FOR IMMEDIATE RELEASE
December 12, 2019

Underlying Strength at Empire Drives Solid Second Quarter Fiscal 2020 Earnings

Second Quarter Summary

- Same-store sales excluding fuel increased by 2.0%
- Earnings per share of $0.57 compared to $0.38 last year
- Adjusted earnings per share of $0.58 compared to $0.40 last year
- Crombie REIT's disposal of a 15 property portfolio positively impacted Empire's adjusted EPS by $0.06
- 11 FreshCo locations will be opened in British Columbia and Manitoba in calendar 2019
- Repurchased 930,454 shares for a total consideration of $33.1 million

Stellarton, NS – Empire Company Limited ("Empire" or the "Company") (TSX: EMP.A) today announced its financial results for the second quarter ended November 2, 2019. For the quarter, the Company recorded adjusted net earnings, net of non-controlling interest, of $158.0 million ($0.58 per share) compared to $110.4 million ($0.40 per share) last year, an increase of 43.1%.

"Our strong second quarter fiscal 2020 results reflect both top line growth and significant gross margin expansion. This has led to industry leading year over year EBITDA margin expansion. It is a testament to our team that EPS from continuing operations exceeded 50 cents for the first time since the first quarter of fiscal 2013, while all strategic initiatives are progressing with velocity," said Michael Medline, President and CEO, Empire.

Empire is progressing through the final year of Project Sunrise. The project is on track and yielding benefits that are expected to exceed management's initial expectations. The Company realized approximately $100 million of these benefits during fiscal 2018 through organizational design, strategic sourcing cost reductions and improvements in store operations. In fiscal 2019, the Company realized a further approximate $200 million of benefits, driven by initial rollouts of category resets and cost reductions in other areas.

For fiscal 2020, management expects to achieve at least $250 million of in-year benefits for a cumulative benefit of at least $550 million, an increase in its original projection for the three-year program. These in-year benefits for fiscal 2020 are expected to result from the completion of the rollout of the category reset program, as well as continued cost reductions and operational improvements.

Normal Course Issuer Bid ("NCIB")

In the first quarter of fiscal 2020, the Company announced the establishment of a NCIB effective from July 2, 2019. The NCIB allows for the purchase for cancellation of up to 3.5 million Non-Voting Class A shares ("Class A shares").

In the second quarter of fiscal 2020, the Company repurchased 930,454 Class A shares at an average price of $35.49 for a total consideration of $33.1 million. The Company intends to repurchase up to $100.0 million of Class A shares under the current NCIB. Including purchases made subsequent to the end of the quarter, as at December 11, 2019, the Company has repurchased 1,769,184 Class A shares at an average price of $35.03 for a total consideration of $62.0 million.

CONSOLIDATED OPERATING RESULTS

($ in millions, except per share amounts)	13 Weeks Ended Nov. 2, 2019	Nov. 3, 2018	$ Change	26 Weeks Ended Nov. 2, 2019	Nov. 3, 2018	$ Change
Sales	**$ 6,436.5**	$ 6,214.0	$ 222.5	**$ 13,180.6**	$ 12,674.3	$ 506.3
Gross profit(1)	**1,595.7**	1,482.1	113.6	**3,256.1**	2,994.4	261.7
Operating income	**286.4**	173.4	113.0	**552.5**	348.1	204.4
Adjusted operating income(1)	**291.1**	182.5	108.6	**561.7**	363.5	198.2
EBITDA(1)	**477.7**	276.1	201.6	**937.7**	554.8	382.9
Adjusted EBITDA(1)	**477.7**	279.1	198.6	**937.7**	557.8	379.9
Net earnings(2)	**154.6**	103.8	50.8	**285.2**	199.4	85.8
Adjusted net earnings(1)(2)	**158.0**	110.4	47.6	**291.9**	210.6	81.3
Diluted earnings per share						
EPS(2)(3)	**$ 0.57**	$ 0.38	$ 0.19	**$ 1.05**	$ 0.73	$ 0.32
Adjusted EPS(1)(2)	**$ 0.58**	$ 0.40	$ 0.18	**$ 1.07**	$ 0.77	$ 0.30
Diluted weighted average number of shares outstanding (in millions)	**272.4**	272.2		**272.6**	272.3	
Dividend per share	**$ 0.12**	$ 0.11		**$ 0.24**	$ 0.22	

	13 Weeks Ended Nov. 2, 2019	Nov. 3, 2018	26 Weeks Ended Nov. 2, 2019	Nov. 3, 2018
Same-store sales(1) growth	**1.2%**	3.2%	**1.5%**	2.7%
Same-store sales growth, excluding fuel	**2.0%**	2.5%	**2.2%**	1.9%
Gross margin(1)	**24.8%**	23.9%	**24.7%**	23.6%
EBITDA margin(1)	**7.4%**	4.4%	**7.1%**	4.4%
Adjusted EBITDA margin(1)	**7.4%**	4.5%	**7.1%**	4.4%
Effective income tax rate	**26.0%**	26.4%	**26.2%**	26.9%

(1) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release.
(2) Net of non-controlling interest.
(3) Earnings per share ("EPS").

Empire's results for the second quarter and year-to-date ended November 2, 2019 include Farm Boy operations. All metrics, including same-store sales, include the consolidation of Farm Boy operations.

<u>IFRS 16 Impact</u>

Effective May 5, 2019, the Company adopted IFRS 16, "Leases" ("IFRS 16"), which replaces IAS 17, "Leases" ("IAS 17") and related interpretations. IFRS 16 intends to align the presentation of leased assets more closely to owned assets. This standard will not impact Empire's strategy, business operations or cash flow generation. The tables below outline the impact of the adoption of IFRS 16 on certain financial metrics for the quarter and year-to-date ended November 2, 2019:

($ in millions, except per share amounts)	13 Weeks Ended Nov. 2, 2019	Nov. 3, 2018	Change	Impact of IFRS 16(1)	Change (excl. IFRS 16)
EBITDA	**$ 477.7**	$ 276.1	$ 201.6	$ 133.2	$ 68.4
Adjusted EBITDA	**477.7**	279.1	198.6	133.2	65.4
EBITDA margin	**7.4%**	4.4%	3.0%	2.1%	0.9%
Finance costs, net	**69.9**	22.7	47.2	47.2	-
Net earnings(2)	**154.6**	103.8	50.8	0.8	50.0
Adjusted net earnings(2)	**158.0**	110.4	47.6	(0.3)	47.9
Adjusted EPS (fully diluted)	**0.58**	0.40	0.18	-	0.18

(1) Reflects the impact of changing accounting standards from IAS 17 to IFRS 16 in the first quarter of fiscal 2020, including the second quarter add back of $3.5 million ($2.6 million after tax) in historical straight-line expense under IAS 17.
(2) Net of non-controlling interest.

($ in millions, except per share amounts)	26 Weeks Ended Nov. 2, 2019	Nov. 3, 2018	Change	Impact of IFRS 16[1]	Change (excl. IFRS 16)
EBITDA	**$ 937.7**	$ 554.8	$ 382.9	$ 262.2	$ 120.7
Adjusted EBITDA	**937.7**	557.8	379.9	262.2	117.7
EBITDA margin	**7.1%**	4.4%	2.7%	2.0%	0.7%
Finance costs, net	**141.6**	45.8	95.8	93.5	2.3
Net earnings[2]	**285.2**	199.4	85.8	(0.1)	85.9
Adjusted net earnings[2]	**291.9**	210.6	81.3	(2.3)	83.6
Adjusted EPS (fully diluted)	**1.07**	0.77	0.30	(0.01)	0.31

(1) Reflects the impact of changing accounting standards from IAS 17 to IFRS 16 in the first quarter of fiscal 2020, including the year-to-date add back of $7.0 million ($5.1 million after tax) in historical straight-line expense under IAS 17.
(2) Net of non-controlling interest.

The Company transitioned to IFRS 16 using the modified retrospective approach with the cumulative impact of initially applying the new standard recognized in retained earnings on May 5, 2019. Prior period comparatives have not been restated. For a more complete description of the impact of IFRS 16 on Empire, please refer to Empire's Management's Discussion & Analysis ("MD&A") for the second quarter ended November 2, 2019.

Sales

Sales for the quarter ended November 2, 2019 increased by 3.6% driven by strong performance across the business, the consolidation of Farm Boy results and positive internal food inflation. This increase was partially offset by lower fuel prices and temporary store closures in Western Canada pending their conversion to FreshCo.

Gross Profit

Gross profit for the quarter ended November 2, 2019 increased by 7.7% primarily as a result of the inclusion of Farm Boy results, category reset benefits and the increase in sales. This increase was partially offset by store closures in Western Canada.

Gross margin for the quarter increased to 24.8% from 23.9% last year. The increase was primarily a result of category reset benefits and positive margin rate contributions from the inclusion of Farm Boy results, partially offset by the effect of sales mix between banners.

Operating Income

For the quarter ended November 2, 2019, operating income increased mainly as a result of improved earnings from the Food retailing segment due to higher sales and improved margins, offset by higher selling and administrative expenses. Selling and administrative expenses increased as a result of the inclusion of Farm Boy results, higher retail labour due to increased sales volume, and higher impairment reversals in the prior year. The increases in selling and administrative expenses were partially offset by the effect of the implementation of IFRS 16 and savings achieved from Project Sunrise.

Operating income from the Investments and other operations segment increased for the quarter principally due to the sale of a 15 property portfolio by Crombie Real Estate Investment Trust ("Crombie REIT"), as subsequently discussed in the "Investment and Other Operations" section.

($ in millions)	13 Weeks Ended Nov. 2, 2019	13 Weeks Ended Nov. 3, 2018	26 Weeks Ended Nov. 2, 2019	26 Weeks Ended Nov. 3, 2018
Operating income	**$ 286.4**	$ 173.4	**$ 552.5**	$ 348.1
Adjustments:				
Intangible amortization associated with the Canada Safeway acquisition	**4.7**	6.1	**9.2**	12.4
Business acquisition costs	**-**	3.0	**-**	3.0
	4.7	9.1	**9.2**	15.4
Adjusted operating income	**$ 291.1**	$ 182.5	**$ 561.7**	$ 363.5

EBITDA

($ in millions)	13 Weeks Ended Nov. 2, 2019	13 Weeks Ended Nov. 3, 2018	26 Weeks Ended Nov. 2, 2019	26 Weeks Ended Nov. 3, 2018
EBITDA	**$ 477.7**	$ 276.1	**$ 937.7**	$ 554.8
Adjustment:				
Business acquisition costs	**-**	3.0	**-**	3.0
	-	3.0	**-**	3.0
Adjusted EBITDA	**$ 477.7**	$ 279.1	**$ 937.7**	$ 557.8

For the quarter ended November 2, 2019, EBITDA increased to $477.7 million from $276.1 million in the prior year mainly as a result of the same factors affecting operating income. Excluding the impact of IFRS 16, EBITDA would have been $344.5 million, an increase of $68.4 million compared to the prior year. EBITDA margin was 7.4%. Excluding the impact of the previously discussed Crombie REIT property disposal and the implementation of IFRS 16, adjusted EBITDA margin increased by 0.5% over the prior year, largely due to savings achieved from Project Sunrise, the inclusion of Farm Boy results and other improvements in gross margin.

Income Taxes

The effective income tax rate for the second quarter ended November 2, 2019 was 26.0% compared to 26.4% in the same quarter last year. The effective rate in the current quarter was lower than the statutory rate primarily due to a decrease in tax liabilities related to previously unrecognized tax benefits as well as changes in estimated book and tax differences. The effective rate in the prior year was lower than the statutory rate primarily due to differing tax rates of various entities as well as capital gains on property dispositions.

Net Earnings

($ in millions, except per share amounts)	13 Weeks Ended Nov. 2, 2019	13 Weeks Ended Nov. 3, 2018	26 Weeks Ended Nov. 2, 2019	26 Weeks Ended Nov. 3, 2018
Net earnings[(1)]	**$ 154.6**	$ 103.8	**$ 285.2**	$ 199.4
EPS (fully diluted)	**$ 0.57**	$ 0.38	**$ 1.05**	$ 0.73
Adjustments (net of income taxes):				
Intangible amortization associated with the Canada Safeway acquisition	**3.4**	4.4	**6.7**	9.0
Business acquisition costs	**-**	2.2	**-**	2.2
	3.4	6.6	**6.7**	11.2
Adjusted net earnings[(1)]	**$ 158.0**	$ 110.4	**$ 291.9**	$ 210.6
Adjusted EPS (fully diluted)	**$ 0.58**	$ 0.40	**$ 1.07**	$ 0.77
Diluted weighted average number of shares outstanding (in millions)	**272.4**	272.2	**272.6**	272.3

(1) Net of non-controlling interest.

Free Cash Flow

($ in millions)	13 Weeks Ended Nov. 2, 2019	13 Weeks Ended Nov. 3, 2018	26 Weeks Ended Nov. 2, 2019	26 Weeks Ended Nov. 3, 2018
Cash flows from operating activities	**$ 316.0**	$ 113.4	**$ 721.3**	$ 270.1
Add: proceeds on disposal of property, equipment and investment property	**40.6**	18.4	**80.8**	36.8
Less: payments of lease liabilities, net of payments received for finance subleases	**(131.9)**	-	**(261.8)**	-
Less: acquisitions of property, equipment, investment property and intangibles	**(196.0)**	(73.4)	**(287.4)**	(121.0)
Free cash flow[(1)]	**$ 28.7**	$ 58.4	**$ 252.9**	$ 185.9

(1) Amounts have been restated to reflect the revised free cash flow definition. See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release.

Free cash flow decreased for the quarter ended November 2, 2019 due to the net impact of increased capital investments, partially offset by an increase in cash earnings and an increase in proceeds on disposal of assets.

FINANCIAL PERFORMANCE BY SEGMENT

Food Retailing

($ in millions)	13 Weeks Ended Nov. 2, 2019	Nov. 3, 2018	$ Change	26 Weeks Ended Nov. 2, 2019	Nov. 3, 2018	$ Change
Sales	**$ 6,436.5**	$ 6,214.0	$ 222.5	**$ 13,180.6**	$ 12,674.3	$ 506.3
Gross profit	**1,595.7**	1,482.1	113.6	**3,256.1**	2,994.4	261.7
Operating income	**251.8**	162.0	89.8	**506.2**	314.4	191.8
Adjusted operating income	**256.5**	171.1	85.4	**515.4**	329.8	185.6
EBITDA	**443.2**	264.4	178.8	**891.3**	520.8	370.5
Adjusted EBITDA	**443.2**	267.4	175.8	**891.3**	523.8	367.5
Adjusted net earnings(1)	**131.3**	102.6	28.7	**256.8**	187.9	68.9

(1) Net of non-controlling interest.

Investments and Other Operations

($ in millions)	13 Weeks Ended Nov. 2, 2019	Nov. 3, 2018	$ Change	26 Weeks Ended Nov. 2, 2019	Nov. 3, 2018	$ Change
Crombie REIT	**$ 24.3**	$ 5.0	$ 19.3	**$ 37.5**	$ 25.3	$ 12.2
Genstar	**6.1**	6.4	(0.3)	**7.3**	9.0	(1.7)
Other operations, net of corporate expenses	**4.2**	-	4.2	**1.5**	(0.6)	2.1
	$ 34.6	$ 11.4	$ 23.2	**$ 46.3**	$ 33.7	$ 12.6

For the quarter ended November 2, 2019, income from Investments and other operations increased principally due to the sale of a 15 property portfolio by Crombie REIT that contributed an additional $15.1 million to the Company's equity earnings and a $6.9 million deferred gain recognition. Of the $6.9 million deferred gain recognition, $4.6 million was included in Other operations, net of corporate expenses, with the remaining $2.3 million recognized in Food retailing. Deferred gain recognition relates to the realization of previously deferred gains on properties sold by the Company to Crombie REIT.

CONSOLIDATED FINANCIAL CONDITION

($ in millions, except per share and ratio calculations)	Nov. 2, 2019(1)	Nov. 2, 2019 Impact of IFRS 16	May 4, 2019	Nov. 3, 2018
Shareholders' equity, net of non-controlling interest	**$ 3,726.2**	$ (431.9)	$ 4,003.3	$ 3,849.6
Book value per common share(2)	**$ 13.73**	$ (1.59)	$ 14.72	$ 14.16
Long-term debt, including current portion	**$ 1,752.1**	$ (29.1)	$ 2,020.9	$ 1,638.6
Long-term lease liabilities, including current portion	**$ 4,993.4**	$ 4,993.4	$ -	$ -
Net funded debt to net total capital(2)	**63.0%**	38.1%	26.8%	20.2%
Funded debt to adjusted EBITDA(2)(3)	**4.6x**	3.1x	1.9x	1.6x
Adjusted EBITDA to interest expense(2)(4)	**7.8x**	(5.4)x	12.4x	12.2x
Trailing four-quarter adjusted EBITDA	**$ 1,456.1**	$ 262.2	$ 1,076.2	$ 1,051.5
Trailing four-quarter interest expense	**$ 185.7**	$ 95.2	$ 86.5	$ 86.5
Current assets to current liabilities (5)	**0.9x**		1.0x	1.1x
Total assets(5)	**$ 13,777.7**		$ 9,602.4	$ 8,733.9
Total non-current financial liabilities(5)	**$ 6,981.9**		$ 2,838.1	$ 2,360.0

(1) Key Financial Condition Measures are impacted by the implementation of IFRS 16.
(2) See "Non-GAAP Financial Measures & Financial Metrics" section of this News Release.
(3) Calculation uses trailing four-quarter adjusted EBITDA.
(4) Calculation uses trailing four-quarter adjusted EBITDA and interest expense.
(5) See "Accounting Standards and Policies" section of Empire's MD&A for the impact of IFRS 16 on the assets and liabilities metrics for the quarter ended November 2, 2019.

Sobeys' credit ratings remained unchanged from the prior quarter.

Rating Agency	Credit Rating (Issuer rating)	Trend/Outlook
Dominion Bond Rating Service	BBB (low)	Stable
Standard & Poor's	BB+	Positive

OTHER ITEMS

Discount Expansion to Western Canada

In December 2017, Sobeys announced plans to expand its discount format to Western Canada and expects to convert up to 25% of its 255 Safeway and Sobeys full service format stores in Western Canada to its FreshCo discount format. Two years into execution of this plan, the Company is on track to open approximately 65 locations within the initial five-year time frame.

22 FreshCo locations have been confirmed:

- 10 stores are open and operating as at December 11, 2019:
  - 8 in British Columbia ("B.C."); and
  - 2 in Manitoba;
- 8 additional stores are expected to open in fiscal 2020 in B.C.;
- 4 stores are expected to open in fiscal 2021 in Saskatchewan.

Of the ten stores operating as at December 11, 2019, three were opened subsequent to the end of the quarter.

As at December 11, 2019, eleven full service format stores in Western Canada are closed pending conversion to the FreshCo discount banner. Of these eleven stores, three were closed subsequent to the end of the quarter.

The Western Canada FreshCo stores are branded with the new, evolved FreshCo 2.0 look which offers a strong discount and value experience. As at December 11, 2019, all FreshCo stores in Ontario have been updated with the evolved branding.

Store Closure, Conversion and Labour Buyout Costs

In the first quarter of fiscal 2020, the Company expensed $21.0 million (2019 – $ nil) in closure and conversion costs. These costs relate to the conversion of ten Safeway locations to FreshCo stores and conversion of two Company locations to Farm Boy stores. Of the $21.0 million, $3.7 million was reversed in the second quarter.

In the prior fiscal year, provisions totalling $45.0 million were recognized related to store conversions and labour buyouts. Of the $45.0 million, $6.1 million was reversed in the second quarter.

The reversals in the second quarter were attributable to revised estimates relating to store conversions. As a result, the net year-to-date expense was $11.2 million (2019 – $ nil).

E-commerce

On May 9, 2019, the Company announced *Voilà by Sobeys* and *Voilà par IGA*, the name and brand for its online grocery home delivery service for the Greater Toronto Area ("GTA"), Ottawa and cities in the province of Quebec, respectively. The Company is developing its first Customer Fulfillment Centre ("CFC") in the GTA with delivery to customers scheduled to test and soft launch in the Spring of 2020.

Empire also announced plans to launch *Voilà par IGA* and its second CFC in Montreal to open in 2021. The Company will lease the location from Crombie REIT and the CFC will be built to Empire's specifications.

DIVIDEND DECLARATION

The Board of Directors declared a quarterly dividend of $0.12 per share on both the Non-Voting Class A shares and the Class B common shares that will be payable on January 31, 2020 to shareholders of record on January 15, 2020. These dividends are eligible dividends as defined for the purposes of the Income Tax Act (Canada) and applicable provincial legislation.

FORWARD-LOOKING INFORMATION

This document contains forward-looking statements which are presented for the purpose of assisting the reader to contextualize the Company's financial position and understand management's expectations regarding the Company's strategic priorities, objectives and plans. These forward-looking statements may not be appropriate for other purposes. Forward-looking statements are identified by words or phrases such as "anticipates", "expects", "believes", "estimates", "intends", "could", "may", "plans", "predicts", "projects", "will", "would", "foresees" and other similar expressions or the negative of these terms.

These forward-looking statements include, but are not limited to, the following items:

- The Company's expectations regarding the impact of Project Sunrise, including expected cost savings and efficiencies, the expected timing of the realization of overall and fiscal 2020 in-year incremental benefits, and the expected $50 million overachievement of the initial $500 million target which could be impacted by several factors including the execution and completion of category resets, time required by the Company to complete the project as well as the factors identified under the heading "Risk Management" in the fiscal 2019 annual MD&A;

- The FreshCo expansion in Western Canada and Farm Boy expansion in Ontario, including the Company's expectations regarding future operating results and profitability, the amount and timing of expenses, and the number, location, feasibility and timing of construction and conversions, all of which may be impacted by construction schedules and permits, the economic environment and labour relations;

- The Company's plans to purchase for cancellation Non-Voting Class A shares under the NCIB which may be impacted by market and economic conditions, and the results of operations; and

- The Company's expectations regarding the implementation of its online grocery home delivery service which may be impacted by the timing of launching the business, the customer response to the service and the performance of its business partner, Ocado Group plc.

By its nature, forward-looking information requires the Company to make assumptions and is subject to inherent risks, uncertainties and other factors which may cause actual results to differ materially from forward-looking statements made. For more information on risks, uncertainties and assumptions that may impact the Company's forward-looking statements, please refer to the Company's materials filed with the Canadian securities regulatory authorities, including the "Risk Management" section of the fiscal 2019 annual MD&A.

Although the Company believes the predictions, forecasts, expectations or conclusions reflected in the forward-looking information are reasonable, it can provide no assurance that such matters will prove correct. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. The forward-looking information in this document reflects the Company's current expectations and is subject to change. The Company does not undertake to update any forward-looking statements that may be made by or on behalf of the Company other than as required by applicable securities laws.

NON-GAAP FINANCIAL MEASURES & FINANCIAL METRICS

There are measures and metrics included in this news release that do not have a standardized meaning under generally accepted accounting principles ("GAAP") and therefore may not be comparable to similarly titled measures and metrics presented by other publicly traded companies. The Company includes these measures and metrics because it believes certain investors use these measures and metrics as a means of assessing financial performance.

Empire's definition of the non-GAAP terms are as follows:

- Same-store sales are sales from stores in the same location in both reporting periods. The current year same-store sales growth metrics reflect the acquisition of Farm Boy.
- Adjusted net earnings is net earnings, net of non-controlling interest, excluding certain items to better analyze trends in performance and financial results. These adjustments result in a more comparable economic representation of the underlying business.
- Adjusted EPS (fully diluted) is calculated as adjusted net earnings divided by diluted weighted average number of shares outstanding.
- Gross profit is calculated as sales less cost of sales.
- Gross margin is gross profit divided by sales.
- Adjusted operating income is operating income excluding certain items to better analyze trends in performance. These adjustments result in a more comparable economic representation.
- Earnings before interest, taxes, depreciation and amortization ("EBITDA") is calculated as net earnings before finance costs (net of finance income), income tax expense, and depreciation and amortization of intangibles.
- EBITDA margin is EBITDA divided by sales.
- Adjusted EBITDA is EBITDA excluding certain items to better analyze trends in performance. These adjustments result in a more comparable economic representation of the underlying business.
- Adjusted EBITDA margin is adjusted EBITDA divided by sales.
- Free cash flow is calculated as cash flows from operating activities, plus proceeds on disposal of property, equipment and investment property, less acquisitions of property, equipment, investment property and intangibles. The definition of free cash flow was changed in the first quarter of fiscal 2020 to include the impact of net lease cash payments made.
- Book value per common share is shareholders' equity, net of non-controlling interest, divided by total common shares outstanding.
- Funded debt is all interest bearing debt, which includes bank loans, bankers' acceptances, long-term debt and long-term lease liabilities.
- Total capital is calculated as funded debt plus shareholders' equity, net of non-controlling interest.
- Net funded debt is calculated as funded debt less cash and cash equivalents.
- Net total capital is total capital less cash and cash equivalents.
- Net funded debt to net total capital ratio is net funded debt divided by net total capital.
- Funded debt to adjusted EBITDA ratio is funded debt divided by trailing four-quarter adjusted EBITDA.
- Interest expense is calculated as interest expense on financial liabilities measured at amortized cost and interest expense on lease liabilities.
- Adjusted EBITDA to interest expense ratio is trailing four-quarter adjusted EBITDA divided by trailing four-quarter interest expense.

For a more complete description of Empire's non-GAAP measures and metrics, please see Empire's MD&A for the second quarter ended November 2, 2019.

CONFERENCE CALL INFORMATION

The Company will hold an analyst call on Thursday, December 12, 2019 beginning at 12:00 p.m. (Eastern Standard Time) during which senior management will discuss the Company's financial results for the second quarter of fiscal 2020. To join this conference call, dial (888) 390-0546 outside the Toronto area or (416) 764-8688 from within the Toronto area. To secure a line, please call 10 minutes prior to the conference call; you will be placed on hold until the conference call begins. The media and investing public may access this conference call via a listen mode only. You may also listen to a live audiocast of the conference call by visiting the "Quick Links" section of the Company's website located at www.empireco.ca.

Replay will be available by dialing (888) 390-0541 and entering access code 397691 until midnight December 26, 2019, or on the Company's website for 90 days following the conference call.

ABOUT EMPIRE

Empire Company Limited (TSX: EMP.A) is a Canadian company headquartered in Stellarton, Nova Scotia. Empire's key businesses are food retailing, through wholly-owned subsidiary Sobeys Inc., and related real estate. With approximately $25.6 billion in annualized sales and $13.8 billion in assets, Empire and its subsidiaries, franchisees and affiliates employ approximately 123,000 people.

Additional financial information relating to Empire, including the Company's Annual Information Form, can be found on the Company's website at www.empireco.ca or on SEDAR at www.sedar.com.

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