

Q2 F26 Earnings

December 11, 2025

Disclaimers

Forward-Looking Information

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

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

- The Company's 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, which started in fiscal 2024 and continues through fiscal 2026 may be impacted by cost of materials, availability of contractors, operating results, and other macro-economic impacts;
- The Company's expectation that it will successfully implement the national instance of SAP S/4HANA Enterprise Resource Planning ("ERP") platform, which may be impacted by risks relating to implementation resources and timelines, complexity of integration and data conversion and evolving technology requirements;
- 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 improve overall e-commerce financial performance through actions it is pursuing to reduce costs and gain access to a larger segment of the grocery e-commerce market, which may be impacted by future operating and capital costs, customer response and the performance of its technology provider, Ocado Group plc ("Ocado");
- The Company's 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;
- 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 and uncertainty that future imposition of tariffs by the United States and the risk of potential retaliatory tariffs by the Canadian government could 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.

Non-GAAP Financial Measures & Financial Metrics

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

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

For a more complete description of Empire's non-GAAP measures and metrics, please see Empire's Management's Discussion and Analysis for the second quarter ended November 1, 2025.

Highlights: Q2-F26

Q2 F2026 Highlights

- **EPS and adjusted EPS of \$0.69**; no adjustments in Q2 F26.
 - When excluding other income and share of equity earnings in both years, core business EPS grew by 12.5% year over year.
- Prior year EPS and adjusted EPS of \$0.73; no adjustments in Q2 F25.
- **Sales of \$7,995 million, an increase of 2.8%**; primarily driven by positive growth across the business, particularly in the Full-Service banners, the Company's national wholesale distribution network, and in the Discount banner.
- **Food sales increased by 3.4%** versus Q2 F25.
- **Same-store sales – food⁽¹⁾ increased by 2.5%**; up 70 bps versus Q2 F25.
- **Gross margin, excluding fuel, increased by 14 bps**, primarily due to strong performance in Full-Service and Discount banners as a result of disciplined execution and targeted efficiencies in our stores, including initiatives aimed at inventory control and reducing shrink, and better promotional mix control, partially offset by the mix impact of higher wholesale distribution sales.
- The Company's e-commerce platforms - Voilà (including curbside pickup), IGA.net, ThriftyFoods.com and partnerships with Instacart and Uber Eats generated a combined sales increase of 81.2% 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 sales growth of Voilà.
- During the quarter, Sobeys recorded a recovery of \$8 million related to interest earned on the amounts deposited with CRA, net of costs associated with settling a reassessment matter with CRA, which has been recognized in finance costs. See the Q2 F26 News Release for further details.

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

Outlook / Business Updates

- In the quarter ended November 1, 2025, the Company's internal food inflation continued 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 August 2, 2025.
- The Company opened two new FreshCo stores in Western Canada during the quarter.
 - As at December 10, 2025, FreshCo has 51 stores operating in Western Canada and expects to open an additional three stores in fiscal 2026.
- The Company intends to repurchase up to \$400 million of Non-Voting Class A shares in fiscal 2026.
 - As of December 9, 2025, the Company has purchased 3,745,077 Class A shares in fiscal 2026 for total consideration of \$195 million.
- 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.
- During fiscal 2026, the Company expects aggregate pre-tax earnings from Other income plus Share of earnings from investments, at equity to be in the range of \$120 to \$140 million.

Financial Summary: Q2-F26 and YTD F26

Quarterly and YTD Financial Summary				
(\$ million, unless otherwise noted)	Q2 F26 13 weeks	Q2 F25 13 weeks	YTD F26 26 weeks	YTD F25 26 weeks
Sales	\$7,995	\$7,778	\$16,253	\$15,915
Same-store sales growth - food ⁽¹⁾	2.5%	1.8%	2.1%	1.5%
Gross Profit	\$2,147	\$2,065	\$4,382	\$4,191
Gross margin % ⁽²⁾	26.9%	26.5%	27.0%	26.3%
Other income plus Share of earnings from investments, at equity	\$18	\$49	\$51	\$107
Selling and Administrative Costs⁽³⁾	\$1,870	\$1,795	\$3,756	\$3,610
Selling and administrative %	23.4%	23.1%	23.1%	22.7%
Adjusted EBITDA⁽⁴⁾	\$583	\$601	\$1,254	\$1,260
Adjusted EBITDA margin % ⁽⁴⁾	7.3%	7.7%	7.7%	7.9%
Adjusted Earnings per Share – diluted⁽⁴⁾	\$0.69	\$0.73	\$1.60	\$1.63
Free Cash Flow⁽⁵⁾	\$5	\$76	\$68	\$263
Capital Expenditures	\$205	\$149	\$343	\$301

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

(2) Gross margin rate, excluding fuel, in Q2 F25 and YTD F25 improved by 14 basis points and 39 basis points, respectively.

(3) Selling and Administrative Costs for Q2 F26 includes Depreciation and Amortization of \$288 million (Q2 F25: \$282 million).

(4) During the second quarters of fiscal 2026 and fiscal 2025, there were no adjusting items.

(5) 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.

Long-Term Financial Framework

8% to 11%

Long Term Average Adjusted EPS Growth

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

Continued Focus on Stores

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

Enhanced Focus on Digital and Data

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

We are currently implementing a significant transformation of our core business systems by migrating the legacy ERP system to a modern national SAP S/4HANA platform.

Efficiency and Cost Optimization

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



Continued Share Repurchases

Continued Focus on Stores

Discount Expansion



Continue to pursue expansion by market

West:

- 51 new FreshCo stores since F18
- Expect to open an additional 3 stores in F2026.

Ontario:

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

Own Brands

1,250+ new private label SKUs since F20

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



Space Productivity



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

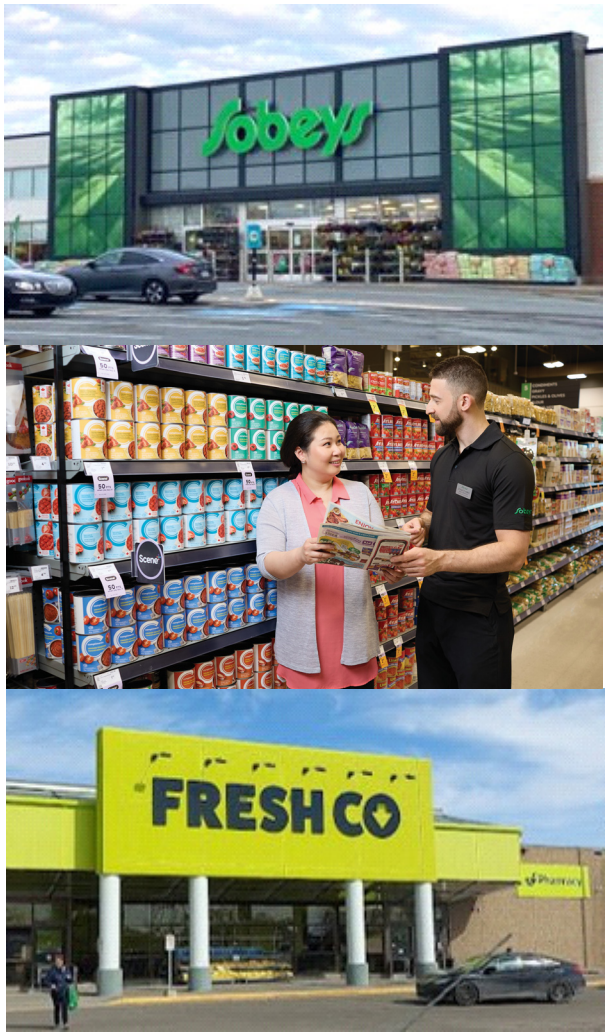
BETTER DATA
STORE FOCUSED SALES/SQ.FT.
Customer-Centric
SHELF PRODUCTIVITY ENABLER
Better Planograms

Renovations



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

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



(1) Sales growth from F2020 to F2025.

Enhanced Focus on Digital and Data



A differentiated national loyalty platform - driving incremental sales and earnings



Co-owner



Personalization
at Scale



Drive
Incrementality



Data Ownership to
Drive Insights



Differentiated
Experience



Connected Banners to Drive
Omni-Channel Strategy



New Customer
Acquisitions



Enhanced Customer
Loyalty



>15M
Members

Scene+ now has over
15 million members

+5M
New
Members

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

55%+
Higher Spend

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

>2,000
Card Swipes

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

Enhanced Focus on Digital and Data

E-Commerce



Key Areas of Focus

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

Best-in-Class Delivery Experience
White glove delivery

Substantial Assortment
39K SKUs at mature CFCs

Ongoing Innovation
[Ocado](#) [Re:Imagined](#)

Loyalty & Personalization
Increased engagement

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



Announced partnerships in Q2 F24:

- **October 24, 2024** - Launched in Ontario
- **December 5, 2024** - Expanded to Western Canada
- **March 11, 2025** - Expanded to Quebec and Atlantic Canada
- Grocery rollout completed based on serviceable locations.

Banners covered:



Target:

95%

Weekly on-time delivery score

ABOVE TARGET

Target:

98%

Fulfillment rate

ABOVE TARGET

Target:

70 NPS

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

ABOVE TARGET

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

Efficiency and Cost Optimization

Strategic Sourcing



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

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

Supply Chain



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

Organization / Other



- Turnaround Era (F18 - F23): Transitioned from a regional to national organizational structure
- F24: Implemented strategies to optimize our organization, improve efficiencies and reduce costs, including changes to the leadership team and organizational structure.
- F25: Pursued cost savings in the Voilà business by pausing the opening of our fourth CFC and ending our mutual exclusivity with Ocado, amongst other initiatives.
- F26: Migrating legacy ERP system to a modern national SAP S/4HANA platform aimed at streamlining financial reporting, procurement and supply chain operations.

ESG¹ Goals: Steady and tangible progress

Planet



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

FOOD WASTE

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



CLIMATE ACTION

30.1%

reduction in Scope 1 and 2 targets compared to 2019 baseline

CLIMATE ACTION

Our goal is that 64% of suppliers (by spend) set science-based targets on their Scope 1 and 2 emissions by the end of calendar year 2027. We are over half-way to our target



PLASTICS & PACKAGING

13%

Achieved a 13% average conversion from single-use plastic to reusable containers through our pilot with Friendlier in Farm Boy's Southwestern Ontario stores

Products



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

ETHICAL & SUSTAINABLE SOURCING

99%

of Own Brands seafood (by weight) is certified sustainable or recommended



ETHICAL & SUSTAINABLE SOURCING

90%

of palm oil in Own Brands products is certified sustainable by physical trace and credits (RSPO-certified).



SUPPLIER COLLABORATION

430+

women entrepreneurs supported in fiscal 2024 (across Canada, excluding Quebec).



Over **11,000** products from local suppliers and producers.

People



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

DIVERSITY, EQUITY & INCLUSION

92%

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



DIVERSITY, EQUITY & INCLUSION

Completed verification for the Partnership Accreditation for Indigenous Relations.

DIVERSITY, EQUITY & INCLUSION

38% representation of women at the senior leadership level.

COMMUNITY INVESTMENT

~\$25M

donated to support healthy bodies and minds in our communities (~\$7M in corporate donations and ~\$18M raised)



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

(1) ESG is Environmental, Social and Governance

Executive Leadership Team

