

SUPPLEMENTARY SLIDES

Q1 2024

For the periods ended March 23, 2024 and March 25, 2023

Loblaw
Companies
Limited

FORWARD LOOKING STATEMENTS

This presentation for Loblaw Companies Limited (“Loblaw” or “the Company”) contains forward-looking statements about the Company’s objectives, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities and legal and regulatory matters. Specific forward-looking statements in this presentation include, but are not limited to, statements with respect to the Company’s anticipated future results, events and plans, strategic initiatives and restructuring, regulatory changes including further healthcare reform, future liquidity, planned capital investments, and the status and impact of information technology (“IT”) systems implementations. Forward-looking statements are typically identified by words such as “expect”, “anticipate”, “believe”, “foresee”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “strive”, “will”, “may”, “should” and similar expressions, as they relate to the Company and its management.

Forward-looking statements reflect the Company’s estimates, beliefs and assumptions, which are based on management’s perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. The Company’s estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and, as such, are subject to change. The Company can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Company’s actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in the Company’s MD&A in the Company’s 2023 Annual Report and Section 4 “Risks” of the Company’s 2023 Annual Information Form for the year ended December 30, 2023.

This is not an exhaustive list of the factors that may affect the Company’s forward-looking statements. Other risks and uncertainties not presently known to the Company or that the Company presently believes are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional risks and uncertainties are discussed in the Company’s materials filed with the Canadian securities regulatory authorities (“securities regulators”) from time to time, including, without limitation, the section entitled "Risks" in the Company's 2023 AIF (for the year ended December 30, 2023). Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect the Company’s expectations only as of the date of this presentation. Except as required by law, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation uses certain non-GAAP and other financial measures, such as Adjusted EBITDA, Adjusted EBITDA Margin, Retail Segment Gross Profit, Retail Segment Gross Profit Percentage, Adjusted Diluted Net Earnings Per Common Share and Free Cash Flow which the Company believes provide useful information to both management and investors in measuring the financial performance of the Company. These measures do not have a standardized meaning prescribed by GAAP, and therefore, they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

KEY FINANCIAL METRICS – Consolidated

Q1 2024

(millions of Canadian dollars unless otherwise noted)

	Q1 2024	Q1 2023	% Change ⁽¹⁾	
Consolidated Revenue	\$13,581	\$12,995	↑	+4.5%
Adjusted EBITDA	\$1,544	\$1,448	↑	+6.6%
Adjusted EBITDA Margin	11.4%	11.1%	↑	30bps
Adjusted Net Earnings Available to Common Shareholders	\$537	\$505	↑	+6.3%
Adjusted Diluted Net Earnings Per Common Share	\$1.72	\$1.55	↑	+11.0%
Free Cash Flow ⁽²⁾	\$2	\$147		
Net Capex ⁽³⁾	\$348	\$122		

1. ↑ indicates better; ↓ indicates worse; ≈ indicates flat.

2. The definition of free cash flow was changed since the first quarter of 2019 to normalize for the impact of the implementation of IFRS 16.

3. Net Capex includes fixed asset purchases, intangible asset additions, and prepayments transferred to fixed assets in the current year, net of proceeds from disposal of assets and financial liabilities. Included in Q1 2023 was \$315 million gross capital expenditures, net of proceeds from disposal of assets of \$107 million, and proceeds from financial liabilities of \$86 million.

KEY FINANCIAL METRICS – Retail Segment

Q1 2024

(millions of Canadian dollars unless otherwise noted)

	Q1 2024	Q1 2023	% Change ⁽¹⁾	
Total Retail Revenue	\$13,290	\$12,735	↑	4.4%
Retail Revenue - Food	\$9,409	\$9,011	↑	4.4%
Retail Revenue - Drug	\$3,881	\$3,724	↑	4.2%
Pharmacy and Healthcare Services	\$2,059	\$1,924	↑	7.0%
Front Store	\$1,822	\$1,800	↑	1.2%
Retail Gross Margin ⁽²⁾	31.6%	31.3%	↑	30bps
Adjusted Retail SG&A rate	20.7%	20.3%	↓	-40bps
Adjusted Retail EBITDA	\$1,452	\$1,390	↑	4.5%
Adjusted Retail EBITDA Margin	10.9%	10.9%	≈	0bps

1. ↑ indicates better; ↓ indicates worse; ≈ indicates flat
2. Represents retail gross profit as a percentage of retail sales

KEY OPERATIONAL METRICS

Q1 2024

Food Retail (Loblaw)

	<u>% Change ⁽¹⁾</u>
Food Retail Same-Store Sales Growth	↑ +3.4%
Basket Size ⁽²⁾	↓
Traffic ⁽²⁾	↑
Loblaw STM Square Footage Growth	↑
Industry STM Square Footage Growth	↑

Drug Retail (Shoppers Drug Mart)

	<u>% Change ⁽¹⁾</u>
Drug Retail Same-Store Sales Growth	↑ +4.0%
Pharmacy and Healthcare Services ⁽²⁾	↑ +7.3%
Rx Count ⁽²⁾	↑ +4.0%
Average Rx Value ⁽²⁾	↑ +2.0%
Front Store ⁽²⁾	↑ +0.7%

(1) ↑ indicates better; ↓ indicates worse; ≈ indicates flat

(2) Based on same-store sales