal 2018, the Company has been expanding its FreshCo discount banner to Western Canada and its significant growth has been driven by store conversions and regional expansion. The value proposition and strong multicultural assortment, along with the addition of the *Scene+* loyalty program, has supported the growth and expansion of the Discount banner. As at June 18, 2025, FreshCo has 49 stores operating in Western Canada. Subsequent to the quarter ended May 3, 2025, the Company opened one FreshCo store in Western Canada and expects to open an additional six stores in fiscal 2026. The Company expects to have opened 65 FreshCo stores in Western Canada over the next several years.

Other Items

Western Canada Fuel Sale

On December 13, 2022, the Company signed a definitive agreement between a wholly-owned subsidiary of Sobeys and Canadian Mobility Services Limited, a wholly-owned subsidiary of Shell Canada, to sell all 56 retail fuel sites in Western Canada for approximately $100 million. Following regulatory review and approval, the Western Canada Fuel Sale was completed in the first quarter of fiscal 2024.

OUTLOOK

Management aims to grow total adjusted EPS over the long-term through net earnings and share purchases. The Company intends to continue improving sales, gross margin (excluding fuel) and adjusted EBITDA margin by focusing on priorities such as; a continued focus on stores (investing in renovations, new store expansion, and Own Brands program enhancement), an expanded focus on digital and data (through key strategic initiatives including e-commerce, *Scene+*, personalization, space productivity and promotional optimization), and driving efficiency and cost effectiveness through initiatives related to sourcing of goods not for resale, supply chain productivity and the organizational structure.

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 (including a 1.5% increase in store footprint expansion from new stores), 25% allocated to IT and business development projects and the remainder allocated to logistics and sustainability. The Company is on track with its plan to renovate approximately 20% to 25% of the network between fiscal 2024 and fiscal 2026.

During fiscal 2026, the Company expects aggregate pre-tax earnings from Other income plus Share of earnings from investments, at equity (both found in the Company's Consolidated Statements of Earnings), to be in the range of $120 million to $140 million (2025 - $158 million).

In the quarter ended May 3, 2025, the Company's internal food inflation continues to be below the Consumer Price Index for food purchased from stores and was largely in line with internal food inflation from the quarter ended February 1, 2025. The Company is focused on supplier relationships and negotiations to ensure competitive pricing for customers. The Company continues to be well positioned to pursue long-term growth despite the impacts of global economic uncertainties.

Recent imposition of tariffs by the United States government and retaliatory tariffs by the Canadian government are expected to 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. The timing and duration of increased tariffs create financial uncertainty for Canadian companies, and may lead to potential job losses, reduced economic activity, and weakening confidence in the future, and could disrupt supplier relationships and the supply chain, and this may increase the volatility in the Company's operational results. In the third quarter of fiscal 2025, 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.

FORWARD-LOOKING INFORMATION

This document 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 aim to increase total adjusted 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 plans to further grow and enhance the Own Brands portfolio, which may be impacted by future operating costs and customer response;

- 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 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 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;

- 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 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 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 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 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;

- 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; and

- The Company's plans to purchase for cancellation Class A shares under the NCIB, which may be impacted by market and macro-economic conditions, availability of sellers, changes in laws and regulations, and operating results.

By its nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks, uncertainties and other factors which may cause actual results to differ materially from forward-looking statements made. For more information on risks, uncertainties and assumptions that may impact the Company’s forward-looking statements, please refer to the Company’s materials filed with the Canadian securities regulatory authorities, including the “Risk Management” section of the fiscal 2025 annual MD&A.

Although the Company believes the predictions, forecasts, expectations or conclusions reflected in the forward-looking information are reasonable, it can provide no assurance that such matters will prove correct. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. The forward-looking information in this document reflects the Company’s current expectations and is subject to change. The Company does not undertake to update any forward-looking statements that may be made by or on behalf of the Company other than as required by applicable securities laws.

NON-GAAP FINANCIAL MEASURES & FINANCIAL METRICS

There are measures and metrics included in this News Release 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. Management believes that certain of these measures and metrics, including gross profit and EBITDA, are important indicators of the Company’s ability to generate liquidity through operating cash flow to fund future working capital requirements, service outstanding debt and fund future capital expenditures and uses these metrics for these purposes.

In addition, management presents adjusted 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.

The Company includes these measures and metrics because it believes certain investors use these measures and metrics as a means of assessing financial performance. Empire's definition of the non-GAAP terms included in this News Release are as follows:

- The E-commerce Exclusivity adjustment includes the impact of the early termination of the mutual exclusivity agreement with Ocado, resulting in a non-cash charge related to the impairment of an intangible asset.

- The Restructuring adjustment includes costs incurred to plan and implement strategies to optimize the organization and improve efficiencies, including severance, professional fees and voluntary labour buyouts.

- The Cybersecurity Event adjustment includes the impact of incremental direct costs such as inventory shrink, hardware and software restoration costs, legal and professional fees, labour costs and insurance recoveries. Management believes that the Cybersecurity Event adjustment results in a useful economic representation of the underlying business on a comparative basis. The adjustment does not include management's estimate of the full financial impact of the Cybersecurity Event, as it excludes the net earnings impacts related to the estimated decline in sales and operational effectiveness from impacts such as the temporary loss of advanced planning, promotion and fresh item management tools, the temporary closure of pharmacies, and customers' temporary inability to redeem gift cards and loyalty points.

- The Western Canada Fuel Sale adjustment includes the impact of the gain on sale which is comprised of the purchase price less the write off of tangible assets and goodwill, legal and professional fees as well as lease termination impacts.

- The Grocery Gateway Integration adjustment includes the impact of the asset write-off related to the Grocery Gateway name and facility assets, severance, IT project costs and other costs.

- Same-store sales are sales from stores in the same location in both reporting periods.

- Gross profit is calculated as sales less cost of sales.

- Gross margin is gross profit divided by sales.

The following table reconciles gross profit on a consolidated basis:

(in millions of Canadian dollars)	**May 3, 2025 13 Weeks**	**May 4, 2024 13 Weeks**	**May 3, 2025 52 Weeks**	**May 4, 2024 52 Weeks**
Sales	**$ 7,637**	**$ 7,412**	**$ 31,277**	**$ 30,733**
Cost of sales	**5,528**	**5,406**	**22,895**	**22,662**
Gross profit	**$ 2,109**	**$ 2,006**	**$ 8,382**	**$ 8,071**

- Adjusted operating income is operating income excluding certain items to better analyze trends in performance. These items are excluded to allow for better period over period comparison of ongoing operating results. Adjusted operating income is reconciled to operating income in its respective subsection of the "Summary Results – Fourth Quarter & Fiscal Year" section.

- EBITDA is calculated as net earnings before finance costs (net of finance income), income tax expense, depreciation and amortization of intangibles.

- EBITDA margin is EBITDA divided by sales.

The following tables reconciles net earnings to EBITDA on a consolidated basis and for the Food retailing segment:

	13 Weeks					
	May 3, 2025			May 4, 2024		
(in millions of Canadian dollars)	Food retailing	Investment and other operations	Total	Food retailing	Investment and other operations	Total
Net earnings	$ 175	$ 3	$ 178	$ 151	$ 5	$ 156
Income tax expense	58	2	60	57	5	62
Finance costs, net	74	1	75	72	2	74
Operating income	307	6	313	280	12	292
Depreciation	255	-	255	236	(1)	235
Amortization of intangibles	31	-	31	30	-	30
EBITDA	$ 593	$ 6	$ 599	$ 546	$ 11	$ 557

	52 Weeks					
	May 3, 2025			May 4, 2024		
(in millions of Canadian dollars)	Food retailing	Investment and other operations	Total	Food retailing	Investment and other operations	Total
Net earnings	$ 705	$ 41	$ 746	$ 750	$ 13	$ 763
Income tax expense	239	10	249	240	26	266
Finance costs, net	290	4	294	275	7	282
Operating income	1,234	55	1,289	1,265	46	1,311
Depreciation	1,002	-	1,002	950	-	950
Amortization of intangibles	118	-	118	121	-	121
EBITDA	$ 2,354	$ 55	$ 2,409	$ 2,336	$ 46	$ 2,382

- Adjusted EBITDA is EBITDA excluding certain items to better analyze trends in performance. These items are excluded to allow for better period over period comparison of ongoing operating results. Adjusted EBITDA is reconciled to EBITDA in its respective subsection of the "Summary Results – Fourth Quarter & Fiscal Year" section.

- Adjusted EBITDA margin is adjusted EBITDA divided by sales.

- Management calculates interest expense as interest expense on financial liabilities measured at amortized cost and interest expense on lease liabilities.

The following tables reconciles finance costs, net to interest expense:

(in millions of Canadian dollars)	May 3, 2025 13 Weeks	May 4, 2024 13 Weeks	May 3, 2025 52 Weeks	May 4, 2024 52 Weeks
Finance costs, net	$ 75	$ 74	$ 294	$ 282
Plus: finance income, excluding interest income on lease receivables	2	2	10	8
Less: pension finance costs, net	(1)	(2)	(7)	(7)
Less: accretion expense on provisions	-	(1)	(2)	(2)
Interest expense	$ 76	$ 73	$ 295	$ 281

- Adjusted net earnings is net earnings, net of non-controlling interest, excluding certain items to better analyze trends in performance. These items are excluded to allow for better period over period comparison of ongoing operating results. Adjusted net earnings is reconciled in its respective subsection of the "Summary Results – Fourth Quarter & Fiscal Year" section.

- Adjusted EPS (fully diluted) is calculated as adjusted net earnings divided by diluted weighted average number of shares outstanding.

- Free cash flow is calculated as cash flows from operating activities, plus proceeds on disposal of property, equipment and investment property and lease modifications and terminations, less acquisitions of property, equipment, investment property and intangibles, interest paid and payments of lease liabilities, net of payments received from finance subleases.

- Book value per common share is shareholders' equity, net of non-controlling interest, divided by total common shares outstanding.

The following table shows the calculation of Empire's book value per common share:

(in millions of Canadian dollars, except per share amounts)	**May 3, 2025**	May 4, 2024	May 6, 2023
Shareholders' equity, net of non-controlling interest	**$ 5,410**	$ 5,341	$ 5,200
Shares outstanding (basic)	**233.9**	248.0	258.8
Book value per common share	**$ 23.13**	$ 21.54	$ 20.09

- Funded debt is all interest-bearing debt, which includes bank loans, notes payable, credit facilities and lease liabilities.

- Total capital is calculated as funded debt plus shareholders' equity, net of non-controlling interest.

The following table reconciles the Company's funded debt and total capital to GAAP measures:

(in millions of Canadian dollars)	**May 3, 2025**	May 4, 2024	May 6, 2023
Long-term debt due within one year	**$ 225**	$ 114	$ 101
Long-term debt	**857**	982	911
Lease liabilities due within one year	**597**	585	564
Long-term lease liabilities	**5,785**	5,680	5,621
Funded debt	**7,464**	7,361	7,197
Total shareholders' equity, net of non-controlling interest	**5,410**	5,341	5,200
Total capital	**$ 12,874**	$ 12,702	$ 12,397

- Funded debt to total capital ratio is funded debt divided by total capital.

- Funded debt to adjusted EBITDA ratio is funded debt divided by trailing four-quarter adjusted EBITDA.

- Adjusted EBITDA to interest expense ratio is trailing four-quarter adjusted EBITDA divided by trailing four-quarter interest expense.

CONFERENCE CALL INFORMATION

The Company will hold an analyst call on Thursday, June 19, 2025 beginning at 8:30 a.m.. (Eastern Daylight Time) during which senior management will discuss the Company's financial results for the fourth quarter of fiscal 2025. To instantly join the conference call by phone, please use the following URL to easily register yourself and be connected into the conference call automatically: https://emportal.ink/4jf0FJB. You can also be entered to the call by an Operator by dialing (888) 699-1199 outside the Toronto area or (416) 945-7677 from within the Toronto area.

To secure a line, please call 10 minutes prior to the conference call; you will be placed on hold until the conference call begins. The media and investing public may access this conference call via a listen mode only. You may also listen to a live audiocast of the conference call by visiting the "Quick Links" section of the Company's website located at www.empireco.ca, and then navigating to the "Empire Company Limited Quarterly Results Call" link.

The replay will be available by dialing (888) 660-6345 and entering access code 42094 until midnight July 3, 2025, or on the Company's website for 90 days following the conference call.

SELECTED FINANCIAL INFORMATION

The following unaudited quarterly and audited annual financial information has been prepared on a basis consistent with the audited Consolidated Financial Statements for the year ended May 3, 2025. The information does not include all disclosures required by International Financial Reporting Standards ("IFRS") and should be read in conjunction with the Company's 2025 audited Consolidated Financial Statements available on SEDAR+ at www.sedarplus.ca or by accessing the Investor Centre section of the Company's website at www.empireco.ca.

Consolidated Balance Sheets (in millions of Canadian dollars)	May 3 2025	May 4 2024
ASSETS		
Current assets		
Cash and cash equivalents	**$ 285**	$ 260
Receivables	**668**	678
Inventories	**1,833**	1,772
Prepaid expenses	**173**	162
Leases and other receivables	**121**	115
Income taxes receivable	**54**	70
Assets held for sale	**-**	47
Total current assets	**3,134**	3,104
Non-current assets		
Lease and other receivables	**636**	601
Investments, at equity	**720**	688
Other assets	**44**	39
Property and equipment	**3,675**	3,565
Right-of-use assets	**4,964**	4,918
Investment property	**162**	158
Intangibles	**1,359**	1,348
Goodwill	**2,055**	2,064
Deferred tax assets	**270**	305
Total assets	**$ 17,019**	$ 16,790
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 3,122**	$ 3,034
Income taxes payable	**73**	104
Provisions	**46**	54
Long-term debt due within one year	**225**	114
Lease liabilities due within one year	**597**	585
Other liabilities due within one year	**33**	-
Total current liabilities	**4,096**	3,891
Non-current liabilities		
Provisions	**34**	48
Long-term debt	**857**	982
Long-term lease liabilities	**5,785**	5,680
Other long-term liabilities	**279**	295
Employee future benefits	**162**	160
Deferred tax liabilities	**262**	265
Total liabilities	**11,475**	11,321
EQUITY		
Equity attributable to Owners of the Company		
Capital stock	**1,660**	1,779
Contributed surplus	**30**	56
Retained earnings	**3,697**	3,485
Accumulated other comprehensive income	**23**	21
Total equity attributable to Owners of the Company	**5,410**	5,341
Non-controlling interest	**134**	128
Total equity	**5,544**	5,469
Total liabilities and equity	**$ 17,019**	$ 16,790

Consolidated Statements of Earnings (in millions of Canadian dollars, except per share amounts)	May 3 2025 13 Weeks	May 4 2024 13 Weeks	May 3 2025 52 Weeks	May 4 2024 52 Weeks
Sales	**$ 7,637**	$ 7,412	**$ 31,277**	$ 30,733
Other income	**26**	13	**90**	180
Share of earnings from investments, at equity	**11**	13	**68**	51
Operating expenses				
Cost of sales	**5,528**	5,406	**22,895**	22,662
Selling and administrative expenses	**1,833**	1,740	**7,251**	6,991
Operating income	**313**	292	**1,289**	1,311
Finance costs, net	**75**	74	**294**	282
Earnings before income taxes	**238**	218	**995**	1,029
Income tax expense	**60**	62	**249**	266
Net earnings	**$ 178**	$ 156	**$ 746**	$ 763
Earnings for the year attributable to:				
Owners of the Company	**$ 173**	$ 149	**$ 700**	$ 726
Non-controlling interest	**5**	7	**46**	37
	$ 178	$ 156	**$ 746**	$ 763
Earnings per share				
Basic	**$ 0.74**	$ 0.61	**$ 2.94**	$ 2.92
Diluted	**$ 0.74**	$ 0.61	**$ 2.93**	$ 2.92
Weighted average number of common shares outstanding, in millions				
Basic	**233.9**	243.4	**237.9**	248.0
Diluted	**234.8**	243.7	**238.6**	248.4

Consolidated Statements of Cash Flows (in millions of Canadian dollars)	**May 3 2025 13 Weeks**	**May 4 2024 13 Weeks**	**May 3 2025 52 Weeks**	**May 4 2024 52 Weeks**
Operations				
Net earnings	**$ 178**	$ 156	**$ 746**	$ 763
Adjustments for:				
Depreciation	**255**	235	**1,002**	950
Income tax expense	**60**	62	**249**	266
Finance costs, net	**75**	74	**294**	282
Amortization of intangibles	**31**	30	**118**	121
Net gains on disposal of net assets	**(4)**	(10)	**(57)**	(108)
Net gains on lease modifications and terminations	**(18)**	-	**(18)**	(39)
Impairment losses of non-financial assets, net	**2**	-	**14**	-
Impairment losses of long-lived assets	**-**	-	**3**	-
Amortization of deferred items	**(1)**	-	**1**	1
Equity earnings of other entities, net of distributions received	**3**	-	**(3)**	19
Employee future benefits	**2**	(5)	**(9)**	(9)
(Decrease) increase in long-term provisions	**(7)**	-	**(16)**	4
Equity based compensation	**-**	2	**16**	9
Net change in non-cash working capital	**165**	43	**27**	(80)
Income taxes paid, net	**(56)**	(31)	**(240)**	(106)
Cash flows from operating activities	**685**	556	**2,127**	2,073
Investment				
Increase in equity investments	**(11)**	(2)	**(26)**	(6)
Property, equipment and investment property purchases	**(158)**	(277)	**(640)**	(705)
Intangible purchases	**(42)**	(25)	**(137)**	(94)
Proceeds on disposal of assets	**6**	32	**127**	146
Proceeds on lease modifications and terminations	**22**	-	**22**	34
Leases and other receivables, net	**(21)**	(20)	**(22)**	(48)
Other assets	**1**	-	**(8)**	(12)
Other liabilities	**10**	4	**4**	(2)
Business acquisitions	**-**	(5)	**(15)**	(19)
Payments received for finance subleases	**27**	26	**96**	94
Interest received	**-**	-	**2**	3
Cash flows used in investing activities	**(166)**	(267)	**(597)**	(609)
Financing				
Issuance of long-term debt	**19**	10	**98**	97
Advance on non-revolving credit facility	**-**	-	**120**	-
Repayments of long-term debt	**(11)**	(14)	**(94)**	(100)
(Repayments) advances on revolving credit facilities, net	**(56)**	157	**(138)**	86
Interest paid	**(19)**	(11)	**(59)**	(50)
Payments of lease liabilities (principal portion)	**(136)**	(132)	**(548)**	(527)
Payments of lease liabilities (interest portion)	**(67)**	(64)	**(260)**	(241)
Repurchase of common shares	**(100)**	(100)	**(400)**	(400)
Dividends paid	**(48)**	(45)	**(192)**	(181)
Non-controlling interest	**(7)**	(79)	**(32)**	(109)
Cash flows used in financing activities	**(425)**	(278)	**(1,505)**	(1,425)
Increase in cash and cash equivalents	**94**	11	**25**	39
Cash and cash equivalents, beginning of period	**191**	249	**260**	221
Cash and cash equivalents, end of period	**$ 285**	$ 260	**$ 285**	$ 260

2025 ANNUAL REPORT

The Company's audited Consolidated Financial Statements and the notes thereto for the fiscal year ended May 3, 2025 and MD&A for the fiscal year ended May 3, 2025, which includes discussion and analysis of results of operations, financial position and cash flows will be available today, June 19, 2025. These documents can be accessed through the Investor Centre section of the Company's website at www.empireco.ca and also at www.sedarplus.ca.

The Company's 2025 Annual Report will be available on or about August 1, 2025 and can be accessed through the Investor Centre section of the Company's website at www.empireco.ca and also at www.sedarplus.ca.

ABOUT EMPIRE

Empire Company Limited (TSX: EMP.A) is a Canadian company headquartered in Stellarton, Nova Scotia. Empire's key businesses are food retailing, through wholly-owned subsidiary Sobeys Inc., and related real estate. With approximately $31 billion in annual sales and $17 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 129,000 people.

Additional financial information relating to Empire, including the Company's Annual Information Form, can be found on the Company's website at www.empireco.ca or on SEDAR+ at www.sedarplus.ca.

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