



PURE RETAIL

2019 Annual General & Special Meeting of Shareholders



WE ARE  **NORTH WEST**



PURE RETAIL

Executive Vice-President & Chief Financial Officer Remarks



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Key Performance Factors

- ✓ Pure Retail helps drive sales



Key Performance Factors

- ✓ Pure Retail helps drive sales
- ✓ / X Northern Canada and Alaska performance
 - 3 store fires in northern Canada
 - Loss of a liquor business in Alaska



Key Performance Factors

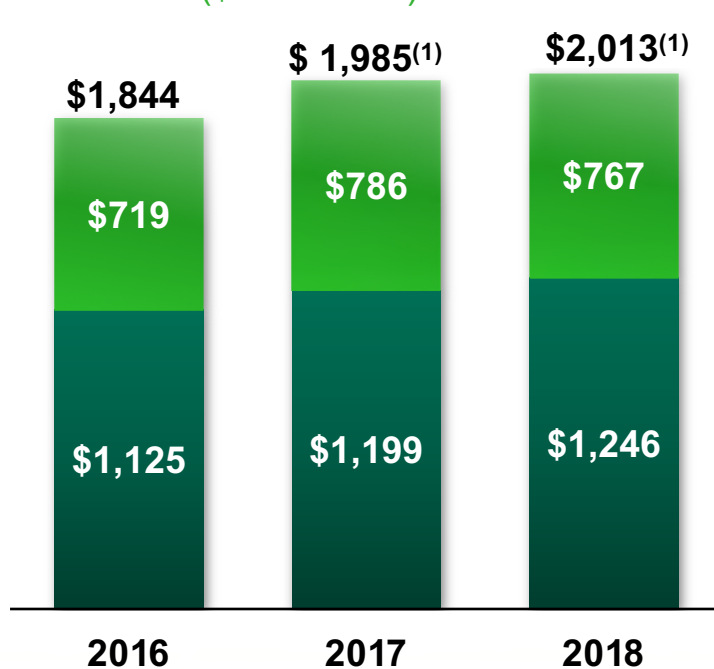
- ✓ Pure Retail helps drive sales
- ✓ / X Northern Canada and Alaska performance
 - 3 store fires in northern Canada
 - Loss of a liquor business in Alaska
- ✓ / X Insurance
 - Insurance gains
 - Significant increase in insurance premiums



Consistent Record of Sales Growth • 2018 Financial Highlights



Sales (\$ in millions)



Canada
International

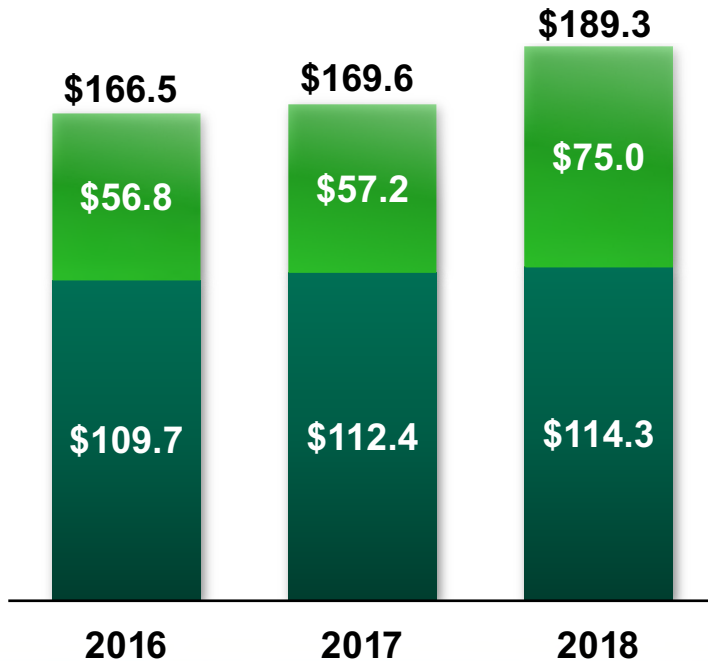
- ✓ Canadian sales +3.9% driven by:
 - Northern Canada same store sales
 - Full year North Star Air (NSA) operations
- ✓ International same store sales +4.2%
- X Hurricane-related store closures – \$46 million

(1) In accordance with IFRS 15

Non-operating Items Drive EBITDA • 2018 Financial Highlights



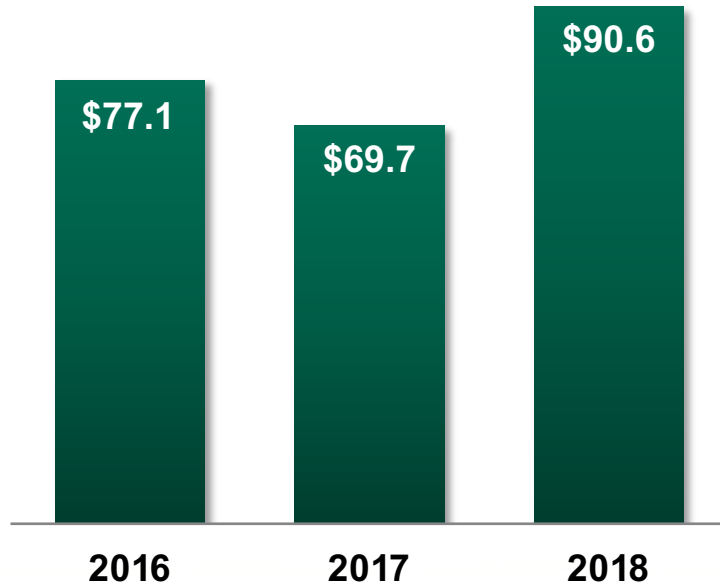
EBITDA (\$ in millions)



Canada
International

- ✓ Hurricane insurance gain +\$17.0 million
- ✓ Acquisition costs last year +\$6.3 million
- ✗ Share-based compensation costs
- ✗ Higher insurance costs
- ✗ Loss of a liquor business in Alaska

Net Earnings (\$ in millions)



- ✓ \$17.0 million insurance gain
- ✓ 2017 U.S. tax reform transition tax +\$5.8 million
- X Higher amortization & interest expense



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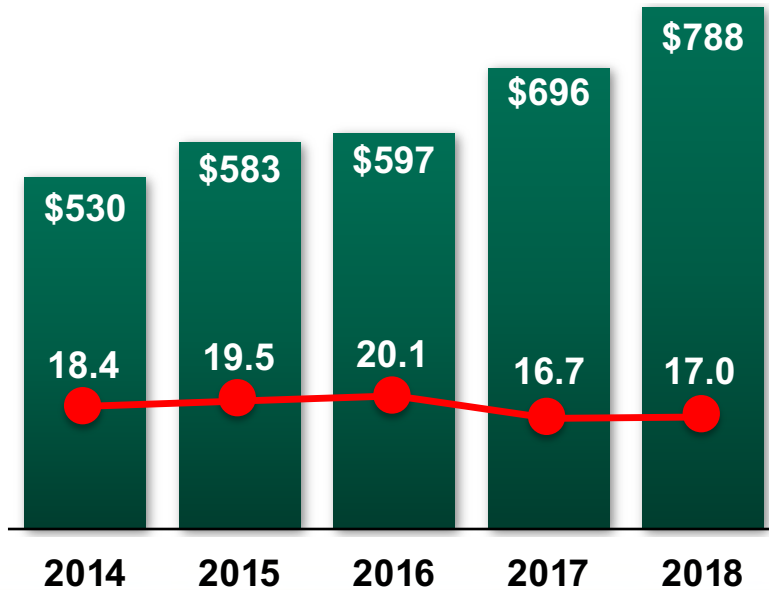
2018 Other Financial Highlights



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Net Assets Employed & Return on Net Assets

■ Net Assets Employed (\$ in millions) ● Return on Net Assets (%)

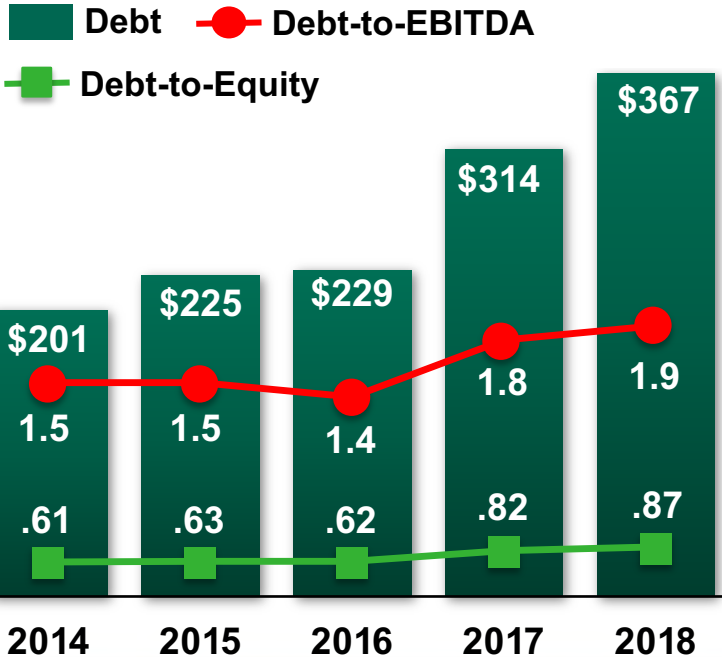


✓ +\$483 million invested over 5 years

- Acquisitions and new stores
- Investments in Top Markets and technology

✓ Return on net assets average 18.3% over past 5 years

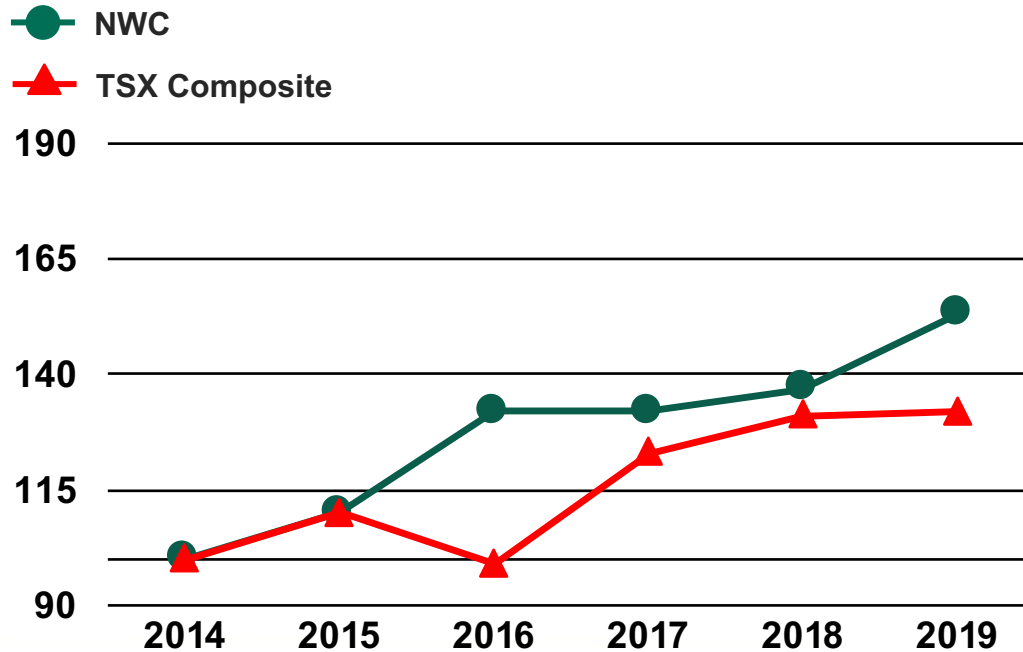
Debt, Leverage & Borrowing Capacity (\$ in millions)



Acquisitions and capital investments
= higher debt

- ✓ Appropriate leverage
- ✓ Available borrowing capacity
\$232 million
- ✓ Financial capacity to support
growth

Total Return Performance (% at January 31)



- ✓ Share price growth +23%
- ✓ 4.4% average dividend yield
- = 8.9% CAGR



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2019 First Quarter Highlights



Key Performance Factors

- ✓ Insurance gain +\$10.7 million
- ✓ Northern Canada gains
- ✓ North Star Air improved earnings
- ✓ Roadtown Wholesale Trading (RTW) performance

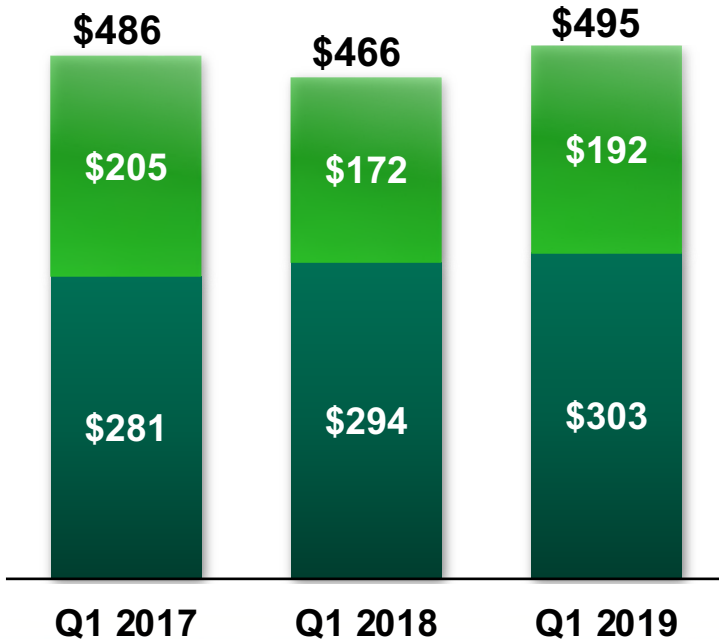
Key Performance Factors

- X Higher insurance expense +\$1.4 million
- X International support office restructuring +\$1.2 million
- X Giant Tiger results

Sales Performance • 2019 First Quarter Highlights



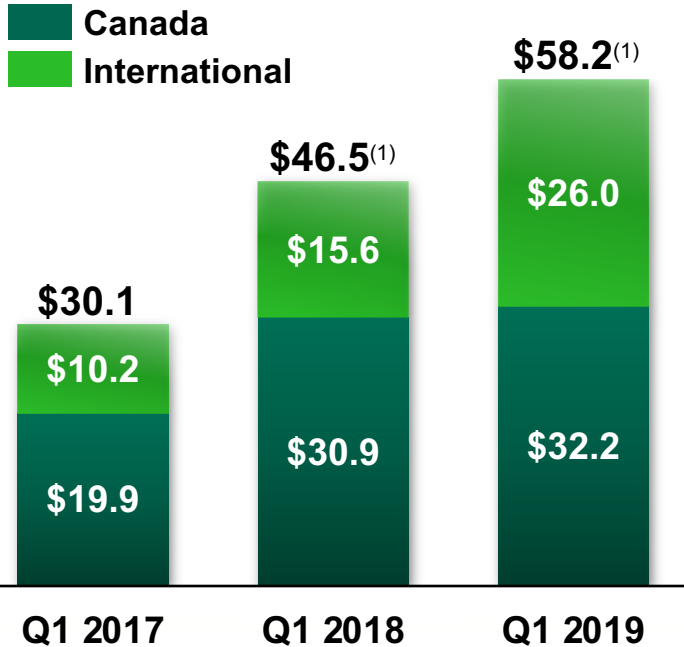
Sales (\$ in millions)



Canada
International

- ✓ Total sales +\$29 million, +6.2%
- ✓ International sales +11.9%
- ✓ Northern Canada same store sales +4.0%
- X Giant Tiger same store sales

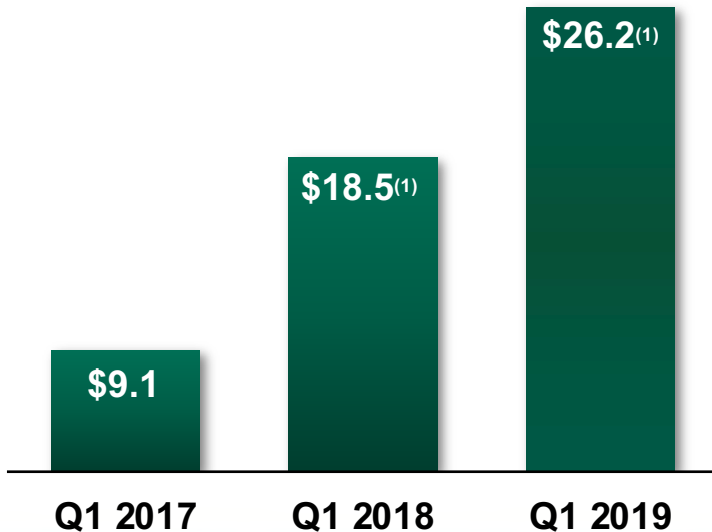
EBITDA (\$ in millions)



- ✓ Non-operating items:
 - \$10.7 million insurance gain
 - Lower share-option expense
- ✓ Northern Canada gains
- ✓ NSA improved earnings
- ✓ RTW performance
- X Giant Tiger results

(1) In accordance with IFRS 16

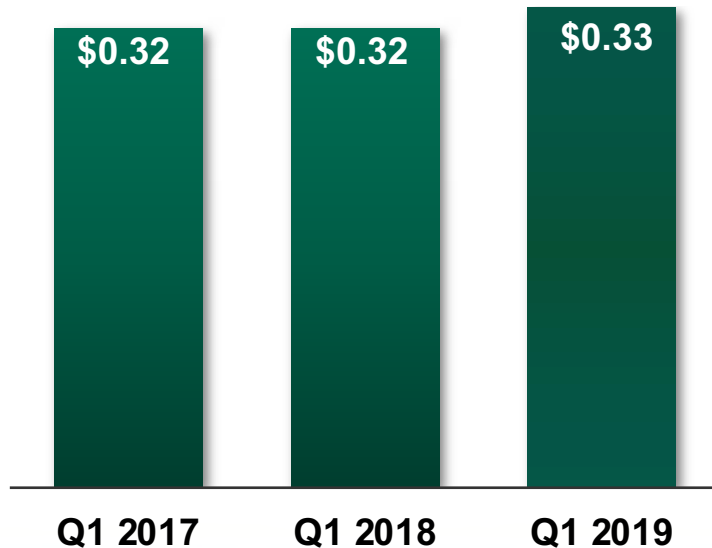
Net Earnings (\$ in millions)



(1) In accordance with IFRS 16

- ✓ Non-operating factors:
 - Insurance gains
 - Lower share-based option expense
- X Higher amortization
- X Interest expense

Quarterly Dividends (\$ per share)



- ✓ 4% yield
- ✓ Future increases based on earnings and cash flow growth



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President & CEO Remarks



- *To be the best at serving people who live in hard-to-reach communities.*
- *To help the people we serve live better lives.*

1. Core business EBIT +5%
2. Maintenance capital investment \leq \$65 million
3. Free cash flow for dividends or growth

- Focus on “everyday” products and services
- Core capabilities create non-core advantages
- Higher stability and lower risk vs. market



At the Core...



These Capabilities...



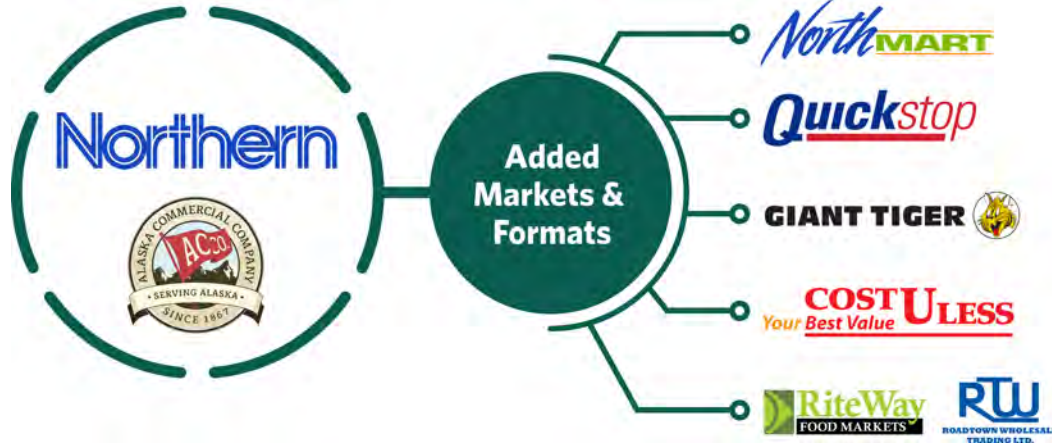
Remote Operations

Logistics

Customer and Community Relations



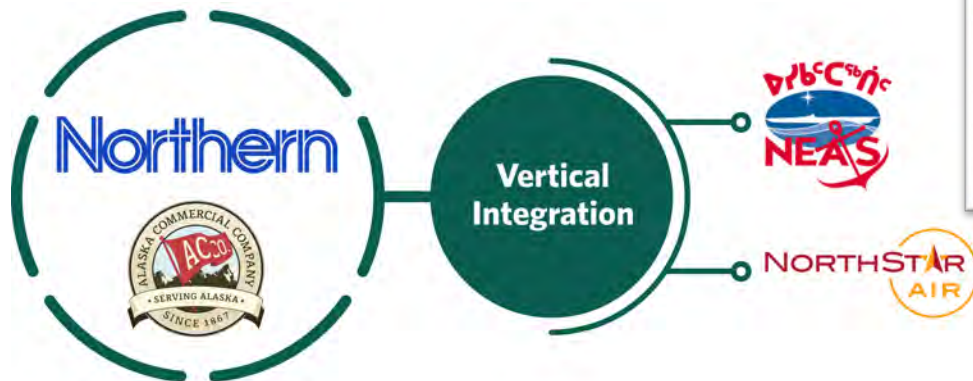
Core Extensions



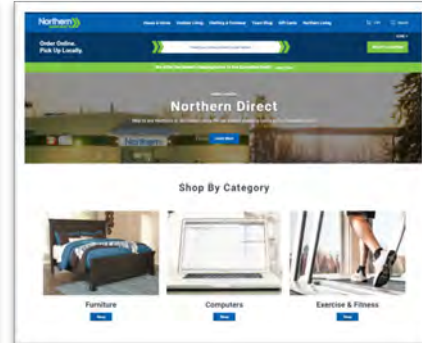
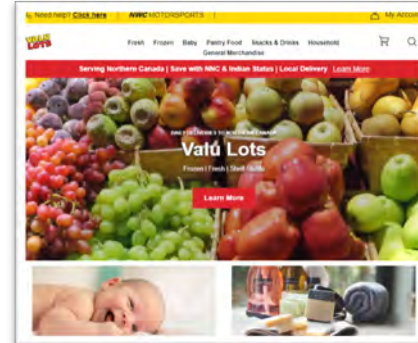
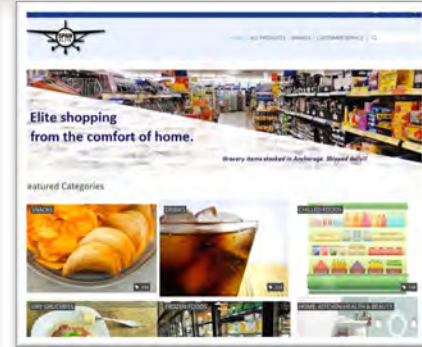
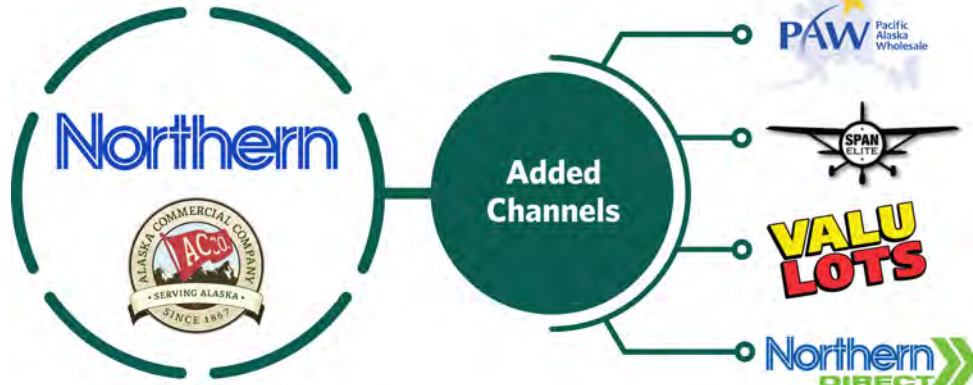
Core Extensions



Core Extensions



Core Extensions



Core Extensions



SUSTAINABILITY

ROADMAP





Truth and Reconciliation

Commission of Canada



- Aligned with Mission and Vision
- Nutrition North impact



- Renewable energy partnerships
- Food waste reduction
- Construction resiliency and adaptability



- Great roles and work environment
- Inclusiveness and flexibility
- Getting store “fundamentals” right





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