Aritzia Reports First Quarter Fiscal 2026 Financial Results



VANCOUVER, July 10, 2025 – Aritzia Inc. (TSX: ATZ, "Aritzia", the "Company", "we" or "our"), a design house with an innovative global platform offering Everyday Luxury™ online and in its boutiques, today announced its financial results for the first quarter ended June 1, 2025 ("Q1 2026").

"We achieved net revenue of $663 million in the first quarter of Fiscal 2026, a 33% increase compared to last year. Comparable sales grew 19%, fueled by double-digit growth in all channels and all geographies. Our results were driven by the strong performance of our Spring/Summer product, which resonated exceptionally well with our clients, as well as our optimized inventory position, strategic marketing investments and our new and repositioned boutique openings. Growth was consistent across channels, with net revenue increasing 34% in retail and 30% in eCommerce, underscoring the broad strength of our multi-channel business. Our performance in the United States, where net revenue increased a tremendous 45%, continued to fuel our results," said Jennifer Wong, Chief Executive Officer. "In addition, we generated meaningful gross profit margin expansion and SG&A leverage, resulting in outstanding adjusted EPS growth of over 90%."

Ms. Wong continued, "Trends across the business remain strong, and we are pleased with the start to our second quarter. We continue to navigate macro developments from a position of financial and operational strength, as we adapt to the environment around us and execute across our key strategic growth levers - geographic expansion, digital growth and increased brand awareness. The strength of the Aritzia brand has never been greater, and yet we still have a long runway for growth in the United States. This gives me great confidence in our ability to execute and capitalize on all of the opportunities that lie ahead."

First Quarter Highlights

For Q1 2026, compared to Q1 2025[1]:

- **Net revenue** increased 33.0% to $663.3 million, with comparable sales[2] growth of 19.3%
- **United States net revenue** increased 45.1% to $413.0 million, comprising 62.3% of net revenue
- **Retail net revenue** increased 34.2% to $480.3 million
- **eCommerce net revenue** increased 30.0% to $183.0 million, comprising 27.6% of net revenue
- **Gross profit margin[2]** increased 320 bps to 47.2% from 44.0%
- **Selling, general and administrative expenses** as a percentage of net revenue decreased 190 bps to 33.5% from 35.4%
- **Adjusted EBITDA[2]** increased 76.9% to $95.3 million. **Adjusted EBITDA[2]** as a percentage of net revenue increased 360 bps to 14.4% from 10.8%
- **Net income** increased 167.7% to $42.4 million, or 6.4% from 3.2% as a percentage of net revenue. **Net income per diluted share** was $0.36 per share, compared to $0.14 per share in Q1 2025
- **Adjusted Net Income[2]** increased 97.4% to $49.3 million. **Adjusted Net Income per Diluted Share[2]** was $0.42 per share, compared to $0.22 per share in Q1 2025

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[1] All references in this press release to "Q1 2026" are to our 13-week period ended June 1, 2025, to "Q1 2025" are to our 13-week period ended June 2, 2024, to "Fiscal 2025" are to our 52-week period ending March 2, 2025, to "Fiscal 2026" are to our 52-week period ending March 1, 2026, and to "Fiscal 2027" are to our 52-week period ending February 28, 2027.

[2] Certain metrics, including those expressed on an adjusted or comparable basis, are non-IFRS financial measures (as defined herein) or supplementary financial measures. See "Comparable Sales, "Non-IFRS Financial Measures and Retail Industry Metrics" and "Selected Financial Information".

First Quarter Results Compared to Q1 2025

(unaudited, in thousands of Canadian dollars, unless otherwise noted)	Q1 2026			Q1 2025			Change	
			% of net revenue			*% of net revenue*	*%*	*bps*
Retail net revenue	$	480,306	72.4 %	$	357,843	71.8 %	34.2 %	
eCommerce net revenue		183,010	27.6 %		140,787	28.2 %	30.0 %	
Net revenue	$	663,316	100.0 %	$	498,630	100.0 %	33.0 %	
Gross profit	$	312,797	47.2 %	$	219,544	44.0 %	42.5 %	320
Selling, general and administrative ("SG&A")	$	222,483	33.5 %	$	176,290	35.4 %	26.2 %	(190)
Net income	$	42,391	6.4 %	$	15,833	3.2 %	167.7 %	320
Net income per diluted share	$	0.36		$	0.14		157.1 %	
Adjusted EBITDA[2]	$	95,334	14.4 %	$	53,877	10.8 %	76.9 %	360
Adjusted Net Income[2]	$	49,330	7.4 %	$	24,988	5.0 %	97.4 %	240
Adjusted Net Income per Diluted Share[2]	$	0.42		$	0.22		90.9 %	

Net revenue increased 33.0% to $663.3 million, compared to $498.6 million in Q1 2025, or increased 30.5% on a constant currency[2] basis, driven by strong comparable sales growth and the Company's new and repositioned boutiques. Comparable sales[2] grew 19.3%, as all channels and all geographies generated positive double-digit growth, driven by a strong client response to the Company's Spring and Summer products, the Company's optimized inventory position and its strategic marketing investments.

In the United States, net revenue increased 45.1% to $413.0 million, compared to $284.7 million in Q1 2025. This was fueled by the Company's real estate expansion strategy, strong comparable sales growth in the Company's existing boutiques and continued strong momentum in eCommerce. Net revenue in Canada increased 17.0% to $250.3 million, compared to $214.0 million in Q1 2025, driven by accelerated comparable sales growth in both eCommerce and retail.

- **Retail net revenue** increased 34.2% to $480.3 million, compared to $357.8 million in Q1 2025. The net revenue increase was driven by the strong performance of the Company's new and repositioned boutiques, as well as mid-teens comparable sales growth in existing boutiques in both countries. In the last 12 months, the Company opened 13 new boutiques and repositioned three boutiques. Boutique count[3] at the end of Q1 2026 totaled 131 compared to 119 boutiques at the end of Q1 2025.
- **eCommerce net revenue** increased 30.0% to $183.0 million, compared to $140.8 million in Q1 2025. The continued momentum in the Company's eCommerce business was fueled by strong traffic growth from the positive response to Spring and Summer products and strategic investments in digital marketing.

Gross profit increased 42.5% to $312.8 million, compared to $219.5 million in Q1 2025. Gross profit margin[2] was 47.2%, compared to 44.0% in Q1 2025. The 320 bps increase in gross profit margin was primarily driven by leverage on store occupancy costs, lower warehousing costs and savings from the Company's smart spending initiative.

SG&A expenses increased 26.2% to $222.5 million, compared to $176.3 million in Q1 2025. SG&A expenses were 33.5% of net revenue, compared to 35.4% in Q1 2025. The 190 bps improvement was primarily driven by expense leverage.

Other expense was $8.3 million, compared to $0.04 million in Q1 2025. The increase in other expense is primarily due to the weakening of the U.S. dollar, which resulted in unrealized losses from the translation of an intercompany loan from USD to CAD ($10.3 million loss compared to $1.2 million gain in Q1 2025). The intercompany loan balance was USD$165.2 million, compared to USD$163.9 million at the end of Q4 2025.

[3] There were three Reigning Champ boutiques as at June 1, 2025 (four Reigning Champ boutiques as at June 2, 2024), which are excluded from the boutique count. There was one Aritzia boutique closure in Fiscal 2025.

Net income was $42.4 million, an increase of 167.7% compared to $15.8 million in Q1 2025, primarily attributable to the factors described above. **Net income per diluted share** was $0.36 per share, an increase of 157.1% compared to $0.14 per share in Q1 2025.

Adjusted EBITDA[2] was $95.3 million or 14.4% of net revenue, an increase of 76.9% compared to $53.9 million or 10.8% of net revenue in Q1 2025. Excluding $10.3 million of unrealized foreign exchange translation losses ($1.2 million gain in Q1 2025) on an intercompany loan, Adjusted EBITDA[2] increased by 100.6% to $105.6 million or 16.0% of net revenue, compared to $52.7 million or 10.6% of net revenue in Q1 2025.

Adjusted Net Income[2] was $49.3 million, an increase of 97.4% compared to $25.0 million in Q1 2025. **Adjusted Net Income per Diluted Share**[2] was $0.42 per share, an increase of 90.9% compared to $0.22 per share in Q1 2025.

Cash and cash equivalents totaled $292.6 million, compared to $100.7 million at the end of Q1 2025.

Inventory was $409.5 million, an increase of 3.2%, compared to $396.8 million at the end of Q1 2025.

Capital cash expenditures (net of proceeds from lease incentives)[2] were $52.3 million, compared to $55.6 million in Q1 2025. Capital cash expenditures in Q1 2026 primarily consists of capital investments in new and repositioned boutiques and the Company's new distribution centre in British Columbia.

Outlook

Aritzia expects the following for the second quarter of Fiscal 2026:

Based on quarter-to-date trends, Aritzia expects net revenue in the range of $730 million to $750 million, representing growth of approximately 19% to 22%. The Company expects gross profit margin to increase approximately 100 bps and SG&A as a percentage of net revenue to decrease approximately 100 bps for the second quarter of Fiscal 2026 compared to the second quarter of Fiscal 2025.

While the Company's momentum across channels and geographies remains strong year to date, the outlook for Fiscal 2026 accommodates for a range of scenarios given uncertainties related to the broader macroeconomic environment, including tariffs.

Aritzia expects the following for Fiscal 2026:

– Net revenue in the range of $3.10 billion to $3.25 billion[4], representing growth of approximately 13% to 19% from Fiscal 2025. This includes the contribution from retail expansion with a minimum of 12 new boutiques and five boutique repositions. Eleven new boutiques[5] and two repositions are expected to be in the United States with the remainder in Canada.
– Adjusted EBITDA as a percentage of net revenue to be approximately 15.5% to 16.5%[6] compared to 14.8% in Fiscal 2025, driven by IMU improvements, freight tailwinds, savings from the Company's smart spending initiative and expense leverage, offset by higher US tariffs.
– Capital cash expenditures (net of proceeds from lease incentives)[2] of approximately $180 million. This includes approximately $110 million related to investments in new and repositioned boutiques expected to open in Fiscal 2026 and Fiscal 2027. It also includes approximately $70 million related to the Company's distribution centre network, including its new facility in the Vancouver area, and technology investments.
– Depreciation and amortization of approximately $110 million.
– Foreign exchange rate assumption for Fiscal 2026 USD:CAD = 1.37.

The foregoing outlook is based on management's current strategies and may be considered forward-looking information under applicable securities laws. Such outlook is based on estimates and assumptions made by management regarding, among other things, general economic and geopolitical conditions and the competitive environment. This outlook is intended to provide readers management's projections for the Company as of the date of this press release. Readers are cautioned that actual results may vary materially from this outlook and that the information in the outlook may not be appropriate for other purposes. See also the "Forward-Looking Information" section of this press release and the "Forward-Looking Information" and "Risk Factors" sections of

[4] Compared to Company's previous outlook for net revenue of $3.05 billion to $3.25 billion, representing growth of approximately 11% to 19%

[5] Compared to Company's previous outlook of ten new boutiques and two repositions expected in the United States and the remainder in Canada

[6] Compared to Company's previous outlook of Adjusted EBITDA as a percentage of net revenue of approximately 14% to 15%

our Management's Discussion & Analysis for the first quarter of Fiscal 2026 dated July 10, 2025 (the "Q1 2026 MD&A") and the Company's annual information form for Fiscal 2025 dated May 1, 2025 (the "Fiscal 2025 AIF").

In addition, a discussion of the Company's long-term financial plan is contained in the Company's press release dated October 27, 2022, "Aritzia Presents its Fiscal 2027 Strategic and Financial Plan, Powering Stronger". See also the Company's press release dated May 1, 2025, "Aritzia Reports Fourth Quarter and Fiscal 2025 Financial Results" for updates to such discussion. These press releases are available on the System for Electronic Data Analysis and Retrieval + ("SEDAR+") at www.sedarplus.com and on our website at investors.aritzia.com.

Normal Course Issuer Bid ("NCIB")

On May 5, 2025, the Company announced that the Toronto Stock Exchange ("TSX") approved the Company's normal course issuer bid (the "2025 NCIB") which allows the Company to repurchase and cancel up to 4,226,994 of its subordinate voting shares, representing approximately 5% of the public float of 84,539,881 subordinate voting shares as at April 30, 2025, over the twelve-month period commencing May 7, 2025 and ending May 6, 2026. On May 27, 2025, the Company also announced it had entered into an automatic share purchase plan (the "2025 ASPP"), with its designated broker, which commenced immediately and will terminate upon the expiry of the 2025 NCIB.

During the 13-week period ended June 1, 2025, the Company repurchased a total of 15,200 subordinate voting shares for cancellation under the 2025 NCIB at an average price of $60.67 per subordinate voting share for total cash consideration of $0.9 million (including commissions).

Tariffs and Trade Restriction Uncertainties

The continued changes to, deferral of, and announcement of the imposition of new tariffs by the U.S. administration and other foreign governments, and retaliatory actions by the Canadian government, continue to create economic uncertainty, and could negatively impact the Canadian economy, potentially increasing costs, disrupting supply chains, weaken the Canadian and/or U.S. dollar, and other potential negative impacts. The Company continues to assess the direct and indirect impacts to its business of such tariffs, retaliatory tariffs or other trade protectionist measures implemented as this situation continues to develop, and such impacts could be material.

Conference Call Details

A conference call to discuss the Company's first quarter results is scheduled for Thursday, July 10, 2025, at 1:30 p.m. PT / 4:30 p.m. ET. To participate, please dial 1-833-821-0201 (North America toll-free) or 1-647-846-2331 (Toronto and overseas long-distance). The call is also accessible via webcast at https://investors.aritzia.com/events-and-presentations/. A recording will be available shortly after the conclusion of the call. To access the replay, please dial 1-855-669-9658 (North America toll-free) or 1-412-317-0088 (overseas long-distance) and the access code 9440176. An archive of the webcast will be available on Aritzia's website.

About Aritzia

Aritzia is a design house with an innovative global platform. We are creators and purveyors of Everyday Luxury™, home to an extensive portfolio of exclusive brands for every function and individual aesthetic. We're about good design, quality materials and timeless style — all with the wellbeing of our People and Planet in mind.

Founded in 1984 in Vancouver, Canada, we pride ourselves on creating immersive, highly personalized shopping experiences at aritzia.com and in our 130+ boutiques throughout North America — for everyone, everywhere.

Our Approach

Aritzia means style, not trend, and quality over everything. We treat each in-house label as its own atelier, united by premium fabrics, meticulous construction and an of-the-moment point of view. We handpick fabrics from the world's best mills for their feel, function and ability to last. We obsess over proportion, fit and that just-right silhouette. From hand-painted prints to the art of pocket placement, our innovative design studio considers and reconsiders each detail to create essentials you'll reach for again, and again, and again.

Everyday Luxury. To Elevate Your World.™

Comparable Sales

Comparable sales is a retail industry metric used to explain our total combined revenue growth (decline) (in absolute dollars or percentage terms) in eCommerce and established boutiques.

Non-IFRS Financial Measures and Retail Industry Metrics

This press release makes reference to certain non-IFRS Accounting Standards measures ("non-IFRS financial measures") and certain retail industry metrics. These measures are not recognized measures under IFRS Accounting Standards, do not have a standardized meaning prescribed by IFRS Accounting Standards, and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS Accounting Standards measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS Accounting Standards. We use non-IFRS financial measures including “EBITDA”, “Adjusted EBITDA”, and “Adjusted Net Income”; non-IFRS Accounting Standards ratios ("non-IFRS ratios") including “Adjusted Net Income per Diluted Share”, "Adjusted EBITDA as a percentage of net revenue", and "Adjusted Net Income as a percentage of net revenue"; and capital management measures including ”capital cash expenditures (net of proceeds from lease incentives)” and “free cash flow.” This press release also makes reference to “gross profit margin”, “comparable sales” and "constant currency" which are commonly used operating metrics in the retail industry but may be calculated differently by other retailers. Gross profit margin, comparable sales and constant currency are considered supplementary financial measures under applicable securities laws. These non-IFRS financial measures and retail industry metrics are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We believe that securities analysts, investors and other interested parties frequently use non-IFRS financial measures and retail industry metrics in the evaluation of issuers. Our management also uses non-IFRS financial measures and retail industry metrics in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. Certain information about non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures is found in the Q1 2026 MD&A and is incorporated by reference. This information is found in the sections entitled "How We Assess the Performance of our Business", "Non-IFRS Financial Measures and Retail Industry Metrics" and "Selected Financial Information" of the Q1 2026 MD&A which is available under the Company's profile on SEDAR+ at www.sedarplus.com. Reconciliations for each non-IFRS financial measure can be found in this press release under the heading "Selected Financial Information".

Forward-Looking Information

Certain statements made in this document may constitute forward-looking information under applicable securities laws. Statements containing forward-looking information are neither historical facts nor assurances of future performance, but instead, provide insights regarding management’s current expectations and plans and allows investors and others to better understand the Company’s anticipated business strategy, financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Although the Company believes that the forward-looking statements are based on information, assumptions and beliefs that are current, reasonable, and complete, such information is necessarily subject to a number of business, economic, competitive and other risk factors that could cause actual results to differ materially from management’s expectations and plans as set forth in such forward-looking information.

Specific forward-looking information in this document include, but are not limited to, statements relating to:

- our Fiscal 2027 strategic and financial plan and anticipated results therefrom,
- our second quarter Fiscal 2026 financial outlook, including our expected outlook for net revenue and related impacts, gross profit margin, and SG&A as a percentage of net revenue,
- our full Fiscal 2026 financial outlook, including our expected outlook for net revenue, expectations regarding new and repositioned boutiques and timing of openings, Adjusted EBITDA as a percentage of

net revenue, capital cash expenditures (net of proceeds from lease incentives) and the composition thereof, and depreciation and amortization,
– a range of scenarios given uncertainties related to the broader macroeconomic environment, including tariffs,
– our ability to navigate and adapt to varying economic climates while continuing to advance our key growth levers,
– our runway of growth in the United States and ability to execute and capitalize on future opportunities, and
– the number of subordinate voting shares which may be purchased under the 2025 NCIB.

Particularly, information regarding our expectations of future results, targets, performance achievements, intentions, prospects, opportunities or other characterizations of future events or developments or the markets in which we operate is forward-looking information. Often but not always, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “believes”, or positive or negative variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur”, "continue", or “be achieved”.

Forward-looking statements are based on information currently available to management and on estimates and assumptions, including assumptions about future economic conditions and courses of action. Examples of material estimates and assumptions and beliefs made by management in preparing such forward looking statements include, but are not limited to:

– anticipated growth across our retail and eCommerce channels,
– anticipated growth in the United States and Canada,
– general economic and geopolitical conditions, including the imposition of any new, or any material changes to applicable duties, tariffs and trade restrictions or similar measures (and any retaliatory measures),
– changes in laws, rules, regulations, and global standards,
– our competitive position in our industry,
– our ability to keep pace with changing consumer preferences,
– no public health related restrictions impacting client shopping patterns or incremental direct costs related to health and safety measures,
– our future financial outlook,
– our ability to drive ongoing development and innovation of our exclusive brands and product categories,
– our ability to realize our eCommerce 2.0 strategy and optimize our omni-channel capabilities,
– our expectations for optimized inventory composition,
– our ability to recruit and retain exceptional talent,
– our expectations regarding new boutique openings, repositioning of existing boutiques, and the timing thereof, and growth of our boutique network and annual square footage,
– our ability to mitigate business disruptions, including our sourcing and production activities,
– our expectations for capital expenditures,
– our ability to generate positive cash flow,
– anticipated run rate savings from our smart spending initiative,
– availability of sufficient liquidity,
– warehousing costs and expedited freight costs, and
– currency exchange and interest rates.

In addition to the assumptions noted above, specific assumptions in support of our Fiscal 2026 outlook include:
– macroeconomic uncertainty,
– improved product assortment mix,
– anticipated benefits from product margin improvements including IMU improvements and lower markdowns,
– estimated impacts of new and proposed U.S. tariffs,

- our approach and expectations with respect to our real estate expansion strategy, including boutique payback period expectations and timing of openings, that our planned boutique openings and repositions will proceed as anticipated and on-time,
- anticipated total square footage growth of our boutiques,
- infrastructure investments including our new distribution centre in Delta, British Columbia, new and repositioned flagship boutiques, expanded support office space, and eCommerce technology to drive eCommerce 2.0,
- subsiding transitory cost pressures, including pre-opening lease amortization flagship boutiques, and warehouse costs related to inventory management, and
- foreign exchange rates for Fiscal 2026: USD:CAD = 1.37.

Given the current challenging operating environment, there can be no assurances regarding: (a) the macroeconomic impacts on Aritzia's business, operations, labour force, supply chain performance and growth strategies; (b) Aritzia's ability to mitigate such impacts, including ongoing measures to enhance short-term liquidity, contain costs and safeguard the business; (c) general economic conditions and impacts to consumer discretionary spending and shopping habits (including impacts from changes to interest rate environments); (d) credit, market, currency, commodity market, inflation, interest rates, global supply chains, operational, and liquidity risks generally; (e) geopolitical events including the imposition of any new, or any material changes to applicable duties, tariffs and trade restrictions or similar measures (and any retaliatory measures); (f) public health related limitations or restrictions that may be placed on servicing our clients or the duration of any such limitations or restrictions; and (g) other risks inherent to Aritzia's business and/or factors beyond its control which could have a material adverse effect on the Company.

Many factors could cause our actual results, performance, achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors discussed in the "Risk Factors" section of our Q1 2026 MD&A, and the Company's Fiscal 2025 AIF which are incorporated by reference into this document. A copy of the Q1 2026 MD&A and the Fiscal 2025 AIF and the Company's other publicly filed documents can be accessed under the Company's profile on SEDAR+ at www.sedarplus.com.

The Company cautions that the foregoing list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect its results. We operate in a highly competitive and rapidly changing environment in which new risks often emerge. It is not possible for management to predict all risks, nor assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. 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 information. The forward-looking information contained in this document represents our expectations as of the date of this document (or as of the date they are otherwise stated to be made) and are subject to change after such date. We disclaim any intention, obligation or undertaking to update or revise any forward-looking information, whether written or oral, as a result of new information, future events or otherwise, except as required under applicable securities laws.

For more information

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Selected Financial Information

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited, in thousands of Canadian dollars, unless otherwise noted)	**Q1 2026**		**Q1 2025**	
		% of net revenue		*% of net revenue*
Net revenue	$ 663,316	100.0 %	$ 498,630	100.0 %
Cost of goods sold	350,519	52.8 %	279,086	56.0 %
Gross profit	312,797	47.2 %	219,544	44.0 %
Selling, general and administrative	222,483	33.5 %	176,290	35.4 %
Stock-based compensation expense	10,186	1.5 %	7,327	1.5 %
Income from operations	80,128	12.1 %	35,927	7.2 %
Finance expense	12,955	2.0 %	12,581	2.5 %
Other expense (income)	8,322	1.3 %	38	— %
Income before income taxes	58,851	8.9 %	23,308	4.7 %
Income tax expense	16,460	2.5 %	7,475	1.5 %
Net income	$ 42,391	6.4 %	$ 15,833	3.2 %
Other Performance Measures:				
Year-over-year net revenue growth	33.0%		7.8%	
Comparable sales[7,8] growth	19.3%		2.0%	
Capital cash expenditures (net of proceeds from lease incentives)[5]	$(52,269)		$ (55,557)	
Free cash flow[8]	$ 24,394		$ (68,269)	

NET REVENUE BY GEOGRAPHIC LOCATION

(unaudited, in thousands of Canadian dollars)	**Q1 2026**	**Q1 2025**
United States net revenue	$ 412,987	$ 284,661
Canada net revenue	250,329	213,969
Net revenue	$ 663,316	$ 498,630

CONSOLIDATED CASH FLOWS

(unaudited, in thousands of Canadian dollars)	**Q1 2026**	**Q1 2025**
Net cash generated from operating activities	$ 100,280	$ 12,272
Net cash generated used in financing activities	(31,193)	(14,436)
Cash used in investing activities	(59,091)	(60,348)
Effect of exchange rate changes on cash and cash equivalents	(3,020)	(94)
Change in cash and cash equivalents	$ 6,976	$ (62,606)

[7] Please see the “Comparable Sales” section above for more details.
[8] Please see the "Non-IFRS Financial Measures and Retail Industry Metrics" section above for more details.

RECONCILIATION OF NET INCOME TO EBITDA, ADJUSTED EBITDA AND ADJUSTED NET INCOME

(unaudited, in thousands of Canadian dollars, unless otherwise noted)	Q1 2026	Q1 2025
Reconciliation of Net Income to EBITDA and Adjusted EBITDA:		
Net income	$ 42,391	$ 15,833
Depreciation and amortization	25,171	19,281
Depreciation on right-of-use assets	23,572	26,249
Finance expense	12,955	12,581
Income tax expense	16,460	7,475
EBITDA	120,549	81,419
Adjustments to EBITDA:		
Stock-based compensation expense	10,186	7,327
Rent impact from IFRS 16, Leases[9]	(35,641)	(37,784)
Unrealized (gain) loss on equity derivative contracts	22	670
CYC integration costs and other	218	2,245
Adjusted EBITDA	$ 95,334	$ 53,877
Adjusted EBITDA as a percentage of net revenue	14.4%	10.8%
Net income	$ 42,391	$ 15,833
Adjustments to net income:		
Stock-based compensation expense	10,186	7,327
Unrealized (gain) loss on equity derivative contracts	22	670
CYC integration costs and other	218	2,245
Related tax effects	(3,487)	(1,087)
Adjusted Net Income	$ 49,330	$ 24,988
Adjusted Net Income as a percentage of net revenue	7.4%	5.0%
Weighted average number of diluted shares outstanding (thousands)	118,210	114,745
Adjusted Net Income per Diluted Share	$ 0.42	$ 0.22

[9] RENT IMPACT FROM IFRS 16, LEASES

(unaudited, in thousands of Canadian dollars)	Q1 2026	Q1 2025
Depreciation of right-of-use assets, excluding fair value adjustments	$ (23,572)	$ (26,116)
Interest expense on lease liabilities	(12,069)	(11,668)
Rent impact from IFRS 16, leases	$ (35,641)	$ (37,784)

RECONCILIATION OF COMPARABLE SALES TO NET REVENUE

(unaudited, in thousands of Canadian dollars)	Q1 2026	Q1 2025
Comparable sales	$ 561,713	$ 453,166
Non-comparable sales	101,603	45,464
Net revenue	$ 663,316	$ 498,630

RECONCILIATION OF CONSTANT CURRENCY TO NET REVENUE

(unaudited, in thousands of Canadian dollars)	Q1 2026	Q1 2025	*% change*
Constant currency net revenue	$ 650,511	$ 498,630	30.5%
Foreign exchange impact	12,805	—	
Net revenue	$ 663,316	$ 498,630	33.0%

RECONCILIATION OF CASH USED IN INVESTING ACTIVITIES TO CAPITAL CASH EXPENDITURES (NET OF PROCEEDS FROM LEASE INCENTIVES)

(unaudited, in thousands of Canadian dollars)	**Q1 2026**	**Q1 2025**
Cash used in investing activities	$ (59,091)	$ (60,348)
Proceeds from lease incentives	6,822	4,791
Capital cash expenditures (net of proceeds from lease incentives)	$ (52,269)	$ (55,557)

RECONCILIATION OF NET CASH GENERATED FROM OPERATING ACTIVITIES TO FREE CASH FLOW

(unaudited, in thousands of Canadian dollars)	**Q1 2026**	**Q1 2025**
Net cash generated from operating activities	$ 100,280	$ 12,272
Interest paid	811	838
Repayments of principal on lease liabilities	(24,428)	(25,822)
Capital cash expenditures (net of proceeds from lease incentives)	(52,269)	(55,557)
Free cash flow	$ 24,394	$ (68,269)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(interim periods unaudited, in thousands of Canadian dollars)	As at June 1, 2025	As at March 2, 2025	As at June 2, 2024
Assets			
Cash and cash equivalents	$ 292,611	$ 285,635	$ 100,671
Accounts receivable	28,040	26,311	13,810
Income taxes recoverable	9,258	4,342	12,720
Inventory	409,469	379,316	396,824
Prepaid expenses and other current assets	58,657	61,239	36,177
Total current assets	798,035	756,843	560,202
Property and equipment	650,791	656,966	472,757
Intangible assets	104,804	104,221	86,654
Goodwill	198,846	198,846	198,846
Right-of-use assets	702,751	722,558	635,763
Other assets	11,992	11,564	4,956
Deferred tax assets	557	4,816	19,610
Total assets	$ 2,467,776	$ 2,455,814	$ 1,978,788
Liabilities			
Accounts payable and accrued liabilities	$ 302,553	$ 293,412	$ 222,818
Income taxes payable	—	12,983	—
Current portion of lease liabilities	93,719	107,755	105,337
Deferred revenue	105,234	111,158	80,471
Total current liabilities	501,506	525,308	408,626
Lease liabilities	812,797	811,468	709,291
Other non-current liabilities	3,490	3,829	6,361
Deferred tax liabilities	21,284	20,626	18,000
Total liabilities	1,339,077	1,361,231	1,142,278
Shareholders’ equity			
Share capital	390,921	383,482	323,742
Contributed surplus	109,534	101,568	93,631
Retained earnings	635,338	609,695	423,170
Accumulated other comprehensive loss	(7,094)	(162)	(4,033)
Total shareholders’ equity	1,128,699	1,094,583	836,510
Total liabilities and shareholders’ equity	$ 2,467,776	$ 2,455,814	$ 1,978,788

BOUTIQUE COUNT SUMMARY[3]

	Q1 2026	Q1 2025
Number of boutiques, beginning of period	130	119
New boutiques	1	—
Number of boutiques, end of period	131	119
Repositioned boutiques	1	1