



PURE RETAIL

2018 Annual General & Special Meeting of Shareholders



WE ARE **NORTH WEST**

Caution Concerning Forward Looking Statements and Non-GAAP Financial Measures



Certain information presented today may constitute forward-looking statements. Such statements reflect North West's current expectations, estimates, projections and assumptions. These forward-looking statements are not guarantees of future performance and are subject to certain risks which could cause actual performance and financial results in the future to vary materially from those contemplated in the forward-looking statements. For additional information on these risks, please see North West's Annual Information Form under the heading "Risk Factors".

This presentation will also refer to "EBITDA", "Adjusted EBITDA" and "Adjusted Net Earnings", which are not recognized financial measures under International Financial Reporting Standards. North West's method of calculating these measures may differ from other companies and may not be comparable to measures used by other companies. For further information, please see North West's Annual Report under the heading "Non-GAAP Financial Measures".



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Chairman Remarks





PURE RETAIL

FREE

Royal Gala Apples

3 lb bag,
258730

No purchase required.

Coupon redeemable at Winnipeg Giant Tiger locations only. One coupon per person. Facsimile coupons will not be accepted. Expires June 30, 2018





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Chairman Remarks





Derek Riley

July 1, 1922–May 6, 2018

***North West Founding Chairman
1987–1994***



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Chairman Remarks





Brock Bulbuck





Deepak Chopra





Frank J. Coleman





Wendy F. Evans





Stewart Glendinning





Robert J. Kennedy





Annalisa King





Vi Konkle





Eric L. Stefanson





Victor Tootoo





Edward Kennedy



H. Sanford Riley





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2018 Annual General & Special Meeting of Shareholders



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1. Receive Audited Financial Statements

2. Special Resolution to amend North West's articles to increase the number of Directors from 12 to 13

3. Election of Directors

4. Appointment of Auditors

5. Advisory Resolution on Executive Compensation

6. First Amended and Restated Performance Share Unit Plan



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2018 Annual General & Special Meeting of Shareholders



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Executive Vice-President & Chief Financial Officer Remarks



Key Performance Factors

- ✓ Record capital investment of \$173 million
- ✓ Acquisitions:
 - Roadtown Wholesale Trading Ltd. (RTW)
 - North Star Air Ltd. (NSA)



Key Performance Factors Continued

X Caribbean hurricane-related store closures:

- 2 Cost-U-Less stores & 3 RTW stores
- Annualized impact:
 - U.S. \$92 million in sales
 - U.S. \$6.6 million EBITDA

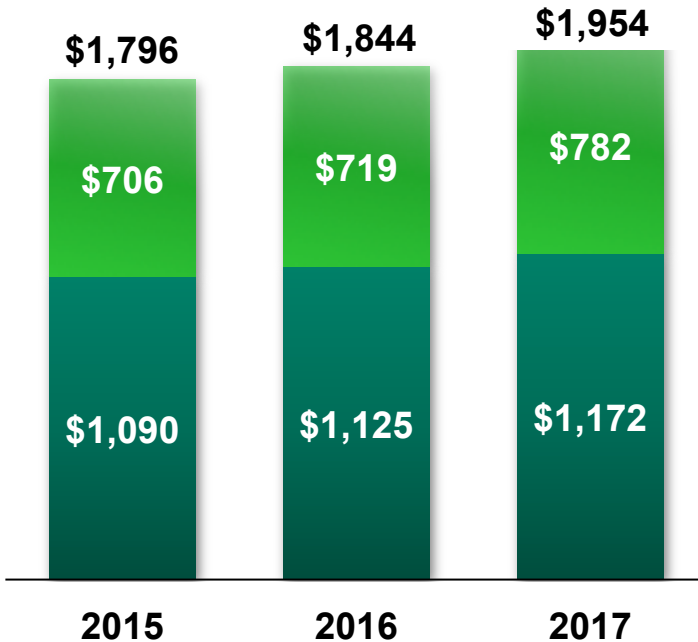
✓ / X U.S. tax reform



Top Line Growth Continues • 2017 Financial Highlights



Sales (\$ in millions)



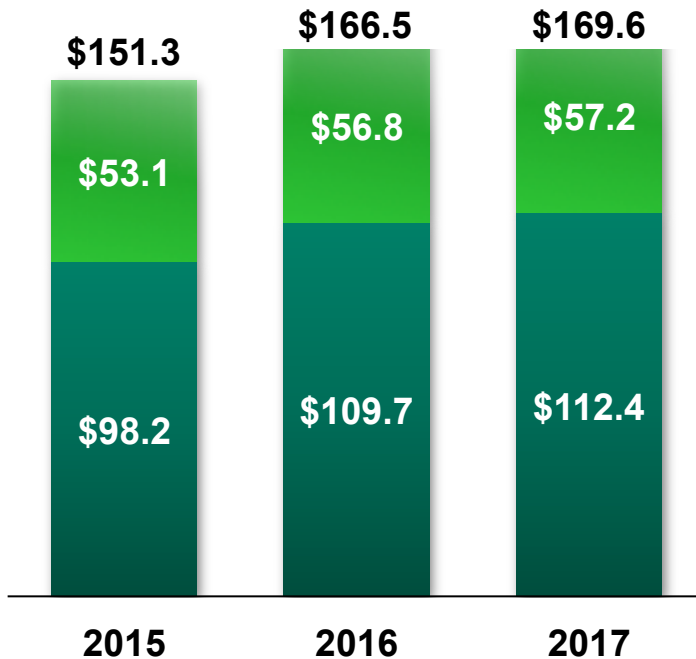
Canada
International

- ✓ Top line sales +5.9% driven by:
 - ✓ RTW & NSA acquisitions
 - ✓ New Giant Tiger stores
 - ✓ Same store sales +1.2%
- X Hurricane-related store closures
– \$45 million

EBITDA Performance • 2017 Financial Highlights



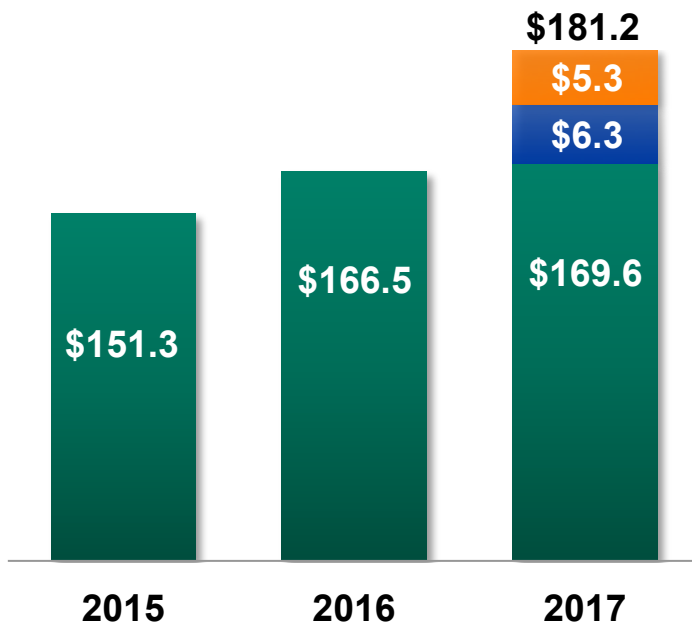
EBITDA (\$ in millions)



Canada
International

- ✓ RTW & NSA contribution
- ✓ Northern Canada store results
- ✗ Acquisition costs
- ✗ Hurricane-related store closures
- = EBITDA +\$3.1 million, +1.9%

Adjusted EBITDA (\$ in millions)



-  Hurricane-related Store Closures
-  Acquisition Costs
-  Reported EBITDA

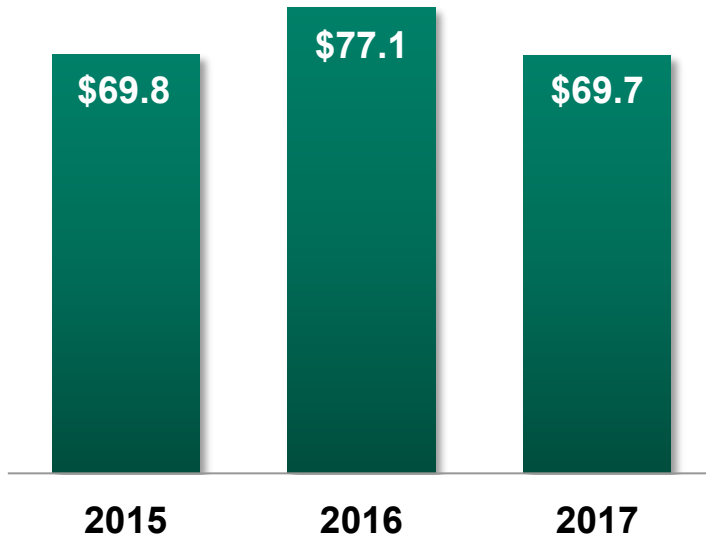
 Stamp duty paid to BVI government

 Negative hurricane impact

 Adjusted EBITDA +\$14.7 million, +8.8%

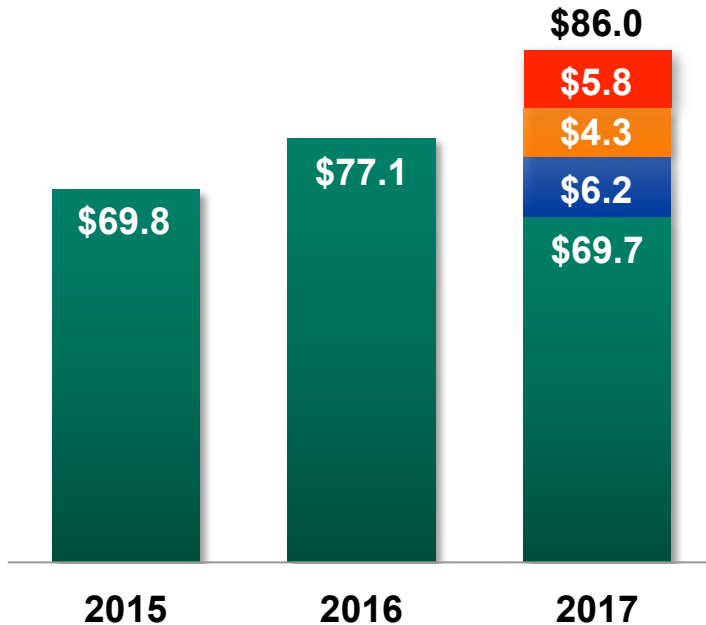
- Accretive acquisitions
- Core business results

Net Earnings (\$ in millions)



- X Non-comparable costs
- X Higher amortization & interest expense
- X U.S. tax reform transition tax
– \$5.8 million
- = Net earnings – \$7.4 million, – 9.6%

Adjusted Net Earnings (\$ in millions)



- U.S. Tax Reform
- Hurricane-related Store Closures
- Acquisition Costs
- Reported Net Earnings

Adjusted net earnings +\$8.9 million, +11.5%

- ✓ Contribution from RTW & NSA
- ✓ Solid Northern Canada results

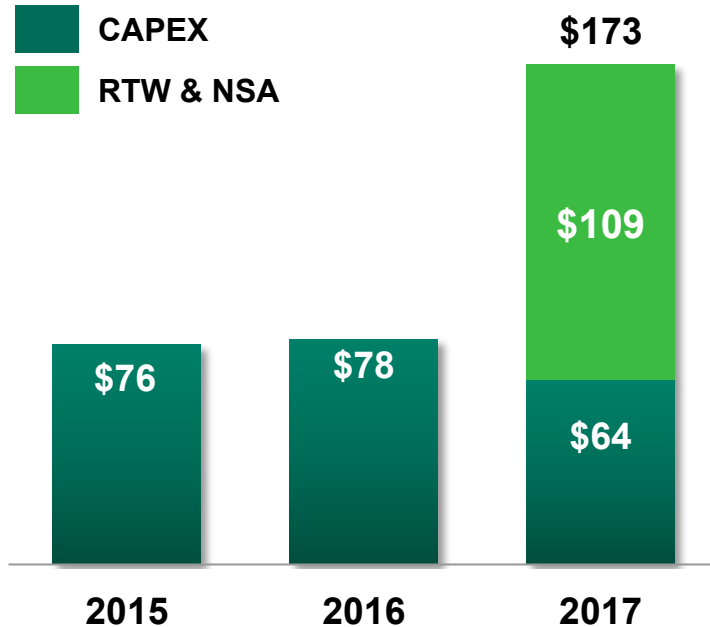


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2017 Other Financial Highlights



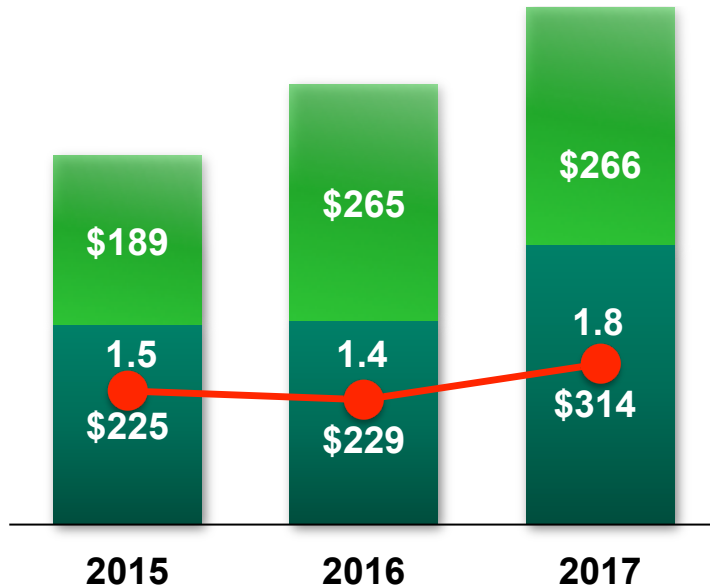
2017 Capital Expenditures (\$ in millions)



- ✓ Invest in new markets & strengthen our supply chain +\$109 million
- ✓ Continue to sustain & grow existing business:
 - Top Markets
 - Top Categories
 - Project Enterprise
- ▬ Right balance of growth & sustaining investments

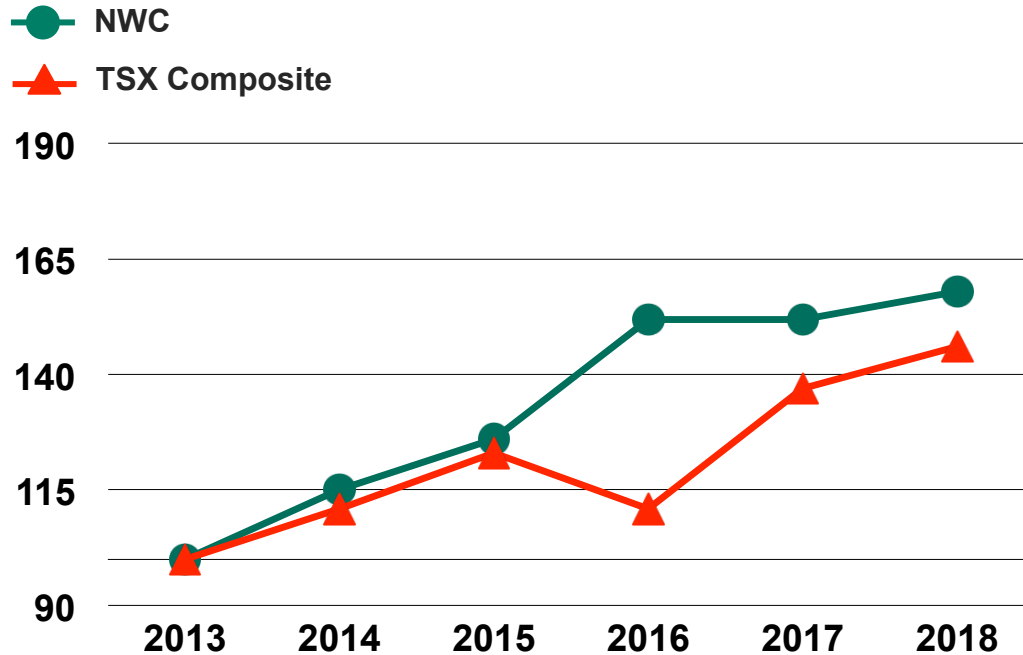
Debt, Leverage & Borrowing Capacity (\$ in millions)

■ Debt ■ Available Capacity ● Debt-to-EBITDA



- ✓ Available borrowing capacity \$266 million
- ✓ Extended debt maturities
- ✓ Increased fixed interest rate debt
- ✓ Financial capacity to support growth

Total Return Performance (% at January 31)

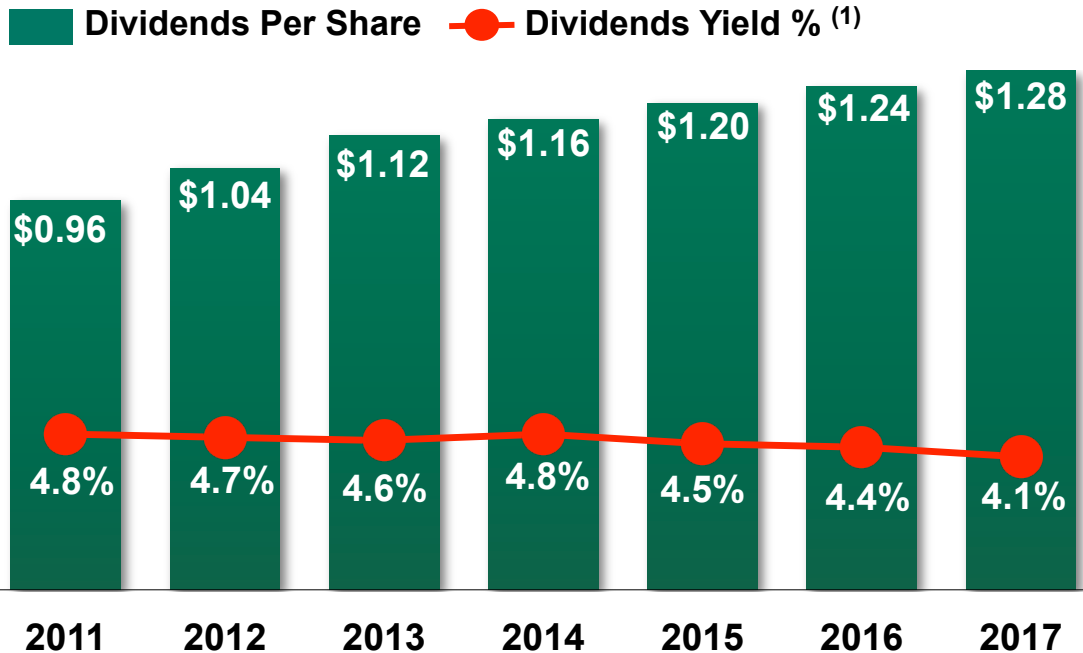


✓ Share price growth +26%

✓ Dividend reinvestment

= 9.5% total returns 5-year CAGR

Dividends Per Share & Yield



- ✓ 4.9% dividend 6-year CAGR
- ✓ 4.6% average yield
- ≡ Approximately 50% of total returns to shareholders

(1) Based on average daily closing price



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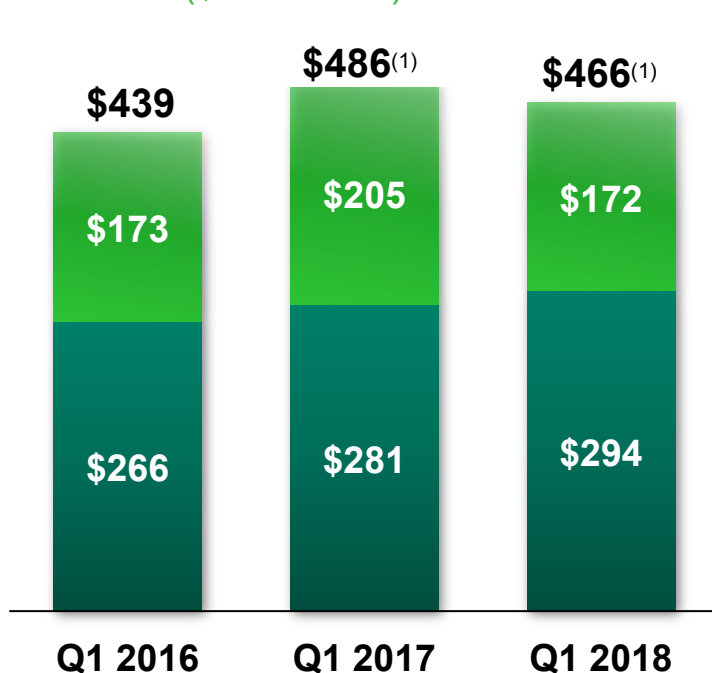
2018 First Quarter Financial Performance



Sales Performance • 2018 First Quarter Performance



Sales (\$ in millions)



Canada
International

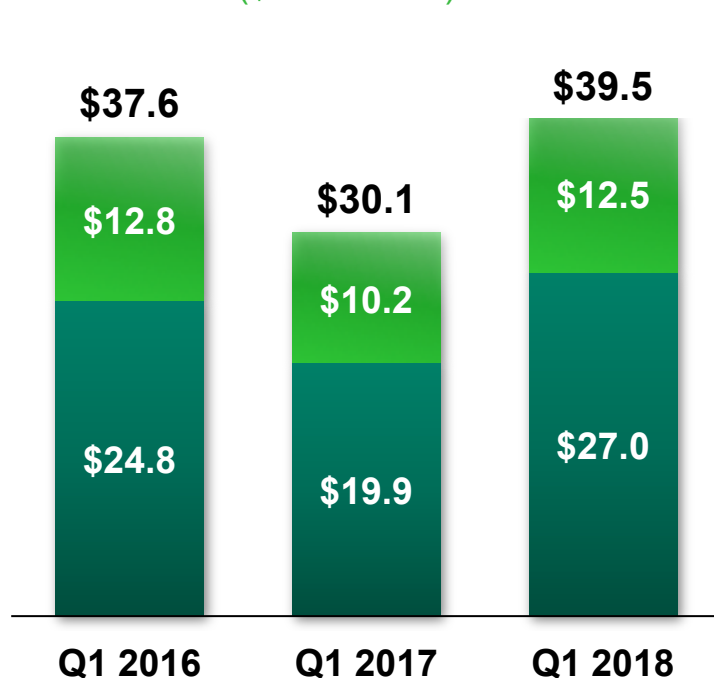
- ✓ NSA sales growth
- ✓ New Giant Tiger stores
- ✗ Hurricane-related store closures – \$24 million
- ✗ Foreign exchange impact – \$8 million

(1) In accordance with IFRS 15

Non-comparable Expenses Impact EBITDA • 2018 First Quarter Performance



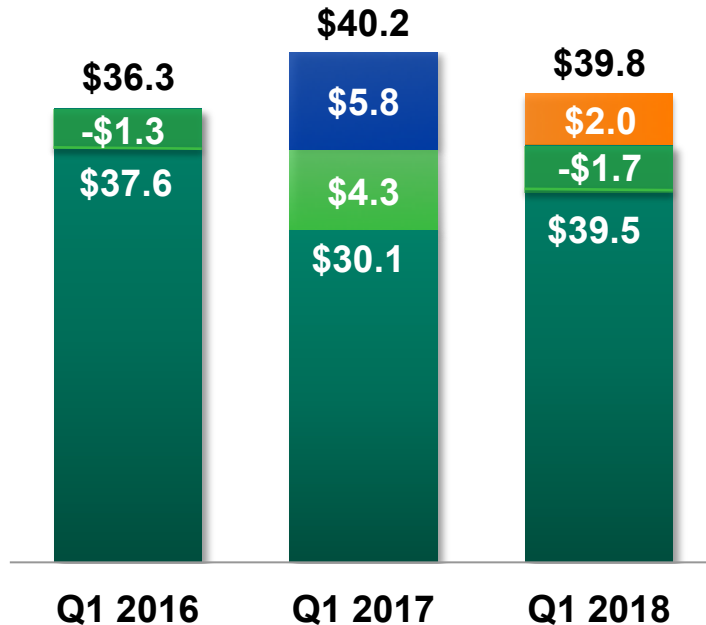
EBITDA (\$ in millions)



Canada
International

- ✓ Non-comparable expenses:
 - Lower share-option expense
 - RTW acquisition costs
- X Hurricane-related store closures
- = EBITDA +\$9.4 million, +31.3%

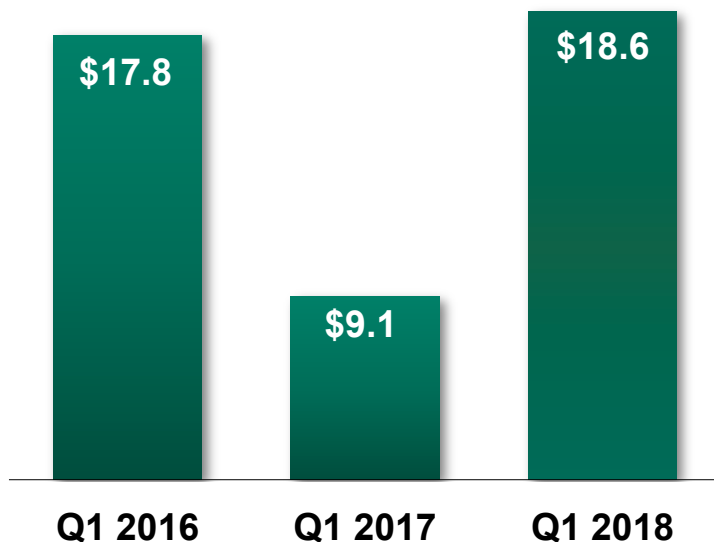
Adjusted EBITDA (\$ in millions)



-  Hurricane-related Store Closures
-  Acquisition Costs
-  Share-option Expense
-  Reported EBITDA

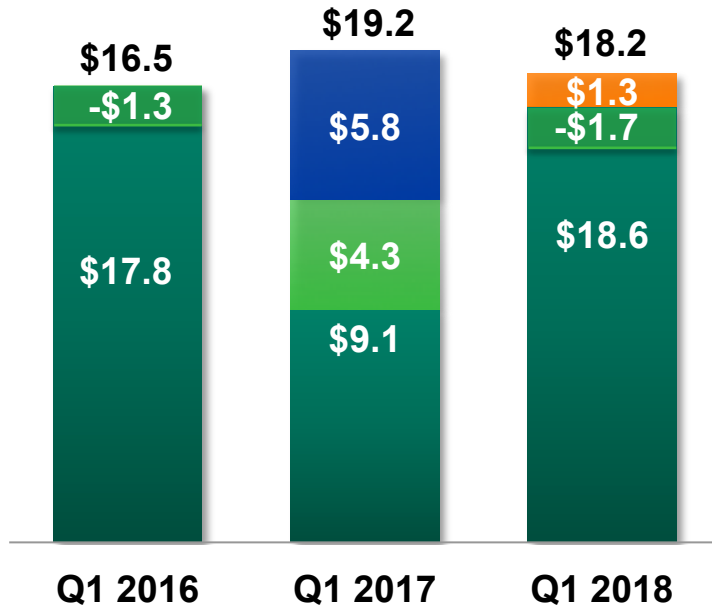
== Adjusted EBITDA – \$0.4 million, – 0.8%



Net Earnings (\$ in millions)






- ✓ Lower share-option expense
- ✓ Acquisition costs
- ✗ Hurricane-related store closures
- = Net earnings +\$9.5 million

Adjusted Net Earnings (\$ in millions)

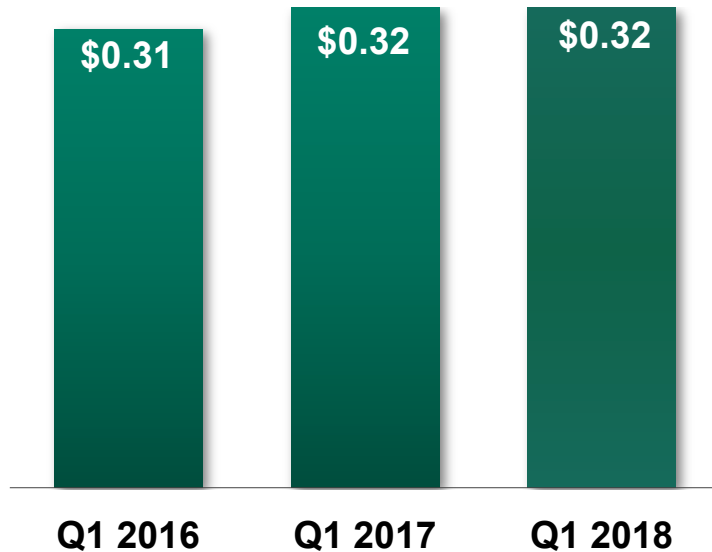


-  Hurricane-related Store Closures
-  Acquisition Costs
-  Share-option Expense
-  Reported Net Earnings

= Adjusted net earnings – \$1.0 million, – 5.2%

-  Giant Tiger food price discounting and unseasonably cold weather
-  Extended winter road season in Northern Canada
-  NSA ramp-up costs

Quarterly Dividends (\$ per share)



- ✓ 4.6% yield at April 30
- ✓ Future increases based on earnings and cash flow growth





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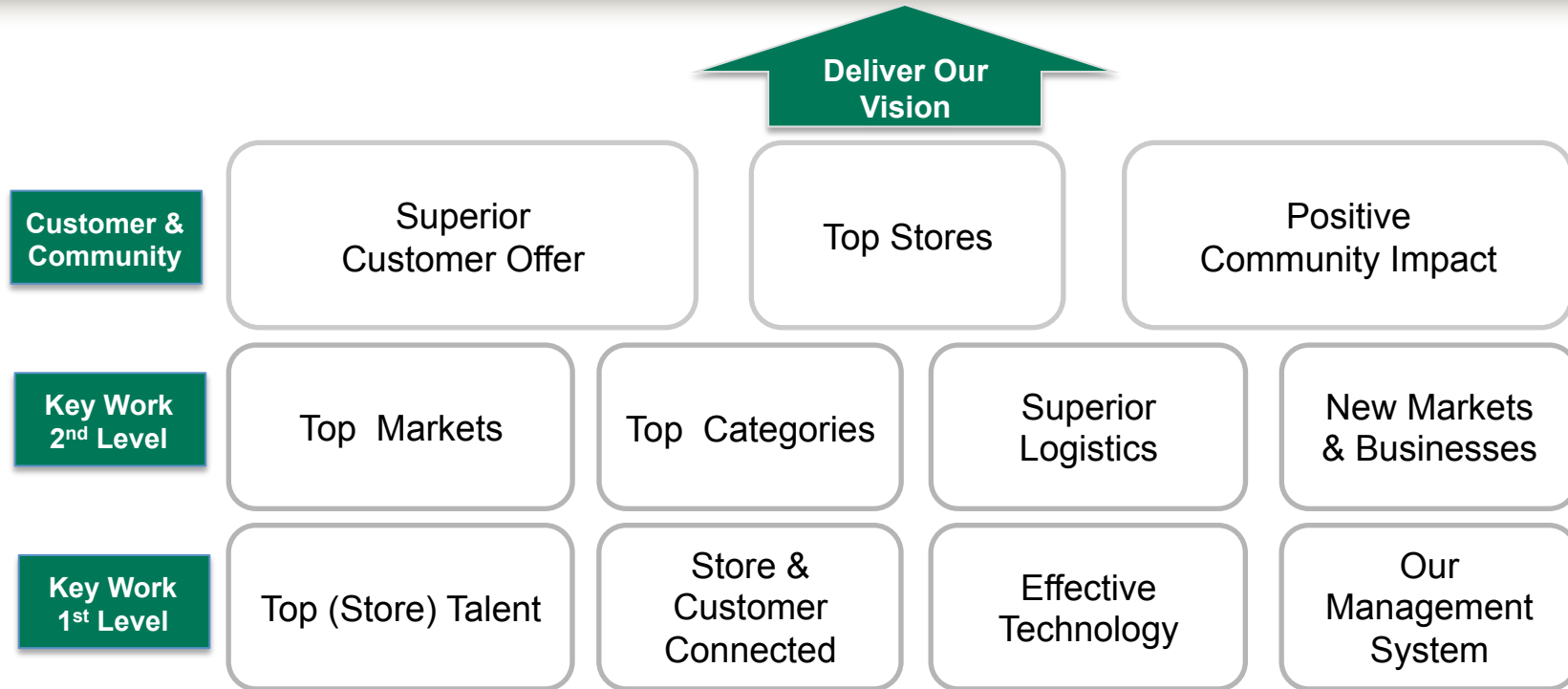


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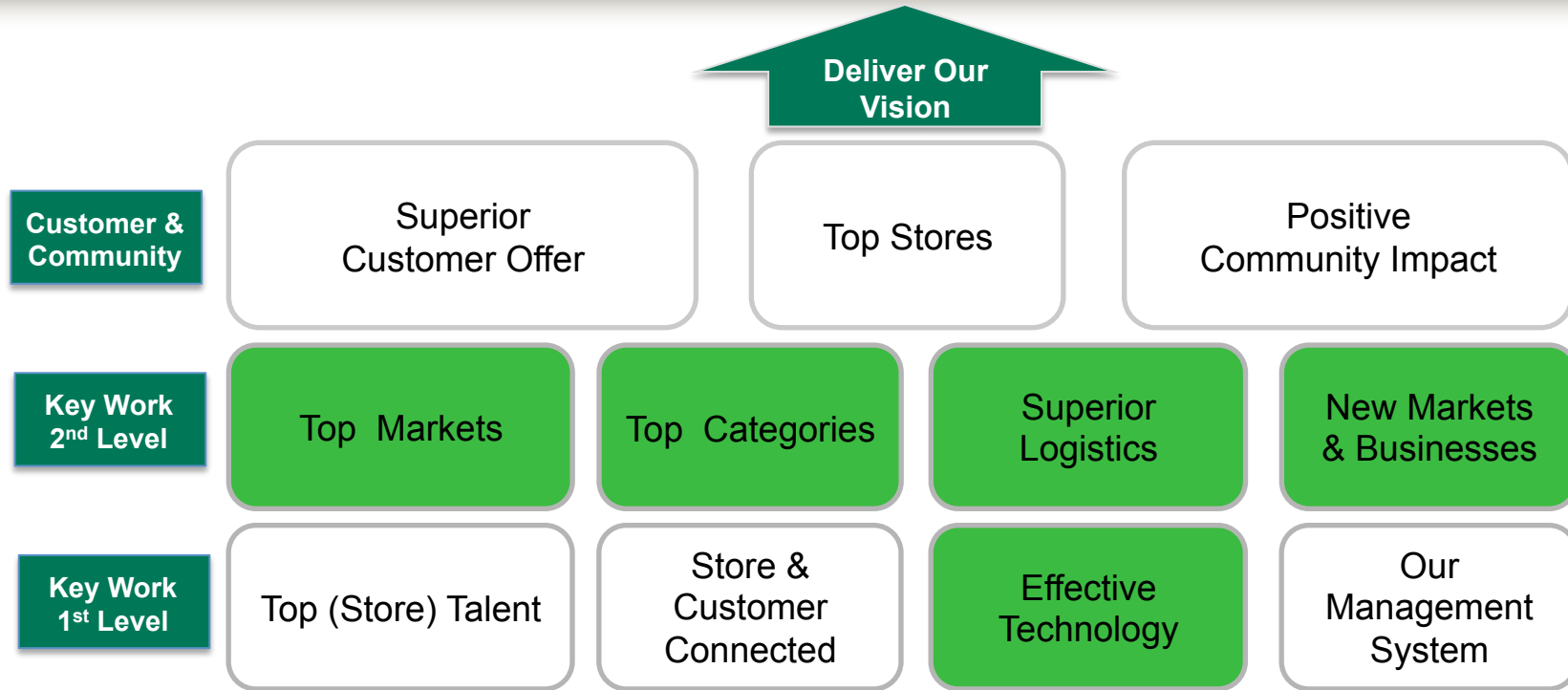
President & CEO Remarks



“Helping Our Customers Live Better”



“Helping Our Customers Live Better”



2017: Opportunistic & Strategy Aligned



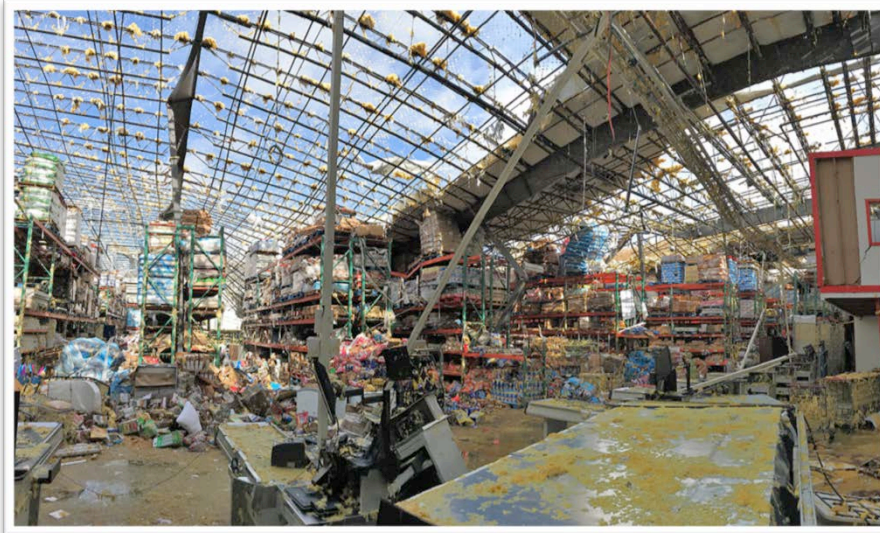
Roadtown Wholesale Trading Ltd.



North Star Air Ltd.



Caribbean Hurricanes



Northern Manitoba Wildfires



Priority Areas Review



1. Pure Retail
2. Top Markets & Categories
3. North Star Air
4. Giant Tiger





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Pure Retail Approach



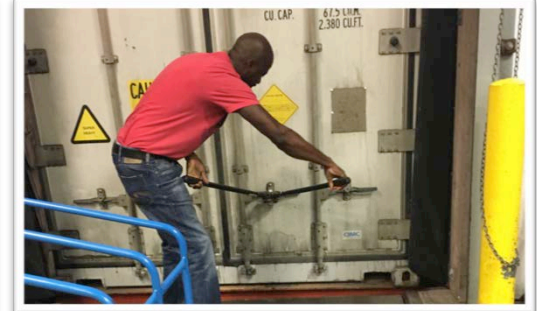
- Tackle low-value activity
- Liberate store hours
- Reinvest to get sales



Pure Retail Scope



- 150 opportunities
- 53 projects
- 90-120 days to complete



Pure Retail Example #1



PROBLEM

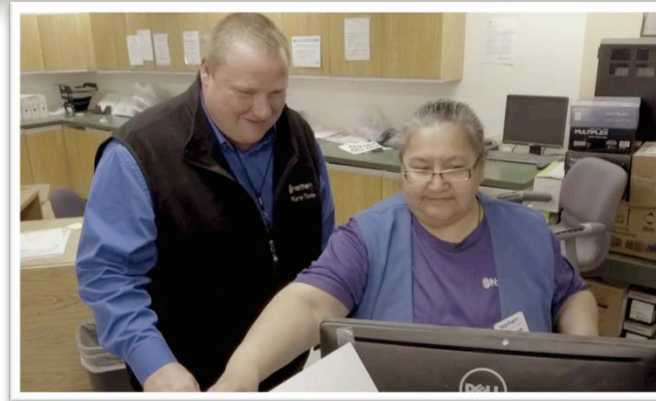
- Log-in delays of several minutes

SOLUTION

- Clean-up connector app files

LIBERATED HOURS

- 20,000



Pure Retail Example #2



PROBLEM

- Time to receive individual cartons

SOLUTION

- Receive by container (with controls)

LIBERATED HOURS

- 7,800



Pure Retail Roll-up



- 250,000 liberated hours
- 129 full time positions = \$5 million
- Sets the stage for more simplicity and sales



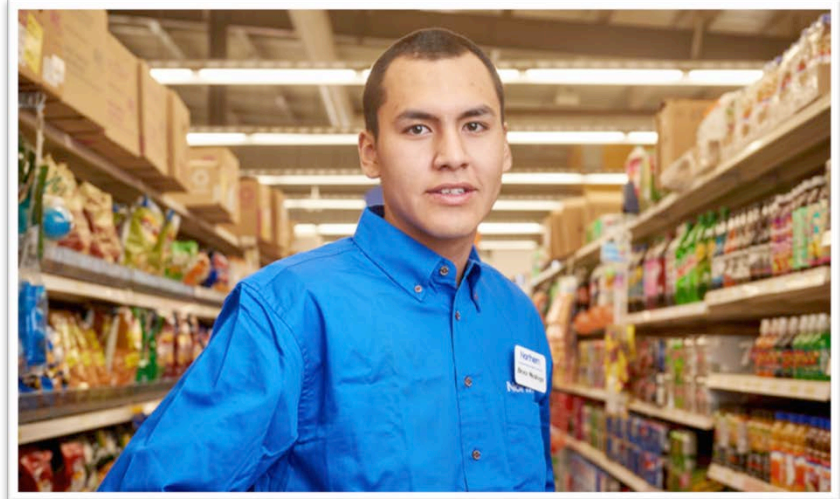
Pure Retail People Stream



- More satisfying store roles
- Better physical environment
- Higher attraction and retention



- 26% of management from communities
- Structure unfairly discriminates
- A new approach delivers many benefits



Top Categories & Markets



- Prioritize high potential markets & products
- “Learn, fix and double down”



Top Categories

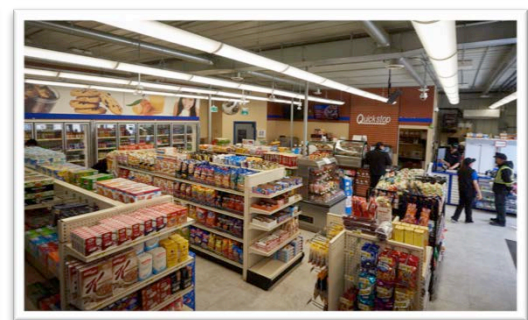
- Convenience is leading Top Category
- Equals 28% of sales
- 5-6% growth rate
- Very profitable, more growth ahead



Top Categories



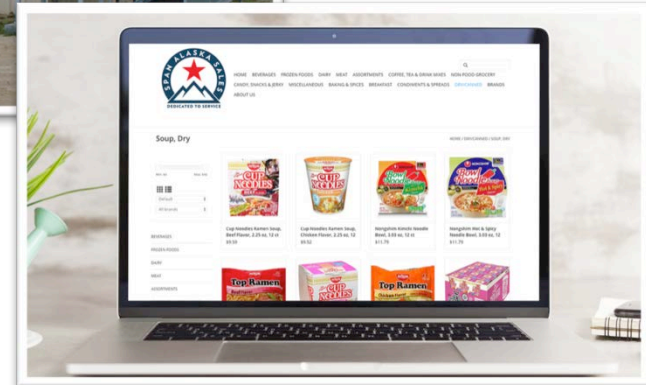
- 8 c-stores planned
- Modular units for far North
- 41 stand alone by year-end



“Tomorrow Stores”



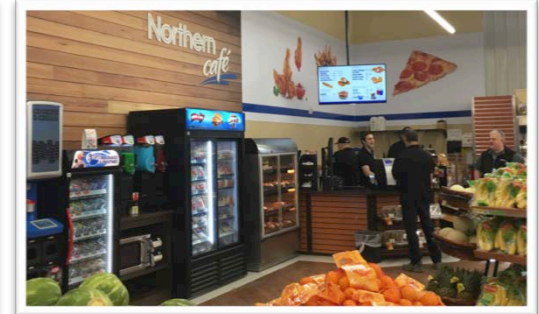
- Drive new category growth:
 - 1) Reposition small road stores
 - 2) Build out direct-to-customer
- Leverage < NWC advantages



Top Markets



- Slower pace, higher execution
- Change or eliminate low performing programs
- A compelling investment priority



North Star Air



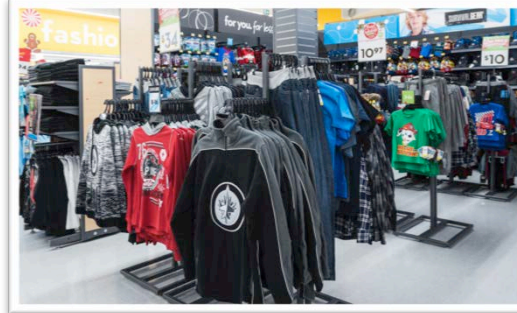
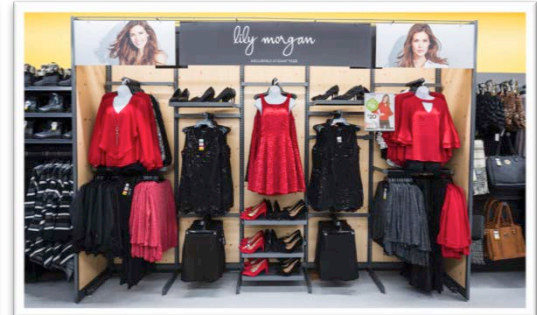
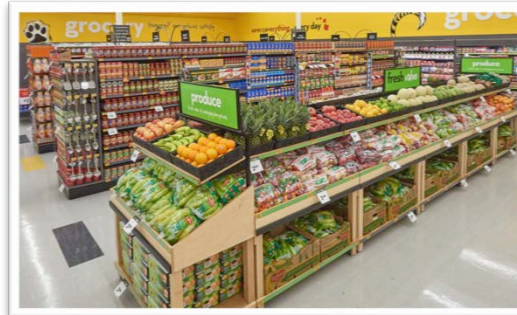
- Tremendous work effort
- New cost reduction, revenue opportunities ahead
- Phase 2 complete by month-end



Giant Tiger



- Priority for improvement
- Cost reductions
- In-store merchandising focus
- Treat it like a core business



Community Relations



- Uniquely important to our success
- A “community lens” approach
- Trusted partner outcome





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