



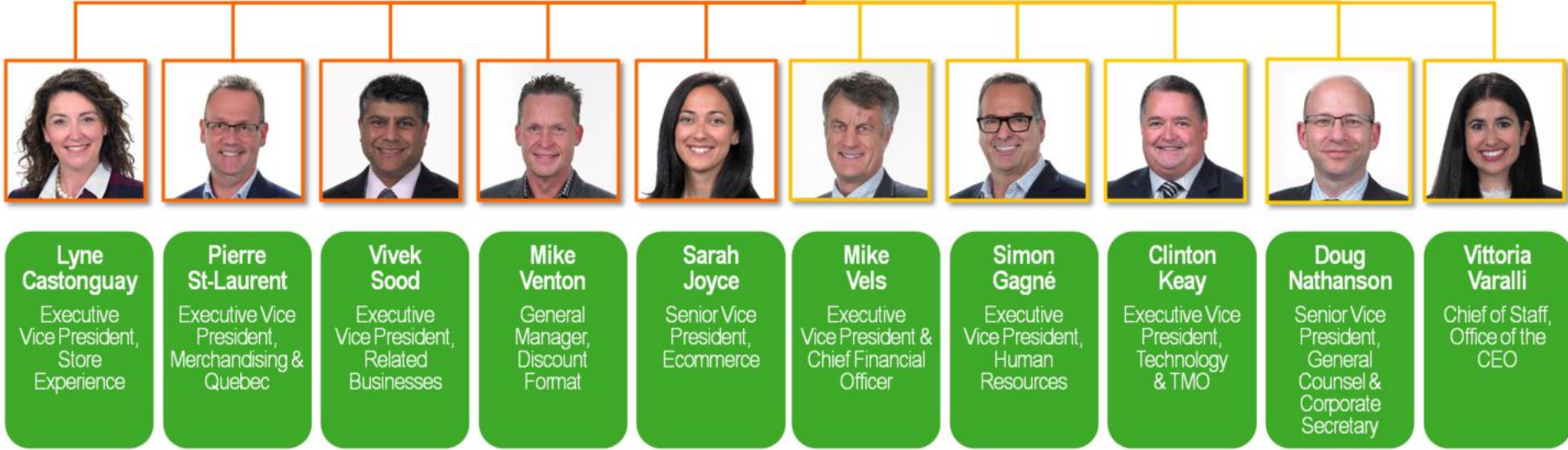
Q1 F2019 Earnings Call

September 13, 2018

Executive Team



Michael Medline
President &
Chief Executive Officer



First Quarter Highlights

- Same-store sales excluding fuel increased 1.3%
- Same-store sales excluding fuel and pharmacy increased 1.8%
- Increases in traffic and basket size
- Internal inflation for the quarter was flat
- Highest tonnage increase in six years
- Earnings per share of \$0.35 compared to \$0.20 last year
- Adjusted earnings per share of \$0.37 compared to \$0.32 last year
- Project Sunrise transformation on track
 - Realized approximately 20% of target during fiscal 2018
 - Management anticipates up to a further 30% to be realized during fiscal 2019, principally during the second half of the year
- First two western FreshCo stores to open in Winnipeg in the spring of 2019

First Quarter Financial Summary

| | Quarter 1 | |
|--|-----------|-----------|
| | Actual | LY |
| Sales | \$6,460.3 | \$6,273.2 |
| <i>Same-store sales, excluding fuel</i> | 1.3% | 0.5% |
| <i>Same-store sales, excluding fuel and pharmacy</i> | 1.8% | 0.5% |
| Gross Profit | \$1,512.3 | \$1,531.0 |
| <i>Gross margin</i> | 23.4% | 24.4% |
| Selling and Administrative Costs (excluding adjustments) | \$1,369.7 | \$1,379.9 |
| <i>Selling and administrative margin</i> | 21.2% | 22.0% |
| Adjusted EBITDA | \$278.7 | \$278.8 |
| <i>Adjusted EBITDA margin</i> | 4.3% | 4.4% |
| Adjusted Earnings per Share | \$0.37 | \$0.32 |
| Free Cash Flow | \$132.3 | \$119.7 |
| Funded Debt to Total Capital | 30.3% | 33.0% |

Forward-Looking Information

This document contains forward-looking statements which are presented for the purpose of assisting the reader to contextualize the Empire Company Limited's ("Empire" or the "Company") 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 "estimates", "plans", "predicts", "anticipates" 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 expectations regarding the impact of Project Sunrise, including expected cost savings and efficiencies resulting from this transformation initiative, and the expected timing of the realization of fiscal 2019 in-year incremental benefits, which could be impacted by several factors, including the time required by the Company to complete the project as well as the factors identified under the heading "Risk Management" in Empire's fiscal 2018 annual Management's Discussion and Analysis ("MD&A"); and
- The Company's expectations regarding its existing discount model and its plans to expand its discount model to Western Canada, which may be impacted by union negotiations, the current economic environment and future 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 Empire's fiscal 2018 annual MD&A.

Non-GAAP Financial Measures & Financial Metrics

There are measures and metrics included in this earnings call presentation, such as adjusted EBITDA, adjusted earnings per share, same-store sales, free cash flow, funded debt and total capital 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.

For a complete description of Empire's non-GAAP financial measures and financial metrics, please see Empire's MD&A for the first quarter ended August 4, 2018.