

Leon's Furniture Limited Secures a New Home for its Online Stores with Shopify as the Company Expands its E-Commerce Strategy

-- Leon's expects continued growth of its e-commerce business; The company plans future enhancements to customers' online shopping experience with a suite of dedicated apps --

TORONTO, Oct. 25, 2018 /CNW/ - Canada's largest furniture and appliances retailer, Leon's Furniture Limited ("LFL" or the "Company") (TSX:LNF), is embarking on a major undertaking to elevate its e-commerce business and enhance the customer online shopping experience. The Company announced today it has selected Shopify, a global leading e-commerce company, to power all of LFL's portfolio of online stores, including leons.ca, thebrick.com and furniture.ca on the Shopify Plus platform, which powers large and growing online stores and brands.

In addition to hosting and operating its online stores on the new Shopify platform, LFL is also working on the development of dedicated apps that will significantly improve customers' online shopping experience. Some of these enhancements include intelligent room planners, virtual decorating, and augmented reality capabilities where shoppers can place items from the online store against a backdrop of their own rooms. Additional features that will be offered to customers on LFL's online stores include instant deferred payment options, and enhanced delivery features, among others.

"Leon's Furniture Limited has been an e-commerce player for nearly two decades. Working with a leading provider like Shopify puts us on the right track for continued success," said Edward Leon, President and CEO of Leon's Furniture Limited. "Emerging technologies and changing shopping behaviour forces retailers to re-think how they operate and transform their business to create a truly seamless shopping experience between the online website and traditional brick and mortar store. To win in the retail space, and specifically in the industry segment in which LFL operates, requires mastering both our chain-wide in-store customer experience and our e-commerce offerings across all of our online properties."

LFL selected Shopify thanks to its ability to demonstrate the platform's dependability, adaptability and value. Additionally, both companies share a strong willingness and commitment to work toward the customer having the best shopping experience.

"As a fiercely Canadian company, Shopify is proud to have been chosen by the iconic Canadian entity, Leon's Furniture. This is a great example of how a large, brick and mortar retailer is working with Shopify to innovate its online shopping experience," said Loren Padelford, VP and GM with Shopify.

While often associated with the traditional retail store model, LFL has been active in the online space and has seen tremendous growth and potential in e-commerce.

"If we compare our online operations during the past decade to those of other pure-play e-commerce retailers, our e-commerce division shows outstanding performance with a CAGR of 45 percent topline growth coupled with EBITDA margins of 18 per cent¹," said Constantine Pefanis, CFO with Leon's Furniture Limited.

LFL sees additional business upside and revenue growth potential from the arrangement with Shopify on the e-commerce front that is coupled with its own national on-the-ground footprint of warehouses. LFL has been approached by other e-commerce players recently, looking to flow goods through its warehouse and logistics system.

About Leon's Furniture Limited

Leon's Furniture Limited is the largest retailer of furniture, mattresses, appliances and electronics in Canada. Our retail banners include: Leon's; The Brick; The Brick Mattress Store; and The Brick Outlet. Finally, with the Midnorthern Appliance banner alongside the Appliance Canada banner, we are also the country's largest commercial retailer of appliances to builders, developers, hotels and property management companies. LFL has 304 retail stores from coast-to-coast in Canada under various banners. As well, the Company operates three e-commerce sites: leons.ca, thebrick.com and its newest site, furniture.ca.

Forward-Looking Statements

This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include regulatory actions, market prices, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates, and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

¹ For period ended December 31, 2017

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