

Investor Presentation

September 2022

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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 expectations regarding the financial impact and benefits of Project Horizon and its underlying initiatives, which could be impacted by several factors, including the time required by the Company to complete the initiatives and the effects of inflationary pressures;
- The Company's expectation of the impacts of cost inflationary pressures, which may be impacted by supplier relationships and negotiations and the macro-economic environment;
- The Company's expectation that labour shortages will not have further significant impact on supply chain challenges, which may be impacted by labour force availability;
- The Company's expectations that fiscal 2023 will achieve growth of same-store sales, which may be impacted by the effects of inflationary pressures on consumer buying behaviours;
- The Company's expectations for net earnings dilution for the Voilà program for fiscal 2023, which may be impacted by future operating and capital costs, customer response and the performance of its technology provider, Ocado;
- The FreshCo expansion in Western Canada and Farm Boy expansion in Ontario, including the Company's expectations regarding future operating results and profitability, the amount and timing of expenses, the projected number of store openings, and the location, feasibility and timing of construction, all of which may be impacted by construction schedules and permits, the economic environment and labour relations; and
- The Company's expectations regarding the amount and timing of expenses relating to the completion of any future CFC, which may be impacted by supply of materials and equipment, construction schedules and capacity of construction contractors.

Non-GAAP Financial Measures & Financial Metrics

There are measures and metrics included in this earnings call 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.

For a more complete description of Empire's non-GAAP measures and metrics, please see Empire's Management's Discussion and Analysis for the first quarter ended August 6, 2022.

Empire's Executive Committee



Michael Medline
President &
Chief Executive Officer



Pierre St-Laurent
Chief Operating
Officer



Vivek Sood
Related
Businesses



Matt Reindel
Chief Financial
Officer



Michael Vels
Chief
Development
Officer



Simon Gagné
Chief Human
Resources Officer



Sandra Sanderson
Marketing



Doug Nathanson
General Counsel
& Corporate
Secretary



Mohit Grover
Innovation,
Sustainability &
Strategy



Julie van Wyck
Chief of Staff,
Office of the CEO



Sarah Joyce
E-commerce



Mike Venton
Discount Format



Bonnie Birollo
Retail Operations



Luc L'Archeveque
Chief Merchandising
Officer



Mark Holly
Real Estate



Bruce Burrows
Chief Information
Officer



Andrew Walker
Communications &
Corporate Affairs

Empire Company Limited – Who are we?

- Canadian company headquartered in Stellarton, Nova Scotia.
- Key businesses include food retailing, through wholly-owned subsidiary Sobeys Inc. (“Sobeys”), and related real estate, through a 41.5% interest in Crombie Real Estate Investment Trust (“Crombie REIT”).
- Sobeys is a national Canadian grocery retailer, serving the food shopping needs of Canadians under banners that include Sobeys, Safeway, IGA, Foodland, FreshCo, Thrifty Foods, Farm Boy, Longo’s, Voilà, Grocery Gateway, IGA.net and ThriftyFoods.com.
- In addition to food retail, our related businesses include:
 - Pharmacy with in-store pharmacy banners and free-standing locations through Lawton’s Drug Stores;
 - Wholesalers, distributing to our corporate and franchised stores and over 5,000 convenience stores and small grocers nationally, as well as the operation of “Cash & Carry” outlets;
 - Fuel and convenience stores; and
 - Liquor stores.

Quick Facts – Empire⁽¹⁾

Share price (CAN\$) ⁽²⁾	\$36.36
52-Week High ⁽²⁾	\$46.04
52-Week Low ⁽²⁾	\$34.71
30-day Average daily trading volume ⁽²⁾	692,238
Shares outstanding (diluted)	264.9M
Quarterly dividend	\$0.165
Number of Stores ⁽³⁾	~ 1,600
Number of Retail fuel locations	> 350
Employees	~130,000
Square footage	~41.6 M
Communities served	> 900

(1) As at Q1 fiscal 2022 (August 6, 2022) unless noted otherwise

(2) As of September 20, 2022

(3) See Empire’s [F22 AIF](#) for details of stores per banner and location; Appendix B for geographic view

Investment Profile

- **Second largest grocery retailer in Canada.**
- **Significant opportunity to capture market share** through expansion of FreshCo discount banner in Western Canada, addition of Farm Boy and Longo's in Ontario, and the acceleration of e-commerce through Voilà.
 - The Company will operate four CFCs across Canada. With these four CFCs, the supporting spokes and curbside pickup, the Company will be able to serve approximately 75% of Canadian households representing approximately 90% of Canadians' projected e-commerce spend.

- **Committed to returning capital and value to our shareholders.**
 - On June 21, 2022, renewed its NCIB by filing a notice of intention with the TSX to purchase for cancellation up to 10,500,000 Class A shares.
 - As at September 13, 2022, the Company has purchased 3,143,281 Class A shares at a weighted average price of \$39.42 for a total consideration of \$123.9 million.
- **Strong investment grade balance sheet and significant available liquidity.**
- **Relevant and valuable partnerships.**
 - Crombie REIT – Empire's largest landlord, 41.5% owned.
 - Ocado Group plc ("Ocado") – exclusive partnership in Canada for online grocery delivery and curbside pickup services, through Voilà (see slides 13 & 14).
- **Consistent and solid execution over the last five years.**
 - Successful completion of Project Sunrise transformation, generated over \$550 million in benefits (see slide 9); and
 - In its third and final year, the Company remains on track to achieve an incremental \$500 million in annualized EBITDA and an improvement in EBITDA margin of 100 basis points by fiscal 2023 by growing market share and building on cost and margin discipline (see slide 10).

+11.2%

**Dividend
CAGR**

F2020 – F2023

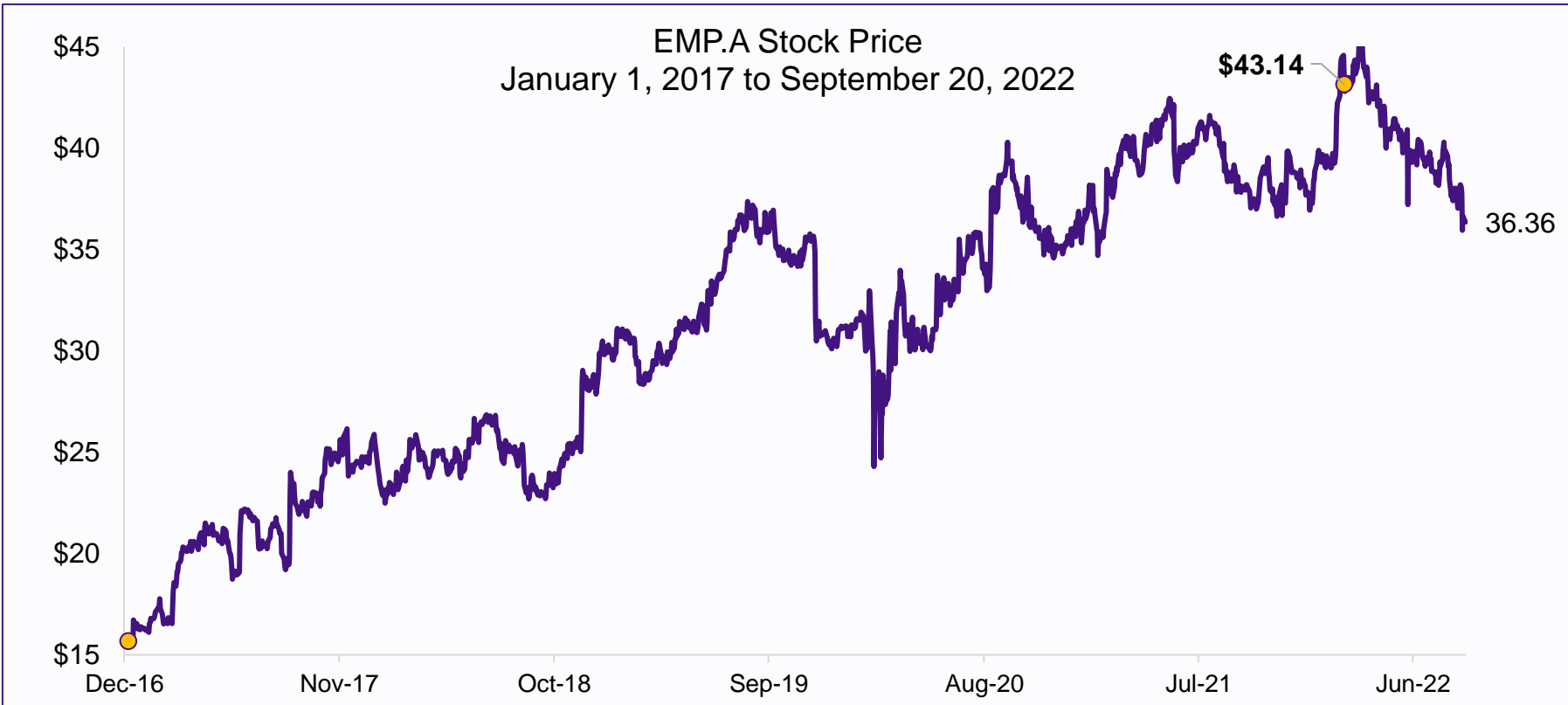
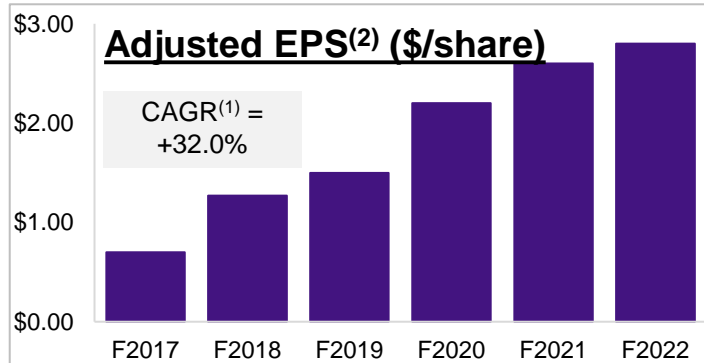
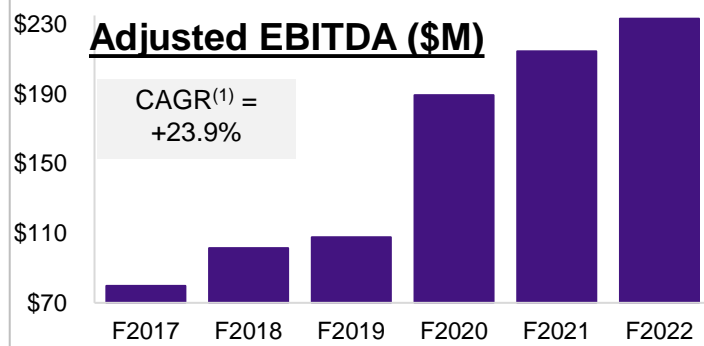
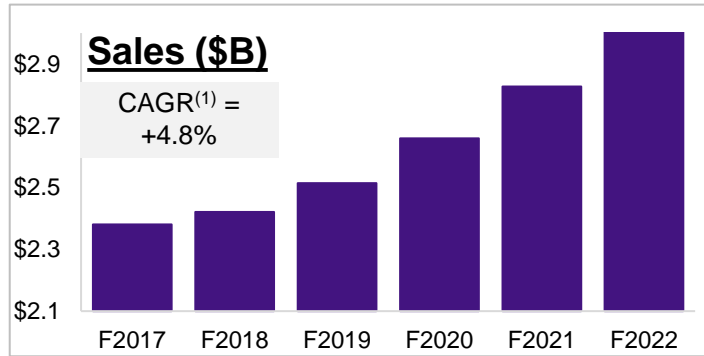
+32.0%

EPS CAGR
(adjusted, diluted)

F2017 to F2022

Strong Financial Performance

- Increase in stock price of over 130% since January 2017.
 - February 28th 2020 – the Canadian environment began to be impacted by the COVID-19 pandemic.
- Foundation has been set with the completion of Project Sunrise, and now the Company is on track with its new growth plan, Project Horizon.



6 (1) Compound annual growth rate.
 (2) Excluding the adoption of IFRS 16 "Leases".
 (3) As at market close on September 15, 2022.

Fiscal 2022 Sustainability Achievements

Focused on the environmental, social and governance (ESG) factors that matter most to our stakeholders



People

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

- **Community Investment:**
 - ✓ ~\$19M donated to support healthy bodies and minds in our communities (\$6M in corporate donations and \$13M raised)
- **Diversity, Equity and Inclusion (DE&I):**
 - ✓ 97% of corporate retail teammates completing training to prevent racial consumer profiling
 - ✓ 37% representation of women at the senior leadership level, a 9.1% increase over last year

[CLICK HERE](#) to view Sobeys Sustainable Business Report ("SBR") for more information, and details on our 2022 Goals.

Planet

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

- **Climate Action:**
 - ✓ Set target to achieve net-zero in Scope 1 and Scope 2 emissions by 2040
 - ✓ Set target to achieve net-zero in Scope 3 emissions by 2050
 - ✓ Set near-term science-based targets, pursuing validation through the Science Based Targets initiative
- **Food Waste:**
 - ✓ 22% reduction in the amount of surplus food generated per square foot in our retail stores (since 2016)
- **Environmental Management:**
 - ✓ \$13M donated in partnership with Earth Day Canada since 2008

Products

Do OurPart™ by delivering sustainable and ethical product choices for our customers..

- **Ethical & Sustainable Sourcing:**
 - ✓ 95%+ of our Own Brands fresh and frozen seafood, by weight, is third-party certified sustainable and/or recommended by Ocean Wise
- **Supplier Partnerships:**
 - ✓ 350+ women entrepreneurs supported (in English Canada)
- **Customer Experience and Engagement:**
 - ✓ 43 new urban bee-keeping sites added in partnership with Alvéole
 - ✓ 5M litres of water saved thanks to Infarm purchases

Governance and Reporting

Firmly embed accountability and leadership on ESG issues within our governance approach through focused teams reporting directly to the President & CEO, Board oversight of our initiatives and reporting against ESG standards and frameworks

- **Complete a materiality assessment in 2021**
 - ✓ Initiated a materiality assessment → identified three of the big issues that are top of mind for our stakeholders and that matter deeply to us: DE&I, Plastics & Packaging and Community Investment.
- **Measuring against the Sustainability Accounting and Standards Board ("SASB") Index**
 - ✓ 2022 Sustainable Business Report includes our second year disclosing to the Food Retailers & Distributors Standard from SASB.
- **Share oversight of ESG Strategy and Execution**
 - ✓ For a complete view of how ESG is internally managed, please [click here](#).

Key Announcements – Last Twelve Months

Oct 2021	<ul style="list-style-type: none">• Matt Reindel appointed Chief Financial Officer and Michael Vels appointed Chief Development Officer.• Empire and Canadian Paralympic Committee announce partnership focused on celebrating inclusivity in Canadian sport.
Nov 2021	<ul style="list-style-type: none">• Empire now has an e-commerce option available for customers in every province.
Dec 2021	<ul style="list-style-type: none">• Empire Shows Continued Momentum with Strong Second Quarter Results; Project Horizon On Track
Feb 2022	<ul style="list-style-type: none">• Announced fourth e-commerce customer fulfilment centre will be located in the Greater Vancouver Area of British Columbia.• DBRS Morningstar (DBRS) confirmed Sobeys' credit rating at BBB (low) and changed the trend from stable to positive.
Mar 2022	<ul style="list-style-type: none">• Continued Strength at Empire Delivers Strong Growth in Earnings and Free Cash Flow in Third Quarter Fiscal 2022.• Voilà par IGA launched online grocery home delivery service in Quebec.• Farm Boy opened its 44th store in Ontario.
Apr 2022	<ul style="list-style-type: none">• Voilà by Sobeys expanded into the Ottawa area via spoke facility.• Empire expands partnership with Tennis Canada, unveils Sobeys Stadium in Toronto and following month unveils Sobeys Atlantic Tennis Centre.
May 2022	<ul style="list-style-type: none">• Sobeys announced an early redemption of notes due August 2023.• End of 13-week strike at Terrebonne, Quebec distribution centre.• Announced 5-yr partnership with Kids Help Phone to support Black and Indigenous-focused child and youth mental health programs
Jun 2022	<ul style="list-style-type: none">• Empire announced a loyalty partnership with Scene+, one of Canada's leading loyalty rewards programs.• Empire Reports Fourth Quarter and Fiscal 2022 Results; Project Horizon On Track
Jul 2022	<ul style="list-style-type: none">• DBRS upgraded Sobeys' credit rating from BBB (low) with a positive trend, to BBB with a stable trend.• Empire pledges net zero Scope 1 and 2 emissions by 2040 in bold new Climate Action Plan.<ul style="list-style-type: none">○ The three-year Climate Action Plan roadmap is detailed in the newly released 2022 Sustainable Business Report (see slide 8)
Aug 2022	<ul style="list-style-type: none">• Scene+ rollout began in Atlantic Canada. Western Canada launch announced to begin in September 2022. Scene+ will be rolled out across the rest Canada, gradually.
Sep 2022	<ul style="list-style-type: none">• Empire reports First Quarter of Fiscal 2023 Results<ul style="list-style-type: none">○ Earnings per share of \$0.71 compared to \$0.70 last year○ Same-store sales excluding fuel increased by 0.4%○ Project Horizon strategy on track; Scene+ launched in Atlantic Canada in August 2022

Project Sunrise – Successfully Completed



In the fourth quarter of fiscal 2017, the Company launched Project Sunrise, a three-year transformation. As of the fourth quarter of fiscal 2020, Project Sunrise was successfully completed, exceeding management’s initial expectations of \$500 million in net benefits, achieved through three phases:

- 1) **Organizational realignment** – from a regional to a national structure. *Benefits impacted selling and administrative expenses.*
- 2) **Operational efficiencies** – store operations, labour standards and other operational process initiatives. *Benefits largely impacted selling and administrative expenses.*
- 3) **Cost of goods sold** – harmonization of costs with suppliers; more competitive net acquisition costs achieved; category resets continue to provide an improved, simplified and in some cases, more innovative assortment for customers. *Benefits were reflected mostly in gross margin expansion.*

	Fiscal		Improvement
	2017	2020 ⁽¹⁾	
	52 weeks	52 weeks trailing	
	May 6, 2017	Feb. 1, 2020	
All amounts exclude IFRS 16 ⁽²⁾			
Sales	\$23,806.2	\$25,796.2	8.4%
Same-store sales growth (decline), excluding fuel	(2.2%)	2.1%	430 bps
Gross margin	24.0%	24.8%	80 bps
Adjusted EBITDA	\$796.9	\$1,274.9	60.0%
Adjusted EBITDA margin	3.3%	4.9%	160 bps
Selling and Administrative margin (adjusted)⁽³⁾	22.9%	22.0%	90 bps
Adjusted EPS	\$0.70	\$2.02	188.6%

(1) Reflects twelve months trailing (TTM) at Q3 fiscal 2020, to reflect improvements before the COVID-19 impact. It excludes one quarter of benefits.

(2) The IFRS 16 accounting standard was adopted in Q1 F20 and prior year results were not restated. Therefore, impacts of the standard are excluded in the above chart to display numbers on a comparable basis.

(3) This excludes the adjustments made to operating income. Please see the operating income section in Empire’s annual MD&As for fiscal 2018, 2019 and 2020.

Project Horizon



Three-year growth strategy for core business expansion and e-commerce acceleration

Management targeting an incremental \$500 million in annualized EBITDA, driving an improvement in EBITDA margin of 100 basis points by fiscal 2023.

To be achieved through:

1) Growth in market share

- Invest in Empire's Store Network
- Improve Store Space Productivity
- Win Canadian Grocery E-Commerce
- Grow the Company's Own Brands Portfolio
- Provide Best in Class Customer Personalization and Loyalty

1) Building on cost and margin discipline

- Drive Non-Merchandising Sourcing Efficiencies
- Continue to Build Merchandising Sourcing Efficiencies
- Invest in Best-in-Class Analytics to Improve Customer Value Proposition
- Optimize Supply Chain Productivity
- Improve System and Process



Benefits are expected to ramp up over the three-year period with the largest benefits reflected in year three.



Large portion of benefits are expected to be achieved through initiatives related to store productivity, private label, store renovations, and new stores.



Management believes that the Company can continue to grow faster than its key competitors, improving EBITDA margin by another 100 basis points on a higher sales base.

- The Company is on track to generate a compound average growth rate in earnings per share of at least 15% over Project Horizon's three-year timeframe, based on trailing twelve-month EPS at Q3 F20 as a proxy for fiscal 2020 (last quarter before COVID-19 impact).

For additional detail on Project Horizon please click [here](#) to view Empire's Management's Discussion and Analysis ("MD&A") for the first quarter ended August 6, 2022.

In the first quarter of fiscal 2021, the Company launched Project Horizon, a three-year strategy focused on core business expansion and the acceleration of e-commerce. In its third and final year, the Company remains on track to achieve an incremental \$500 million in annualized EBITDA and an improvement in EBITDA margin of 100 basis points by fiscal 1Q2023 by growing market share and building on cost and margin discipline.

In fiscal 2022, benefits were achieved from promotional optimization and data analytics, the continued expansion and renovation of the store network, and strategic sourcing efficiencies. Benefits achieved in fiscal 2021 and fiscal 2022 were partially offset by the planned investment in the Company's e-commerce network.

These initiatives continue to deliver benefits in fiscal 2023. Additional benefits are expected from strategic initiatives launched more recently as part of Project Horizon, including Scene+, the Company's new loyalty program. Scene+ was successfully launched in Atlantic Canada in August 2022.

Project Horizon – Scene+

Launched Scene+ in the Atlantic region, the first milestone in Empire’s loyalty transformation.

- Empire is a co-owner of Scene+ along with Scotiabank and Cineplex.
- Scene+ rollout in Empire banners began with stores in Atlantic Canada in August 2022 , then stores in Western Canada in September 2022 and will continue across the country, culminating in early 2023.
- Scene+ boasts over 10 million members and offers a superb assortment of opportunities to earn and redeem points across a broad spectrum of partners:
 - Groceries through Empire’s banners,
 - Banking through Scotiabank,
 - Cineplex Theatres and entertainment venues,
 - Trip planning with Expedia, and
 - Redemption partners such as Apple and BestBuy.
- Scene+ is anticipated to be incremental to sales and earnings in Empire’s first year operating the program.



Project Horizon – Discount Expansion



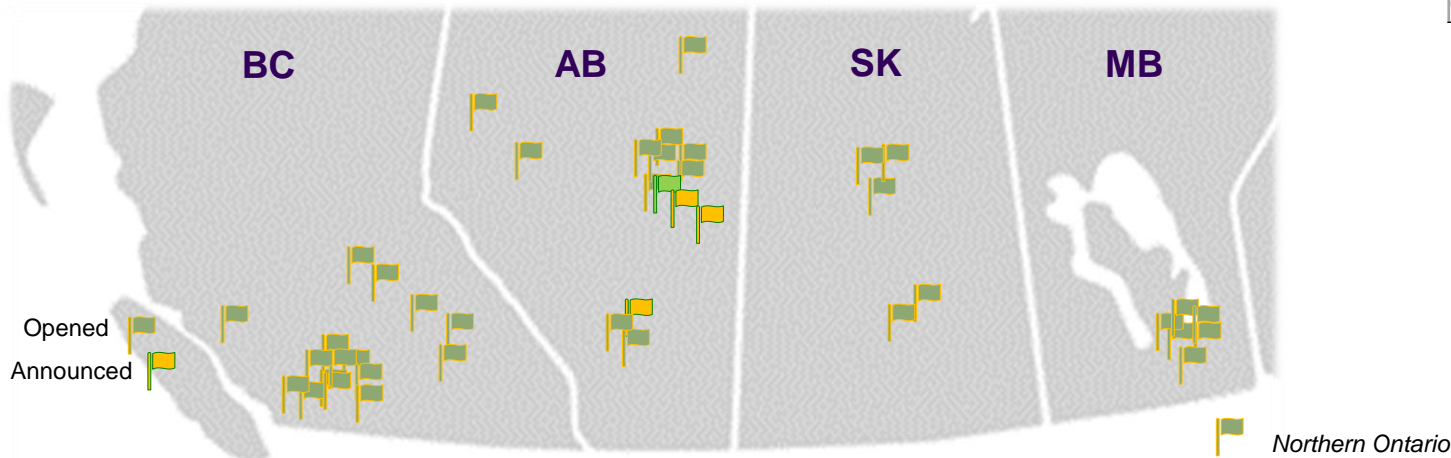
Discount West Expansion

- Empire expects to convert up to 25% of the 255 Safeway and Sobeys full-service format stores in Western Canada to the FreshCo banner.
- The Company expects to have 44 FreshCo stores in Western Canada by the end of fiscal 2023.

As at September 14, 2022:

41 stores open and operating:	3 stores are expected to open in Alberta in the remainder fiscal 2023.
<ul style="list-style-type: none"> • 16 in British Columbia • 13 in Alberta • 6 in Manitoba • 5 in Saskatchewan • 1 in Northern Ontario 	

Western Canada



Empire’s Discount Store Footprint by Province

- Empire has been meaningfully increasing the Discount percentage⁽¹⁾⁽²⁾ of their store network since the start of Sunrise in Fiscal 2018.

Geographic Area	% Discount Stores in F17	% Discount Stores in F20	% Discount Stores in F22
Ontario	28.0%	28.7%	27.3% ⁽³⁾
Saskatchewan	- %	- %	19.2%
British Columbia	- %	12.8%	18.0%
Manitoba	- %	4.3%	13.3%
Alberta	- %	- %	7.9%
Empire’s Discount Footprint in Canada	7.6%	8.7%	10.8%

(1) Click [here](#) to see our Fiscal 2022 AIF.

(2) Calculation is Discount stores per province divided by total Full, Fresh & Community Services stores (excluding Farm Boy) plus Discount stores per province.

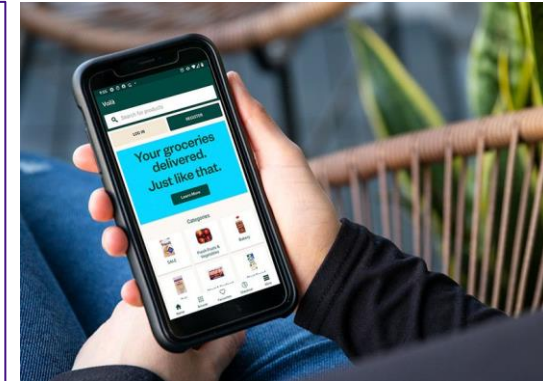
(3) Percentage decreased as Empire acquired Longo’s (36 full service stores).

Project Horizon – Voilà

Your groceries delivered. Just like that.



- **Powered by Ocado’s industry-leading technology, Voilà fills orders through its automated CFCs.**
 - Robots assemble orders efficiently and safely, resulting in minimal product handling, while Voilà teammates deliver orders directly to customers’ homes.
 - In February 2022, Ocado announced a range of innovations, including next generation robots and grids, which offer efficiencies and a lighter environmental and carbon footprint. These innovations will be available for the Company to consider in future CFC automation and efficiency opportunities. (See Appendix E – Voilà Timeline for a link to Ocado’s presentation)
- Voilà offers cutting-edge online grocery home delivery. With **four CFCs** and their supporting spokes, the Company will be able to serve approximately **75% of Canadian households** representing approximately **90% of Canadians’ projected e-commerce spend**.
 - The first CFC in Toronto, Ontario began deliveries on June 22, 2020 and has been successfully operating for over two years.
 - The second CFC in Montreal began deliveries to customers on March 7, 2022, beginning with a phased transition of customers to Voilà par IGA from IGA.net.
 - Crombie REIT has completed the construction of the building for Voilà’s third CFC in Calgary and has turned it over to Ocado to build the internal grid. The CFC will service the majority of Alberta, with deliveries expected to start in the first quarter of fiscal 2024.
 - On February 7, 2022, the Company announced that CFC 4 will be located in Vancouver and will service customers in British Columbia starting in 2025.
- In fiscal 2021, the Company launched **Voilà Curbside Pickup** service which currently services 98 stores in locations across Atlantic Canada, Ontario, Manitoba, Saskatchewan, Alberta and B.C.
 - The curbside pickup solution is powered by Ocado technology and serves customers in areas where future CFCs will not, or are not yet, operating.



In response to the impact that COVID-19 has had on Canadians, Empire has implemented significant safety protocols to keep Voilà by Sobey's teammates and customers safe, following standards and recommendations set out by the Public Health Agency of Canada. For detail please visit www.voila.ca.

For details on key events related to Voilà as well as details on its network (Spoke facilities), please see Appendix E.

Voilà and Ocado Solutions

With more than 15 years at the forefront of innovation and success in grocery e-commerce, Ocado has partnered exclusively in Canada with Empire on our end-to-end e-commerce solution, Voilà.

Key facts:

- Empire’s e-commerce sales growth⁽¹⁾ (compared to last year) →
- GTA CFC launched to customers in June 2020.
- Montreal CFC launched to customers in March 2022.
- Calgary CFC announced, expected to begin delivering to customers in the first half of calendar 2023.
- Vancouver CFC announced, expected to service customers in British Columbia in 2025.
- Voilà Curbside Pickup service in over 98 store locations across Atlantic Canada, Ontario, Manitoba, Saskatchewan, Alberta and B.C.

	F21
Q1 ⁽²⁾ (Aug. 1, 2020)	370%
Q2 (Oct. 31, 2020)	241%
Q3 (Jan. 30, 2021)	315%
Q4 (May 1, 2021)	15%
	F22
Q1 ⁽³⁾ (July 31, 2021)	Flat
Q2 (Oct. 30, 2021)	33%
Q3 (Jan. 29, 2022)	17%
Q4 (May 7, 2022)	12%
	F23
Q1 (Aug. 6, 2022)	(21%)

Voilà CFC 1 operating metric targets and Q2 F21 results:

- 95% target weekly on-time delivery score – Q2 F21 achieved 98.6%
- 98% target fulfilment – Q2 F21 achieved 99.6%
- Net Promoter Score (NPS) industry best-in-class target of 70 – Q2 F21 achieved NPS of 87



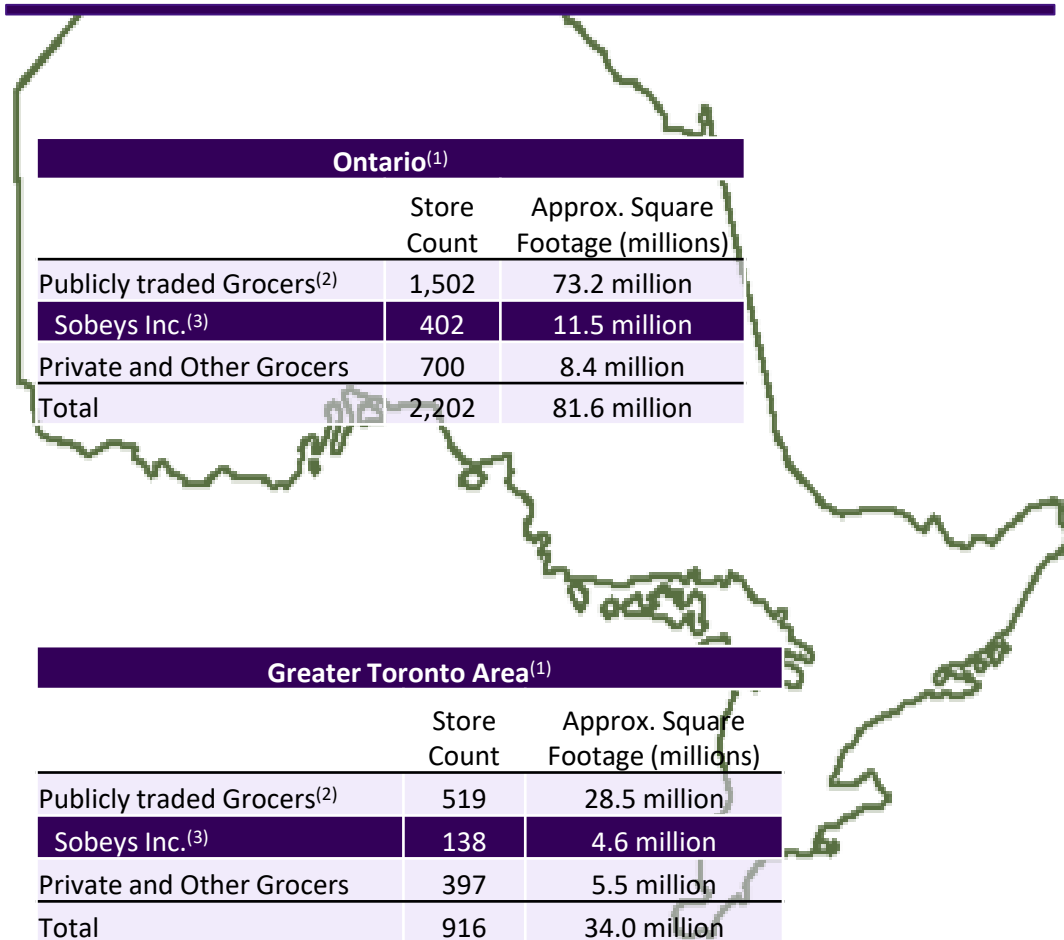
Voilà by Sobeys facility in Vaughan Ontario.



Voilà par IGA facility in the Montreal area.

Ontario Market

Significant Growth Opportunity



The Company is focused on increasing its market share in urban markets through a three-pronged approach of introducing an industry leading grocery e-commerce platform to Canadians, rapidly growing the number of Farm Boy locations in Ontario; and the recently added the Longo's and Grocery Gateway banners.

- *Voilà by Sobeys* online grocery delivery service is available to customers in the GTA.
- Empire acquired Farm Boy in December 2018, with plans to double the store count of 26 stores in five years, mainly in the GTA.
 - The acquisition of Farm Boy on December 10, 2018 added 26 locations to the Company's Ontario store network with plans to double the store count in five years from the acquisition date, mainly in the Greater Toronto Area ("GTA"). As at September 14, 2022, Farm Boy has 44 stores and in fiscal 2023 the Company expects to open four additional Farm Boy stores.
 - Farm Boy Private Label is included in the *Voilà by Sobeys* offering.
- In May 2021, the Company acquired 51% of the business of Longo's and Grocery Gateway.
 - This added 36 Longo's stores and 70,000 long-standing Grocery Gateway online customers; 2 new Longo's stores will be added in Fiscal 2023.
 - After the fifth anniversary of the acquisition, Longo's shareholders have the option to sell up to 12.25% of the remaining shares annually to Sobeys and can sell the remainder after the tenth anniversary.
 - The Longo family remains committed to help grow the business.

This will further accelerate growth in Canada's biggest grocery market. Ontario makes up a large portion of Canada's population, approximately 40% (approximately 14.95 million people).

(1) Company information.

(2) Includes Sobeys Inc.

(3) Includes Farm Boy and Longo's

Financial Results

	Fiscal Year					
	2022	2021	2020	2019	2018	2017
	53 weeks 7-May-22	52 weeks 1-May-21	52 weeks 2-May-20 ⁽¹⁾	52 weeks 4-May-19 ⁽²⁾	52 weeks 5-May-18	52 weeks 6-May-17
Sales	\$30,162.4	\$28,268.3	\$26,588.2	\$25,142.0	\$24,214.6	\$23,806.2
<i>Same store sales growth (decline), excluding fuel</i>	(2.1%)	5.6%	5.7%	2.7%	0.5%	(2.2)%
Gross profit	\$7,659.7	\$7,199.3	\$6,633.3	\$6,083.6	\$5,900.5	\$5,707.2
<i>Gross margin</i>	25.4%	25.5%	24.9%	24.2%	24.4%	24.0%
Adjusted EBITDA ⁽³⁾	\$2,330.8	\$2,143.8	\$1,892.4	\$1,076.2	\$1,014.7	\$796.9
<i>Adjusted EBITDA margin⁽³⁾</i>	7.7%	7.6%	7.1%	4.3%	4.2%	3.3%
Adjusted earnings per share ⁽⁴⁾	\$2.80	\$2.60	\$2.20	\$1.50	\$1.27	\$0.70
Free cash flow ⁽⁵⁾	\$811.2	\$744.9	\$1,130.8	\$540.7	\$808.9	\$619.7
Capital expenditures	\$767.2	\$679.2	\$574.8	\$434.6	\$288.0	\$514.5
Dividends per share	\$0.60	\$0.52	\$0.48	\$0.44	\$0.42	\$0.41
Share price	\$42.05	\$38.66	\$31.01	\$29.94	\$25.01	\$21.50

(1) Certain financial metrics were impacted by the implementation of IFRS 16 in the fiscal year ended May 2, 2020.
Review

(2) Empire's results for fiscal year ended May 4, 2019 include 21 weeks of Farm Boy operations.

(3) There have been no adjustments since Q3 F2019 (Business acquisition costs).

16 (4) There have been no adjustments since Q4 F2020 (Intangible amortization associated with the Canada Safeway acquisition).

(5) The Company revised the definition of free cash flow in Q4 F19. All amounts in the chart have been restated to reflect the new definition.

Note: Please see Appendix [X] for Empire's 12-Quarter

Appendices A-E

Appendix A: Longo's and Grocery Gateway: Key Investment Highlights

- 1 Aligned with Project Horizon Strategic Priorities
- 2 Enhances Empire's Presence in Urban Markets in Toronto
- 3 Differentiated Specialty Grocery Retailer
- 4 Strong Online Grocery Offering in the GTA
- 5 Unique Private Label Offering
- 6 Retention of Strong and Successful Family-Led Management Team



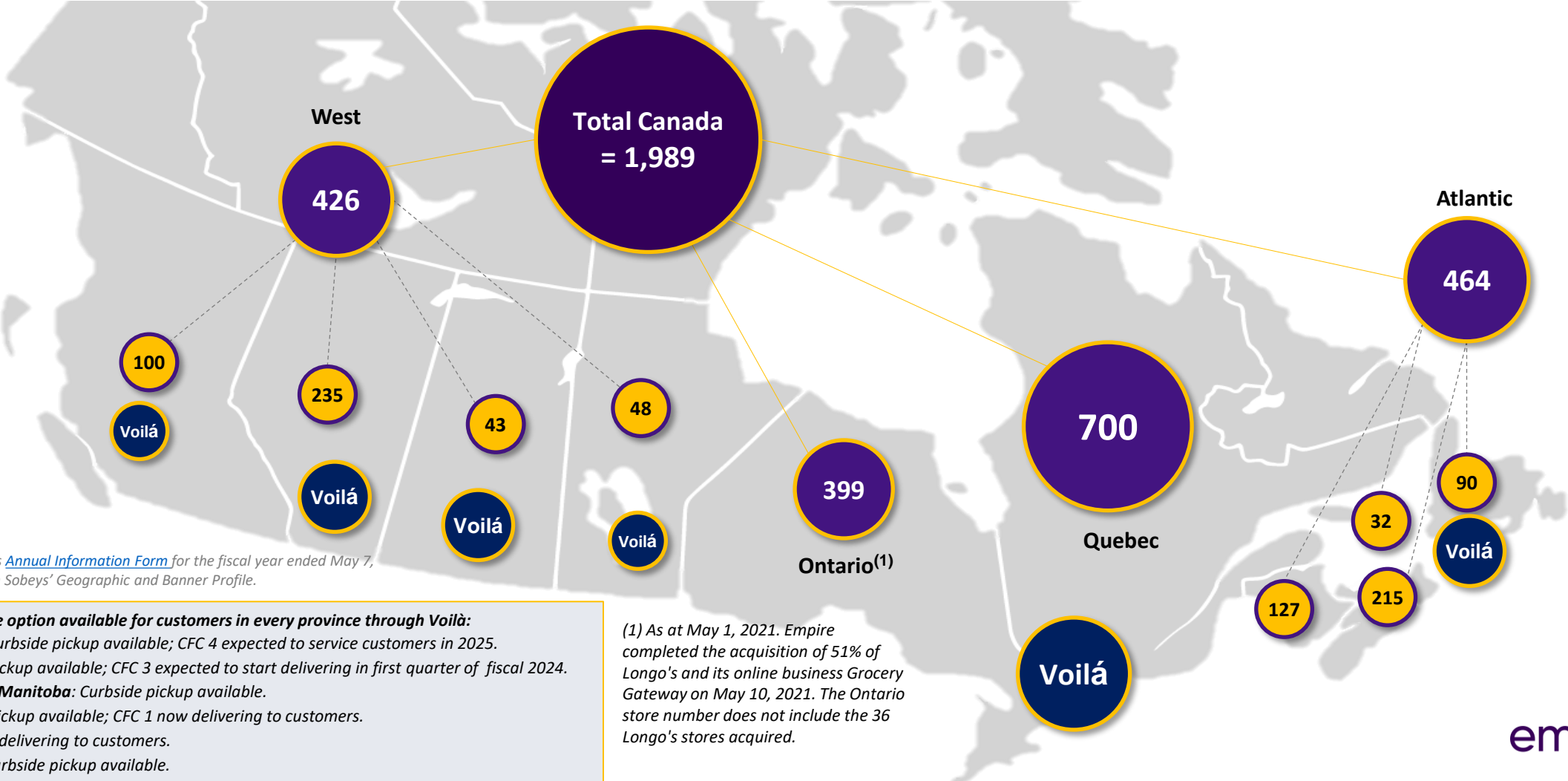
Appendix A: Overview of Longo's

- Founded in 1956 by three brothers, **Longo's** is a specialty grocery retailer, **focused on providing customers with high quality fresh products**, and offers a range of **locally sourced meats and produce**.
- Longo's operates in the **Greater Toronto Area, Canada's largest grocery market**.
- Longo's is led by **Anthony Longo** (President and CEO) and a talented team of food retail executives.
- In 2004, **Longo's became a leader in online grocery delivery** in the GTA through their acquisition of Grocery Gateway, a strong e-commerce delivery platform which has grown to over **70,000 loyal customers today**.
- With a **unique loyalty program, strong premium private label offering** and **highly-differentiated retail formats**, the admired Longo's brand resonates strongly with customers.
- Over the **last 5 years**, Longo's has **invested over \$130 million** to position their omni-channel platform for further growth and expansion.
- Longo's has a long-standing footprint in the GTA with **36 store locations**.



Appendix B: Geographic Profile

National scale and presence, operating close to 2,000 stores in all 10 provinces, with 92 stores currently offering Voilà Curbside Pickup, as well as more than 350 retail fuel locations.



Note: please refer to Empire's [Annual Information Form](#) for the fiscal year ended May 7, 2022 for more information on Sobeys' Geographic and Banner Profile.

There is an e-commerce option available for customers in every province through Voilà:

- **British Columbia:** Curbside pickup available; CFC 4 expected to service customers in 2025.
- **Alberta:** Curbside pickup available; CFC 3 expected to start delivering in first quarter of fiscal 2024.
- **Saskatchewan and Manitoba:** Curbside pickup available.
- **Ontario:** Curbside pickup available; CFC 1 now delivering to customers.
- **Quebec:** CFC 2 now delivering to customers.
- **Atlantic Canada:** Curbside pickup available.

(1) As at May 1, 2021. Empire completed the acquisition of 51% of Longo's and its online business Grocery Gateway on May 10, 2021. The Ontario store number does not include the 36 Longo's stores acquired.

Appendix C: Project Horizon – Store Network Optimization

- Empire plans to renovate approximately 30% of its store network over the course of Horizon (three years).
- In fiscal 2023, capital spending is expected to be approximately \$800 million, with approximately half of this investment allocated to renovations and new stores.

Number of locations Renovated/Converted

F21	F22	F23
Total	Total	Q1
88	132	22

Chalo Fresh Co, Airport & Countryside

Safeway Mission

BEFORE

BEFORE



AFTER

AFTER



Appendix D: Financial Results – 12 Quarter Review

	Fiscal 2023	Fiscal 2022				Fiscal 2021				Fiscal 2020 ⁽¹⁾		
	Q1 F23	Q4 F22	Q3 F22	Q2 F22	Q1 F22	Q4 F21	Q3 F21	Q2 F21	Q1 F21	Q4 F20	Q3 F20	Q2 F20
	Aug. 6	May 7	Jan. 29	Oct. 30	Jul. 31	May 1	Jan. 30	Oct. 31	Aug. 1	May 2	Feb. 1	Nov. 2
	2022	2022	2022	2021	2021	2021	2021	2020	2020	2020	2020	2019
Sales	\$7,937.6	\$7,840.8	\$7,377.3	\$7,318.3	\$7,626.0	\$6,920.0	\$7,018.7	\$6,975.4	\$7,354.2	\$7,012.4	\$6,395.2	\$6,436.5
Same store sales growth (decline), excluding fuel	0.4%	(2.5%)	(1.7%)	(1.3%)	(2.2%)	(6.1%)	10.7%	8.7%	11.0%	18.0%	0.8%	2.0%
Gross profit	\$1,977.9	\$2,004.0	\$1,892.7	\$1,850.8	\$1,912.2	\$1,795.7	\$1,803.9	\$1,751.1	\$1,848.6	\$1,819.5	\$1,557.7	\$1,595.7
Gross margin	24.9%	25.6%	25.7%	25.3%	25.1%	25.9%	25.7%	25.1%	25.1%	25.9%	24.4%	24.8%
Adjusted EBITDA	\$594.0	\$586.2	\$597.5	565.2	581.9	514.4	\$533.5	513.4	\$582.5	\$527.8	\$426.9	\$477.7
Adjusted EBITDA margin	7.5%	7.5%	8.1%	7.7%	7.6%	7.4%	7.6%	7.4%	7.9%	7.5%	6.7%	7.4%
Adjusted EBITDA margin (Pre-IFRS 16)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.5%	4.7%	5.4%
Adjusted EPS	\$0.71	\$0.68	\$0.77	\$0.66	\$0.70	\$0.64	\$0.66	\$0.60	\$0.71	\$0.67	\$0.46	\$0.58
Free cash flow	\$31.3	\$48.9	\$551.5	\$129.5	\$115.5	\$208.9	\$315.7	\$75.2	\$145.1	\$594.8	\$283.1	\$28.7
Capital expenditures	\$155.5	\$273.4	\$159.5	\$188.6	\$147.0	\$231.6	\$207.1	\$120.7	\$119.8	\$226.6	\$149.1	\$150.4
Dividend per share	\$0.165	\$0.15	\$0.15	\$0.15	\$0.15	\$0.13	\$0.13	\$0.13	\$0.13	\$0.12	\$0.12	\$0.12
Share price – end of period	\$38.26	\$42.05	\$38.87	\$37.00	\$40.97	\$38.66	\$36.48	\$36.69	\$34.41	\$31.01	\$30.70	\$34.42

Appendix E: Voilà Timeline



F2019 January 2018

- Sobeys signs agreement with Ocado to bring world’s leading online grocery delivery solution to Canada.
- Central Fulfilment Centre (“CFC”) #1 announced in the GTA.



F2020 May 2019 – CFC #2 announced in Montreal.

F2021 June 2020 – Voilà by Sobeys launches for GTA customers. (CFC #1)

September 2020 – Launched curbside pickup service, starting in Nova Scotia.

December 2020 – CFC #3 announced in Calgary, Alberta



F2022 November 2021 – E-commerce option available for customers in every province.

January 2022 – Ocado announces new innovations, including next generation robots and grids, to be considered for future CFCs⁽¹⁾.

February 2022 – CFC #4 announced in Greater Vancouver Area, British Columbia.

March 2022 – Voilà par IGA launches for Quebec customers. (CFC #2)

April 2022 – Voilà by Sobeys expands to Ottawa via Spoke facility. From CFC #1.

F2023 May 2022 – Voilà par IGA rollout completed, now services 100+ municipalities from Gatineau to Montreal to Quebec City.

- CFC #2 progressing well; increasing weekly order volume, strong customer experience metrics including on-time delivery & fulfilment.



F2024 Calgary CFC to open.

F2025 Greater Vancouver CFC to open.

(1) For more information on Ocado’s announcement and a replay of their event, please click [here](#).



Appendix E: Voilà Network

- The Company will operate four CFCs across Canada. With these four CFCs, the supporting spokes and curbside pickup, the Company will be able to serve approximately 75% of Canadian households representing approximately 90% of Canadians' projected e-commerce spend.
- Voilà has three spokes, two in Ontario (Etobicoke and Ottawa) and one in Quebec (Quebec City).
- Spokes are cross-dock facilities that allow Voilà to get closer to customers and improve efficiencies at the CFCs. (example: improving key efficiency metrics such as drops per van.)

For customers residing within a certain radius of each CFC, Voilà team members will deliver orders directly from the CFC

For customers residing outside of the CFC radius...

1. Orders are put in frames on large delivery trucks and transported to spoke facilities.
2. At the spokes, the frames are unloaded from the large delivery truck and are ready to be loaded on Voilà delivery trucks.
3. From there Voilà team members will deliver the orders to the customer's homes.

