# Loblaw Companies Limited

# **NEWS RELEASE**

# Loblaw Reports Revenue Growth of 4.6% in the Third Quarter

**BRAMPTON, ONTARIO November 12, 2025** Loblaw Companies Limited (TSX: L) ("Loblaw" or the "Company") announced today its unaudited financial results for the third quarter ended October 4, 2025.<sup>(1)</sup>

Loblaw delivered another quarter of consistent operational and financial performance. The combination of everyday value offerings, personalized PC Optimum™ loyalty rewards, impactful promotions, and new store openings drove higher levels of customer engagement. Canadians recognized its differentiated value, quality, service, and convenience across its nationwide network of stores and digital platforms, driving sales growth of \$857 million in the quarter. The Food Retail business attracted more customers and larger baskets, resulting in both the Super Market and Hard Discount banners outperforming their peer group on tonnage market share growth in the quarter. The Company's Hard Discount and Real Canadian Superstore banners again outperformed conventional stores, benefitting from the consumer shift to value. The Company opened 19 Maxi and NoFrills stores in the quarter, bringing discount options to more communities across the country. In Drug Retail, Pharmacy and Healthcare Services contributed to strong results, led by specialty drug growth. Front store sales momentum continued in cosmetics and over-the-counter categories, which were only partially offset by the previously announced strategic exit from certain electronics items. Loblaw remains on track with its full-year plan to open approximately 76 new stores and 100 new pharmacy clinics, opening 47 new stores and 55 new pharmacy clinics year-to-date, providing access to affordable, quality groceries and healthcare to underserved communities across Canada.

"Our innovative customer programs and new store openings are delivering the value, quality, service and convenience that Canadians want, now more than ever," said Per Bank, President and Chief Executive Officer, Loblaw Companies Limited. "Our focus on retail excellence allows us to deliver on our commitments to our customers and invest for future growth, while delivering strong financial results."

#### **2025 THIRD QUARTER HIGHLIGHTS**

- Revenue was \$19,395 million, an increase of \$857 million, or 4.6%.
  - The sale of Wellwise by Shoppers™ ("Wellwise") was completed in the first quarter of 2025. Revenue related to Wellwise in the third quarter of 2025 was nil (2024 \$27 million). Excluding the impact of revenue related to Wellwise, revenue increased by 4.8%.
- Retail segment sales were \$19,082 million, an increase of \$823 million, or 4.5%.
  - Food Retail (Loblaw) sales were \$13,588 million, an increase of 4.8%, and same-store sales increased by 2.0%.
  - Drug Retail (Shoppers Drug Mart) sales were \$5,494 million, an increase of 3.8%, and same-store sales increased by 4.0%, with pharmacy and healthcare services same-store sales growth of 5.9% and front store same-store sales growth of 1.9%.

- E-commerce sales increased by 18.0%.
- Operating income was \$1,376 million, an increase of \$55 million, or 4.2%.
- Adjusted EBITDA<sup>(2)</sup> was \$2,217 million, an increase of \$148 million, or 7.2%.
- Retail segment gross profit percentage<sup>(2)</sup> was at 31.1%, an increase of 20 basis points, primarily driven by improvements in shrink.
- Net earnings available to common shareholders of the Company were \$794 million, an increase of \$17 million or 2.2%. Diluted net earnings per common share were \$0.66, an increase of \$0.03, or 4.8%. The increase included the impact of charges related to the wind-down of the Theodore & Pringle optical business of \$22 million.
- Adjusted net earnings available to common shareholders of the Company<sup>(2)</sup> were \$828 million, an increase of \$61 million, or 8.0%.
- Adjusted diluted net earnings per common share<sup>(2)</sup> were \$0.69, an increase of \$0.07 or 11.3%.
- Net capital investments were \$682 million, which reflects gross capital investments of \$685 million, net of proceeds from property disposals of \$3 million.
- Repurchased for cancellation 6.8 million common shares at a cost of \$381 million. Free cash flow<sup>(2)</sup> from the Retail segment was \$325 million.
- In the third quarter of 2025, the Company completed a four-for-one stock split of its outstanding common shares. The stock split was implemented by way of a stock dividend, with shareholders receiving three additional common shares for each common share held. The stock split was effective at the close of business on August 18, 2025, for shareholders of record as of the close of business on August 14, 2025. All share and per share amounts presented herein have been retrospectively adjusted to reflect the stock split.

# **CONSOLIDATED AND SEGMENT RESULTS OF OPERATIONS**

The following table provides key performance metrics for the Company by segment.

	_								ì							
								2025								2024
							(16	weeks)							(1	6 weeks)
For the periods ended October 4, 2025 and October 5, 2024											_					
(millions of Canadian dollars except where otherwise indicated)		Retai		nancial ervices		Elimi- nations		Total		Retail		inancial Services	!	Elimi- nations		Total
Revenue	\$	19,082	\$	403	\$	(90)	\$1	19,395	\$	18,259	\$	382	\$(	103)	\$1	8,538
Gross profit <sup>(2)</sup>	\$	5,940	\$	352	\$	(90)	\$	6,202	\$	5,642	\$	334	\$(	103)	\$	5,873
Gross profit % <sup>(2)</sup>		<b>31.1</b> 9	6	N/A		<b>-</b> %	,	32.0 %		30.9 %	)	N/A		<b>-</b> %		31.7 %
Operating income	\$	1,287	\$	89	\$	_	\$	1,376	\$	1,091	\$	230	\$	_	\$	1,321
Adjusted operating income <sup>(2)</sup>		1,332		89		_		1,421		1,246		75		_		1,321
Adjusted EBITDA <sup>(2)</sup>	\$	2,116	\$	101	\$	_	\$	2,217	\$	1,982	\$	87	\$	_	\$	2,069
Adjusted EBITDA margin <sup>(2)</sup>		11.1 9	6	N/A		<b>—</b> %	,	11.4 %		10.9 %	)	N/A		<b>-</b> %		11.2 %
Net interest expense and other																
financing charges	\$	233	\$	40	\$	_	\$	273	\$	209	\$	29	\$	_	\$	238
Adjusted net interest expense		222		40				272		200		20				240
and other financing charges <sup>(2)</sup>	┢	233		40	_		_	273	_	209		39			_	248
Earnings before income taxes	\$	1,054	\$	49	\$			1,103	\$	882	\$	201	<u> </u>	_	\$	1,083
Income taxes							\$	293							\$	263
Adjusted income taxes <sup>(2)</sup>								304								263
Net earnings attributable to non-																
controlling interests							\$	16							\$	40
Prescribed dividends on																
preferred shares																
in share capital								_								3
Net earnings available to																
common shareholders of the																
Company							\$	794							\$	777
Adjusted net earnings available																
to common shareholders of																
the Company <sup>(2)</sup>								828								767
Diluted net earnings per																
common share <sup>(4)</sup> (\$)							\$	0.66							\$	0.63
Adjusted diluted net earnings																
per common share <sup>(2), (4)</sup> (\$)							\$	0.69							\$	0.62
Diluted weighted average																
common shares																
outstanding <sup>(4)</sup> (in millions)							_1,	195.4							1	,227.7

The following table provides a breakdown of the Company's total and same-store sales for the Retail segment.

For the periods ended October 4, 2025 and October 5, 2024		2025		2024		
(millions of Canadian dollars except where otherwise indicated)		(16 weeks)		(16 weeks)		
		Same-store		Same-store	Sales	Sales
	Sales	sales	Sales	sales	\$ Change	% Change
Food retail	\$ 13,588	2.0 %	\$ 12,966	0.5 %	\$ 622	4.8 %
Drug retail	5,494	4.0 %	5,293	2.9 %	201	3.8 %
Pharmacy and healthcare services	2,953	5.9 %	2,783	6.3 %	170	6.1 %
Front store	2,541	1.9 %	2,510	(0.5)%	31	1.2 %
					-	

#### **RETAIL SEGMENT**

- Retail segment sales in the third quarter of 2025 were \$19,082 million, an increase of \$823 million, or 4.5%.
  - $^{\circ}$  Food Retail (Loblaw) sales were \$13,588 million, an increase of \$622 million, or 4.8% and same-store sales grew by 2.0% (2024 0.5%).
    - The Company's internal food inflation was lower than the Consumer Price Index for Food Purchased From Stores of 3.6% (2024 2.3%); and
    - Food Retail traffic increased and basket size increased.
  - Orug Retail (Shoppers Drug Mart) sales were \$5,494 million, an increase of \$201 million, or 3.8% and same-store sales grew by 4.0% (2024 2.9%). Pharmacy and healthcare services same-store sales growth was 5.9% (2024 6.3%) and front store same-store sales growth was 1.9% (2024 decline of 0.5%).
    - Pharmacy and healthcare services same-store sales growth was 5.9% (2024 6.3%) led by specialty prescriptions. On a same-store basis, the number of prescriptions increased by 2.8% (2024 2.3%) and the average prescription value increased by 3.7% (2024 3.5%).
    - Front store same-store sales growth was 1.9% (2024 decline of 0.5%). Front store same-store sales growth was primarily driven by higher sales of beauty and over-the-counter ("OTC") products, partially offset by the decision to exit certain low margin electronics categories.
  - In the third quarter of 2025, 27 food and drug stores were opened and 7 food and drug stores were closed. Retail square footage was 72.9 million square feet, a net increase of 1.4 million square feet, or 2.0%, compared to the third quarter of 2024.
- Operating income in the third quarter of 2025 was \$1,287 million, an increase of \$196 million, or 18.0%.
- Gross profit<sup>(2)</sup> in the third quarter of 2025 was \$5,940 million, an increase of \$298 million, or 5.3%. The gross profit percentage<sup>(2)</sup> of 31.1% increased by 20 basis points, primarily driven by improvements in shrink.
- Adjusted EBITDA<sup>(2)</sup> in the third quarter of 2025 was \$2,116 million, an increase of \$134 million, or 6.8%. The increase was driven by an increase in retail segment sales and an increase in gross profit<sup>(2)</sup>, partially offset by an increase in selling, general and administrative expenses ("SG&A"). SG&A as a percentage of sales was flat at 20.0%, primarily due to operating leverage from higher sales offset by incremental costs related to opening new stores and the automated distribution facility and the year-over-year impact of certain real estate activities.
- Depreciation and amortization in the third quarter of 2025 was \$798 million, a decrease of \$93 million or 10.4%, primarily driven by the impact of lower amortization related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart which are now fully amortized, partially offset by an increase in depreciation of leased assets, and an increase in depreciation of fixed assets related to opening new stores and conversions of retail locations. Included in depreciation and amortization was the amortization of intangible assets related to the acquisitions of Shoppers Drug Mart and Lifemark Health Group ("Lifemark") of \$14 million (2024 \$155 million).

#### **FINANCIAL SERVICES SEGMENT**

- Revenue in the third quarter of 2025 was \$403 million, an increase of \$21 million, or 5.5%. The increase was
  primarily driven by higher interest income, higher insurance commission income and higher sales attributable to
  The Mobile Shop™.
- Earnings before income taxes in the third quarter of 2025 were \$49 million, a decrease of \$152 million, or 75.6%.
  The decrease was primarily driven by prior year recovery of \$165 million related to a commodity tax matter, and higher customer acquisition expenses and operating costs from lapping of prior year ongoing benefits associated with the renewal of a long-term agreement with Mastercard International Incorporated. This decrease was partially offset by higher revenue described above, and the year-over-year favourable impact of expected credit loss provision.

#### OUTLOOK(3)

Loblaw will continue to execute on retail excellence while advancing its growth initiatives with the goal of delivering consistent operational and financial results in 2025. The Company's businesses remain well positioned to meet the everyday needs of Canadians.

In 2025, the Company's results will include the impact of a 53<sup>rd</sup> week, which is expected to benefit adjusted net earnings per common share<sup>(2)</sup> growth by approximately 2%. On a full-year comparative basis, excluding the impact of the 53<sup>rd</sup> week, the Company continues to expect:

- its Retail business to grow earnings faster than sales;
- to continue investing in our store network and distribution centres by investing a net amount of \$1.9 billion in capital expenditures, which reflects gross capital investments of approximately \$2.2 billion, net of approximately \$300 million of proceeds from property disposals; and
- to return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

Based on its year-to-date operating and financial performance and momentum exiting the third quarter, the Company now expects full year adjusted net earnings per common share<sup>(2)</sup> growth to increase slightly from high single-digits into the low double-digits, excluding the impact of the 53<sup>rd</sup> week.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")**

In the third quarter of 2025, the Company continued to advance its commitment to fostering a stronger Canada through fighting climate change and advancing social equity. A notable achievement in the quarter was the announcement that President's Choice Children's Charity met its ambitious target of feeding one million children annually for the 2025/2026 school year, making a meaningful difference for children facing food insecurity in schools across the country.

#### NORMAL COURSE ISSUER BID PROGRAM ("NCIB")

During the third quarter of 2025, the Company repurchased 6.8 million common shares for cancellation at a cost of \$381 million. On a year-to-date basis, the Company repurchased 24.9 million common shares<sup>(4)</sup> for cancellation at a cost of \$1,283 million.

From time to time, the Company participates in an automatic share purchase plan ("ASPP") with a broker in order to facilitate the repurchase of the Company's common shares under its NCIB. During the effective period of the ASPP, the Company's broker may purchase common shares at times when the Company would not be active in the market.

#### **DECLARATION OF DIVIDENDS**

Subsequent to the end of the third quarter of 2025, the Board of Directors declared a quarterly dividend of \$0.141075 per common share, payable on December 30, 2025 to shareholders of record on December 15, 2025.

#### NON-GAAP AND OTHER FINANCIAL MEASURES

The Company uses the following non-GAAP and other financial measures and ratios: Retail segment gross profit; Retail segment adjusted gross profit; Retail segment adjusted gross profit percentage; adjusted earnings before income taxes, net interest expense and other financing charges and depreciation and amortization ("adjusted EBITDA"); adjusted EBITDA margin; adjusted operating income; adjusted net interest expense and other financing charges; adjusted income taxes; adjusted effective tax rate; adjusted net earnings available to common shareholders; adjusted diluted net earnings per common share, free cash flow, and same-store sales. The Company believes these non-GAAP and other financial measures and ratios provide useful information to both management and investors in measuring the financial performance and financial condition of the Company for the reasons outlined below.

Management uses these and other non-GAAP and other financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing underlying consolidated and segment operating performance, as the excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. The Company adjusts for these items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

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.

## **Summary of Non-GAAP and Other Financial Measures**

The following table provides a summary of the differences between the Company's consolidated GAAP and Non-GAAP and other financial measures.

For the periods ended October 4, 2025 and October 5, 2024 (millions of Canadian dollars except where otherwise indicated)					(16	2025 weeks)			(16	2024 weeks)
		GAAP	Ac	djusting Items		Non- GAAP <sup>(2)</sup>	GAAP	Ad	ljusting Items	Non- GAAP <sup>(2)</sup>
EBITDA	\$	2,186	\$	31	\$	2,217	\$ 2,224	\$	(155) \$	2,069
Operating income	\$	1,376	\$	45	\$	1,421	\$ 1,321	\$	- \$	1,321
Net interest expense and other financing charges		273		_		273	238		10	248
Earnings before income taxes	\$	1,103	\$	45	\$	1,148	\$ 1,083	\$	(10) \$	1,073
Deduct the following:										
Income taxes		293		11		304	263		_	263
Non-controlling interests		16		_		16	40		_	40
Prescribed dividends on preferred shares		_		_		_	3		_	3
Net earnings available to common shareholders of the Company <sup>(i)</sup>	\$	794	\$	34	\$	828	\$ 777	\$	(10) \$	767
Diluted net earnings per common share <sup>(4)</sup> (\$)	\$	0.66	\$	0.03	\$	0.69	\$ 0.63	\$	(0.01) \$	0.62
Diluted weighted average common shares <sup>(4)</sup> (millions)	,	1,195.4		_	1	1,195.4	1,227.7		_	1227.7

<sup>(</sup>i) Net earnings available to common shareholders of the Company are net earnings attributable to shareholders of the Company, net of dividends declared on the Company's Second Preferred Shares, Series B that were redeemed on January 8, 2025.

Retail Segment Gross Profit, Retail Segment Adjusted Gross Profit and Retail Segment Adjusted Gross Profit Percentage The following tables reconcile adjusted gross profit by segment to gross profit by segment, which is reconciled to revenue and cost of sales measures as reported in the consolidated statements of earnings for the periods ended as indicated. The Company believes that Retail segment gross profit and Retail segment adjusted gross profit are useful in assessing the Retail segment's underlying operating performance and in making decisions regarding the ongoing operations of the business.

Retail segment adjusted gross profit percentage is calculated as Retail segment adjusted gross profit divided by Retail segment revenue.

						$\neg$						
					2025							2024
					(16 weeks)							(16 weeks)
For the periods ended October 4, 2025 and October 5, 2024		Financ	cial	Elimi-				Fi	nancial		Elimi-	
(millions of Canadian dollars)	Retail	Servi	ces	nations	Total		Retail	S	ervices	- 1	nations	Total
Revenue	\$ 19,082	\$ 40	3 :	\$ (90)	\$ 19,395	1	18,259	\$	382	\$	(103)	\$ 18,538
Cost of sales	13,142		51	_	13,193		12,617		48			12,665
Gross profit	\$ 5,940	\$ 3!	52 9	\$ (90)	\$ 6,202	1	5,642	\$	334	\$	(103)	\$ 5,873
Adjusted gross profit	\$ 5,940	\$ 3!	52 :	\$ (90)	\$ 6,202	1	5,642	\$	334	\$	(103)	\$ 5,873
		•		•	•		•					

Adjusted Operating Income, Adjusted EBITDA and Adjusted EBITDA Margin The following tables reconcile adjusted operating income and adjusted EBITDA to operating income, which is reconciled to net earnings attributable to shareholders of the Company as reported in the consolidated statements of earnings for the periods ended as indicated. The Company believes that adjusted EBITDA is useful in assessing the performance of its ongoing operations and its ability to generate cash flows to fund its cash requirements, including the Company's capital investment program.

Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue.

						2025					2024
					(16	weeks)				(16	weeks)
For the periods ended October 4, 2025 and October 5, 2024			Fi	nancial					Fi	nancial	
(millions of Canadian dollars)		Retail	l S	ervices		Total		Retail	S	ervices	Total
Net earnings attributable to shareholders of the Company					\$	794				\$	780
Add impact of the following:											
Non-controlling interests						16					40
Net interest expense and other financing charges						273					238
Income taxes						293					263
Operating income	\$	1,287	\$	89	\$	1,376	\$	1,091	\$	230 \$	1,321
Add (deduct) impact of the following:											
Wind-down of Theodore & Pringle optical business	\$	30	\$	_	\$	30	\$	_	\$	- \$	_
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark		14		_		14		155		_	155
Loss on sale of non-operating properties		2		_		2		_		_	_
Recovery related to PC Bank commodity tax matter		_		_		_		_		(155)	(155)
Fair value adjustment on fuel and foreign currency		,,				44					
contracts	┞.	(1	-			(1)	<u> </u>				
Adjusting items	\$	45	\$	_	\$	45	\$	155	\$	(155) \$	
Adjusted operating income	\$	1,332	\$	89	\$	1,421	\$	1,246	\$	75 \$	1,321
Depreciation and amortization		798		12		810		891		12	903
Less: Amortization of intangible assets acquired with											
Shoppers Drug Mart and Lifemark		(14	)	_		(14)		(155)		_	(155)
Adjusted EBITDA	\$	2,116	\$	101	\$	2,217	\$	1,982	\$	87 \$	2,069

In addition to the items described in the Retail segment adjusted gross profit section above, when applicable, adjusted EBITDA was impacted by the following:

**Wind-down of Theodore & Pringle optical business** In the third quarter of 2025, the Company entered into an agreement with Specsavers Canada Inc. ("Specsavers") to open Specsavers locations in select Loblaw grocery stores nationwide, resulting in the wind-down of the Theodore & Pringle optical business operations. Accordingly, the Company recorded charges of \$30 million in the Retail segment in SG&A, primarily related to the write-down of optical equipment, labour and other closure costs.

Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark The acquisition of Shoppers Drug Mart in 2014 included approximately \$6,050 million of definite life intangible assets, which are being amortized over their estimated useful lives. In 2024, the annual amortization associated with the acquired intangibles was \$479 million. The annual amortization will decrease to approximately \$130 million in 2025, of which \$110 million, \$6 million and \$8 million was recorded in the first, second and third quarters of 2025, respectively. Annual amortization will be approximately \$30 million in 2026 and thereafter.

The acquisition of Lifemark in 2022 included approximately \$299 million of definite life intangible assets, which are being amortized over their estimated useful lives.

**Loss on sale of non-operating properties** In the third quarter of 2025, the Company recorded a loss related to the sale of non-operating properties to a third party of \$2 million (2024 – nil).

Recovery related to PC Bank commodity tax matter In 2022, the Tax Court of Canada ("Tax Court") released a decision relating to President's Choice Bank ("PC Bank"), a subsidiary of the Company. The Tax Court ruled that PC Bank is not entitled to claim notional input tax credits for certain payments it made to Loblaws Inc. in respect of redemptions of loyalty points. PC Bank subsequently filed a Notice of Appeal with the Federal Court of Appeal ("FCA") and in March 2024, the matter was heard by the FCA. In the third quarter of 2024, the FCA released its decision and reversed the decision of the Tax Court. As a result, PC Bank reversed charges of \$155 million, including \$111 million initially recorded in 2022. In addition, \$10 million was recorded related to interest income on cash tax refunds.

Fair value adjustment on fuel and foreign currency contracts The Company is exposed to commodity price and U.S. dollar exchange rate fluctuations. In accordance with the Company's commodity risk management policy, the Company enters into exchange traded futures contracts and forward contracts to minimize cost volatility relating to fuel prices and the U.S. dollar exchange rate. These derivatives are not acquired for trading or speculative purposes. Pursuant to the Company's derivative instruments accounting policy, changes in the fair value of these instruments, which include realized and unrealized gains and losses, are recorded in operating income. Despite the impact of accounting for these commodity and foreign currency derivatives on the Company's reported results, the derivatives have the economic impact of largely mitigating the associated risks arising from price and exchange rate fluctuations in the underlying commodities and U.S. dollar commitments.

Adjusted Net Interest Expense and Other Financing Charges The following table reconciles adjusted net interest expense and other financing charges to net interest expense and other financing charges as reported in the consolidated statements of earnings for the periods ended as indicated. The Company believes that adjusted net interest expense and other financing charges is useful in assessing the Company's underlying financial performance and in making decisions regarding the financial operations of the business.

For the periods ended October 4, 2025 and October 5, 2024 (millions of Canadian dollars)	(10	2025 6 weeks)	(1	2024 16 weeks)
Net interest expense and other financing charges	\$	273	\$	238
Add: Recovery related to PC Bank commodity tax matter		_		10
Adjusted net interest expense and other financing charges	\$	273	\$	248

**Adjusted Income Taxes and Adjusted Effective Tax Rate** The following table reconciles adjusted income taxes to income taxes as reported in the consolidated statements of earnings for the periods ended as indicated. The Company believes that adjusted income taxes is useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business.

Adjusted effective tax rate is calculated as adjusted income taxes divided by the sum of adjusted operating income less adjusted net interest expense and other financing charges.

			l	
For the periods ended October 4, 2025 and October 5, 2024		2025		2024
(millions of Canadian dollars except where otherwise indicated)	(	16 weeks)		(16 weeks)
Adjusted operating income <sup>(i)</sup>	\$	1,421	\$	1,321
Adjusted net interest expense and other financing charges <sup>(i)</sup>		273		248
Adjusted earnings before taxes	\$	1,148	\$	1,073
Income taxes	\$	293	\$	263
Add impact of the following:				
Tax impact of items included in adjusted earnings before taxes <sup>(ii)</sup>		11		_
Adjusted income taxes	\$	304	\$	263
Effective tax rate		26.6 %		24.3 %
Adjusted effective tax rate		26.5 %		24.5 %

- (i) See reconciliations of adjusted operating income and adjusted net interest expense and other financing charges in the tables above.
- (ii) See the adjusted operating income, adjusted EBITDA and adjusted EBITDA margin table and the adjusted net interest expense and other financing charges table above for a complete list of items included in adjusted earnings before taxes.

# Adjusted Net Earnings Available to Common Shareholders and Adjusted Diluted Net Earnings Per Common Share

The following table reconciles adjusted net earnings available to common shareholders of the Company and adjusted net earnings attributable to shareholders of the Company to net earnings attributable to shareholders of the Company and then to net earnings available to common shareholders of the Company for the periods ended as indicated. The Company believes that adjusted net earnings available to common shareholders and adjusted diluted net earnings per common share are useful in assessing the Company's underlying operating performance and in making decisions regarding the ongoing operations of its business.

For the periods ended October 4, 2025 and October 5, 2024 (millions of Canadian dollars except where otherwise indicated)	2025 (16 weeks)	2024 (16 weeks)
Net earnings attributable to shareholders of the Company	\$ 794	\$ 780
Prescribed dividends on preferred shares in share capital	_	(3)
Net earnings available to common shareholders of the Company	\$ 794	\$ 777
Net earnings attributable to shareholders of the Company	\$ 794	\$ 780
Adjusting items (refer to the following table)	34	(10)
Adjusted net earnings attributable to shareholders of the Company	\$ 828	\$ 770
Prescribed dividends on preferred shares in share capital	_	(3)
Adjusted net earnings available to common shareholders of the Company	\$ 828	\$ 767
Diluted weighted average common shares outstanding (millions) <sup>(4)</sup>	1,195.4	1,227.7

The following table reconciles adjusted net earnings available to common shareholders of the Company and adjusted diluted net earnings per common share to net earnings available to common shareholders of the Company and diluted net earnings per common share for the periods ended as indicated.

						Ì			
				202	25				2024
			(16	week	(s)			(16	weeks)
For the periods ended October 4, 2025 and October 5, 2024	Av Sha	t Earning vailable t Commo reholder of th	o n s e	Earnin F Comm	let gs Per on	А	et Earnings vailable to Common areholders of the		Diluted Net Earnings Per Common
(millions of Canadian dollars/Canadian dollars)	\$	Compan	<del></del>	Share		\$	Company	\$	Share <sup>(4)</sup> 0.63
As reported	Ð	794	Ŧ	0.6	0	Ð	777	Ф	0.63
Add (deduct) impact of the following:									
Wind-down of Theodore & Pringle optical business	\$	22	\$	0.0	2	\$	_	\$	_
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark		10	ı	0.0	1		115		0.09
Loss on sale of non-operating properties		3		-	_		_		_
Recovery related to PC Bank commodity tax matter		_		-	_		(125)		(0.10)
Fair value adjustment on fuel and foreign currency contracts		(1	)	-	_		_		_
Adjusting items	\$	34	\$	0.0	3	\$	(10)	\$	(0.01)
Adjusted	\$	828	\$	0.6	9	\$	767	\$	0.62

**Free Cash Flow** The following table reconciles, by reportable operating segments, free cash flow to cash flows from operating activities. The Company believes that free cash flow is the appropriate measure in assessing the Company's cash available for additional financing and investing activities.

				(1	2025 6 weeks)				('	2024 16 weeks)
For the periods ended October 4, 2025 and October 5, 2024 (millions of Canadian dollars)	Retail	 ancial rvices	Elir nation		Total	Retai	 nancial ervices	na	Elimi-	Total
Cash flows from operating activities	\$ 1,617	\$ 83	\$	51	\$ 1,751	\$ 1,829	\$ 75	\$	54	\$ 1,958
Less:										
Capital investments(ii)	673	12		_	685	675	15		_	690
Interest paid <sup>(i)</sup>	91	_	!	51	142	94	_		54	148
Lease payments, net	528	_		_	528	498	_		_	498
Free cash flow	\$ 325	\$ 71	\$	_	\$ 396	\$ 562	\$ 60	\$	_	\$ 622

<sup>(</sup>i) Interest paid is included in cash flows from operating activities under the Financial Services segment.

**Same-Store Sales** Same-store sales are retail segment sales for stores in operation in both comparable periods, including relocated, converted, expanded, contracted or renovated stores. The Company believes this metric is useful in assessing sales trends excluding the effect of the opening and closure of stores.

<sup>(</sup>ii) Capital investments are the sum of fixed asset purchases and intangible asset additions as presented in the Company's Condensed Consolidated Statements of Cash Flows, and prepayments transferred to fixed assets in the current period.

#### FORWARD-LOOKING STATEMENTS

This News Release 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 News Release 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 IT systems implementations. These specific forward-looking statements are contained throughout this News Release including, without limitation, in the "Consolidated and Segment Results of Operations" and "Outlook" sections of this News Release. 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 Management Discussion & Analysis ("MD&A") in the 2024 Annual Report, and the Company's Annual Information Form ("AIF") for the year ended December 28, 2024.

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 News Release. 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.

## **CORPORATE PROFILE**

Loblaw Companies Limited ("Loblaw") is Canada's food and pharmacy leader, and the nation's largest retailer. Loblaw provides Canadians with grocery, pharmacy and healthcare services, other health and beauty products, apparel, general merchandise, financial services, and wireless mobile products and services. With more than 2,800 locations, Loblaw, its franchisees and Associate-owners employ more than 220,000 full- and part-time employees, making it one of Canada's largest private sector employers.

#### 2024 Annual Report and 2025 Third Quarter Report to Shareholders

The Company's 2024 Annual Report and 2025 Third Quarter Report to Shareholders are available in the "Investors" section of the Company's website at loblaw.ca and sedarplus.ca.

Additional financial information has been filed electronically with various securities regulators in Canada through SEDAR+ and with the Office of the Superintendent of Financial Institutions (OSFI) as the primary regulator for the Company's subsidiary, PC Bank. The Company holds an analyst call shortly following the release of its quarterly results.

#### Conference Call and Webcast

Loblaw will host a conference call and an audio webcast on November 12, 2025 at 10:00 a.m. (ET).

To access via tele-conference, please dial (416) 945-7677 or (888) 699-1199. The playback will be made available approximately two hours after the event at (289) 819-1450 or (888) 660-6345, access code: 58943#. To access via audio webcast, please go to the "Investors" section of loblaw.ca. Pre-registration will be available.

Full details about the conference call and webcast, including archived calls, are available on the Loblaw website at loblaw ca.

#### For Further Information

Investors Media

Roy MacDonald Scott Bonikowsky

Vice President, Investor Relations Senior Vice President, Corporate Affairs and Communications pr@loblaw.ca

# News Release Endnotes

- (1) This News Release contains forward-looking information. See "Forward-Looking Statements" section of this News Release and the Company's 2025 Third Quarter Report to Shareholders for a discussion of material factors that could cause actual results to differ materially from the forecasts and projections herein and of the material factors and assumptions that were used when making these statements. This News Release should be read in conjunction with Loblaw Companies Limited's filings with securities regulators made from time to time, all of which can be found at sedarplus.ca and at loblaw.ca.
- (2) See "Non-GAAP and Other Financial Measures" section of this News Release, which includes the reconciliation of such non-GAAP and other financial measures to the most directly comparable GAAP measures.
- (3) To be read in conjunction with the "Forward-Looking Statements" section of this News Release and the Company's 2025 Third Quarter Report to Shareholders.
- (4) Adjusted to reflect the four-for-one stock split effective at the close of business on August 18, 2025. For additional information please refer to Note 11 "Share Capital" of the Company's interim financial statements.