Loblaw Companies Limited

NEWS RELEASE

Loblaw Reports Third Quarter Retail Sales Growth of 3.6% and Adjusted Diluted Net Earnings Per Common Share Growth of 8.8%

BRAMPTON, ONTARIO, November 19, 2026 Loblaw Companies Limited (TSX: L) ("Loblaw" or the "Company") announced today its unaudited financial results for the third quarter ended October 10, 2026[1].

Loblaw delivered solid operational and financial results in the third quarter of 2026, with Retail sales growth of 3.6% and adjusted diluted net earnings per common share growth of 8.8%. Following the completion of the sale of PC Financial on July 1, 2026, the Company's results reflect its Retail operations and the recognition of its proportionate share of EQB Inc. ("EQB")'s net income. Due to the timing of the transaction close and differences in reporting periods, the Company's third quarter results included only one month of earnings contribution from EQB. Across its Retail business, Loblaw maintained its focus on everyday value offerings, personalized PC Optimum™ loyalty rewards and impactful promotions across its nationwide network of stores and digital platforms. In Drug Retail, sales grew 5.7%, reflecting strong performance in pharmacy and healthcare services, led by specialty and chronic prescriptions. Front store sales growth was driven by strength in beauty and over-the-counter products. More than 4 million questions have been asked since the launch of the Company's AI powered PC Chat™ across the country, helping Canadians find trusted information and better manage their healthcare. In Food Retail, sales grew 2.8%, supported by new store openings. The Company's internal food inflation was in line with food CPI, and e-commerce sales grew 16.9% in the quarter. Loblaw continued its strategic network expansion, opening 18 stores across its network, including 9 hard discount stores and 7 drug stores, bringing convenient access to nutritious food and essential healthcare services to more communities.

"Loblaw's third quarter results reflect our continued focus on delivering the value, quality, service and convenience our customers expect across our growing retail network and digital platforms," said Per Bank, President and Chief Executive Officer, Loblaw Companies Limited. "Our investments in core retail and the strength of our assets position us to meet the evolving needs of Canadians while creating opportunities for long-term profitable growth."

2026 THIRD QUARTER HIGHLIGHTS

- Retail sales were $19,857 million, an increase of $697 million, or 3.6%.
  - Food Retail (Loblaw) same-store sales increased by 0.6% (2025 – 2.0%).
  - Drug Retail (Shoppers Drug Mart) same-store sales increased by 4.8% (2025 – 4.0%), with pharmacy and healthcare services same-store sales growth of 7.6% and front store same-store sales growth of 1.6%.
  - E-commerce sales increased by 16.9%.
- Retail gross profit percentage[2] was 31.3%, an increase of 20 basis points.
- Retail operating income was $1,408 million, an increase of 9.7%.
- Adjusted EBITDA[2] was $2,250 million, an increase of 6.9%.
  - Retail selling, general and administrative expenses ("SG&A") as a percentage of sales was 20.0%, a decrease of 20 basis points.
- Net earnings[3] of the Company were $1,193 million, an increase of 50.3%. Diluted net earnings per common share were $1.03, an increase of 56.1%. Net earnings included the gain on sale of PC Financial, net of transaction costs, of $401 million, presented within discontinued operations.

- Adjusted net earnings[2],[3] of the Company were $857 million, an increase of 4.8%. Adjusted diluted net earnings per common share[2] were $0.74, an increase of 8.8%.
    - Adjusted diluted net earnings per common share[2] growth of 8.8% included $9 million of the Company's proportionate share of EQB's net income, reflecting one month of earnings, and excluded two months, as a result of timing of the sale of PC Financial on July 1, 2026 and EQB's quarter-end date of July 31, 2026.
- Adjusted diluted net earnings per common share[2] from continuing operations were $0.74, an increase of 15.6%.
- Free cash flow[2] from Retail was $324 million, a decrease of $23 million. Gross capital investments were $897 million.
- Repurchased and cancelled 8.3 million common shares at a cost of $524 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 were presented as discontinued operations.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	2025[4] (16 weeks)
Sales	**$ 19,857**	$ 19,160
Gross profit[2]	$ 6,215	$ 5,967
Gross profit %[2]	31.3 %	31.1 %
Operating income	**$ 1,408**	$ 1,284
Adjusted operating income[2]	1,417	1,318
Income (loss) from equity-accounted investments	$ (26)	$ —
Adjusted income from equity-accounted investments[2]	9	—
Adjusted EBITDA[2]	$ 2,250	$ 2,104
Adjusted EBITDA margin[2]	11.3 %	11.0 %
Adjusted EBIT[2]	**$ 1,426**	$ 1,318
Net interest expense and other financing charges	$ 243	$ 234
Earnings before income taxes	**$ 1,139**	$ 1,050
Income taxes	$ 325	$ 288
Adjusted income taxes[2]	304	298
Net earnings attributable to non-controlling interests	$ 22	$ 16
Total Company Adjusted EBITDA[2]	**$ 2,250**	$ 2,206
Continuing operations	2,250	2,104
Discontinued operations	—	102
Net earnings available to common shareholders of the Company	**$ 1,193**	$ 794
Continuing operations	792	746
Discontinued operations	401	48
Adjusted net earnings available to common shareholders of the Company[2]	**$ 857**	$ 818
Continuing operations	857	770
Discontinued operations	—	48
Diluted net earnings per common share ($)	**$ 1.03**	$ 0.66
Continuing operations	0.68	0.62
Discontinued operations	0.35	0.04
Adjusted diluted net earnings per common share[2] ($)	**$ 0.74**	$ 0.68
Continuing operations	0.74	0.64
Discontinued operations	—	0.04
Diluted weighted average common shares outstanding (in millions)	**1,160.7**	1,195.4

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

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**		2025 (16 weeks)			
	Sales	**Same-store sales**	Sales	Same-store sales	Sales $ Change	Sales % Change
Food Retail[(i)]	**$ 14,048**	**0.6 %**	$ 13,666	2.0 %	$ 382	2.8 %
Drug Retail	**5,809**	**4.8 %**	5,494	4.0 %	315	5.7 %
Pharmacy and healthcare services	**3,202**	**7.6 %**	2,953	5.9 %	249	8.4 %
Front store	**2,607**	**1.6 %**	2,541	1.9 %	66	2.6 %
Sales	**$ 19,857**		$ 19,160		$ 697	3.6 %

(i) As a result of the sale of PC Financial, Food Retail now includes sales related to PC Services of $37 million in the third quarter of 2026 (2025 – $78 million), primarily driven by sales attributable to The Mobile Shop™.

OPERATING RESULTS

Unless otherwise indicated, all financial information represents the Company's results from continuing operations (retail). PC Financial results were presented as discontinued operations.

Sales In the third quarter of 2026, sales were $19,857 million, an increase of $697 million, or 3.6%.

- Food Retail (Loblaw) sales were $14,048 million, an increase of $382 million, and same-store sales grew by 0.6% (2025 – 2.0%).
  - The Company's internal food inflation was in line with the Consumer Price Index for Food Purchased From Stores of 2.5% (2025 – 3.6%); and
  - Food Retail traffic decreased and basket size increased on a same-store sales basis.
- Drug Retail (Shoppers Drug Mart) sales were $5,809 million, an increase of $315 million, and same-store sales grew by 4.8% (2025 – 4.0%).
  - Pharmacy and healthcare services same-store sales growth was 7.6% (2025 – 5.9%), led by specialty and chronic prescriptions. On a same-store basis, the number of prescriptions dispensed increased by 3.9% (2025 – 2.8%) and the average prescription value increased by 4.3% (2025 – 3.7%).
  - Front store same-store sales growth was 1.6% (2025 – 1.9%), primarily driven by higher sales of beauty and over-the-counter ("OTC") products.
- In the third quarter of 2026, 18 food and drug stores were opened and 1 drug store was closed. Retail square footage was 74.2 million square feet, a net increase of 1.3 million square feet, or 1.8%, compared to the third quarter of 2025.

Gross Profit[(2)] Gross profit[(2)] in the third quarter of 2026 was $6,215 million, an increase of $248 million, or 4.2%. Gross profit percentage[(2)] was 31.3%, an increase of 20 basis points, primarily driven by benefits realized from strategic initiatives.

Operating Income Operating income in the third quarter of 2026 was $1,408 million, an increase of $124 million, or 9.7%.

Income (Loss) From Equity-Accounted Investments Starting in the third quarter of 2026, the Company began to recognize its proportionate share of EQB's net income, representing approximately 20% of EQB's issued and outstanding common shares, within its consolidated financial results. 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 recognized only one month of income from EQB in the third quarter of 2026.

Loss from equity-accounted investments in the third quarter of 2026 was $26 million and included charges of $35 million, primarily related to initial provisions for credit losses recognized by EQB upon its acquisition of PC Financial. Adjusted income from equity-accounted investments[(2)] was $9 million.

Adjusted EBITDA[2] Adjusted EBITDA[2] in the third quarter of 2026 was $2,250 million, an increase of $146 million, or 6.9%. The increase was driven by an increase in gross profit[2] and adjusted income from equity-accounted investments[2], partially offset by an increase in SG&A.

SG&A as a percentage of sales was 20.0%, a favourable decrease of 20 basis points, primarily due to operating leverage from higher sales, partially offset by incremental costs related to opening new stores and the automated distribution facility.

Depreciation and Amortization Depreciation and amortization in the third quarter of 2026 was $838 million, an increase of $38 million, or 4.8%, 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.

Discontinued Operations As previously announced in 2025, the Company entered into an agreement with EQB pursuant to which EQB acquired President's Choice Bank ("PC Bank") and certain other affiliated entities (collectively, "PC Financial") (the "Sale of PC Financial"). On July 1, 2026, Loblaw completed the Sale of PC Financial for total consideration of $1,234 million. The Sale of PC Financial resulted in a gain on sale, net of transaction costs, of $432 million, before income taxes (post-tax gain of $401 million) in the third quarter of 2026. The year-to-date gain on sale, net of transaction costs, was $413 million, before income taxes (post-tax gain of $386 million). In the third quarter of 2026 and year-to-date, the Company recorded transaction and other related costs of $4 million and $23 million, respectively, in connection with the Sale of PC Financial. The total consideration and related gain on sale are preliminary and subject to adjustment pursuant to the terms of the agreement.

Other Business Matters Subsequent to the end of the third quarter of 2026, on November 18, 2026, the Company sold its interest in QHR Technologies Inc. to LGI Healthcare Solutions Inc. for cash consideration of approximately $236 million. The gain on sale is being finalized and will be recognized in the fourth quarter of 2026.

OUTLOOK[1]

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 third quarter of 2026, the Company repurchased 8.3 million common shares for cancellation at a cost of $524 million. On a year-to-date basis, the Company repurchased 27.3 million common shares for cancellation at a cost of $1,724 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 2026, the Board of Directors declared a quarterly dividend of $0.155183 per common share, payable on December 30, 2026 to shareholders of record on December 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 earnings before financing and income taxes ("adjusted EBIT"); adjusted income from equity-accounted investments; adjusted earnings before income taxes; 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 financial performance, as the excluded items are not necessarily reflective of the Company's underlying financial 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 financial 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.

The results of PC Financial have been 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 October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**			2025[4] (16 weeks)		
	GAAP	**Adjusting Items**	**Non-GAAP[2]**	GAAP	Adjusting Items	Non-GAAP[2]
EBITDA	**$ 2,220**	**$ 30**	**$ 2,250**	$ 2,084	$ 20	$ 2,104
Operating income	**$ 1,408**	**$ 9**	**$ 1,417**	$ 1,284	$ 34	$ 1,318
Income (loss) from equity-accounted investments	**(26)**	**35**	**9**	—	—	—
Earnings before financing and income taxes (EBIT)	**$ 1,382**	**$ 44**	**$ 1,426**	$ 1,284	$ 34	$ 1,318
Net interest expense and other financing charges	**243**	**—**	**243**	234	—	234
Earnings before income taxes	**$ 1,139**	**$ 44**	**$ 1,183**	$ 1,050	$ 34	$ 1,084
Deduct (add) the following:						
Income taxes	**325**	**(21)**	**304**	288	10	298
Non-controlling interests	**22**	**—**	**22**	16	—	16
Net earnings available to common shareholders of the Company from continuing operations	**$ 792**	**$ 65**	**$ 857**	$ 746	$ 24	$ 770
Net earnings available to common shareholders of the Company from discontinued operations	**401**	**(401)**	**—**	48	—	48
Net earnings available to common shareholders of the Company	**$ 1,193**	**$ (336)**	**$ 857**	$ 794	$ 24	$ 818
Diluted net earnings per common share ($)	**$ 1.03**	**$ (0.29)**	**$ 0.74**	$ 0.66	$ 0.02	$ 0.68
Continuing operations	**0.68**	**0.06**	**0.74**	0.62	0.02	0.64
Discontinued operations	**0.35**	**(0.35)**	**—**	0.04	—	0.04
Diluted weighted average common shares (millions)	**1,160.7**	**—**	**1,160.7**	1,195.4	—	1,195.4

Gross Profit and Gross Profit Percentage The following table reconciles gross profit to sales 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 sales.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (16 weeks)**	2025 (16 weeks)
Sales	**$ 19,857**	$ 19,160
Cost of sales	**13,642**	13,193
Gross profit	**$ 6,215**	$ 5,967

Adjusted Operating Income, Adjusted EBIT, Adjusted EBITDA and Adjusted EBITDA Margin The following table reconciles adjusted operating income, adjusted EBIT and adjusted EBITDA to operating income, which is reconciled to earnings before financing and income taxes as reported in the condensed consolidated statements of earnings for the periods ended as indicated. The Company believes that these measures are 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 sales.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (16 weeks)**	2025[4] (16 weeks)
Earnings before financing and income taxes	**$ 1,382**	$ 1,284
Add: Loss from equity-accounted investments	**26**	—
Operating income	**$ 1,408**	$ 1,284
Add (deduct) impact of the following:		
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**$ 14**	$ 14
Wind-down of Theodore & Pringle™ optical business	**—**	30
Loss on sale of non-operating properties	**—**	2
Fair value adjustment on investments	**(1)**	(11)
Fair value adjustment on fuel and foreign currency contracts	**(4)**	(1)
Adjusting items	**$ 9**	$ 34
Adjusted operating income	**$ 1,417**	$ 1,318
Add (deduct) impact of the following:		
Loss from equity-accounted investments	**$ (26)**	$ —
Adjustments to income from equity-accounted investments	**35**	—
Adjusted EBIT	**$ 1,426**	$ 1,318
Add (deduct) impact of the following:		
Depreciation and amortization	**$ 838**	$ 800
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**(14)**	(14)
Adjusted EBITDA	**$ 2,250**	$ 2,104

Adjusted EBITDA was impacted by the following:

Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark Health Group 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 Health Group ("Lifemark") in 2022 included approximately $299 million of definite life intangible assets, which are being amortized over their estimated useful lives.

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 SG&A, primarily related to the write-down of optical equipment, labour and other closure costs.

Loss on sale of non-operating properties In the third quarter of 2026, the Company did not record any gain or loss related to the sale of a non-operating property to a third party (2025 – loss of $2 million).

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 were considered an adjusting item, see Section 11 "Non-GAAP and Other Financial Measures" of the Company's 2026 Third Quarter Report to Shareholders.

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.

Adjustments to income from equity-accounted investments Starting in the third quarter of 2026, the Company began 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. In the third quarter of 2026, the Company's loss from equity-accounted investments included charges of $35 million, primarily related to initial provisions for credit losses recognized by EQB upon its acquisition of PC Financial.

Adjusted EBIT from Discontinued Operations, Total Company Adjusted EBIT, Adjusted EBITDA from Discontinued Operations, and Total Company Adjusted EBITDA The following table reconciles adjusted EBIT and adjusted EBITDA from discontinued operations to earnings before financing and income taxes 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.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (16 weeks)**	2025[4] (16 weeks)
Net earnings attributable to shareholders of the Company from discontinued operations[i]	**$ 401**	$ 48
Add impact of the following:		
Net interest expense and other financing charges[i]	**—**	39
Income taxes[i]	**31**	5
Earnings before financing and income taxes from discontinued operations[i]	**$ 432**	$ 92
Deduct impact of the following:		
Gain on sale of PC Financial, net of transaction costs	**$ (432)**	$ —
Adjusting items	**$ (432)**	$ —
Adjusted EBIT from discontinued operations	**$ —**	$ 92
Adjusted EBIT (refer to table above)	**1,426**	1,318
Total Company adjusted EBIT	**$ 1,426**	$ 1,410
Adjusted EBIT from discontinued operations	**$ —**	$ 92
Depreciation and amortization from discontinued operations	**—**	10
Adjusted EBITDA from discontinued operations	**$ —**	$ 102
Adjusted EBITDA (refer to table above)	**2,250**	2,104
Total Company adjusted EBITDA	**$ 2,250**	$ 2,206

(i) For additional information, see note 4 "Assets Held for Sale and Discontinued Operations" of the Company's 2026 Third Quarter Report to Shareholders

Adjusted EBITDA from discontinued operations was impacted by the following:

Gain on sale of PC Financial, net of transaction costs On July 1, 2026, Loblaw completed the Sale of PC Financial for total consideration of $1,234 million. The Sale of PC Financial resulted in a gain on sale, net of transaction costs, of $432 million, before income taxes (post-tax gain of $401 million) in the third quarter of 2026. In the third quarter of 2026 and year-to-date, the Company recorded transaction and other related costs of $4 million and $23 million, respectively, in connection with the Sale of PC Financial. The total consideration and related gain on sale are preliminary and subject to adjustment pursuant to the terms of the agreement.

Adjusted Income From Equity-Accounted Investments The following tables reconcile adjusted income from equity-accounted investments to income (loss) from equity-accounted investments as reported in the condensed consolidated statements of earnings for the periods ended as indicated. The Company believes that adjusted income from equity-accounted investments is useful in assessing the performance of the Company's specified investing activities.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (16 weeks)**	2025 (16 weeks)
Income (loss) from equity-accounted investments	**$ (26)**	$ —
Add impact of the following:		
Adjustments to income from equity-accounted investments[(i)]	**35**	—
Adjusted income from equity-accounted investments	**$ 9**	$ —

(i) Refer to details of the adjusting item under the Non-GAAP measure reconciliation for adjusted EBITDA above.

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

Adjusted effective tax rate is calculated as adjusted income taxes divided by adjusted earnings before income taxes.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	2025[(4)] (16 weeks)
Earnings before income taxes	**$ 1,139**	$ 1,050
Add: impact from adjusting items[(i)]	**44**	34
Adjusted earnings before income taxes[(i)]	**$ 1,183**	$ 1,084
Income taxes	**$ 325**	$ 288
Add (deduct) impact of the following:		
Tax impact of items included in adjusted earnings before income taxes[(i)]	**2**	10
Deferred tax on temporary differences related to equity-accounted investments	**3**	—
Deferred tax on outside basis difference related to the Sale of PC Financial	**(26)**	—
Adjusted income taxes	**$ 304**	$ 298
Effective tax rate	**28.5 %**	27.4 %
Adjusted effective tax rate	**25.7 %**	27.5 %

(i) In the third quarter of 2026, adjusted earnings before income taxes were impacted by adjusting items related to operating income of $9 million (2025 — $34 million) and adjustments to income from equity-accounted investments of $35 million (2025 — nil). Refer to the list and details of adjusting items under the Non-GAAP measure reconciliation for adjusted EBITDA above.

Deferred tax on outside basis difference related to the Sale of PC Financial In the third quarter of 2026, the Company recorded a deferred tax expense of $26 million, consisting of a deferred tax expense of $126 million on temporary differences related to the Company's new investment in EQB, partially offset by the reversal of deferred tax expense of $100 million previously recorded on temporary differences related to the Company's investment in PC Financial.

Deferred tax on temporary differences related to equity-accounted investments In the third quarter of 2026, the Company recorded a deferred tax recovery of $3 million on temporary differences related to the income from the Company's investment in EQB.

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 financial performance and in making decisions regarding the ongoing operations of its business.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars except where otherwise indicated)	**2026 (16 weeks)**	2025[4] (16 weeks)
Net earnings attributable to shareholders of the Company	**$ 1,193**	$ 794
Net earnings from discontinued operations	**401**	48
Net earnings attributable to shareholders of the Company from continuing operations	**$ 792**	$ 746
Net earnings available to common shareholders of the Company from continuing operations	**$ 792**	$ 746
Net earnings attributable to shareholders of the Company from continuing operations	**$ 792**	$ 746
Adjusting items (refer to the following table)	**65**	24
Adjusted net earnings attributable to shareholders of the Company from continuing operations	**$ 857**	$ 770
Adjusted net earnings available to common shareholders of the Company from continuing operations	**$ 857**	$ 770
Diluted weighted average common shares outstanding (millions)	**1,160.7**	1,195.4

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.

For the periods ended October 10, 2026 and October 4, 2025 (millions of Canadian dollars/Canadian dollars)	**2026 (16 weeks)**		2025[4] (16 weeks)	
	Net Earnings Available to Common Shareholders of the Company	**Net Earnings Per Common Share**	Net Earnings Available to Common Shareholders of the Company	Net Earnings Per Common Share
Continuing operations	**$ 792**	**$ 0.68**	$ 746	$ 0.62
Discontinued operations	**401**	**0.35**	48	0.04
As reported	**$ 1,193**	**$ 1.03**	$ 794	$ 0.66
Continuing operations	**$ 792**	**$ 0.68**	$ 746	$ 0.62
Add (deduct) impact of the following:				
Adjustments to income from equity-accounted investments	**$ 35**	**$ 0.03**	$ —	$ —
Deferred tax on outside basis difference related to the Sale of PC Financial	**26**	**0.02**	—	—
Amortization of intangible assets acquired with Shoppers Drug Mart and Lifemark	**10**	**0.01**	10	0.01
Wind-down of *Theodore & Pringle* optical business	**—**	**—**	22	0.02
Loss on sale of non-operating properties	**—**	**—**	3	—
Fair value adjustment on investments	**(1)**	**—**	(10)	(0.01)
Fair value adjustment on fuel and foreign currency contracts	**(2)**	**—**	(1)	—
Deferred tax on temporary differences related to equity-accounted investments	**(3)**	**—**	—	—
Adjusting items from continuing operations	**$ 65**	**$ 0.06**	$ 24	$ 0.02
Adjusted continuing operations	**$ 857**	**$ 0.74**	$ 770	$ 0.64
Discontinued operations	**$ 401**	**$ 0.35**	$ 48	$ 0.04
Deduct impact of the following:				
Gain on sale of PC Financial, net of transaction costs	**$ (401)**	**$ (0.35)**	$ —	$ —
Adjusting items from discontinued operations	**$ (401)**	**$ (0.35)**	$ —	$ —
Adjusted discontinued operations	**$ —**	**$ —**	$ 48	$ 0.04
Adjusted Total Company	**$ 857**	**$ 0.74**	$ 818	$ 0.68

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 October 10, 2026 and October 4, 2025 (millions of Canadian dollars)	**2026 (16 weeks)**			2025 (16 weeks)		
	Continuing Operations	**Discontinued Operations**	**Total**	Continuing Operations	Discontinued Operations	Total
Cash flows from operating activities	**$ 1,868**	**$ 111**	**$ 1,979**	$ 1,640	$ 111	$ 1,751
Less:						
Capital investments[(i)]	**897**	**—**	**897**	674	11	685
Interest paid	**95**	**—**	**95**	91	51	142
Lease payments, net	**552**	**—**	**552**	528	—	528
Free cash flow	**$ 324**	**$ 111**	**$ 435**	$ 347	$ 49	$ 396

(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. Capital investments for the period ended October 10, 2026 included $108 million of prepayments transferred to fixed assets.

Same-Store Sales Same-store sales are 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", "Operating Results", 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 sites, and includes in-store pharmacies, healthcare services, other health and beauty products, apparel, other general merchandise, wireless products and services, the PC Optimum™ loyalty program, and complementary businesses, including supply chain as a service, retail media and data, and Lifemark. 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 Third Quarter Report to Shareholders

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

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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 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 November 19, 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.

2026 Investor Day: Retail and Beyond

Loblaw hosted an Investor Day on September 9, 2026, an event that showcased the strategy for the Company's core retail businesses and emerging growth platforms.

To watch a replay of the event, or to download the event presentation, please go to the "Investors" section of the Company's 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 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) Net earnings represents net earnings available to common shareholders.

(4) 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 Third Quarter Report to Shareholders.