



PRESS RELEASE

METRO REPORTS 2025 FIRST QUARTER RESULTS

(Montréal, January 28, 2025) - METRO INC. (TSX: MRU) today announced its results for the first quarter of Fiscal 2025 ended December 21, 2024.

2025 FIRST QUARTER HIGHLIGHTS

- Sales of \$5,117.1 million, up 2.9%
- Food same-store sales⁽¹⁾ up 1.0% and up 2.4% when adjusting for the Christmas week shift⁽³⁾
- Pharmacy same-store sales⁽¹⁾ up 5.1%
- Net earnings of \$259.5 million, up 13.6% and adjusted net earnings⁽¹⁾ of \$245.4 million, up 4.4%
- Fully diluted net earnings per share of \$1.16, up 17.2% and adjusted fully diluted net earnings per share⁽¹⁾ of \$1.10, up 7.8%
- Declared dividend of \$0.37 per share, up 10.4% versus last year

(Millions of dollars, except for net earnings per share)	12 weeks / Fiscal Year				
	2025	%	2024	%	Change (%)
Sales	5,117.1	100.0	4,974.2	100.0	2.9
Operating income before depreciation and amortization	481.5	9.4	468.1	9.4	2.9
Net earnings	259.5	5.1	228.5	4.6	13.6
Fully diluted net earnings per share	1.16	—	0.99	—	17.2
Adjusted net earnings ⁽¹⁾	245.4	4.8	235.0	4.7	4.4
Adjusted fully diluted net earnings per share ⁽¹⁾	1.10	—	1.02	—	7.8

PRESIDENT'S MESSAGE

"We are pleased with our first quarter results which were driven by solid revenue growth and good expense control. Our commercial programs continue to resonate with customers, aided by the successful launch of our Moi Rewards program in Ontario this fall, leading to increased traffic and tonnage. Our teams are focused on delivering value in all our banners and leveraging our recent supply chain investments. We are confident in our ability to continue to create long term shareholder value⁽²⁾", declared Eric La Flèche, President and Chief Executive Officer.

⁽¹⁾ This measurement is presented for information purposes only. It does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measurements presented by other public companies. See table in section "Operating Results" and section on "Non-GAAP and Other Financial Measurements"

⁽²⁾ See section on "Forward-looking Information"

⁽³⁾ This measure compares same-store-sales⁽¹⁾ for the 12-week period ending December 21, 2024 with that ending December 23, 2023.

OPERATING RESULTS

SALES

Sales in the first quarter of Fiscal 2025 ended on December 21, 2024 were \$5,117.1 million, up 2.9% versus the first quarter of the prior year which ended on December 23, 2023. Sales were negatively impacted by the transfer of two significant pre-Christmas shopping days to the second quarter this year.

Food same-store sales⁽¹⁾ were up 1.0% in the first quarter of Fiscal 2025 and up 2.4% when adjusting for the Christmas shift⁽³⁾. Online food sales⁽¹⁾ were up 18.6% versus last year. When adjusting for the sales tax holiday, our food basket inflation was slightly higher than the reported CPI for food purchased from stores. Pharmacy same-store sales⁽¹⁾ were up 5.1% with a 7.3% increase in prescription drugs⁽¹⁾ and a 0.5% increase in front-store sales⁽¹⁾. When adjusting for the Christmas shift⁽³⁾, the increase in front-store sales was 1.9%.

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION

This earnings measurement excludes financial costs, taxes, depreciation and amortization.

Operating income before depreciation and amortization for the first quarter of Fiscal 2025 totalled \$481.5 million, or 9.4% of sales, an increase of 2.9% versus the corresponding quarter of Fiscal 2024.

Gross margin⁽¹⁾ for the first quarter of Fiscal 2025 was 19.7% versus 19.6% for the corresponding quarter of 2024.

Operating expenses as a percentage of sales for the first quarter of Fiscal 2025 were 10.3% versus 10.2% in the corresponding quarter of 2024. The increase in operating expenses is mainly due to the launch of the Moi Rewards program in Ontario and the recording of professional fees regarding the resolution of a tax position related to prior years. If not for these two items, operating expense as a percentage of sales would have been similar to last year.

DEPRECIATION AND AMORTIZATION

Total depreciation and amortization expense for the first quarter of Fiscal 2025 was \$133.6 million versus \$131.1 million for the corresponding quarter of 2024.

NET FINANCIAL COSTS

Net financial costs for the first quarter of Fiscal 2025 were \$30.7 million compared with \$32.4 million for the corresponding quarter of 2024. The decrease is mainly due to the recording of interest receivable regarding the resolution of a tax position related to prior years partly offset by the fact that we no longer capitalize interest due to the completion of our distribution center automation projects.

INCOME TAXES

The income tax expense of \$57.7 million for the first quarter of Fiscal 2025 represented an effective tax rate of 18.2% compared with an income tax expense of \$76.1 million and an effective tax rate of 25.0% for the first quarter of Fiscal 2024. The decrease in the effective tax rate in 2025 is mainly attributable to the resolution of an income tax position related to prior years which had a favorable impact of \$20.6 million and a provincial tax holiday of \$6.1 million related to the commissioning of our new automated distribution center for fresh and frozen products in Terrebonne. The total tax holiday represents approximately \$66 million and we estimate it will be recognized over a period of 3 years⁽²⁾.

NET EARNINGS AND ADJUSTED NET EARNINGS⁽¹⁾

Net earnings for the first quarter of Fiscal 2025 were \$259.5 million compared with \$228.5 million for the corresponding quarter of 2024, while fully diluted net earnings per share were \$1.16 compared with \$0.99 in 2024, up 13.6% and 17.2% respectively. Excluding the specific items shown in the table below, adjusted net earnings⁽¹⁾ for the first quarter of Fiscal 2025 totalled \$245.4 million compared with \$235.0 million for the corresponding quarter of 2024, up 4.4%. Adjusted fully diluted net earnings per share⁽¹⁾ for the first quarter of Fiscal 2025 were \$1.10, versus \$1.02 in 2024, up 7.8%.

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Net earnings and fully diluted net earnings per share (EPS) adjustments⁽¹⁾

	12 weeks / Fiscal Year					
	2025		2024		Change (%)	
	Net earnings (Millions of dollars)	Fully diluted EPS (Dollars)	Net earnings (Millions of dollars)	Fully diluted EPS (Dollars)	Net earnings	Fully diluted EPS
Per financial statements	259.5	1.16	228.5	0.99	13.6	17.2
Amortization of intangible assets acquired in connection with the Jean Coutu Group acquisition, net of taxes of \$2.4	6.5		6.5			
Favorable resolution of a tax position in respect of prior years	(20.6)		—			
Adjusted measures ⁽¹⁾	245.4	1.10	235.0	1.02	4.4	7.8

NORMAL COURSE ISSUER BID PROGRAM

Under the current normal course issuer bid program, the Corporation may repurchase up to 10,000,000 of its Common Shares between November 27, 2024 and November 26, 2025. Between November 27, 2024 and January 17, 2025, the Corporation has repurchased 1,425,000 Common Shares at an average price of \$90.95, for a total consideration of \$129.6 million.

DIVIDENDS

On January 27, 2025, the Board of Directors declared a quarterly dividend of \$0.37 per share, an increase of 10.4% versus last year's quarterly dividend.

FORWARD-LOOKING INFORMATION

We have used, throughout this report, different statements that could, within the context of regulations issued by the Canadian Securities Administrators, be construed as being forward-looking information. In general, any statement contained herein that does not constitute a historical fact may be deemed a forward-looking statement. Expressions such as "continue", "estimate", "expect" and other similar expressions are generally indicative of forward-looking statements. The forward-looking statements contained herein are based upon certain assumptions regarding the Canadian food and pharmaceutical industries, the general economy, our annual budget, as well as our 2025 action plan.

These forward-looking statements do not provide any guarantees as to the future performance of the Corporation and are subject to potential risks, known and unknown, as well as uncertainties that could cause the outcome to differ significantly. Risk factors that could cause actual results or events to differ materially from our expectations as expressed in, or implied by, our forward-looking statements are described and discussed under the "Risk Management" section in our Annual Report 2024.

We believe these statements to be reasonable and pertinent as at the date of publication of this report and represent our expectations. The Corporation does not intend to update any forward-looking statement contained herein, except as required by applicable law.

NON-GAAP AND OTHER FINANCIAL MEASUREMENTS

In addition to the International Financial Reporting Standards (IFRS) measurements provided, we have included certain non-GAAP and other financial measurements. These measurements are presented for information purposes only. They do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measurements presented by other public companies.

National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure sets out specific disclosure requirements for non-GAAP financial measures, non-GAAP ratios, and other financial measures, which are capital management measures, supplementary financial measures, and total of segments measures, as defined in the Instrument (together the "specified financial measures").

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The specified financial measures we disclose in our documents made available to the public are presented by measurement categories below.

NON-GAAP FINANCIAL MEASURES

Adjusted earnings before net financial costs and income taxes is a non-GAAP financial measurement that, with respect to its composition, is adjusted to exclude net financial costs and special items from the composition of the most directly comparable financial measure disclosed in our consolidated financial statements, which is earnings before income taxes. Special items may include acquisition and restructuring charges, gains or losses on the disposal of investments, and amortization and impairment losses of intangible assets resulting from a business acquisition.

Adjusted net earnings is a non-GAAP financial measurement that, with respect to its composition, is adjusted to exclude special items from the composition of the most directly comparable financial measure disclosed in our consolidated financial statements, which is net earnings. Special items may include acquisition and restructuring charges, gains or losses on the disposal of investments, amortization and impairment losses of intangible assets resulting from a business acquisition, and significant prior-year tax adjustments.

For measurements depicting financial performance, we believe that presenting earnings adjusted for these items, which are not necessarily reflective of the Corporation's performance, leaves readers of financial statements better informed thus enabling them to better perform trend analysis, evaluate the Corporation's financial performance and assess its future outlook. Adjusting for these items does not imply that they are non-recurring.

NON-GAAP RATIOS

Adjusted fully diluted net earnings per share is a non-GAAP ratio by where a non-GAAP financial measure is used as one or more of its components. The non-GAAP component used is adjusted net earnings⁽¹⁾. Adjusted fully diluted net earnings per share is calculated by dividing the adjusted net earnings⁽¹⁾ attributable to equity holders of the parent by the weighted average number of Common Shares outstanding during the year, adjusted to reflect all potential dilutive shares.

We believe that presenting this ratio, in which a non-GAAP financial measurement is used as one or more of its components, leaves readers of financial statements better informed as to the current period and corresponding prior year's period's performance, thus enabling them to better perform trend analysis, evaluate the Corporation's financial performance and assess its future outlook. Adjusting for these items does not imply that they are non-recurring.

SUPPLEMENTARY FINANCIAL MEASURES

The supplementary financial measures listed below are, or are intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of the Corporation.

Food same-store sales are defined as comparable retail sales of stores with more than 52 consecutive weeks of operations, including relocated, expanded and renovated locations. Food same-store sales is a measure based on all stores in our network, including those whose sales are not included in the Corporation's consolidated financial statements.

Online food sales are the sum of sales made from all our online channels.

Pharmacy same-store sales (including total, front-store and prescription drugs) are defined as comparable retail sales of stores with more than 52 consecutive weeks of operations, including relocated, expanded and renovated locations. Pharmacy same-store sales do not form part of the Corporation's consolidated financial statements because the pharmacies are held by pharmacist owners.

Gross margin ratio is calculated by dividing gross profit by sales.

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OUTLOOK⁽²⁾

The significant investments in the modernization of our supply chain are largely behind us, and we are now focussed on realizing efficiency gains and improving the service to our store network. These investments have also positioned us well for growth through the expansion of our retail network in the years ahead. We expect to gradually resume our profit growth in Fiscal 2025 and we maintain our publicly disclosed annual growth target of between 8% and 10% of adjusted net earnings per share over the medium and long term.

CONFERENCE CALL

Financial analysts and institutional investors are invited to participate in a conference call for the **2025 first quarter results** at **1:30 p.m. (EST) today, January 28, 2025**. To access the conference call, please dial 1 (800) 990-4777. The media and investing public may access this conference via a listen mode only.

Notice to readers: METRO INC. first quarter of 2025 interim condensed consolidated financial statements and management's discussion and analysis are available on the Internet at www.corpo.metro.ca - Corporate Site - Investors - 2025 Quarterly Results - 2025 First Quarter Results.

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Source: METRO INC.

Information: François Thibault
Executive Vice-President,
Chief Financial Officer and Treasurer
Tel.: (514) 643-1003

**Investor Relations
Department:** Tel.: (514) 643-1000
www.metro.ca

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