

# Loblaw Companies Limited

## NEWS RELEASE

### Loblaw Reports First Quarter Revenue Growth of 4.2% and Adjusted Diluted Net Earnings Per Common Share Growth of 10.6%

BRAMPTON, ONTARIO, May 6, 2026 Loblaw Companies Limited (TSX: L) (“Loblaw” or the “Company”) announced today its unaudited financial results for the first quarter ended March 28, 2026<sup>(1)</sup>.

Loblaw delivered a strong first quarter with positive sales momentum. Continued same-store sales growth in Food Retail, increased customer traffic, e-commerce sales growth, and new store openings drove topline performance. The Company’s discount banners outperformed again, demonstrating that Canadians are responding well to greater access to Maxi and NoFrills® stores. E-commerce sales were led by growth in PC Express™ delivery, plus the successful integration of third-party delivery options. In Drug Retail, growth continued to reflect positive trends in prescription volumes, specialty drugs, and beauty categories. Drug Retail performance underscored the strength of the Company’s healthcare services and commitment to meeting the evolving needs of Canadians. Loblaw continued its focus on strategic expansion and innovation during the quarter, including opening 5 Hard Discount stores and 8 drug stores, bringing convenient access to nutritious food and essential healthcare services to more communities.

“We are very pleased that our strategic investments in opening new stores, and our focus on value, are resonating with Canadians and helping us to deliver strong financial results,” said Per Bank, President and Chief Executive Officer, Loblaw Companies Limited. “From the breadth of our banners and the continued growth of PC Express™ delivery, to the consistent strength of our pharmacy services, we are demonstrating our commitment to being there when and where our customers need us most.”

#### 2026 FIRST QUARTER HIGHLIGHTS

- Retail revenue was \$14,484 million, an increase of \$580 million, or 4.2%. Retail revenue increased by 4.5%, excluding the impact of revenue related to Wellwise by Shoppers (“Wellwise”) and the Theodore & Pringle® optical business.
  - Food Retail (Loblaw) same-store sales increased by 2.4%.
  - Drug Retail (Shoppers Drug Mart) same-store sales increased by 4.1%, with pharmacy and healthcare services same-store sales growth of 6.7% and front store same-store sales growth of 1.0%.
  - E-commerce sales increased by 20.3%.
- Revenue (including Retail and PC Financial)<sup>(2)</sup> was \$14,724 million, an increase of \$589 million, or 4.2%.
- Retail gross profit percentage<sup>(2)</sup> of 31.4% was stable, decreasing by 10 basis points, primarily driven by changes in sales mix in Drug Retail categories, partially offset by continued improvements in shrink. Food Retail gross margin was flat.
- Retail operating income was \$1,010 million, an increase of \$172 million, or 20.5%.
- Retail adjusted EBITDA<sup>(2)</sup> was \$1,607 million, an increase of \$98 million, or 6.5%.
  - Selling, general and administrative expenses (“SG&A”) as a percentage of sales was 20.3%, a decrease of 40 basis points.
- Net earnings available to common shareholders of the Company were \$594 million, an increase of \$91 million or 18.1%. Diluted net earnings per common share were \$0.50, an increase of \$0.08, or 19.0%. The increase included the impact of lower amortization related to certain intangible assets associated with the 2014 acquisition of Shoppers Drug Mart, which are now fully amortized.

- Adjusted net earnings available to common shareholders of the Company<sup>(2)</sup> were \$609 million, an increase of \$39 million, or 6.8%. Adjusted diluted net earnings per common share<sup>(2)</sup> were \$0.52, an increase of \$0.05, or 10.6%.
- Repurchased for cancellation 10.2 million common shares at a cost of \$648 million. Gross capital investments were \$312 million.
- Free cash flow<sup>(2)</sup> from Retail was \$432 million, an increase of \$729 million.
- In connection with the sale of PC Financial, Loblaw expects to receive approximately \$600 million in cash, representing the release of excess capital, cash consideration from EQB Inc., and collection of certain commodity tax receivables.
- Quarterly common share dividend increased by 10%, marking the fifteenth consecutive year of dividend increases.

## CONSOLIDATED RESULTS OF OPERATIONS

The following table provides key performance metrics for the Company. Unless otherwise indicated, all financial information represents the Company's results from continuing operations (Retail). PC Financial results are presented as discontinued operations.

For the periods ended March 28, 2026 and March 22, 2025 (millions of Canadian dollars except where otherwise indicated)	<b>2026 (12 weeks)</b>	2025 (12 weeks)
<b>Revenue</b>	<b>\$ 14,484</b>	\$ 13,904
Gross profit <sup>(2)</sup>	\$ 4,548	\$ 4,384
Gross profit % <sup>(2)</sup>	31.4 %	31.5 %
<b>Operating income</b>	<b>\$ 1,010</b>	\$ 838
Adjusted operating income <sup>(2)</sup>	998	934
Adjusted EBITDA <sup>(2)</sup>	\$ 1,607	\$ 1,509
Adjusted EBITDA margin <sup>(2)</sup>	11.1 %	10.9 %
Net interest expense and other financing charges	\$ 181	\$ 162
Adjusted net interest expense and other financing charges <sup>(2)</sup>	181	162
<b>Earnings before income taxes</b>	<b>\$ 829</b>	\$ 676
Income taxes	\$ 217	\$ 176
Adjusted income taxes <sup>(2)</sup>	214	205
Net earnings attributable to non-controlling interests	\$ 25	\$ 19
<b>Total Company Adjusted EBITDA<sup>(2)</sup></b>	<b>\$ 1,687</b>	\$ 1,591
Continuing operations	1,607	1,509
Discontinued operations	80	82
<b>Net earnings available to common shareholders of the Company</b>	<b>\$ 594</b>	\$ 503
Continuing operations	587	481
Discontinued operations	7	22
<b>Adjusted net earnings available to common shareholders of the Company<sup>(2)</sup></b>	<b>\$ 609</b>	\$ 570
Continuing operations	578	548
Discontinued operations	31	22
<b>Diluted net earnings per common share<sup>(4)</sup> (\$)</b>	<b>\$ 0.50</b>	\$ 0.42
Continuing operations	0.50	0.40
Discontinued operations	—	0.02
<b>Adjusted diluted net earnings per common share<sup>(2),(4)</sup> (\$)</b>	<b>\$ 0.52</b>	\$ 0.47
Continuing operations	0.49	0.45
Discontinued operations	0.03	0.02
<b>Diluted weighted average common shares outstanding<sup>(4)</sup> (in millions)</b>	<b>1,178.2</b>	1,210.3

Revenue represents retail revenue, and is primarily comprised of Food Retail and Drug Retail sales. The following table provides a breakdown of the Company's total and same-store sales.

For the periods ended March 28, 2026 and March 22, 2025 (millions of Canadian dollars except where otherwise indicated)	2026 (12 weeks)		2025 (12 weeks)			
	Sales	Same-store sales	Sales	Same-store sales	Sales \$ Change	Sales % Change
<b>Food Retail<sup>(i)</sup></b>	<b>\$ 10,238</b>	<b>2.4 %</b>	\$ 9,854	2.2 %	\$ 384	3.9 %
<b>Drug Retail</b>	<b>4,246</b>	<b>4.1 %</b>	4,050	3.8 %	196	4.8 %
Pharmacy and healthcare services	<b>2,384</b>	<b>6.7 %</b>	2,201	6.4 %	183	8.3 %
Front store	<b>1,862</b>	<b>1.0 %</b>	1,849	0.9 %	13	0.7 %
<b>Revenue</b>	<b>\$ 14,484</b>		\$ 13,904		\$ 580	4.2 %
PC Financial revenue (discontinued operations)	<b>240</b>		231		9	3.9 %
Revenue (including Retail and PC Financial)	<b>\$ 14,724</b>		\$ 14,135		\$ 589	4.2 %

(i) As a result of the announcement of the sale of PC Financial, Food Retail sales now includes revenue related to PC Services, primarily related to sales attributable to The Mobile Shop™ in the current and comparative period presented, including revenue of \$69 million in the first quarter of 2026 (2025 – \$67 million).

## RETAIL RESULTS (CONTINUING OPERATIONS)

- In the first quarter of 2026, Retail revenue was \$14,484 million, an increase of \$580 million, or 4.2%. Retail revenue increased by 4.5%, excluding the impact of revenue related to Wellwise and the Theodore & Pringle® optical business.
  - Food Retail (Loblaw) sales were \$10,238 million, an increase of \$384 million, and same-store sales grew by 2.4% (2025 – 2.2%).
    - The Company's internal food inflation was significantly lower than the Consumer Price Index for Food Purchased From Stores of 4.4% (2025 – 2.6%); and
    - Food Retail traffic increased and basket size increased on a same-store sales basis.
  - Drug Retail (Shoppers Drug Mart) sales were \$4,246 million, an increase of \$196 million, and same-store sales grew by 4.1% (2025 – 3.8%).
    - Pharmacy and healthcare services same-store sales growth was 6.7% (2025 – 6.4%), led by specialty prescriptions. On a same-store basis, the number of prescriptions increased by 2.8% (2025 – 2.3%) and the average prescription value increased by 5.0% (2025 – 4.4%).
    - Front store same-store sales growth was 1.0% (2025 – 0.9%), primarily driven by higher sales of beauty products, with performance moderated by a shift in timing of the cough, cold, and flu season, and inclement weather.
  - The sale of Wellwise and the wind-down of the Theodore & Pringle® optical business were completed in 2025. Revenue related to Wellwise and the optical business in the first quarter of 2026 was nil (2025 – \$21 million and \$18 million, respectively).
  - In the first quarter of 2026, 13 food and drug stores were opened and 2 food and drug stores were closed. Retail square footage was 73.5 million square feet, a net increase of 1.2 million square feet, or 1.7%, compared to the first quarter of 2025.
- Gross profit<sup>(2)</sup> in the first quarter of 2026 was \$4,548 million, an increase of \$164 million, or 3.7%. Gross profit percentage<sup>(2)</sup> of 31.4% was stable, decreasing by 10 basis points, primarily driven by changes in sales mix in Drug Retail categories, partially offset by continued improvements in shrink. Food Retail gross margin was flat.
- Operating income in the first quarter of 2026 was \$1,010 million, an increase of \$172 million, or 20.5%.
- Adjusted EBITDA<sup>(2)</sup> in the first quarter of 2026 was \$1,607 million, an increase of \$98 million, or 6.5%. The increase was driven by an increase in gross profit<sup>(2)</sup>, partially offset by an increase in SG&A. SG&A as a percentage of sales was 20.3%, a favourable decrease of 40 basis points, primarily due to operating leverage from higher sales and the timing of certain costs, partially offset by incremental costs related to opening new stores and the automated distribution facility.

- Depreciation and amortization in the first quarter of 2026 was \$619 million, a decrease of \$72 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 Corporation (“Shoppers Drug Mart”), which are now fully amortized, partially offset by an increase in depreciation of leased assets and fixed assets related to opening new stores and the automated distribution facility. 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 \$10 million (2025 – \$116 million).

### **PC FINANCIAL RESULTS (DISCONTINUED OPERATIONS)**

As previously announced in 2025, the Company entered into an agreement with EQB Inc. (“EQB”) pursuant to which EQB will acquire President’s Choice Bank (“PC Bank”) and certain other affiliated entities (collectively, “PC Financial”) (the “Sale of PC Financial”). EQB will acquire PC Financial for consideration satisfied through a combination of 7.2 million EQB shares and cash, subject to adjustment pursuant to the terms of the agreement.

Subsequent to the end of the first quarter of 2026, the Company and EQB announced that they obtained all required regulatory approvals for the Sale of PC Financial. The transaction is anticipated to close in the Company’s third quarter of 2026, subject to customary closing conditions.

Upon closing, the Company will begin to recognize its proportionate share of EQB’s net income within its consolidated financial results. The Company and EQB have different fiscal year and quarter ends. As a result of this difference, the Company will recognize its proportionate share of EQB’s net income based on the most recent publicly available information at each of the Company’s fiscal year and quarter end dates.

As a result of the announcement of the sale of PC Financial to EQB, the results of PC Financial are presented in discontinued operations, net of intersegment eliminations.

- Revenue, included in discontinued operations, in the first quarter of 2026 was \$240 million, an increase of \$9 million, or 3.9%. The increase was primarily driven by higher interest and interchange income, and higher insurance commission income.
- Net earnings available to common shareholders of the Company from discontinued operations were \$7 million, a decrease of \$15 million. The decrease was primarily driven by a charge of \$24 million due to a change in certain commodity tax legislation, and higher charge-offs, partially offset by higher revenue described above, and the year-over-year favourable impact of expected credit loss provision.

## **OUTLOOK<sup>(3)</sup>**

Loblaw will continue to execute on retail excellence while advancing its growth initiatives with the goal of delivering consistent operational and financial results in 2026. The Company's businesses remain well positioned to meet the everyday needs of Canadians. The Company cannot predict the timing of the closing of the Sale of PC Financial, and its impact on the Company's financial results. In 2026, excluding this impact and the 53rd week impact in 2025, the Company continues to expect:

- its Retail business to grow earnings faster than sales;
- adjusted net earnings per common share<sup>(2)</sup> growth in the high single-digits;
- to continue investing in our store network and distribution centres by investing approximately \$2.4 billion in gross capital expenditures; and
- to return capital to shareholders by allocating a significant portion of free cash flow to share repurchases.

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

During the first quarter of 2026, the Company repurchased 10.2 million common shares for cancellation at a cost of \$648 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 first quarter of 2026, the Board of Directors declared a quarterly dividend of \$0.155183 per common share, payable on July 1, 2026 to shareholders of record on June 15, 2026, an increase of 10% from the previous quarterly dividend of \$0.141075 per common share paid on April 1, 2026.

## NON-GAAP AND OTHER FINANCIAL MEASURES

The Company uses the following non-GAAP and other financial measures and ratios: 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, revenue (including Retail and PC Financial), 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 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.

As a result of the announcement of the sale of PC Financial, the results of PC Financial, net of intersegment eliminations, are presented separately as discontinued operations in the Company’s current and comparative results. Unless otherwise indicated, all financial information represents the Company’s results from continuing operations (Retail).

### 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 March 28, 2026 and March 22, 2025 (millions of Canadian dollars except where otherwise indicated)	2026 (12 weeks)			2025 (12 weeks)		
	GAAP	Adjusting Items	Non- GAAP <sup>(2)</sup>	GAAP	Adjusting Items	Non- GAAP <sup>(2)</sup>
EBITDA	\$ 1,629	\$ (22)	\$ 1,607	\$ 1,529	\$ (20)	\$ 1,509
<b>Operating income</b>	<b>\$ 1,010</b>	<b>\$ (12)</b>	<b>\$ 998</b>	<b>\$ 838</b>	<b>\$ 96</b>	<b>\$ 934</b>
Net interest expense and other financing charges	181	—	181	162	—	162
<b>Earnings before income taxes</b>	<b>\$ 829</b>	<b>\$ (12)</b>	<b>\$ 817</b>	<b>\$ 676</b>	<b>\$ 96</b>	<b>\$ 772</b>
Deduct (add) the following:						
Income taxes	217	(3)	214	176	29	205
Non-controlling interests	25	—	25	19	—	19
<b>Net earnings available to common shareholders of the Company from continuing operations</b>	<b>\$ 587</b>	<b>\$ (9)</b>	<b>\$ 578</b>	<b>\$ 481</b>	<b>\$ 67</b>	<b>\$ 548</b>
Net earnings available to common shareholders of the Company from discontinued operations	7	24	31	22	—	22
<b>Net earnings available to common shareholders of the Company</b>	<b>\$ 594</b>	<b>\$ 15</b>	<b>\$ 609</b>	<b>\$ 503</b>	<b>\$ 67</b>	<b>\$ 570</b>
<b>Diluted net earnings per common share<sup>(4)</sup> (\$)</b>	<b>\$ 0.50</b>	<b>\$ 0.02</b>	<b>\$ 0.52</b>	<b>\$ 0.42</b>	<b>\$ 0.05</b>	<b>\$ 0.47</b>
Continuing operations	0.50	(0.01)	0.49	0.40	0.05	0.45
Discontinued operations	—	0.03	0.03	0.02	—	0.02
Diluted weighted average common shares <sup>(4)</sup> (millions)	1,178.2	—	1,178.2	1,210.3	—	1,210.3

**Adjusted Operating Income, Adjusted EBITDA and Adjusted EBITDA Margin** The following table reconciles adjusted operating income and adjusted EBITDA to operating income, which is reconciled to net earnings attributable to shareholders of the Company from continuing operations as reported in the condensed 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.

For the periods ended March 28, 2026 and March 22, 2025 (millions of Canadian dollars)	<b>2026</b> <b>(12 weeks)</b>	2025 (12 weeks)
Net earnings attributable to shareholders of the Company from continuing operations	<b>\$ 587</b>	\$ 481
Add impact of the following:		
Non-controlling interests	<b>25</b>	19
Net interest expense and other financing charges	<b>181</b>	162
Income taxes	<b>217</b>	176
Operating income	<b>\$ 1,010</b>	\$ 838
Add (deduct) impact of the following:		
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	<b>\$ 10</b>	\$ 116
PC Financial transaction costs	<b>1</b>	—
Sale of Wellwise	<b>—</b>	(5)
Gain on sale of non-operating property	<b>—</b>	(14)
Fair value adjustment on fuel, foreign currency contracts and investments	<b>(23)</b>	(1)
Adjusting items	<b>\$ (12)</b>	\$ 96
Adjusted operating income	<b>\$ 998</b>	\$ 934
Depreciation and amortization	<b>619</b>	691
Less: Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	<b>(10)</b>	(116)
Adjusted EBITDA	<b>\$ 1,607</b>	\$ 1,509

Adjusted EBITDA was impacted by the following:

**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. The annual amortization associated with the acquired intangibles 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.

**PC Financial transaction costs** In the first quarter of 2026, the Company recorded transaction and other related costs of \$1 million in connection with the Sale of PC Financial.

**Sale of Wellwise** In the fourth quarter of 2024, the Company entered into an agreement with a third party to sell all of the shares of its Wellwise business, including 42 Wellwise locations, for cash proceeds and recorded a net fair value write-down of \$23 million in SG&A. The transaction closed in the first quarter of 2025 and the Company recorded a gain of \$5 million in SG&A.

**Gain on sale of non-operating property** In the first quarter of 2025, the Company recorded a gain related to the sale of a non-operating property to a third party of \$14 million.

**Fair value adjustment on fuel, foreign currency contracts, and investments** 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. The Company holds certain investments, including Venture Fund investments, classified as fair value through profit and loss. Any changes in the fair value of these investments are included in operating income. Starting in the first quarter of 2026, fair value adjustments on such investments are considered an adjusting item. See Section 11 "Non-GAAP and Other Financial Measures" of the Company's Management's Discussion and Analysis in the Company's 2026 First Quarter Report to Shareholders for details regarding the impact of this change to certain Non-GAAP measures.

**Adjusted Operating Income from Discontinued Operations, Total Company Adjusted Operating Income, Adjusted EBITDA from Discontinued Operations, Total Company Adjusted EBITDA and Total Company Adjusted EBITDA Margin** The following table reconciles adjusted operating income and adjusted EBITDA from discontinued operations to operating income from discontinued operations which is reconciled to net earnings attributable to shareholders of the Company from discontinued operations as reported in the condensed consolidated statements of earnings for the periods ended as indicated. The Company believes that adjusted EBITDA from discontinued operations and on a total Company basis is useful in assessing the performance of its total Company and discontinued operations and its ability to generate cash flows to fund its cash requirements, including the Company's capital investment program.

Total Company adjusted EBITDA margin is calculated as total Company adjusted EBITDA divided by revenue (including Retail and PC Financial).

For the periods ended March 28, 2026 and March 22, 2025 (millions of Canadian dollars)	<b>2026</b> <b>(12 weeks)</b>	2025 (12 weeks)
Net earnings attributable to shareholders of the Company from discontinued operations <sup>(i)</sup>	\$ 7	\$ 22
Add impact of the following:		
Net interest expense and other financing charges <sup>(i)</sup>	46	36
Income taxes <sup>(i)</sup>	4	10
Operating income from discontinued operations <sup>(i)</sup>	\$ 57	\$ 68
Add impact of the following:		
Charge related to PC Bank commodity tax matter	\$ 23	\$ —
Adjusting items	\$ 23	\$ —
Adjusted operating income from discontinued operations	\$ 80	\$ 68
Adjusted operating income (refer to table above)	998	934
<b>Total Company adjusted operating income</b>	<b>\$ 1,078</b>	<b>\$ 1,002</b>
Adjusted operating income from discontinued operations	\$ 80	\$ 68
Depreciation and amortization from discontinued operations	—	14
Adjusted EBITDA from discontinued operations	\$ 80	\$ 82
Adjusted EBITDA (refer to table above)	1,607	1,509
<b>Total Company Adjusted EBITDA</b>	<b>\$ 1,687</b>	<b>\$ 1,591</b>

(i) For additional information, see note 4 "Assets Held for Sale and Discontinued Operations" of the Company's interim financial statements.

In addition to the items described in the adjusted EBITDA<sup>(2)</sup> section above, adjusted operating income from discontinued operations and Total Company adjusted operating income were impacted by the following:

**Charge related to PC Bank commodity tax matter** In the first quarter of 2026, the Federal government enacted commodity tax legislation rendering PC Bank ineligible to claim notional input tax credits for certain payments it makes to Loblaws Inc. in respect of redemptions of loyalty points. As the legislation was effective beginning in fiscal year 2025, PC Bank recorded a charge of \$23 million in SG&A, reversing notional input tax credit related amounts previously recorded. In addition, a charge of \$10 million was recorded, reversing interest income on expected cash tax refunds.

**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 condensed 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 March 28, 2026 and March 22, 2025 (millions of Canadian dollars)	<b>2026</b> <b>(12 weeks)</b>	2025 (12 weeks)
Net interest expense and other financing charges	<b>\$ 181</b>	\$ 162
Adjusted net interest expense and other financing charges	<b>\$ 181</b>	\$ 162

**Adjusted Net Interest Expense and Other Financing Charges from Discontinued Operations** The following table reconciles adjusted net interest expense and other financing charges from discontinued operations to adjusted net interest expense and other financing charges from discontinued operations as reported in the notes to the interim financial statements 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 March 28, 2026 and March 22, 2025 (millions of Canadian dollars)	<b>2026</b> <b>(12 weeks)</b>	2025 (12 weeks)
Net interest expense and other financing charges from discontinued operations <sup>(i)</sup>	<b>\$ 46</b>	\$ 36
Deduct: Charge related to PC Bank commodity tax matter	<b>(10)</b>	—
Adjusted net interest expense and other financing charges from discontinued operations	<b>\$ 36</b>	\$ 36

(i) For additional information, see note 4 "Assets Held for Sale and Discontinued Operations" of the Company's interim financial statements.

**Charge related to PC Bank commodity tax matter** In the first quarter of 2026, a charge of \$10 million was recorded, reversing interest income on expected cash tax refunds on the PC Bank commodity tax matter as discussed above.

**Adjusted Income Taxes and Adjusted Effective Tax Rate** The following table reconciles adjusted income taxes to income taxes as reported in the condensed 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.

For the periods ended March 28, 2026 and March 22, 2025 (millions of Canadian dollars except where otherwise indicated)	<b>2026</b> (12 weeks)	2025 (12 weeks)
Adjusted operating income <sup>(i)</sup>	\$ 998	\$ 934
Adjusted net interest expense and other financing charges <sup>(i)</sup>	181	162
Adjusted earnings before taxes	\$ 817	\$ 772
Income taxes	\$ 217	\$ 176
Add impact of the following:		
Tax impact of items included in adjusted earnings before taxes <sup>(ii)</sup>	(3)	29
Adjusted income taxes	\$ 214	\$ 205
Effective tax rate	26.2 %	26.0 %
Adjusted effective tax rate	26.2 %	26.6 %

(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 From Continuing Operations and Adjusted Diluted Net Earnings Per Common Share From Continuing Operations** The following table reconciles adjusted net earnings available to common shareholders of the Company from continuing operations and adjusted net earnings attributable to shareholders of the Company from continuing operations to net earnings attributable to shareholders of the Company and then to net earnings available to common shareholders of the Company from continuing operations as reported in the condensed consolidated statements of earnings for the periods ended as indicated. The Company believes that adjusted net earnings available to common shareholders from continuing operations and adjusted diluted net earnings per common share from continuing operations 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 March 28, 2026 and March 22, 2025 (millions of Canadian dollars except where otherwise indicated)	<b>2026</b> (12 weeks)	2025 (12 weeks)
Net earnings attributable to shareholders of the Company	\$ 594	\$ 503
Net earnings from discontinued operations	7	22
Net earnings attributable to shareholders of the Company from continuing operations	\$ 587	\$ 481
Net earnings available to common shareholders of the Company from continuing operations	\$ 587	\$ 481
Net earnings attributable to shareholders of the Company from continuing operations	\$ 587	\$ 481
Adjusting items (refer to the following table)	(9)	67
Adjusted net earnings attributable to shareholders of the Company from continuing operations	\$ 578	\$ 548
Adjusted net earnings available to common shareholders of the Company from continuing operations	\$ 578	\$ 548
Diluted weighted average common shares outstanding <sup>(4)</sup> (millions)	1,178.2	1,210.3

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 as reported in the condensed consolidated statements of earnings for the periods ended as indicated.

	2026 (12 weeks)		2025 (12 weeks)	
	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share	Net Earnings Available to Common Shareholders of the Company	Diluted Net Earnings Per Common Share <sup>(4)</sup>
For the periods ended March 28, 2026 and March 22, 2025 (millions of Canadian dollars/Canadian dollars)				
<b>Continuing operations</b>	\$ 587	\$ 0.50	\$ 481	\$ 0.40
<b>Discontinued operations</b>	7	—	22	0.02
<b>As reported</b>	<b>\$ 594</b>	<b>\$ 0.50</b>	<b>\$ 503</b>	<b>\$ 0.42</b>
<b>Continuing operations</b>	<b>\$ 587</b>	<b>\$ 0.50</b>	<b>\$ 481</b>	<b>\$ 0.40</b>
Add (deduct) impact of the following:				
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	\$ 7	\$ —	\$ 86	\$ 0.07
PC Financial transaction costs	1	—	—	—
Sale of Wellwise	—	—	(5)	(0.01)
Gain on sale of non-operating property	—	—	(13)	(0.01)
Fair value adjustment on fuel, foreign currency contracts, and investments	(17)	(0.01)	(1)	—
Adjusting items from continuing operations	\$ (9)	\$ (0.01)	\$ 67	\$ 0.05
<b>Adjusted continuing operations</b>	<b>\$ 578</b>	<b>\$ 0.49</b>	<b>\$ 548</b>	<b>\$ 0.45</b>
<b>Discontinued operations</b>	<b>\$ 7</b>	<b>\$ —</b>	<b>\$ 22</b>	<b>\$ 0.02</b>
Add impact of the following:				
Charges related to PC Bank commodity tax matter	\$ 24	\$ 0.03	\$ —	\$ —
Adjusting items from discontinued operations	\$ 24	\$ 0.03	\$ —	\$ —
<b>Adjusted discontinued operations</b>	<b>\$ 31</b>	<b>\$ 0.03</b>	<b>\$ 22</b>	<b>\$ 0.02</b>
<b>Adjusted Total Company</b>	<b>\$ 609</b>	<b>\$ 0.52</b>	<b>\$ 570</b>	<b>\$ 0.47</b>

**Revenue (including Retail and PC Financial)** The following table reconciles Revenue (including Retail and PC Financial) to Revenue for the periods ended as indicated. Revenue represents retail revenue, and is primarily comprised of Food Retail and Drug Retail sales. The Company believes that Revenue (including Retail and PC Financial) are useful in assessing the Company's underlying operating performance.

	2026 (12 weeks)	2025 (12 weeks)
For the periods ended March 28, 2026 and March 22, 2025 (millions of Canadian dollars except where otherwise indicated)		
<b>Food Retail<sup>(i)</sup></b>	<b>\$ 10,238</b>	<b>\$ 9,854</b>
<b>Drug Retail</b>	<b>4,246</b>	<b>4,050</b>
Pharmacy and healthcare services	2,384	2,201
Front store	1,862	1,849
<b>Revenue</b>	<b>\$ 14,484</b>	<b>\$ 13,904</b>
PC Financial revenue (discontinued operations)	\$ 240	\$ 231
<b>Revenue (including Retail and PC Financial)</b>	<b>\$ 14,724</b>	<b>\$ 14,135</b>

(i) As a result of the announcement of the sale of PC Financial, Food Retail sales now includes revenue related to PC Services, primarily related to sales attributable to The Mobile Shop™ in the current and comparative period presented, including revenue of \$69 million in the first quarter of 2026 (2025 – \$67 million).

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

For the periods ended March 28, 2026 and March 22, 2025 (millions of Canadian dollars)	2026 (12 weeks)			2025 (12 weeks)		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Cash flows from operating activities	\$ 1,096	\$ 212	\$ 1,308	\$ 412	\$ 541	\$ 953
Less:						
Capital investments <sup>(i)</sup>	305	7	312	237	9	246
Interest paid	87	16	103	87	20	107
Lease payments, net	272	—	272	385	—	385
Free cash flow <sup>(2)</sup>	\$ 432	\$ 189	\$ 621	\$ (297)	\$ 512	\$ 215

(i) 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.

**Same-Store Sales** Same-store sales are retail 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.

## **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 Results of Operations", "Retail Results (Continuing Operations)", "PC Financial Results (Discontinued 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 2025 Annual Report, and the Company's Annual Information Form ("AIF") for the year ended January 3, 2026.

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

### 2025 Annual Report and 2026 First Quarter Report to Shareholders

The Company's 2025 Annual Report and 2026 First Quarter Report to Shareholders are available in the "Investors" section of the Company's website at [loblaw.ca](http://loblaw.ca) and [sedarplus.ca](http://sedarplus.ca).

#### Investors

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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. These calls are archived in the "Investors" section of the Company's website at [loblaw.ca](http://loblaw.ca).

#### Conference Call and Webcast

Loblaw will host a conference call as well as an audio webcast on May 6, 2026 at 10:00 a.m. (ET).

To access via audio webcast please go to the "Investors" section of [loblaw.ca](http://loblaw.ca), and note that pre-registration will be available. Alternatively, please dial (647) 932-3411 or Toll-Free (800) 715-9871. Following the live event, the webcast will be archived and available to replay for 12 months.

Full details about the conference call and webcast are available on the Loblaw website at [loblaw.ca](http://loblaw.ca).

#### Annual Meeting of Shareholders

The 2026 Annual Meeting of Shareholders of Loblaw Companies Limited will be held on Tuesday, May 12, 2026 at 10:00 a.m. (ET) at Massey Hall, 178 Victoria Street, Toronto, Ontario, Canada and virtually via a live webcast.

Shareholders will also be able to listen, participate and vote at the meeting in real time through a live webcast online at <https://meetings.lumiconnect.com/400-240-280-696> (meeting password: agm2026). See "Questions and answers on attending and voting virtually" in the Management Proxy, which can be viewed online at [www.loblaw.ca](http://www.loblaw.ca) or under Loblaw's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca), for detailed instructions on how to attend and vote at the meeting.

Please refer to the "Events and Presentations" or "Shareholders Services" page at [loblaw.ca](http://loblaw.ca) for additional details on the virtual meeting

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#### News Release Endnotes

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- (1) This News Release contains forward-looking information. See "Forward-Looking Statements" section of this News Release and the Company's 2026 First 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](http://sedarplus.ca) and at [loblaw.ca](http://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 2026 First 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, see note 10 "Share Capital" of the Company's interim financial statements.
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