FOR IMMEDIATE RELEASE
March 13, 2025

Empire Reports Fiscal 2025 Third Quarter Results

- Earnings per share ("EPS") and adjusted EPS(1)(2) of $0.62
- Prior year EPS and adjusted EPS of $0.54 and $0.62, respectively
- Sales of $7,725.2 million, an increase of 3.1%
- Same-store sales(2) – food(3) increased by 2.6%

Stellarton, NS – Empire Company Limited ("Empire" or the "Company") (TSX: EMP.A) today announced its financial results for the third quarter ended February 1, 2025. For the quarter, the Company recorded net earnings of $146.1 million ($0.62 per share) compared to $134.2 million ($0.54 per share) last year. For the quarter, the Company recorded adjusted net earnings of $146.1 million ($0.62 per share) compared to $153.1 million ($0.62 per share) last year.

"We are pleased to see our strong execution continue in Q3, highlighted by improving same-stores sales and our ongoing discipline in managing margins," said Michael Medline, President & CEO, Empire.

Company Priorities

The Company is continuing to enhance data capabilities and deepen the understanding of 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, shelf placement and product innovation.

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.

(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 expenses related to the Cybersecurity Event (as defined below under the heading "Adjusted Impacts on Net Earnings"), both of which occurred in the third 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.

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 and continues to pursue other cost saving initiatives.

SUMMARY RESULTS – THIRD QUARTER

($ in millions, except per share amounts)	13 Weeks Ended		$	39 Weeks Ended		$
	Feb. 1, 2025	Feb. 3, 2024	Change	**Feb. 1, 2025**	Feb. 3, 2024	Change
Sales	**$ 7,725.2**	$ 7,494.4	$ 230.8	**$ 23,639.9**	$ 23,321.1	$ 318.8
Gross profit[(1)]	**2,083.1**	1,987.3	95.8	**6,273.4**	6,065.3	208.1
Operating income	**288.0**	250.6	37.4	**976.2**	1,019.5	(43.3)
Adjusted operating income[(2)]	**288.0**	275.9	12.1	**990.3**	959.4	30.9
EBITDA[(1)]	**565.3**	521.5	43.8	**1,811.0**	1,824.9	(13.9)
Adjusted EBITDA[(2)]	**565.3**	546.8	18.5	**1,825.1**	1,764.8	60.3
Net earnings[(3)]	**146.1**	134.2	11.9	**527.3**	576.3	(49.0)
Adjusted net earnings[(2)(3)]	**146.1**	153.1	(7.0)	**538.2**	527.6	10.6
Diluted earnings per share						
EPS[(3)]	**$ 0.62**	$ 0.54	$ 0.08	**$ 2.20**	$ 2.31	$ (0.11)
Adjusted EPS[(2)(3)]	**$ 0.62**	$ 0.62	$ -	**$ 2.24**	$ 2.11	$ 0.13
Diluted weighted average number of shares outstanding (in millions)	**237.2**	246.8	(9.6)	**239.8**	249.7	(9.9)
Dividend per share	**$ 0.2000**	$ 0.1825		**$ 0.6000**	$ 0.5475	

	13 Weeks Ended		39 Weeks Ended	
	Feb. 1, 2025	Feb. 3, 2024	**Feb. 1, 2025**	Feb. 3, 2024
Gross margin[(1)]	**27.0%**	26.5%	**26.5%**	26.0%
EBITDA margin[(1)]	**7.3%**	7.0%	**7.7%**	7.8%
Adjusted EBITDA margin[(2)]	**7.3%**	7.3%	**7.7%**	7.6%
Same-store sales[(1)] growth	**2.5%**	1.3%	**1.4%**	1.9%
Same-store sales[(1)] growth - food[(4)]	**2.6%**	1.9%	**1.9%**	2.6%
Same-store sales[(1)] growth - fuel	**0.8%**	(3.9)%	**(3.0)%**	(10.4)%
Effective income tax rate	**27.0%**	24.0%	**25.0%**	25.2%

(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)	13 Weeks Ended **Feb 1, 2025**	13 Weeks Ended Feb 3, 2024	$ Change	26 Weeks Ended **Feb 1, 2025**	26 Weeks Ended Feb 3, 2024	$ Change
Sales	**$ 7,725.2**	$ 7,494.4	$ 230.8	**$ 23,639.9**	$ 23,321.1	$ 318.8
Gross profit	**2,083.1**	1,987.3	95.8	**6,273.4**	6,065.3	208.1
Operating income	**278.7**	233.7	45.0	**927.2**	984.4	(57.2)
Adjusted Operating Income(1)	**278.7**	259.0	19.7	**941.3**	924.3	17.0
EBITDA(1)	**556.0**	504.6	51.4	**1,762.0**	1,789.5	(27.5)
Adjusted EBITDA(1)	**556.0**	529.9	26.1	**1,776.1**	1,729.4	46.7
Net earnings(2)	**141.9**	123.0	18.9	**490.1**	568.4	(78.3)
Adjusted net earnings(1)(2)	**141.9**	141.9	-	**501.0**	519.7	(18.7)

(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 and same-store sales for the Food retailing segment:

($ in millions)	13 Weeks Ended **Feb. 1, 2025**	13 Weeks Ended Feb. 3, 2024	$ Change	39 Weeks Ended **Feb. 1, 2025**	39 Weeks Ended Feb. 3, 2024	$ Change
Food sales	**$ 7,259.0**	$ 7,040.6	$ 218.4	**$ 22,148.9**	$ 21,734.0	$ 414.9
Fuel sales	**466.2**	453.8	12.4	**1,491.0**	1,587.1	(96.1)
Same-store sales(1) growth - food	**2.6%**	1.9%		**1.9%**	2.6%	
Same-store sales(1) growth - fuel	**0.8%**	(3.9)%		**(3.0)%**	(10.4)%	

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

Investments and Other Operations

($ in millions)	13 Weeks Ended **Feb. 1, 2025**	13 Weeks Ended Feb. 3, 2024	$ Chan	39 Weeks Ended **Feb. 1, 2025**	39 Weeks Ended Feb. 3, 2024	$ Change
Crombie REIT	**$ 10.0**	$ 10.5	$ (0.5)	**$ 54.0**	$ 31.6	$ 22.4
Real estate partnerships	**9.7**	5.3	4.4	**15.1**	9.2	5.9
Other operations, net of corporate expenses	**(10.4)**	1.1	(11.5)	**(20.1)**	(5.7)	(14.4)
Operating income	**$ 9.3**	$ 16.9	$ (7.6)	**$ 49.0**	$ 35.1	$ 13.9

For the quarter ended February 1, 2025, income from Investments and other operations decreased primarily as a result of the Company's investment in *Scene+* driven by increased member participation and redemption of its loyalty program points.

Empire Company Limited Operating Results

Sales

Food sales for the quarter ended February 1, 2025 increased by 3.1% primarily driven by positive growth across the business, particularly in Full-Service and FreshCo.

Fuel sales for the quarter ended February 1, 2025 increased by 2.7% driven by higher fuel prices and higher volume compared to the prior year.

Gross Profit

Gross profit for the quarter ended February 1, 2025 increased by 4.8%, 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 quarter ended February 1, 2025 increased to 27.0% from 26.5% in the prior year primarily as a result of disciplined execution and targeted efficiencies in our stores aimed at reducing shrink.

Excluding the mix impact of fuel sales, gross margin for the quarter ended February 1, 2025 was 43 basis points higher than the prior year.

Operating Income

($ in millions)	13 Weeks Ended Feb. 1, 2025	Feb. 3, 2024	$ Change	39 Weeks Ended Feb. 1, 2025	Feb. 3, 2024	$ Change
Food retailing	**$ 278.7**	$ 233.7	$ 45.0	**$ 927.2**	$ 984.4	$ (57.2)
Investments and other operations:						
Crombie REIT(1)	**10.0**	10.5	(0.5)	**54.0**	31.6	22.4
Real estate partnerships	**9.7**	5.3	4.4	**15.1**	9.2	5.9
Other operations, net of corporate expenses	**(10.4)**	1.1	(11.5)	**(20.1)**	(5.7)	(14.4)
	9.3	16.9	(7.6)	**49.0**	35.1	13.9
Operating income	**$ 288.0**	$ 250.6	$ 37.4	**$ 976.2**	$ 1,019.5	$ (43.3)
Adjustments:						
E-commerce Exclusivity(2)	**-**	-	-	**11.9**	-	11.9
Restructuring(2)	**-**	25.2	(25.2)	**2.2**	51.7	(49.5)
Cybersecurity Event(2)	**-**	0.1	(0.1)	**-**	(21.0)	21.0
Western Canada Fuel Sale(2)	**-**	-	-	**-**	(90.8)	90.8
	-	25.3	(25.3)	**14.1**	(60.1)	74.2
Adjusted operating income(2)	**$ 288.0**	$ 275.9	$ 12.1	**$ 990.3**	$ 959.4	$ 30.9

(1) Crombie Real Estate Investment Trust ("Crombie REIT")
(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 February 1, 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 share based long-term incentive programs driven by the Company's share price appreciation and 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.

Operating income from the Investments and other operations segment for the quarter ended February 1, 2025 decreased primarily as a result of the Company's investment in *Scene+* driven by increased member participation and redemption of its loyalty program points.

EBITDA

($ in millions)	13 Weeks Ended Feb. 1, 2025	Feb. 3, 2024	$ Change	39 Weeks Ended Feb. 1, 2025	Feb. 3, 2024	$ Change
EBITDA(1)	**$ 565.3**	$ 521.5	$ 43.8	**$ 1,811.0**	$ 1,824.9	$ (13.9)
Adjustment:						
E-commerce Exclusivity(2)	**-**	-	-	**11.9**	-	11.9
Restructuring(2)	**-**	25.2	(25.2)	**2.2**	51.7	(49.5)
Cybersecurity Event(2)	**-**	0.1	(0.1)	**-**	(21.0)	21.0
Western Canada Fuel Sale(2)	**-**	-	-	**-**	(90.8)	90.8
	-	25.3	(25.3)	**14.1**	(60.1)	74.2
Adjusted EBITDA(2)	**$ 565.3**	$ 546.8	$ 18.5	**$ 1,825.1**	$ 1,764.8	$ 60.3

(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 February 1, 2025, EBITDA increased to $565.3 million from $521.5 million in the prior year mainly as a result of the same factors affecting operating income (excluding the increase in depreciation and amortization of $6.4 million). Adjusted EBITDA margin remained consistent at 7.3% compared to the prior year.

Income Taxes

For the quarter ended February 1, 2025, the effective income tax rate was 27.0% compared to 24.0% in the same quarter last year. The effective tax rate was slightly higher than the statutory rate primarily due to the revaluation of tax estimates, not all of which were recurring. The effective tax rate in the same quarter last year was lower than the statutory rate primarily due to the revaluation of tax estimates, not all of which were recurring, non-taxable capital items and consolidated structured entities which are taxed at lower rates.

Net Earnings

($ in millions, except per share	13 Weeks Ended Feb. 1, 2025	Feb. 3, 2024	$ Change	39 Weeks Ended Feb. 1, 2025	Feb. 3, 2024	$ Change
Net earnings(1)	**$ 146.1**	$ 134.2	$ 11.9	**$ 527.3**	$ 576.3	$ (49.0)
EPS (fully diluted)	**$ 0.62**	$ 0.54	$ 0.1	**$ 2.20**	$ 2.31	$ (0.1)
Adjustments(2) (net of income taxes)						
E-commerce Exclusivity(3)	**-**	-	-	**8.8**	-	8.8
Restructuring(3)	**-**	18.8	(18.8)	**2.1**	38.3	(36.2)
Cybersecurity Event(3)	**-**	0.1	(0.1)	**-**	(15.5)	15.5
Western Canada Fuel Sale(3)	**-**	-	-	**-**	(71.5)	71.5
	-	18.9	(18.9)	**10.9**	(48.7)	59.6
Adjusted net earnings(1)(3)	**$ 146.1**	$ 153.1	$ (7.0)	**$ 538.2**	$ 527.6	$ 10.6
Adjusted EPS(1)(3) (fully diluted)	**$ 0.62**	$ 0.62	$ -	**$ 2.24**	$ 2.11	$ 0.13
Diluted weighted average number of shares outstanding (in millions)	**237.2**	246.8	(9.6)	**239.8**	249.7	(9.9)

(1) Attributable to owners of the Company.

(2) Total adjustments for the quarter and year-to-date are net of income taxes of $ nil and $3.8 million (2024 - $6.8 million and ($11.0) million).

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

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, slightly before it was originally estimated to end. In the first quarter of fiscal 2025, the Company incurred a non-cash charge related to ending the exclusivity, with an impact to net earnings of ($8.8) million.

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 impact to net earnings for the quarter ended February 1, 2025 was $ nil (February 3, 2024 - ($18.8) million).

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 ended February 3, 2024 was ($0.1) million.

Capital Expenditures

The Company invested $188.0 million in capital expenditures(1) for the quarter ended February 1, 2025 (February 3, 2024 – $156.3 million), including renovations and construction of new stores, investments in advanced analytics technology and other technology systems.

(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)	13 Weeks Ended Feb. 1, 2025	Feb. 3, 2024	$ Change	39 Weeks Ended Feb. 1, 2025	Feb. 3, 2024	$ Change
Cash flows from operating activities	**$ 538.5**	$ 668.8	$ (130.3)	**$ 1,442.1**	$ 1,517.8	$ (75.7)
Add: proceeds on disposal of assets[1] and lease modifications and terminations	**12.3**	27.2	(14.9)	**121.2**	148.5	(27.3)
Less: interest paid	**(13.5)**	(11.5)	(2.0)	**(40.2)**	(38.2)	(2.0)
payments of lease liabilities, net of received for finance subleases	**(179.5)**	(168.1)	(11.4)	**(535.8)**	(504.1)	(31.7)
acquisitions of property, equipment, investment property and intangibles	**(210.1)**	(167.4)	(42.7)	**(577.3)**	(497.1)	(80.2)
Free cash flow[2]	**$ 147.7**	$ 349.0	$ (201.3)	**$ 410.0**	$ 626.9	$ (216.9)

(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

Free cash flow for the quarter ended February 1, 2025 decreased versus prior year primarily as a result of a decrease in cash flows from operating activities and an increase in capital investments.

CONSOLIDATED FINANCIAL CONDITION

($ in millions, except per share and ratio calculations)	Feb. 1, 2025	May 4, 2024	Feb. 3, 2024
Shareholders' equity, net of non-controlling interest	**$ 5,377.2**	$ 5,341.1	$ 5,320.8
Book value per common share[1]	**$ 22.75**	$ 21.54	$ 21.60
Long-term debt, including current portion	**$ 1,130.2**	$ 1,095.4	$ 941.7
Long-term lease liabilities, including current portion	**$ 6,419.6**	$ 6,264.5	$ 6,343.3
Funded debt to total capital[1]	**58.4%**	57.9%	57.8%
Funded debt to adjusted EBITDA[1][2]	**3.2x**	3.2x	3.0x
Adjusted EBITDA to interest expense[1][3]	**8.2x**	8.3x	8.8x
Trailing four-quarter adjusted EBITDA	**$ 2,388.1**	$ 2,327.8	$ 2,423.7
Trailing four-quarter interest expense	**$ 292.8**	$ 281.2	$ 276.1
Current assets to current liabilities	**0.8x**	0.8x	0.8x
Total assets	**$ 16,751.6**	$ 16,790.3	$ 16,508.0
Total non-current financial liabilities	**$ 7,554.9**	$ 7,430.4	$ 7,374.8

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release.
(2) Calculation uses trailing four-quarter adjusted EBITDA.
(3) Calculation uses trailing four-quarter adjusted EBITDA and interest expense.

Sobeys' credit rating remained unchanged from the prior quarter. The following table shows Sobeys' credit ratings as at March 12, 2025:

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

Normal Course Issuer Bid ("NCIB")

Under the NCIB with the Toronto Stock Exchange ("TSX") from July 2, 2023 to July 1, 2024, the Company purchased 10,004,868 (July 1, 2023 – 10,500,000) Non-Voting Class A shares ("Class A shares") at a weighted average price of $35.31 (July 1, 2023 – $36.18) for a total consideration of $353.2 million (July 1, 2023 - $379.9 million).

On June 19, 2024, the Company renewed its NCIB by filing a notice of intention with the TSX to purchase for cancellation up to 12,800,000 Class A shares representing approximately 9.9% of the public float of 129,904,937 Class A shares outstanding as of June 18, 2024. The Company intends to repurchase approximately $400.0 million of Class A shares in fiscal 2025. 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 the Company will pay for any such 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 interest of the Company and its shareholders. Purchases were eligible to commence on July 2, 2024 and will terminate not later than July 1, 2025. As of February 1, 2025, the Company purchased 6,712,371 Class A shares (February 3, 2024 - 6,015,656) under this filing at a weighted average price of $39.84 (February 3, 2024 - $36.63) for a total consideration of $267.4 million (February 3, 2024 - $220.4 million).

Shares purchased are shown in the table below:

	13 Weeks Ended		39 Weeks Ended	
($ in millions, except per share amounts)	**Feb. 1, 2025**	Feb. 3, 2024	**Feb. 1, 2025**	Feb. 3, 2024
Number of shares	**2,484,371**	2,710,109	**7,691,346**	8,291,081
Weighted average price per share	**$ 43.16**	$ 36.14	**$ 39.01**	$ 36.16
Cash consideration paid	**$ 107.2**	$ 97.9	**$ 300.1**	$ 299.8

The Company engages in an automatic share purchase plan with its designated broker allowing the purchases of Class A shares for cancellation under its NCIB program during the black-out periods.

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 $8.6 million as a charge to retained earnings on the Interim Condensed Consolidated Balance Sheets for the repurchase of shares.

Including purchases made subsequent to the end of the quarter, as at March 7, 2025 the Company has purchased 8,613,421 Class A shares in fiscal 2025 (March 12, 2024 – 9,464,668) at a weighted average price of $39.48 (March 12, 2024 - $35.92) for a total consideration of $340.1 million (March 12, 2024 - $340.0 million).

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, British Columbia 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 $11.9 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. Subsequently, on March 11, 2025, these partnerships were expanded to Quebec and Atlantic Canada, completing the national rollout based on serviceable locations. These new partnerships complement Voilà by providing a full suite of delivery options across many of the Company's banners such as: Sobeys, Farm Boy, Longo's, FreshCo, IGA West, IGA, IGA Extra, Foodland and Lawtons.

The actions that the Company is taking as outlined above are expected to have a significant, positive impact on Voilà's profitability in fiscal 2025 and 2026. 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 February 1, 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 71.9% 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 format 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 format. As at March 12, 2025, FreshCo has 48 stores operating in Western Canada and the Company expects to achieve its original targeted growth of converting up to 25% of 255 Safeway and Sobeys Full-Service format stores in Western Canada over the next several years.

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 2025, capital spend is expected to be approximately $700 million, with approximately half of this investment allocated to renovations and new store expansion, 25% allocated to IT and business development projects and the remainder allocated to central kitchens, logistics, sustainability and e-commerce. 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 2025, 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 $135 million and $155 million (2024 - $140.1 million, excluding the gain of $90.8 million on the Western Canada Fuel Sale).

In the quarter ended February 1, 2025, the Company's internal food inflation after adjusting for the government-imposed GST/HST tax break (effective from December 14, 2024 to February 15, 2025) was below the Consumer Price Index for food purchased from stores. 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. Currently, approximately 12% of the Company's annual sales are related to goods sourced from the United States. The Company continues to focus on reducing this percentage by promoting local and Canadian products or by seeking alternate sources of supply outside the United States.

DIVIDEND DECLARATION

The Board of Directors declared a quarterly dividend of $0.20 per share on both the Class A shares and the Class B common shares that will be payable on April 30, 2025 to shareholders of record on April 15, 2025. These dividends are eligible dividends as defined for the purposes of the Income Tax Act (Canada) and applicable provincial legislation.

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 2024 annual MD&A;
- The Company's plan to invest $700 million capital in its network in fiscal 2025, 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 plans to further grow and enhance the Own Brands portfolio, which may be impacted by future operating costs and customer response;
- 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;
- 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 it will continue its e-commerce expansion with Voilà and that actions are expected to have a significant, positive impact on Voilà's profitability in fiscal 2025 and 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 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 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 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 that Other income plus Share of earnings from investments, at equity will in aggregate, be in a range of $135 million to $155 million in fiscal 2025, 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 partnerships;
- 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; and

- 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.

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 2024 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:

	13 Weeks Ended		39 Weeks Ended	
($ in millions)	**Feb. 1, 2025**	Feb. 3, 2024	**Feb. 1, 2025**	Feb. 3, 2024
Sales	**$ 7,725.2**	$ 7,494.4	**$ 23,639.9**	$ 23,321.1
Cost of sales	**5,642.1**	5,507.1	**17,366.5**	17,255.8
Gross profit	**$ 2,083.1**	$ 1,987.3	**$ 6,273.4**	$ 6,065.3

- Adjusted operating income is operating income excluding certain items to better analyze trends in performance. These items are excluded to allow for useful period over period comparison of ongoing operating results. Adjusted operating income is reconciled to operating income in its respective subsection of the “Summary Results – First Quarter” 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 table reconciles net earnings to EBITDA on a consolidated basis and for the Food retailing segment:

	13 Weeks Ended					
	February 1, 2025			February 3, 2024		
($ in millions)	**Food retailing**	**Investment and other operations**	**Total**	Food retailing	Investment and other operations	Total
Net earnings	**$ 150.8**	**$ 6.7**	**$ 157.5**	$ 126.3	$ 11.2	$ 137.5
Income tax expense	**56.6**	**1.8**	**58.4**	39.8	3.7	43.5
Finance costs, net	**71.3**	**0.8**	**72.1**	67.6	2.0	69.6
Operating income	**278.7**	**9.3**	**288.0**	233.7	16.9	250.6
Depreciation	**249.5**	**-**	**249.5**	240.4	-	240.4
Amortization of intangibles	**27.8**	**-**	**27.8**	30.5	-	30.5
EBITDA	**$ 556.0**	**$ 9.3**	**$ 565.3**	$ 504.6	$ 16.9	$ 521.5

	39 Weeks Ended					
	February 1, 2025			February 3, 2024		
($ in millions)	**Food retailing**	**Investment and other operations**	**Total**	Food retailing	Investment and other operations	Total
Net earnings	**$ 530.8**	**$ 37.2**	**$ 568.0**	$ 599.1	$ 7.9	$ 607.0
Income tax expense	**180.5**	**8.9**	**189.4**	182.5	21.9	204.4
Finance costs, net	**215.9**	**2.9**	**218.8**	202.8	5.3	208.1
Operating income	**927.2**	**49.0**	**976.2**	984.4	35.1	1,019.5
Depreciation	**747.6**	**-**	**747.6**	714.1	0.4	714.5
Amortization of intangibles	**87.2**	**-**	**87.2**	90.9	-	90.9
EBITDA	**$ 1,762.0**	**$ 49.0**	**$ 1,811.0**	$ 1,789.4	$ 35.5	$ 1,824.9

- 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 – Third Quarter” 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 table reconciles finance costs, net to interest expense:

	13 Weeks Ended		39 Weeks Ended	
($ in millions)	**Feb. 1, 2025**	Feb. 3, 2024	**Feb. 1, 2025**	Feb. 3, 2024
Finance costs, net	**$ 72.1**	$ 69.6	**$ 218.8**	$ 208.1
Plus: finance income, excluding interest income on lease receivables	**3.4**	3.0	**8.2**	5.8
Less: pension finance costs, net	**(2.0)**	(1.8)	**(6.0)**	(5.6)
Less: accretion expense on provisions	**(0.8)**	(0.7)	**(2.2)**	(1.1)
Interest expense	**$ 72.7**	$ 70.1	**$ 218.8**	$ 207.2

- 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 – Third Quarter" 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, except per share information)	**Feb. 1, 2025**	May. 4, 2024	Feb. 3, 2024
Shareholders' equity, net of non-controlling interest	**$ 5,377.2**	$ 5,341.1	$ 5,320.8
Shares outstanding (basic)	**236.4**	248.0	246.3
Book value per common share	**$ 22.75**	$ 21.54	$ 21.60

- Funded debt is all interest-bearing debt, which includes bank loans, bankers' acceptances, long-term debt and long-term 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)	**Feb. 1, 2025**	May. 4, 2024	Feb. 3, 2024
Long-term debt due within one year	**$ 213.0**	$ 113.5	$ 123.1
Long-term debt	**917.2**	981.9	818.6
Lease liabilities due within one year	**566.2**	585.4	580.7
Long-term lease liabilities	**5,853.4**	5,679.1	5,762.6
Funded debt	**$ 7,549.8**	$ 7,359.9	$ 7,285.0
Total shareholders' equity, net of non-controlling interest	**5,377.2**	5,341.1	5,320.8
Total capital	**$ 12,927.0**	$ 12,701.0	$ 12,605.8

- 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, March 13, 2025 beginning at 8:30 a.m. (Eastern Daylight Time) during which senior management will discuss the Company's financial results for the third 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/4fQrpyP. 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 42374 until midnight March 27, 2025, or on the Company's website for 90 days following the conference call.

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 $31.1 billion in annual sales and $16.8 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 128,000 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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