Loblaw Companies Limited

NEWS RELEASE

Loblaw Reports Second Quarter Revenue Growth of 4.1% and Adjusted Diluted Net Earnings Per Common Share Growth of 11.9%

BRAMPTON, ONTARIO, July 30, 2026 Loblaw Companies Limited (TSX: L) ("Loblaw" or the "Company") announced today its unaudited financial results for the second quarter ended June 20, 2026[1].

Loblaw delivered strong second quarter 2026 results. In its last quarter prior to the close of the sale of PC Financial, the Company recorded total revenue of $15,270 million and adjusted diluted net earnings per common share growth of 11.9%. Starting in the third quarter of 2026, the Company will no longer report PC Financial results and will begin recognizing its proportionate share of EQB's net income in its consolidated financial results. Retail sales increased by 4.1% to $15,046 million, reflecting continued strength across the business, including contributions from new store openings. In Food Retail, sales grew 3.3%, supported by higher customer traffic and basket size, and e-commerce sales growth. The Company's discount banners once again outperformed, reflecting continued consumer demand for value and greater access to Maxi® and No Frills® stores. E-commerce sales continued to grow, supported by PC Express™ delivery and integrated third-party delivery options. In Drug Retail, sales grew 6.1%, driven by continued strength in specialty and chronic prescriptions, as well as the beauty and OTC categories. Loblaw continued its focus on strategic expansion, opening 14 stores across its Food Retail and Drug Retail network, including 7 Hard Discount stores, 3 drug stores, and the first T&T® location in California, bringing convenient access to nutritious food, multicultural offerings and essential healthcare services to more communities.

"Customers continue to reward us for delivering on their needs through increased traffic, basket size and topline sales," said Per Bank, President and Chief Executive Officer, Loblaw Companies Limited. "We are investing in new stores and growth as we make everyday essentials and healthcare more accessible while continuing to deliver strong financial results."

2026 SECOND QUARTER HIGHLIGHTS

- Retail revenue was $15,046 million, an increase of $589 million, or 4.1%. Revenue (including Retail and PC Financial)[2] was $15,270 million, an increase of $598 million, or 4.1%.
  - Food Retail (Loblaw) same-store sales increased by 1.6% (2025 – 3.5%).
  - Drug Retail (Shoppers Drug Mart) same-store sales increased by 4.6% (2025 – 4.1%), with pharmacy and healthcare services same-store sales growth of 7.5% and front store same-store sales growth of 1.3%.
  - E-commerce sales increased by 19.3%.
- Retail gross profit percentage[2] was stable at 32.2%, increasing by 10 basis points.
- Retail operating income was $1,202 million, an increase of $34 million, or 2.9%.
- Retail adjusted EBITDA[2] was $1,841 million, an increase of $93 million, or 5.3%.
  - Selling, general and administrative expenses ("SG&A") as a percentage of sales was flat at 20.0%.
- Net earnings available to common shareholders of the Company were $751 million, an increase of $37 million, or 5.2%. Diluted net earnings per common share were $0.64, an increase of $0.05, or 8.5%.
- Adjusted net earnings available to common shareholders of the Company[2] were $774 million, an increase of $61 million, or 8.6%. Adjusted diluted net earnings per common share[2] were $0.66, an increase of $0.07, or 11.9%.
- Free cash flow[2] from Retail was $856 million, an increase of $235 million. Gross capital investments were $417 million.

- Subsequent to the end of the second quarter of 2026, the Company completed the sale of PC Financial to EQB Inc. ("EQB"). As of the date of closing, Loblaw owned approximately 19.9% of EQB's issued and outstanding common shares. In connection with the sale, Loblaw received $625 million in cash, representing the release of excess capital, cash consideration from EQB, and the collection of certain commodity tax receivables.
- Common share repurchases for cancellation are expected to be approximately $2.1 billion for full year 2026 (2025 – $1.9 billion). In the second quarter of 2026, 8.8 million common shares were repurchased for cancellation at a cost of $552 million.

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 June 20, 2026 and June 14, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026** **(12 weeks)**	2025 (12 weeks)
Revenue	**$ 15,046**	$ 14,457
Gross profit[2]	$ 4,851	$ 4,634
Gross profit %[2]	32.2 %	32.1 %
Operating income	**$ 1,202**	$ 1,168
Adjusted operating income[2]	1,222	1,169
Adjusted EBITDA[2]	$ 1,841	$ 1,748
Adjusted EBITDA margin[2]	12.2 %	12.1 %
Net interest expense and other financing charges	$ 183	$ 173
Adjusted net interest expense and other financing charges[2]	183	173
Earnings before income taxes	**$ 1,019**	$ 995
Income taxes	$ 263	$ 259
Adjusted income taxes[2]	275	261
Net earnings attributable to non-controlling interests	$ 36	$ 43
Total Company Adjusted EBITDA[2]	**$ 1,924**	$ 1,831
Continuing operations	1,841	1,748
Discontinued operations	83	83
Net earnings available to common shareholders of the Company	**$ 751**	$ 714
Continuing operations	720	693
Discontinued operations	31	21
Adjusted net earnings available to common shareholders of the Company[2]	**$ 774**	$ 713
Continuing operations	728	692
Discontinued operations	46	21
Diluted net earnings per common share[4] ($)	**$ 0.64**	$ 0.59
Continuing operations	0.61	0.57
Discontinued operations	0.03	0.02
Adjusted diluted net earnings per common share[2],[4] ($)	**$ 0.66**	$ 0.59
Continuing operations	0.62	0.57
Discontinued operations	0.04	0.02
Diluted weighted average common shares outstanding[4] (in millions)	**1,169.5**	1,203.9

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 June 20, 2026 and June 14, 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
Food Retail[(i)]	**$ 10,617**	**1.6 %**	$ 10,281	3.5 %	$ 336	3.3 %
Drug Retail	**4,429**	**4.6 %**	4,176	4.1 %	253	6.1 %
Pharmacy and healthcare services	**2,450**	**7.5 %**	2,255	6.2 %	195	8.6 %
Front store	**1,979**	**1.3 %**	1,921	1.7 %	58	3.0 %
Revenue	**$ 15,046**		$ 14,457		$ 589	4.1 %
PC Financial revenue (discontinued operations)	**$ 224**		$ 215		$ 9	4.2 %
Revenue (including Retail and PC Financial)	**$ 15,270**		$ 14,672		$ 598	4.1 %

(i) As a result of the announcement of the sale of PC Financial, Food Retail sales now include revenue related to PC Services of $62 million in the second quarter of 2026 (2025 – $68 million), primarily driven by sales attributable to The Mobile Shop™ in the current and comparative periods presented.

RETAIL RESULTS (CONTINUING OPERATIONS)

- In the second quarter of 2026, Retail revenue was $15,046 million, an increase of $589 million, or 4.1%. Retail revenue increased by 4.2%, excluding the impact of revenue related to the Theodore & Pringle® optical business.
  - Food Retail (Loblaw) sales were $10,617 million, an increase of $336 million, and same-store sales grew by 1.6% (2025 – 3.5%).
    - The Company's internal food inflation was lower than the Consumer Price Index for Food Purchased From Stores of 4.0% (2025 – 3.3%); and
    - Food Retail traffic increased and basket size increased on a same-store sales basis.
  - Drug Retail (Shoppers Drug Mart) sales were $4,429 million, an increase of $253 million, and same-store sales grew by 4.6% (2025 – 4.1%).
    - Pharmacy and healthcare services same-store sales growth was 7.5% (2025 – 6.2%), led by specialty and chronic prescriptions. On a same-store basis, the number of prescriptions increased by 3.4% (2025 – 3.1%) and the average prescription value increased by 5.5% (2025 – 3.9%).
    - Front store same-store sales growth was 1.3% (2025 – 1.7%), primarily driven by higher sales of beauty and over-the-counter ("OTC") products, partially offset by the timing of Easter.
  - The wind-down of the *Theodore & Pringle* optical business was completed in 2025. Revenue related to the optical business in the second quarter of 2026 was nil (2025 – $17 million).
  - In the second quarter of 2026, 14 food and drug stores were opened and 6 food and drug stores were closed. Retail square footage was 73.8 million square feet, a net increase of 1.3 million square feet, or 1.8%, compared to the second quarter of 2025.
- Gross profit[(2)] in the second quarter of 2026 was $4,851 million, an increase of $217 million, or 4.7%. Gross profit percentage[(2)] was stable at 32.2%, increasing by 10 basis points, including continued improvements in shrink.
- Operating income in the second quarter of 2026 was $1,202 million, an increase of $34 million, or 2.9%.
- Adjusted EBITDA[(2)] in the second quarter of 2026 was $1,841 million, an increase of $93 million, or 5.3%. The increase was driven by an increase in gross profit[(2)], partially offset by an increase in 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 second quarter of 2026 was $628 million, an increase of $40 million, or 6.8%, primarily driven by an increase in depreciation of leased assets and fixed assets related to opening new stores and the automated distribution facility, partially offset by a decrease in depreciation of IT assets. 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 $9 million (2025 – $9 million).

PC FINANCIAL RESULTS (DISCONTINUED OPERATIONS)

As a result of the announcement of the sale of PC Financial to EQB in the fourth quarter of 2025, the results of PC Financial are presented in discontinued operations, net of intersegment eliminations.

- Revenue, included in discontinued operations, in the second quarter of 2026 was $224 million, an increase of $9 million, or 4.2%. The increase was primarily driven by higher interest income.
- Net earnings available to common shareholders of the Company from discontinued operations were $31 million, an increase of $10 million. The increase was primarily driven by benefits resulting from changes in certain income tax legislation, lower depreciation and amortization expense, and higher revenue as described above, partially offset by transaction costs related to the sale of PC Financial.

As previously announced in 2025, the Company entered into an agreement with 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").

Subsequent to the end of the second quarter, on July 1, 2026, Loblaw completed the Sale of PC Financial for total consideration of $1,234 million, consisting of 7.2 million common shares of EQB with a fair value of $963 million, $235 million in cash, and $36 million related to certain commodity tax receivables. The Sale of PC Financial will result in a gain on sale, net of transaction costs, of approximately $375 million, before income taxes, within discontinued operations in the third quarter of 2026. The total consideration and related gain on sale are preliminary and subject to adjustment pursuant to the terms of the agreement.

As of the date of closing, Loblaw owned approximately 19.9% of EQB's issued and outstanding common shares. In connection with the sale, Loblaw received $625 million in cash, representing the release of excess capital, cash consideration from EQB, and the collection of certain commodity tax receivables.

Starting in the third quarter of 2026, the Company will no longer report PC Financial results and will begin to recognize its proportionate share of EQB's net income within its consolidated financial results based on the most recent publicly available information at each of the Company's fiscal year and quarter end dates. The Company and EQB have different fiscal year and quarter ends. As a result of the difference in reporting periods and the timing of the close of the Sale of PC Financial, the Company will recognize only one month of income from EQB in the third quarter of 2026 and three months of income from EQB in the fourth quarter of 2026, and in each quarter thereafter.

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 2026. The Company's businesses remain well positioned to meet the everyday needs of Canadians. In 2026, including the impact of recognizing only one month of income from EQB in the third quarter of 2026, and excluding 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[2] growth in the high single-digits;
- to invest approximately $2.4 billion in gross capital expenditures in its store network and distribution centres; 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 second quarter of 2026, the Company repurchased 8.8 million common shares for cancellation at a cost of $552 million. On a year-to-date basis, the Company repurchased 19.0 million common shares for cancellation at a cost of $1,200 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 second quarter of 2026, the Board of Directors declared a quarterly dividend of $0.155183 per common share, payable on October 1, 2026 to shareholders of record on September 15, 2026.

NON-GAAP AND OTHER FINANCIAL MEASURES

The Company uses the following non-GAAP and other financial measures and ratios: gross profit, 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, 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 June 20, 2026 and June 14, 2025 (millions of Canadian dollars except where otherwise indicated)			**2026 (12 weeks)**			2025[5] (12 weeks)
	GAAP	**Adjusting Items**	**Non-GAAP[2]**	GAAP	Adjusting Items	Non-GAAP[2]
EBITDA	**$ 1,830**	**$ 11**	**$ 1,841**	$ 1,756	$ (8)	$ 1,748
Operating income	**$ 1,202**	**$ 20**	**$ 1,222**	$ 1,168	$ 1	$ 1,169
Net interest expense and other financing charges	**183**	**—**	**183**	173	—	173
Earnings before income taxes	**$ 1,019**	**$ 20**	**$ 1,039**	$ 995	$ 1	$ 996
Deduct (add) the following:						
Income taxes	**263**	**12**	**275**	259	2	261
Non-controlling interests	**36**	**—**	**36**	43	—	43
Net earnings available to common shareholders of the Company from continuing operations	**$ 720**	**$ 8**	**$ 728**	$ 693	$ (1)	$ 692
Net earnings available to common shareholders of the Company from discontinued operations	**31**	**15**	**46**	21	—	21
Net earnings available to common shareholders of the Company	**$ 751**	**$ 23**	**$ 774**	$ 714	$ (1)	$ 713
Diluted net earnings per common share[4] ($)	**$ 0.64**	**$ 0.02**	**$ 0.66**	$ 0.59	$ —	$ 0.59
Continuing operations	**0.61**	**0.01**	**0.62**	0.57	—	0.57
Discontinued operations	**0.03**	**0.01**	**0.04**	0.02	—	0.02
Diluted weighted average common shares[4] (millions)	**1,169.5**	**—**	**1,169.5**	1,203.9	—	1,203.9

Gross Profit and Gross Profit Percentage The following tables reconcile gross profit to revenue as reported in the condensed consolidated statements of earnings for the periods ended as indicated. The Company believes that gross profit is useful in assessing the underlying operating performance and in making decisions regarding the ongoing operations of the business.

Gross profit percentage is calculated as gross profit divided by revenue.

For the periods ended June 20, 2026 and June 14, 2025 (millions of Canadian dollars)	**2026 (12 weeks)**	2025 (12 weeks)
Revenue	**$ 15,046**	$ 14,457
Cost of sales	**10,195**	9,823
Gross profit	**$ 4,851**	$ 4,634

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 June 20, 2026 and June 14, 2025 (millions of Canadian dollars)	**2026 (12 weeks)**	2025[5] (12 weeks)
Net earnings attributable to shareholders of the Company from continuing operations	**$ 720**	$ 693
Add impact of the following:		
Non-controlling interests	**36**	43
Net interest expense and other financing charges	**183**	173
Income taxes	**263**	259
Operating income	**$ 1,202**	$ 1,168
Add (deduct) impact of the following:		
Fair value adjustment on fuel and foreign currency contracts	**$ 9**	$ 2
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**9**	9
Fair value adjustment on investments	**3**	(9)
Gain on sale of non-operating property	**(1)**	(1)
Adjusting items	**$ 20**	$ 1
Adjusted operating income	**$ 1,222**	$ 1,169
Depreciation and amortization	**628**	588
Less: Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**(9)**	(9)
Adjusted EBITDA	**$ 1,841**	$ 1,748

Adjusted EBITDA was impacted by the following:

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.

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.

Fair value adjustment on investments 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 adjustment on such investments are considered an adjusting item. See "Non-GAAP and Other Financial Measures Change Effective First Quarter of 2026" section below.

Gain on sale of non-operating property In the second quarter of 2026, the Company recorded a gain related to the sale of a non-operating property to a third party of $1 million (2025 – $1 million).

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 June 20, 2026 and June 14, 2025 (millions of Canadian dollars)	**2026 (12 weeks)**	2025[5] (12 weeks)
Net earnings attributable to shareholders of the Company from discontinued operations[i]	**$ 31**	$ 21
Add (deduct) impact of the following:		
Net interest expense and other financing charges[i]	**38**	39
Income taxes[i]	**(5)**	11
Operating income from discontinued operations[i]	**$ 64**	$ 71
Add impact of the following:		
PC Financial transaction costs	**$ 19**	$ —
Adjusting items	**$ 19**	$ —
Adjusted operating income from discontinued operations	**$ 83**	$ 71
Adjusted operating income (refer to table above)	**1,222**	1,169
Total Company adjusted operating income	**$ 1,305**	$ 1,240
Adjusted operating income from discontinued operations	**$ 83**	$ 71
Depreciation and amortization from discontinued operations	**—**	12
Adjusted EBITDA from discontinued operations	**$ 83**	$ 83
Adjusted EBITDA (refer to table above)	**1,841**	1,748
Total Company adjusted EBITDA	**$ 1,924**	$ 1,831

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

Adjusted EBITDA from discontinued operations was impacted by the following:

PC Financial transaction costs In the second quarter of 2026, the Company recorded transaction and other related costs of $19 million in connection with the Sale of PC Financial within discontinued operations.

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 June 20, 2026 and June 14, 2025 (millions of Canadian dollars)	**2026** **(12 weeks)**	2025 (12 weeks)
Net interest expense and other financing charges	**$ 183**	$ 173
Adjusted net interest expense and other financing charges	**$ 183**	$ 173

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 June 20, 2026 and June 14, 2025 (millions of Canadian dollars)	**2026** **(12 weeks)**	2025 (12 weeks)
Net interest expense and other financing charges from discontinued operations(i)	**$ 38**	$ 39
Adjusted net interest expense and other financing charges from discontinued operations	**$ 38**	$ 39

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

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 June 20, 2026 and June 14, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026** **(12 weeks)**	2025[5] (12 weeks)
Adjusted operating income[i]	**$ 1,222**	$ 1,169
Adjusted net interest expense and other financing charges[i]	**183**	173
Adjusted earnings before taxes	**$ 1,039**	$ 996
Income taxes	**$ 263**	$ 259
Add impact of the following:		
Tax impact of items included in adjusted earnings before taxes[ii]	**5**	2
Deferred tax on outside basis difference related to the Sale of PC Financial	**7**	—
Adjusted income taxes	**$ 275**	$ 261
Effective tax rate	**25.8 %**	26.0 %
Adjusted effective tax rate	**26.5 %**	26.2 %

(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

Deferred tax on outside basis difference related to the Sale of PC Financial The Company recorded a deferred tax recovery of $7 million in the second quarter of 2026 on the temporary differences in respect of the Company's investment in PC Financial that are expected to reverse in the foreseeable future.

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 June 20, 2026 and June 14, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (12 weeks)**	2025 (12 weeks)
Net earnings attributable to shareholders of the Company	**$ 751**	$ 714
Net earnings from discontinued operations	**31**	21
Net earnings attributable to shareholders of the Company from continuing operations	**$ 720**	$ 693
Net earnings available to common shareholders of the Company from continuing operations	**$ 720**	$ 693
Net earnings attributable to shareholders of the Company from continuing operations	**$ 720**	$ 693
Adjusting items (refer to the following table)	**8**	(1)
Adjusted net earnings attributable to shareholders of the Company from continuing operations	**$ 728**	$ 692
Adjusted net earnings available to common shareholders of the Company from continuing operations	**$ 728**	$ 692
Diluted weighted average common shares outstanding[(4)] (millions)	**1,169.5**	1,203.9

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[5] (12 weeks)	
For the periods ended June 20, 2026 and June 14, 2025 (millions of Canadian dollars/Canadian dollars)	**Available to Common Shareholders of the Company**	**Net Earnings Per Common Share**	Available to Common Shareholders of the Company	Net Earnings Per Common Share[4]
Continuing operations	**$ 720**	**$ 0.61**	$ 693	$ 0.57
Discontinued operations	**$ 31**	**$ 0.03**	$ 21	$ 0.02
As reported	**$ 751**	**$ 0.64**	$ 714	$ 0.59
Continuing operations	**$ 720**	**$ 0.61**	$ 693	$ 0.57
Add (deduct) impact of the following:				
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**$ 7**	**$ 0.01**	$ 6	$ 0.01
Fair value adjustment on fuel and foreign currency contracts	**6**	**0.01**	2	—
Fair value adjustment on investments	**3**	**—**	(8)	(0.01)
Gain on sale of non-operating property	**(1)**	**—**	(1)	—
Deferred tax on outside basis difference related to the Sale of PC Financial	**(7)**	**(0.01)**	—	—
Adjusting items from continuing operations	**$ 8**	**$ 0.01**	$ (1)	$ —
Adjusted continuing operations	**$ 728**	**$ 0.62**	$ 692	$ 0.57
Discontinued operations	**$ 31**	**$ 0.03**	$ 21	$ 0.02
Add impact of the following:				
PC Financial transaction costs	**$ 15**	**$ 0.01**	$ —	$ —
Adjusting items from discontinued operations	**$ 15**	**$ 0.01**	$ —	$ —
Adjusted discontinued operations	**$ 46**	**$ 0.04**	$ 21	$ 0.02
Adjusted Total Company	**$ 774**	**$ 0.66**	$ 713	$ 0.59

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.

For the periods ended June 20, 2026 and June 14, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026** **(12 weeks)**	2025 (12 weeks)
Food Retail[(i)]	**$ 10,617**	$ 10,281
Drug Retail	**4,429**	4,176
Pharmacy and healthcare services	**2,450**	2,255
Front store	**1,979**	1,921
Revenue	**$ 15,046**	$ 14,457
PC Financial revenue (discontinued operations)	**$ 224**	$ 215
Revenue (including Retail and PC Financial)	**$ 15,270**	$ 14,672

(i) As a result of the announcement of the sale of PC Financial, Food Retail sales now include revenue related to PC Services of $62 million in the second quarter of 2026 (2025 – $68 million), primarily driven by sales attributable to The Mobile Shop™ in the current and comparative periods presented.

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.

			2026 (12 weeks)			2025 (12 weeks)
For the periods ended June 20, 2026 and June 14, 2025 (millions of Canadian dollars)	**Continuing Operations**	**Discontinued Operations**	**Total**	Continuing Operations	Discontinued Operations	Total
Cash flows from operating activities	**$ 1,752**	**$ 12**	**$ 1,764**	$ 1,486	$ (123)	$ 1,363
Less:						
Capital investments[(i)]	**408**	**9**	**417**	403	6	409
Interest paid	**81**	**52**	**133**	71	24	95
Lease payments, net	**407**	**—**	**407**	391	—	391
Free cash flow[(2)]	**$ 856**	**$ (49)**	**$ 807**	$ 621	$ (153)	$ 468

(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. There were no prepayments transferred to fixed assets in the current or prior periods presented.

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

Loblaw Companies Limited is a Canadian public company incorporated in 1956 and is Canada's food and pharmacy leader, and the nation's largest retailer. The Company's continuing retail operations are comprised of several operating segments and now represent the only reportable segment due to the similar nature of the products and services offered. All material operations are carried out in Canada. The segment consists primarily of corporate and franchise-owned retail food and Associate-owned drug stores and e-commerce platforms, and includes in-store pharmacies, healthcare services, other health and beauty products, apparel, other general merchandise, wireless products and services, logistics services, retail media and the PC Optimum™ loyalty program. The Company also provided credit card and everyday banking services and insurance brokerage services through its PC Financial business, until its sale to EQB Inc. on July 1, 2026. PC Financial's results, net of intersegment eliminations, have been presented separately as discontinued operations in the Company's current and comparative results.

2025 Annual Report and 2026 Second Quarter Report to Shareholders

The Company's 2025 Annual Report and 2026 Second Quarter Report to Shareholders are available in the "Investors" section of the Company's website at loblaw.ca and sedarplus.ca.

Investors	**Media**
Roy MacDonald	Scott Bonikowsky
Vice President, Investor Relations	Senior Vice President, Corporate Affairs and Communications
investor@loblaw.ca	pr@loblaw.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 former subsidiary, President's Choice Bank, which was acquired by EQB on July 1, 2026. 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.

Conference Call and Webcast

Loblaw will host a conference call as well as an audio webcast on July 30, 2026 at 10:00 a.m. (ET).

To access via audio webcast please go to the "Investors" section of 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.

News Release Endnotes

(1) This News Release contains forward-looking information. See "Forward-Looking Statements" section of this News Release and the Company's 2026 Second 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 2026 Second 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 9 "Share Capital" of the Company's interim financial statements.

(5) Certain figures have been restated due to the non-GAAP financial measures adjusting item change. See Section 11 "Non-GAAP and Other Financial Measures" of the Company's 2026 Second Quarter Report to Shareholders.