Q3 F26 Earnings

March 12, 2026

empire COMPANY LIMITED

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 earnings per share ("EPS") through net earnings growth and share repurchases, as well as its intention to continue improving sales, gross margin (excluding fuel) and adjusted earnings before interest, taxes, depreciation, and amortization ("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 which 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 SAP S/4HANA Enterprise Resource Planning ("ERP") platform and the timing and consequences of implementation with full deployment expected to be phased across the Company over the next two fiscal years, 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, including the amount and timing of improvements in annualized operating income of approximately $95 million, which may be impacted by future operating costs, customer response and timing and effectiveness of Management's strategic decisions;
- The Company's expectation regarding timing of the launch of DoorDash which may be impacted by the timing of implementation of the related technology and the availability of third-party resources;
- The Company's expectation to reinvest approximately one-third of the $95 million annualized e-commerce benefits into accelerating growth engines, which may be impacted by cost of materials, availability of contractors, operating results, and other macro-economic impacts;
- 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 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 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 Real Estate Investment Trust ("Crombie REIT") and Real estate partners;
- The Company's expectation regarding its ability to ensure competitive pricing for customers and pursue long-term growth, which may be impacted by supplier relationships and negotiations and the macro-economic environment;
- 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;
- The Company's expectation regarding the Company's medium term growth expectations of 10-20 basis points for gross margin excluding fuel which may be impacted by factors including business mix, execution of the Company's initiatives and inflationary impacts; and
- The Company's plans to purchase for cancellation Non-Voting Class A shares under the normal course issuer bid, 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 third quarter ended January 31, 2026.

Highlights: Q3-F26

Q3 F2026 Highlights

- **Sales of $7,890 million, an increase of 2.1%;** 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 3.0% y/y.**
- **Same-store sales – food increased by 2.0%.**
- **EPS of $(1.68) and adjusted EPS of $0.72.**
  - Adjusted EPS excludes: E-commerce impairment(1) of $549 million (net of income taxes).
  - When excluding real estate related income in both years, EPS grew by approximately 9% year over year.
  - Prior year EPS and adjusted EPS of $0.62; no adjustments in Q3 F25.
- **Total company gross margin was flat y/y.** Gross margin, excluding fuel, decreased by 25 bps y/y driven by non-recurring minor items and business mix impact.
  - YTD gross margin, excluding fuel, increased by 18 bps y/y, consistent with the Company's medium term growth expectations of 10-20 basis points.
- **Adjusted SG&A as a % of Sales decreased by ~10 bps y/y.** Reflects operating leverage and better cost optimization (technology, real estate, marketing expenses).
- 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 10.3% compared to the same quarter in the prior year.
  - The increase is primarily driven by growth in third-party partnership sales and continued sales growth for Voilà.

(1) During the quarter, the Company recognized impairment losses and related costs of $746 million (before taxes), which was recognized in the food retailing segment and has been recorded in impairment losses of long-lived assets and related charges on the Interim Condensed Consolidated Statements of (Loss) Earnings.

Outlook / Business Updates

- The outcome of the Company's e-commerce review is expected to improve overall e-commerce financial performance, with annualized benefits of approximately $95 million, of which $15 million are expected to be realized in the fourth quarter of fiscal 2026. Of this $95 million, approximately one-third was identified to be reinvested in accelerating growth engines. A portion of the Q4 benefits were captured as part of cost reduction strategies discussed earlier in the year.
  - The Company announced a third-party delivery partnership with DoorDash to provide additional ways for customers to shop its stores online.
- In the quarter ended January 31, 2026, 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 November 1, 2025.
- As at March 11, 2026, FreshCo has 51 stores operating in Western Canada and expects to open an additional two stores by the end of fiscal 2026.
  - The Company expects to have opened 65 FreshCo stores in Western Canada over the next several years.
- The Company intends to repurchase up to $400 million of Non-Voting Class A shares in fiscal 2026.
  - As of March 10, 2026, the Company has purchased 6,572,219 Class A shares in fiscal 2026 for total consideration of $330 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: Q3-F26 and YTD F26

Quarterly and YTD Financial Summary

($ million, unless otherwise noted)	Q3 F26 13 weeks	Q3 F25 13 weeks	YTD F26 39 weeks	YTD F25 39 weeks
Sales	**$7,890**	**$7,725**	**$24,143**	**$23,640**
Same-store sales growth - food[1]	2.0%	2.6%	2.1%	1.9%
Gross Profit	**$2,130**	**$2,082**	**$6,512**	**$6,273**
Gross margin %[2]	27.0%	27.0%	27.0%	26.5%
Other income plus Share of earnings from investments, at equity	$29	$14	$80	$121
Selling and Administrative Costs[3]	**$1,851**	**$1,808**	**$5,607**	**$5,418**
Selling and administrative %	23.5%	23.4%	23.2%	22.9%
Adjusted EBITDA[4]	**$602**	**$564**	**$1,856**	**$1,824**
Adjusted EBITDA margin %[4]	7.6%	7.3%	7.7%	7.7%
Adjusted Earnings per Share – diluted[4]	**$0.72**	**$0.62**	**$2.31**	**$2.24**
Free Cash Flow[5]	$288	$147	$356	$410
Capital Expenditures	**$239**	**$187**	**$582**	**$488**

(1) Previously named – same-store sales, excluding fuel.
(2) Gross margin rate, excluding fuel in Q3 F26 was 25bps lower versus Q3 F25 and 18bps higher YTD F26 versus OYTD F25.
(3) Selling and Administrative Costs for Q3 F26 includes Depreciation and Amortization of $294 million (Q3 F25: $276 million).The E-commerce impairment of $746 million is not included in Q3 F26 SG&A.
(4) In Q3 F26, adjusted metrics exclude impairment losses and related costs of $549 million incurred as a result of actions taken following the Company's e-commerce review in the third quarter of fiscal 2026. There were no adjusting items in Q3 F25.
(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. (see "Business Updates – E-commerce" section of the News Release for more information).

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Continued Share Repurchases

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Continued Focus on Stores

Discount Expansion

Continue to pursue expansion by market

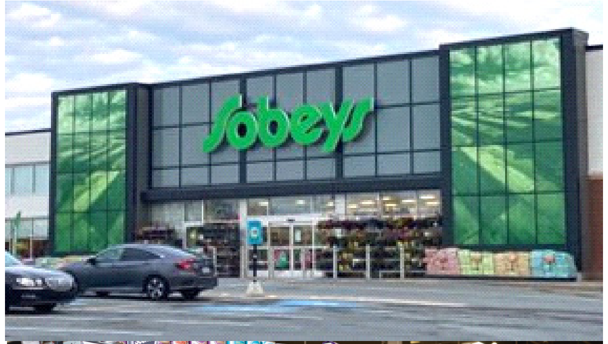
West:
- 51 FreshCo stores operating in Western Canada
- Expects to have opened 65 FreshCo stores in Western Canada over the next several years

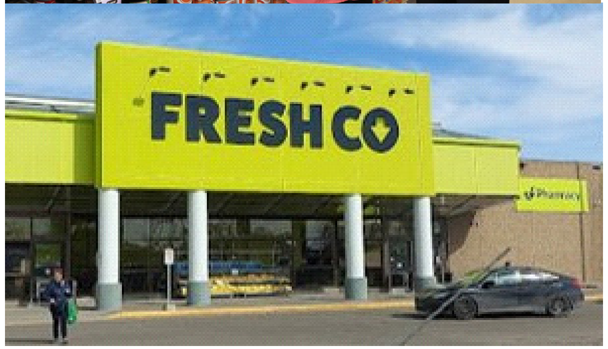
Ontario:
- >100 FreshCo locations
- Additional opportunities in Canada's largest province

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

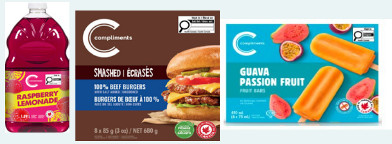




Own Brands

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



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

Scene+

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
+1,400 Shell Canada Locations	Starting May 26, 2026, Scene+ Members will be able to earn and redeem points at over 1,400 Shell locations nationwide.
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

voilà

Key Areas of Focus

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

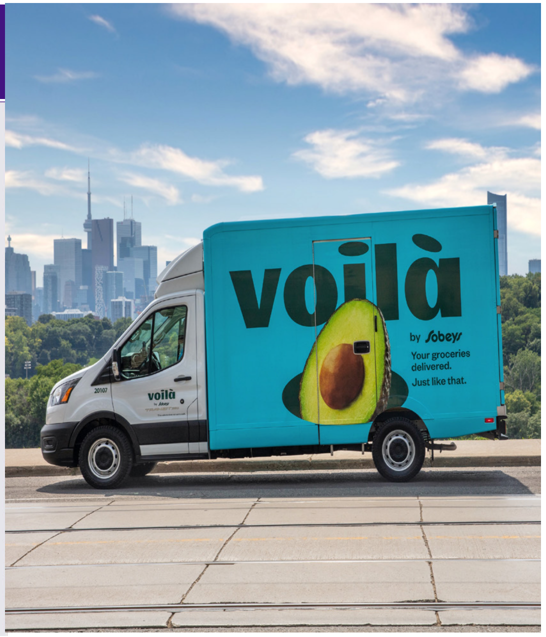
Best-in-Class Delivery Experience
White glove delivery

Substantial Assortment
39K SKUs at mature CFCs

Ongoing Innovation
Ocado Re:Imagined

Loyalty & Personalization
Increased engagement

Omni-Channel Focus
Voilà AOV is ~3.8x in-store AOV
Omni AOV[1][2] > Voilà AOV



Target: 95%	Weekly on-time delivery score	ABOVE TARGET
Target: 98%	Fulfillment rate	ABOVE TARGET
Target: 70 NPS	Net Promoter Score (NPS) – industry best-in-class	ABOVE TARGET

DOORDASH

January 28, 2026:
- Announced third-party delivery partnership with DoorDash
- Roll out expected to be completed before the end of F2026

instacart Uber Eats

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
  - National grocery rollout completed

Banners covered for Third-Party Delivery[3]:

Sobeys, Foodland, Longo's, FreshCo, IGA, Thrifty Foods, Safeway, Lawtons Drugs, Farm Boy

(1) AOV is average order value.
(2) Omni AOV refers to customers who shop both through Voilà and in-store.
(3) Banners listed for Empire's partnerships are not exhaustive.

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

- 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, ending mutual exclusivity with Ocado, and entered partnerships with Instacart/Uber Eats.
- F26:
  - Migrating legacy ERP system to a modern national SAP S/4HANA platform.
  - Announced closure of Calgary CFC and E-commerce impairment of $746 million. Expect annualized operating benefit of $95 million by F2027. Entered partnership with DoorDash.

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ESG[1] 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

Pierre St-Laurent
President & Chief Executive Officer

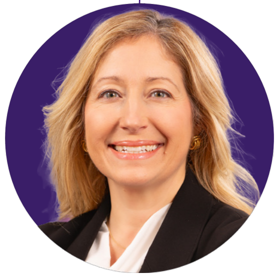
Luc L'Archevêque
Chief Customer Officer

Julia Knox
Chief Retail Officer and Interim Chief Technology & Transformation Officer

Jean-Louis Bellemare(1)
Interim Executive Advisor

Doug Nathanson
General Counsel and Chief Pharmacy & Development Officer

Costa Pefanis
Chief Financial Officer



Sandra Pasquini
Chief Human Resources Officer

Executive Leadership Team - Link to Biographies

(1) Jean-Louis Bellemare will serve as Interim Executive Advisor to the Chief Retail Officer, reporting directly to Pierre St-Laurent. During this time, the Chief Retail Officer's leadership team will report to Jean-Louis.

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