

# A leading Canadian value retailer

Investor Presentation – Q3-FY2022

December 8, 2021





## Forward-looking statements

---

This presentation and the accompanying oral presentation contain forward-looking statements about results, levels of activity, performance, goals or achievements of Dollarama and Dollarcity or other future events or developments that may affect Dollarama and Dollarcity which are based on information currently available to management and estimates and assumptions that management believes are appropriate and reasonable in the circumstances. The words “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indications”, “anticipates”, “believes”, “estimates”, “predicts”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. However, there can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause actual results, levels of activity, performance, goals or achievements or other future events or developments to differ materially from those expressed or implied by the forward-looking statements contained herein including, without limitation, the risk factors described in Dollarama’s Annual Management’s Discussion and Analysis (MD&A) dated March 31, 2021 and in Dollarama’s Annual Information Form dated April 20, 2021, both filed with Canadian securities regulators and available on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s expectations as at December 8, 2021, and, accordingly, are subject to change after such date. Such risk factors include but are not limited to the duration and impact, direct and indirect, of the COVID-19 pandemic on the business, operations, and financial condition of Dollarama, as well as consumer behaviour and the economy in general. Except as may be required by law, management has no intention and undertakes no obligation to update or revise any forward-looking statements.

No financial information presented in this presentation as of a date more recent than January 31, 2021 has been audited. Where the information is from third-party sources, the information is from sources believed to be reliable, at the latest as at December 8, 2021, but Dollarama has not independently verified any such information contained herein.

This presentation and the accompanying oral presentation refer to certain non-GAAP measures. These measures do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Consequently, they should not be considered in isolation or as a substitute for financial performance measures calculated in accordance with GAAP. Refer to the section entitled “Selected Consolidated Financial Information” of Dollarama’s MD&A dated December 8, 2021 for a reconciliation of those non-GAAP measures to the most directly comparable GAAP measures.

*This presentation does not constitute an offer to buy or sell or a solicitation of an offer to buy or sell any securities of Dollarama Inc. and does not constitute or form part of, and under no circumstances is to be construed as, an offering document, such as an offering memorandum, or an advertisement for an offer to buy or sell any securities of Dollarama Inc.*



## Serving Canadians with purpose

---



### Our vision

---

To be the leading value retailer in every market in which we operate, providing customers with unsurpassed value for their hard-earned money in a time-pressed world

### Our purpose

---

To provide Canadians from all walks of life with the best quality and value on every dollar they spend and with proximity and convenient access to affordable, everyday items that address their needs and exceed their expectations

### Our values

---

- Entrepreneurial
- Customer-focused
- Value-oriented
- Passionate
- Agile and solution-driven
- Innovative

## A leading Canadian value retailer (TSX: DOL)

**\$4.0B**

FY21  
revenues

**43.8%**

FY21 gross margin  
as a % of sales



Recognized brand serving Canadians from all walks of life

**6.3%**

FY21 sales  
growth

**16.2%**

FY21 SG&A  
as a % of sales



Differentiated concept offering compelling value at multiple price points up to \$4.00



Consistent shopping experience and broad assortment of everyday products

**3.2%**

FY21 comparable  
store sales growth

**\$0.7B**

FY21 free cash flow  
generation<sup>2</sup>



Capital-efficient, growth-oriented business model with a superior direct sourcing platform



Nimble operator delivering consistently robust financial and operational results

**\$1.1B**

FY21 EBITDA or  
28.1% of sales<sup>1</sup>

**91.5%**

FY21 Dollarcity net earnings  
contribution growth



Strong track record of stakeholder value creation since 2009 IPO

<sup>1</sup> Inclusive of direct costs related to COVID-19 measures implemented during fiscal year ended January 31, 2021 (approx. \$84M)

<sup>2</sup> FY21 free cash flow generation= cash flow from operations – capital expenditures  
All figures for fiscal year ended January 31, 2021

# A growing reach and international footprint

1,397

corporate-operated  
Dollarama stores across  
Canada

10 provinces

Unrivalled presence,  
conveniently located in  
all Canadian provinces

2,000

Dollarama store  
target by 2031

#1

and only national pure  
play dollar store chain  
in Canada

80%

of Canadian households  
within 10 km of a  
Dollarama



312

Dollarcity stores in LATAM,  
based on localized  
Dollarama concept

4 countries

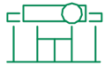
Growing presence in  
Colombia, El Salvador  
and Guatemala, in Peru  
since May 2021

600

Dollarcity store  
target by 2029  
(excl. Peru)



# Competitive advantages



## Strong brand

98% brand recognition across Canada; sought-after destination for everyday and seasonal goods



## Differentiated concept

Broad assortment of products at multiple price points up to \$4.00 in a clean, compact, consistent format and shopping experience



## Value proposition

Superior direct sourcing and buying capabilities, supported by efficient logistics, delivering compelling value to customers



## Operational excellence

Nimble operator with proven track record, strong team committed to disciplined execution, culture of agility and entrepreneurship



## National scale

Significant presence in all 10 provinces, offering unrivalled proximity and convenience to Canadians



## Broad customer base

Serving Canadians from all walks of life from all demographics and income ranges, appealing to a broad range of consumer profiles



## Capital-efficient

Simple, cost-effective growth-oriented business model, lean operations, solid growth metrics and investment payback periods



## Technology

Robust technology infrastructure supporting reporting/budgeting, store productivity/operations, replenishment; growing internal data and analytics capabilities

# Committed to building a sustainable business – Priority areas and highlights



## Our people

Promote a dynamic and inclusive workforce

3,000+  
store employee internal promotions in FY2021

50%  
increase in store to field management promotions via DMiIT program (FY2019-FY2021)

40%  
female gender diversity at Management level and 33% at Board level



## Our products

Provide customers with safe, quality products

6,000  
everyday products, over 50%+ directly sourced

2x  
toy product testing increase since FY2020

Growing team  
of dedicated product and vendor compliance experts supporting procurement team



## Our supply chain

Enhance vendor compliance and engagement

100%  
of vendors have signified compliance with comprehensive vendor code of conduct

Social audits and vendor engagement initiatives launched in FY2020

152  
third-party audit reports received and reviewed by Dollarama in FY2020-FY2021



## Our operations

Minimize environmental footprint and climate risks

82%  
of network grid electricity consumption from non-GHG emitting sources and 54% from renewable sources

45%  
of stores equipped with interior LED lighting, in addition to all logistics facilities

34K+  
metric tons of cardboard and plastic diverted from stores for recycling

# Pursuing our sustainability journey – 2021+ goals and initiatives



**Our people**

## Promote a dynamic and inclusive workforce

- Maintain and enhance talent attraction, retention and development programs
- Reduce frequency and severity of lost-time injuries



**Our products**

## Provide customers with safe, quality products

- Implement additional targeted product testing programs and product risk monitoring
- Align Dollarama and Dollarcity compliance programs



**Our supply chain**

## Enhance vendor compliance and engagement

- Continue roll-out of Tier 1 manufacturer social audits and enhance disclosure of social audit performance
- Roll out Vendor Code of Conduct to Dollarcity direct suppliers



**Our operations**

## Minimize environmental footprint and climate risks

- Set Scope 1 and Scope 2 GHG emissions reduction target
- Develop TCFD alignment roadmap

## ESG Governance/Framework

Embedded in Board and Committee charters; Management accountable for ESG strategies

Committed to enhancing ESG disclosure and setting long-term, measurable goals

Reporting framework aligned with SASB since 2021 ESG Report







# Clear strategy driving sustainable growth and value creation

---

1

## Maximize core business

- Maintain compelling value proposition
- Leverage strengths to stimulate sales
- Promote efficiency initiatives to maintain low-cost operating model
- Optimize and evolve the service model

2

## Profitably grow Canadian footprint

- Grow Dollarama store network across Canada in a disciplined manner
- Long-term target of 2,000 Dollarama stores by 2031
- Optimize logistics operations in support of network growth

3

## Scale up Dollarcity business in LATAM

- Grow footprint in the four current countries of operation
- Expand into new markets
- Target of 600 Dollarcity stores by 2029 (excl. Peru)

4

## Optimize capital allocation to drive returns

- Actively manage balance sheet and capital structure
- Deploy capital with discipline towards target returns
- Prioritize shareholder returns via share buybacks using excess free cash flows
- Maintain consistent dividend; conservative annual growth

---








Guided by our robust ESG framework and commitment to serving Canadians from all walks of life

A strong core business










# A diversified product mix offering compelling value










## General merchandise

-  Electronics
-  Hardware
-  Homeware
-  Kitchenware
-  Party supplies
-  Stationery
-  Toys & apparel

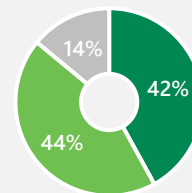
## Consumables

-  Cleaning supplies
-  Confectionery
-  Drinks & snacks
-  Food/pantry
-  Health & beauty
-  Paper, plastics & foils
-  Pet care

## Seasonal

-  Christmas
-  Easter
-  Halloween
-  Souvenirs
-  Spring
-  St. Patrick's Day
-  Summer
-  Winter
-  Valentine's Day

## Product categories

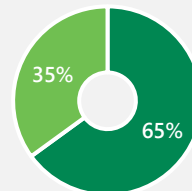


- General merchandise
- Consumables
- Seasonal

**\$0.82-\$4.00**

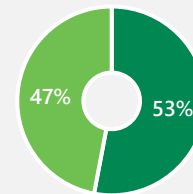
Merchandise sold at ten low fixed price points

## Brand mix



- Private label
- National brands

## Sourcing mix



- Imported
- Domestic (US/Can)

# Effective sourcing and merchandising

---

## Product sourcing expertise and built-in flexibility

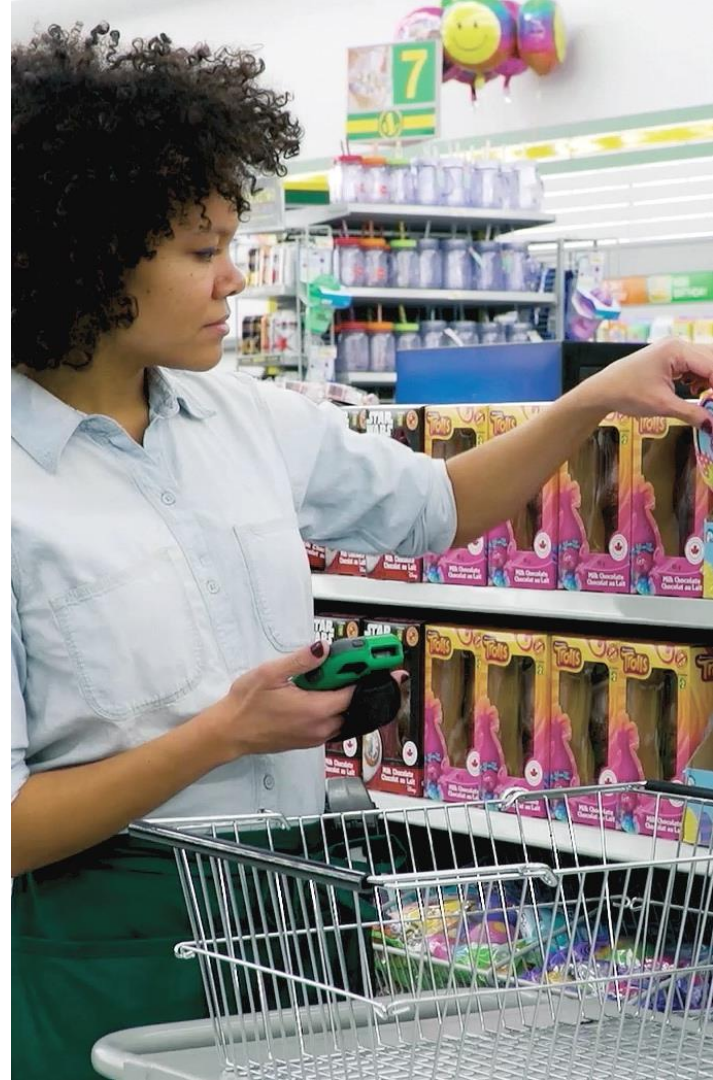
---

- Strong direct sourcing capabilities, reducing costs associated with intermediaries and increasing bargaining power with suppliers
- Flexible product mix (brand vs. private label, import vs. domestic)
- 25-30% annual SKU refresh with no loss leaders
- Pricing flexibility through multi-price point strategy
- Product selection supported by industry/trend tracking, customer feedback and analytics

## Efficient in-store merchandising

---

- Clean, bright, compact four-wall format with consistent offering and layout chain-wide
- Optimized product placement and display designs
- Effective merchandising system for execution of resets
- Flexible zonogram by department (vs. fixed plano) resulting in efficient everyday facing/zoning
- Centralized logistics and distribution; differentiated store replenishment and inventory management approach



# Strong brand recognition and broad customer appeal

## A value retail shopping destination

- Recognized for value for money and convenience
- Customers appreciate the breadth and depth of the product assortment
- Sought-after destination for focused trips as well as routine shopping

## Serving Canadians from all walks of life

- Appeals to all demographics and income ranges
- High representation of young families with above-average income
- Highly loyal customer base



98%

brand awareness  
across Canada

Top 10

Ranked one of Leger's  
2021 Top 10 Most Reputable  
Brands in Canada

# Enhancing the service model and customer experience

---



## Queue line optimization

- Optimized for increased impulse item displays
- In over 1,225 stores; part of new store plans



## Self check-outs

- Roll out in higher traffic stores to accelerate transaction processing
- Now in 285+ stores



## Check-out counter redesign

- From u-shaped to straight line design to accelerate transactions



## Targeted initiatives, concept testing and pilots

- Online store to address niche market of case purchases; customer mobile app
- Partnerships, long-term or one-time cross-sell opps and other service model testing (Lucky Mobile, Instacart, etc.)

---

Constantly evolving the service and customer interaction model to stimulate sales and to stay abreast of consumer and industry trends

# Optimizing processes and gaining efficiencies

---



## Retail systems optimization

- POS systems
- NCR POS terminals



## Time management and training

- Kronos advanced scheduling
- Mobile apps
- “GPS” training program



## Environmental efficiency

- LED retrofits
- HVAC system upgrade
- Baler installation (in-store recycling)



## Shrink management and loss prevention

- Security camera installation
- Other shrink management initiatives and programs

---

Technology investments and enhanced centralized data and analytics capabilities driving execution across our operations

Driving profitable  
growth in Canada

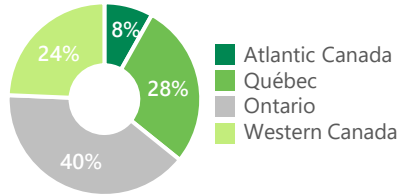




# Well-balanced, growing store network

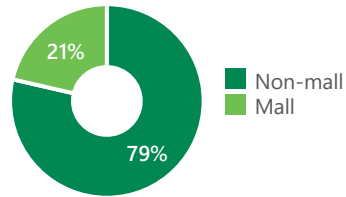
## Store footprint

by geography



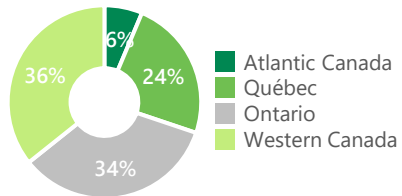
## Store footprint

By building type



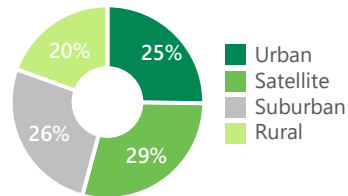
## New store openings

By geography (last 2 years)



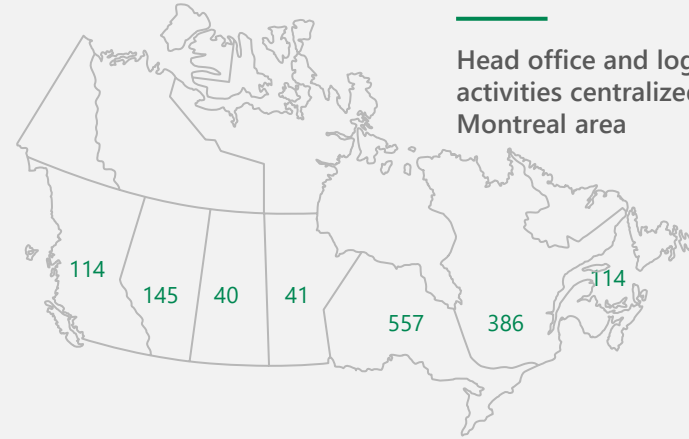
## Store footprint

By market type



1,397 stores in  
10 Canadian provinces

Head office and logistics  
activities centralized in  
Montreal area



\$3.1M

Average store  
annual sales

14.4M sq. ft

Total retail space  
across Canada

10,346 sq. ft.

Average per store

2.2M sq. ft.

Warehousing and  
distribution space

## Efficient and profitable network growth

---

\$2.4M

Average annual store sales within 2 years of opening

~\$650K

New store average investment

<2 years

store payback period

- Strong free cash flow generation to fund organic network growth
- Efficient capital model requiring an avg. of \$650K in leasehold improvements, fixtures and inventory, net of tenant allowance, for a new store
- Quick sales ramp up and payback period for new stores within 2 years' time, resulting in low capital intensity and high ROI on network growth
- Low store network maintenance capex requirements



# A robust evaluation process: path to 2,000-store target



- Average of 70 net new stores opened annually over last 10 fiscal years
- New store payback period improved over time
- Additional growth opportunities in Ontario, Québec and Atlantic Canada
- Underpenetrated in Western Canada

Year	Store target	Status	
2009 (IPO)	900	Achieved in 2014	✓
2012	1,200	Achieved in 2018	✓
2015	1,400 by 2022	To be achieved in 2021	✓
2017	1,700 by 2027	Updated in 2021	↗
2021	2,000 by 2031	Current target	🎯

## Scaling up Dollarcity



# Dollarcity, a high-potential LATAM value retailer

50.1%

DOL equity interest  
acquired in Q3-FY2020  
after 7-year partnership

US\$92.7M

Total purchase price<sup>1</sup>;  
immediately EPS  
accretive



Compelling growth platform in dynamic LATAM  
markets with appetite for DOL model



Strong local partners and management team



Successful in adopting and adapting DOL model  
to LATAM markets and consumers

312

Dollarcity stores in  
LATAM, based on  
localized Dollarama  
concept

4 countries

Growing presence in  
Colombia, El Salvador,  
Guatemala and Peru



Strong store network growth execution, two new  
markets entered since 2017 (Colombia and Peru)

US\$351M

2020 revenues

\$19.6M

FY2021 net earnings  
contribution for DOL,  
representing 91.5%  
Y-o-Y growth



Sales performance comparable to DOL; rapid new  
store sales ramp up



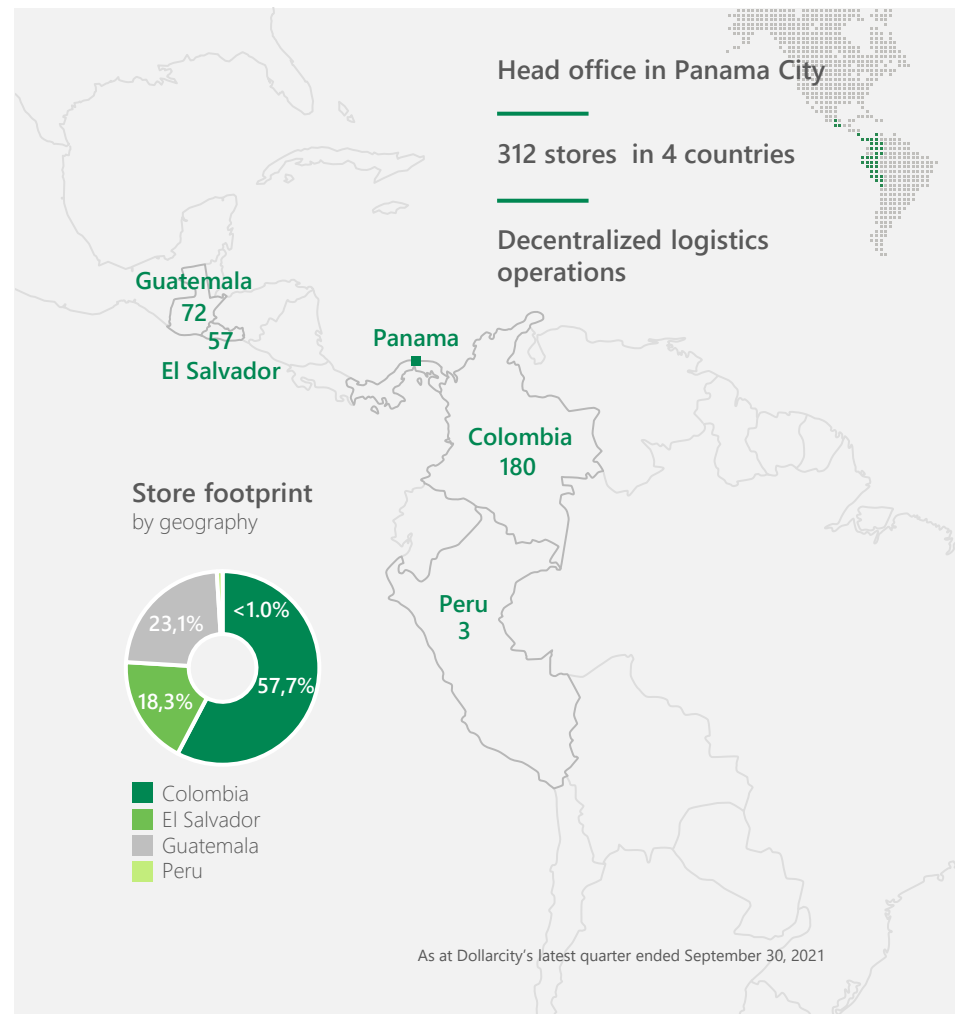
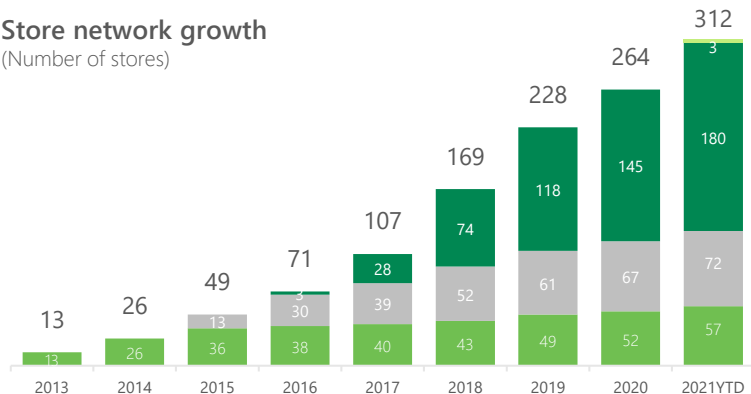
Self-run investment with robust governance  
structure in place

# A growing footprint in key markets

**\$1.6M**

Average store annual sales

## Store network growth (Number of stores)



# Long-term target of 600 Dollarcity stores

---

## Maintain pace of growth; grow presence in key markets

---

- Target of 600 Dollarcity stores in Colombia, Guatemala and El Salvador by 2029 (excluding Peru)
- Entered Colombia in 2017
- Entered Peru in May 2021
- Majority of store network growth focused on Colombia since 2017

## Build efficient and low-cost operating platform to support growth

---

- Building up logistics platform to support growth plans – decentralized logistics network with local warehousing in countries of operations, mix of Dollarcity-owned and 3PL operations
- Product sourcing from DOL balanced with local sourcing from LATAM
- New store investment in line with Dollarama

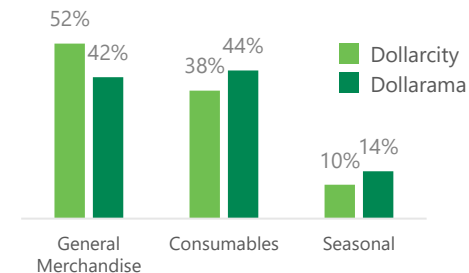


# Dollarama vs. Dollarcity

	<b>DOLLARAMA</b>		<b>DOLLARCITY</b>	
	<i>For the year ended</i> <b>Jan. 31, 2021</b>	<i>For the quarter ended</i> <b>Oct. 31, 2021</b>	<i>For the year ended</i> <b>Dec. 31, 2020<sup>3</sup></b>	<i>For the quarter ended</i> <b>Sep. 30, 2021<sup>3</sup></b>
Number of stores	1,356	1,397	264	312
Sales	\$4,026M	\$1,122M	\$470M (US\$351M)	\$155M (US\$123M)
	<i>For the year ended</i> <b>Jan. 31, 2021</b>		<i>For the year ended</i> <b>Dec. 31, 2020<sup>3</sup></b>	
Population of countries of operation	37.1M		107.2M	
Price point range	\$0.82-\$4.00		US\$0.69-\$4.00 <sup>4</sup> or local currency equivalents	
Net new store investment	~\$650K		~\$730K (US\$545K)	

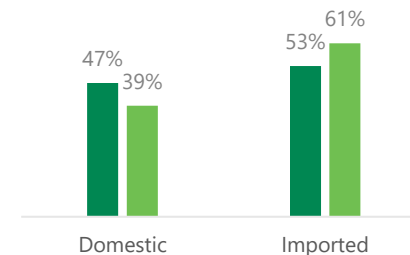
## Merchandise mix<sup>1</sup>

(based on annual retail value for respective latest full fiscal years)



## Sourcing mix<sup>2</sup>

(based on annual retail value for respective latest full fiscal years)



<sup>1</sup> Merchandise mix categories may differ slightly between DOL and Dollarcity

<sup>2</sup> For DOL, domestic refers to merchandise purchased in Canada and the United States

For Dollarcity, domestic refers to merchandise purchased in the countries where the company operates stores

<sup>3</sup> US\$ amounts converted to CA\$ using a USD/CAD average exchange rate of 1.34 for the year ended December 31, 2020 and 1.26 for the quarter ended September 30, 2021

<sup>4</sup> Dollarcity price points include value-added tax



## Financial metrics



# Robust financial performance

(in millions of dollars,  
except per share amounts)

	THIRD QUARTER ENDED				Y-O-Y	FISCAL YEAR ENDED				Y-O-Y
	Oct. 31, 2021 <sup>1</sup>		Nov. 1, 2020 <sup>1</sup>		Growth	Jan. 31, 2021 <sup>2</sup>		Feb. 2, 2020 <sup>3</sup>		Growth
Comparable store sales <sup>4</sup>	0.8%		7.1%			3.2%		4.3%		
Sales	\$1,122	% of sales	\$1,064	% of sales	5.5%	\$4,026	% of sales	\$3,787	% of sales	6.3%
Gross margin	\$499	44.4%	\$469	44.0%	6.4%	\$1,765	43.8%	\$1,652	43.6%	6.8%
SG&A	\$159	14.2%	\$161	15.1%	(1.1%)	\$654	16.2%	\$552	14.6%	18.5%
Equity pick-up (Dollarcity)	\$7	0.7%	\$4	0.4%	71.7%	\$20	0.5%	\$10	0.3%	91.5%
EBITDA	\$347	30.9%	\$312	29.3%	11.2%	\$1,131	28.1%	\$1,111	29.3%	1.8%
Operating income	\$272	24.2%	\$244	22.9%	11.4%	\$861	21.4%	\$868	22.9%	(0.8%)
Net earnings	\$183	16.3%	\$162	15.2%	13.3%	\$564	14.0%	\$564	14.9%	0.1%
EPS (diluted)	\$0.61		\$0.52		17.3%	\$1.81		\$1.78		1.7%
Adj. net debt / LTM EBITDA <sup>5</sup>	2.80x		2.70x			2.68x		2.97x		

<sup>1</sup> ~ \$1.1M of direct costs were incurred in Q3-FY2022 in connection with COVID-19 (Q3-FY2021: ~ \$10.9M)

<sup>2</sup> ~ \$84.0M of direct costs were incurred in FY2021 in connection with COVID-19 (~ \$81.1M included in SG&A)

<sup>3</sup> Only includes ~ 5.5 months of equity pick-up for Dollarcity as the acquisition closed on August 14, 2019

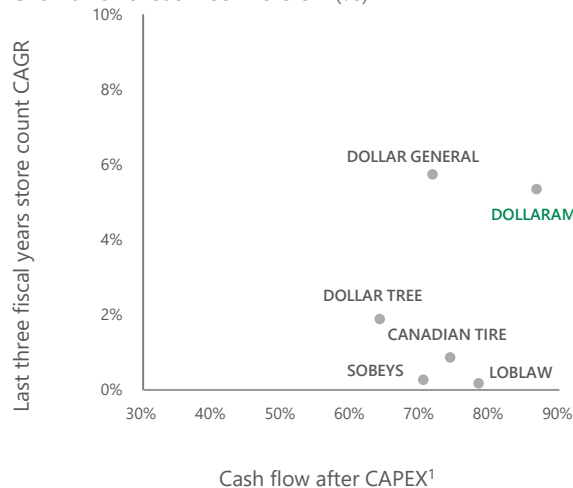
<sup>4</sup> Excludes any temporarily closed stores due to COVID-19

<sup>5</sup> (Total net debt + total lease liabilities) / LTM EBITDA

# Best-in-class performance on key metrics

## Strong organic growth with low capital requirements

Growth and cash conversion (%)



## Balanced approach to operating margin

LTM EBIT margin (%)



## Return on invested capital<sup>2</sup>

(%)

Dollarama	19.4%
Dollar General	12.8%
Dollar Tree	8.8%
Couche-Tard	12.5%
Empire	7.9%
Loblaw	7.8%
Metro	8.3%
Canadian Tire	11.4%
North West	17.9%

All financial figures as at Q3-FY2022 for Dollarama, as at latest available quarter end for peers (at the latest as at December 8, 2021)

Sources: company websites; Walmart Canada figures not available

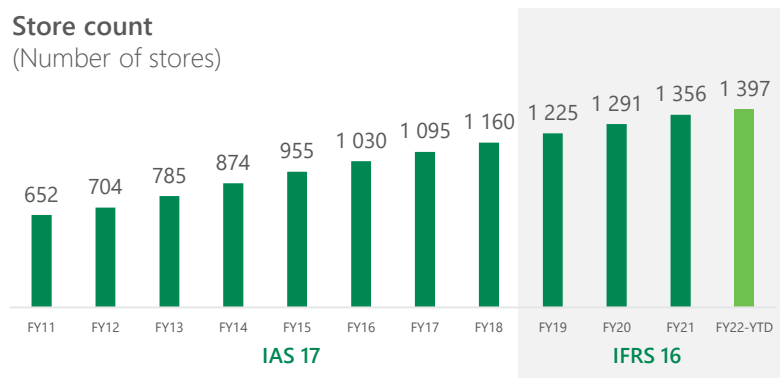
<sup>1</sup> (EBITDA – CAPEX) / EBITDA

<sup>2</sup> LTM EBIT\*(1-Effective Tax Rate) / (Total debt + total equity)

# Strong key metrics growth since IPO

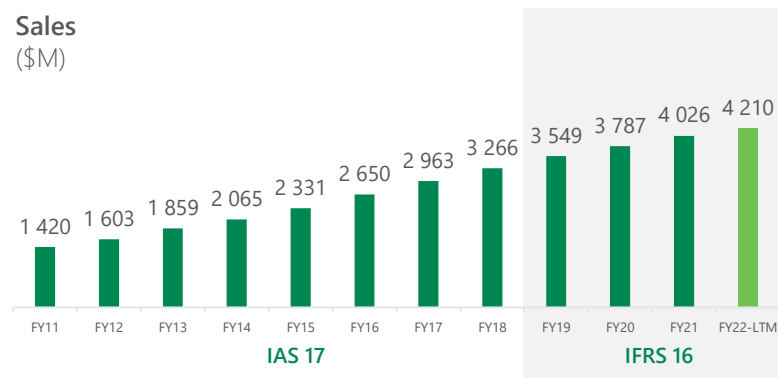
## Store count

(Number of stores)



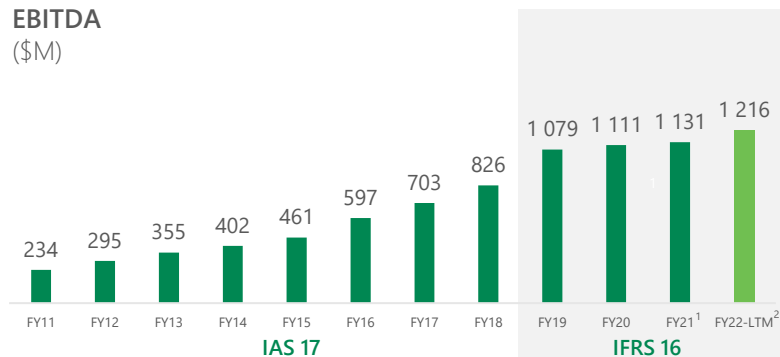
## Sales

(\$M)



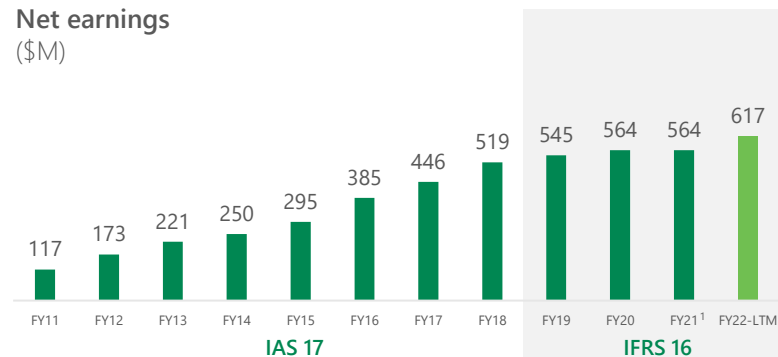
## EBITDA

(\$M)



## Net earnings

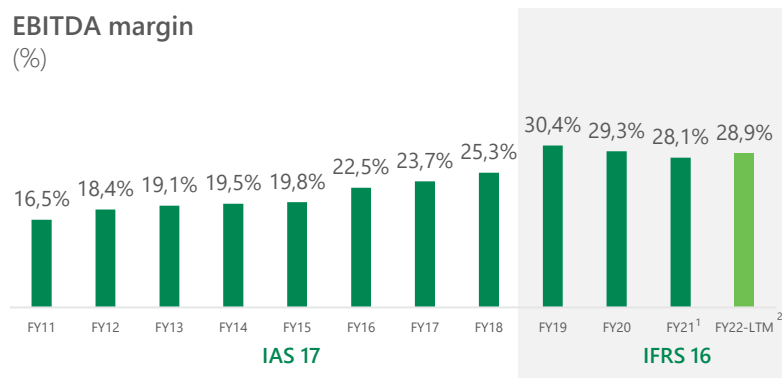
(\$M)



# Best-in-class margin since IPO

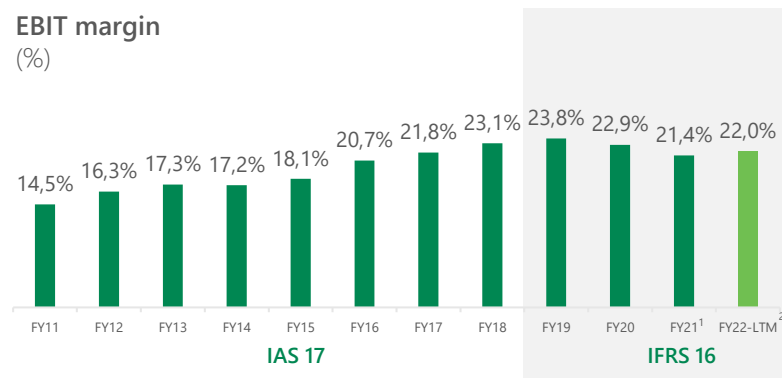
## EBITDA margin

(%)



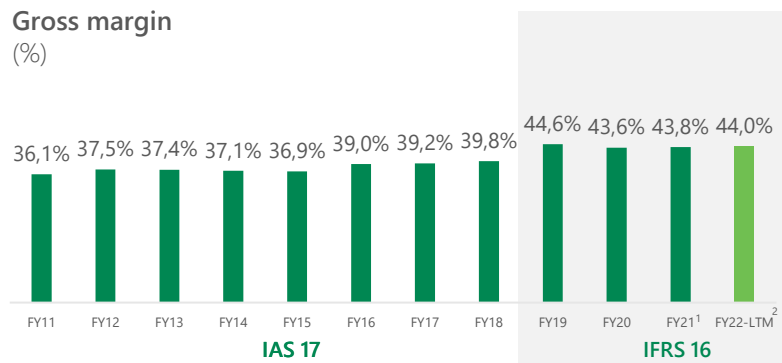
## EBIT margin

(%)



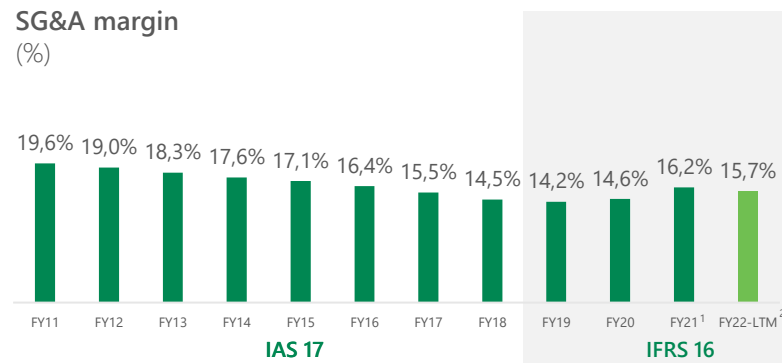
## Gross margin

(%)



## SG&A margin

(%)



<sup>1</sup> FY2021 metrics reflect incremental direct costs related to COVID-19 (~\$2.9M in Gross Margin, ~\$81.1M in SG&A, ~\$84.0M in EBITDA and EBIT)

<sup>2</sup> FY2022-LTM metrics reflect incremental direct costs related to COVID-19 (~\$54.9M in SG&A, ~\$54.9M in EBITDA and EBIT)



# A balanced approach to capital allocation

---

## Invest in organic growth

---

- New stores (avg. of 70 net new stores opened annually in last 10 fiscal years)
- Logistics infrastructure in support of long-term target of 2,000 stores (i.e. WH/DC capacity)
- Transformational and maintenance capex (enhancing service model, optimizing processes, gaining efficiencies and maintaining assets)

## Return capital to shareholders

---

- Maximize shareholder returns with a focus on value-enhancing share buybacks (over 37% of public float repurchased since the inception of the NCIB in June 2012)
- Consistent dividend distribution, approved quarterly (declared every quarter since 2011 inception)
- Modest annual dividend growth (dividend increased annually or 10x since 2011)

---

**Target leverage (adjusted net debt to EBITDA) ratio of 2.75x-3.00x allowing for significant return of capital to shareholders**

# Returning capital to shareholders

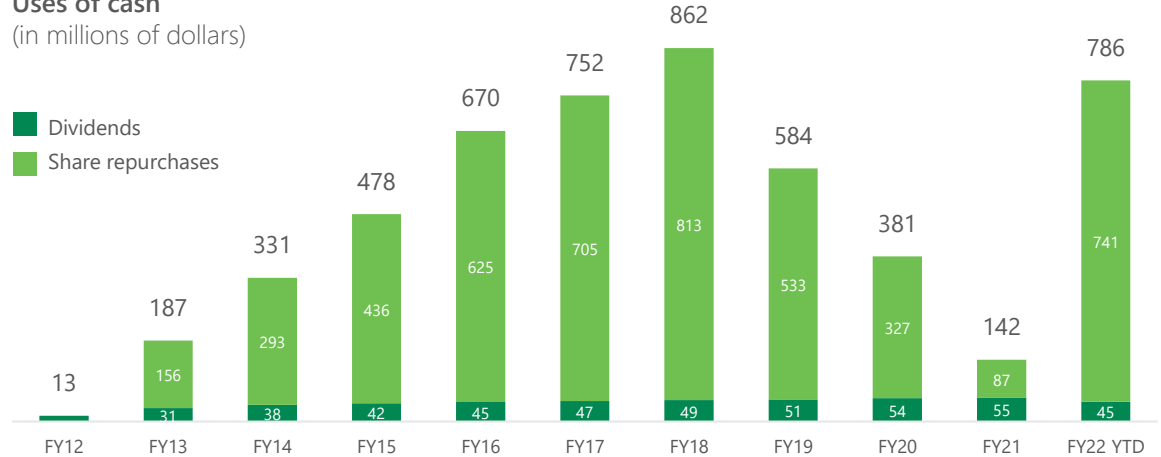
**\$4.7B**

returned to shareholders in share repurchases since FY13

**\$471M**

returned to shareholders in dividends since FY12

**Uses of cash**  
(in millions of dollars)



# Actively managed capital structure

89%

fixed rate debt,  
11% floating rate debt<sup>1</sup>

\$897M

available liquidity  
(\$97M cash + \$800M undrawn and  
available under credit facility)<sup>2,3</sup>

2.4%

weighted average  
cost of debt

4.3

years weighted average  
time to maturity

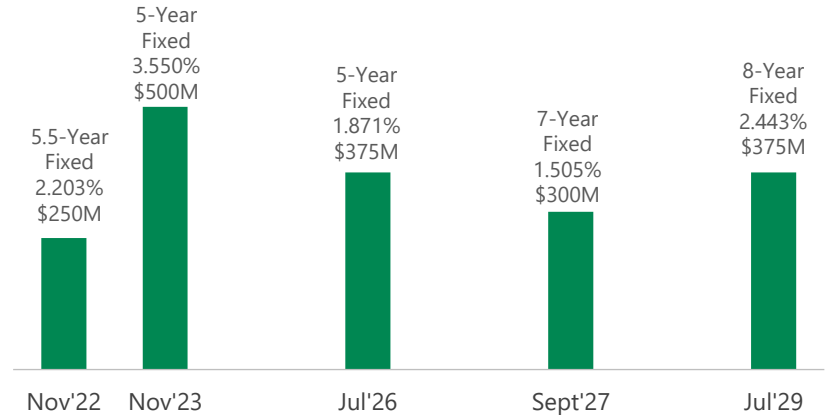
2.80x

Leverage (adjusted net  
debt to EBITDA) ratio

BBB/Baa2

Investment grade ratings from  
S&P, DBRS and Moody's

Debt structure as at Q3-FY2022



<sup>1</sup> Includes the impact of the fixed-to-floating interest rate swap derivative (\$200M notional amount) entered into during Q2-FY2022

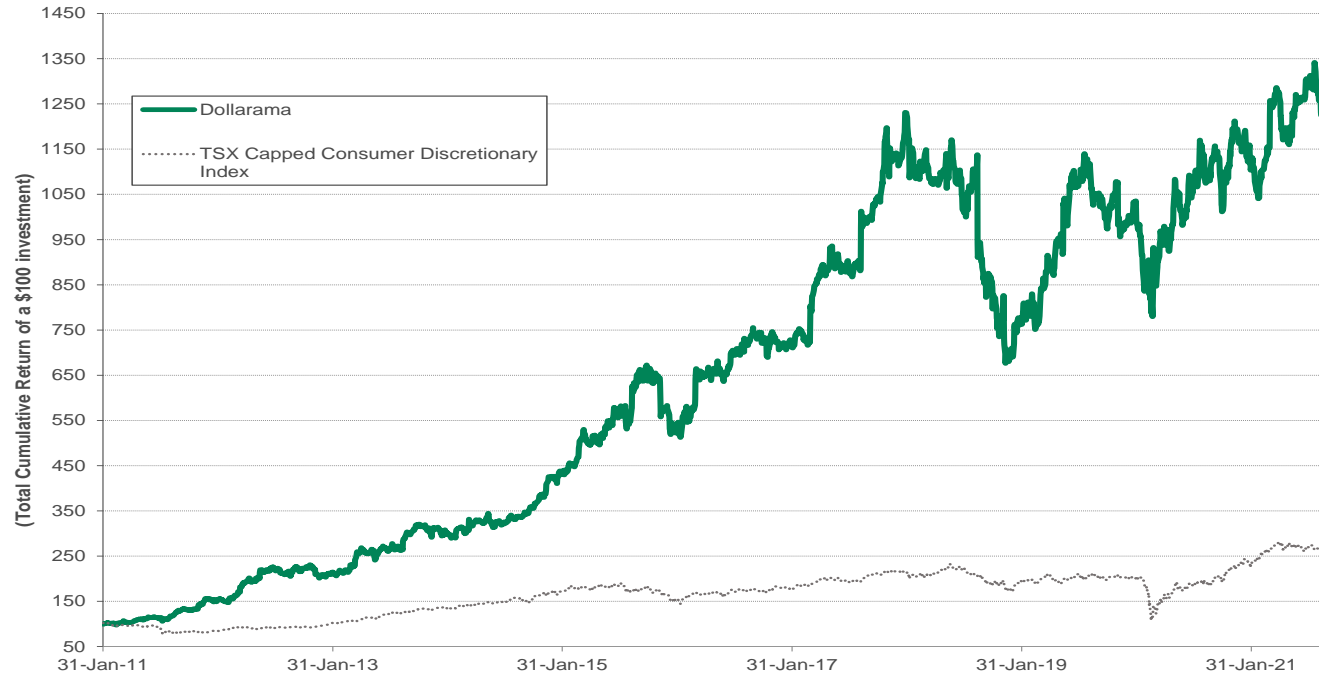
<sup>2</sup> Excludes letters of credit (approximately \$0.8M)

<sup>3</sup> The undrawn portion of the credit facility may be used to backstop the US CP borrowings (Q3-FY2022: nil)



# Strong track record of shareholder value creation

## Stock performance since January 31, 2011



843.4%



10-year total  
shareholder return<sup>1</sup>

71.7%



5-year total  
shareholder return<sup>1</sup>



# Appendix

# FY20

# A seasoned board and management team

---

## Board of directors

---



**Stephen Gunn**  
Chair of the Board  
Corporate Director



**Joshua Bekenstein**  
Managing Director  
Bain Capital Partners



**Gregory David**  
Chief Executive Officer  
GRI Capital



**Elisa D. Garcia**  
Chief Legal Officer  
Macy's



**Kristin W. Mugford**  
Senior Lecturer  
Harvard Business School



**Nicholas Nomicos**  
Managing Director  
Nonantum Capital Partners



**Neil Rossy**  
President and Chief Executive Officer  
Dollarama



**Samira Sakhia**  
President and Chief Operating Officer  
Knight Therapeutics



**Huw Thomas, FCPA, FCA**  
Corporate Director

## Executive officers

---



**Neil Rossy**  
President and Chief Executive Officer



**Johanne Choinière**  
Chief Operating Officer



**Nicolas Hien**  
Chief Information Officer



**Josée Kouri**  
Senior Vice-President, Legal Affairs and  
Corporate Secretary



**Geoffrey Robillard**  
Senior Vice President  
Import Division



**J.P. Towner**  
Chief Financial Officer

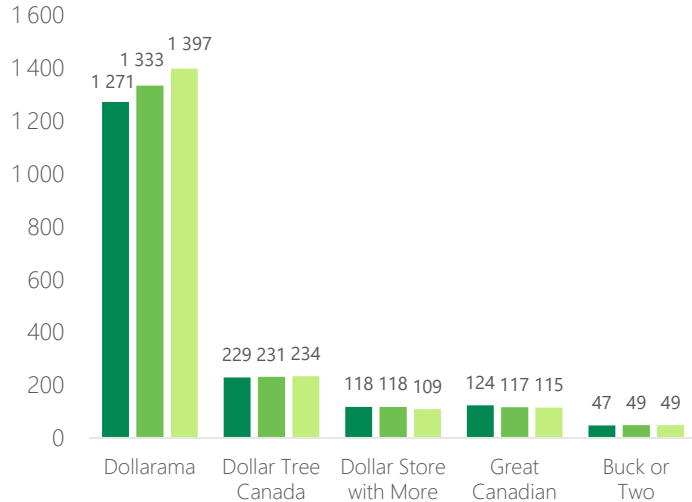
# Dollarama through the years

<b>1992</b> >	<b>2004</b> >	<b>2009</b> >	<b>2011</b> >	<b>2012</b> >	<b>2013</b> >
Dollarama founded as single-price point retail chain by Larry Rossy	Investment by Bain Capital	IPO (TSX:DOL) 585 stores in 10 provinces Introduction of multi-price point strategy	Sale by Bain Capital of remaining equity stake Declaration of first dividend	Introduction of \$2.50 and \$3.00 price points Launch of first NCIB Publication of first sustainability statement	Beginning of commercial partnership with LATAM value retailer Dollarcity
<b>2015</b> >	<b>2016</b> >	<b>2019</b> >	<b>2020</b> >	<b>2021</b> >	
Opening of 1,000 <sup>th</sup> Dollarama store Introduction of first Vendor Code of Conduct	Introduction of \$3.50 and \$4.00 price points Appointment of Neil Rossy as President and CEO	Launch of online store for bulk sales Acquisition of 50.1% of Dollarcity; Target of 600 stores by 2029 (excl. Peru) Publication of first ESG report	Recognition as essential business amid COVID-19 pandemic	New long-term target of 2,000 Dollarama stores in Canada by 2031 Dollarcity enters fourth country of operation, Peru Publication of first SASB-aligned ESG report	

# DOL vs. Canadian dollar store landscape

## Three-year store count

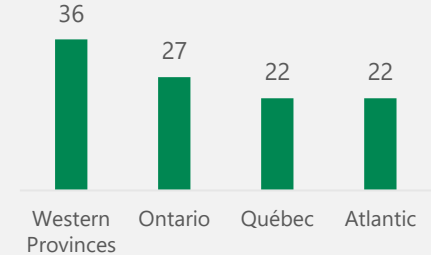
Dollarama vs. next four pure play competitors<sup>1</sup>



~6.0x  
larger than our  
next largest pure  
play competitor  
in Canada

~2.8x  
more Dollarama's  
than 4 largest pure  
play competitors  
combined

## Thousands of people per Dollarama store<sup>2</sup>



<sup>1</sup> Source: Q3-FY2022 store count; company websites

<sup>2</sup> Source: Statistics Canada; Q3-FY2022 store count

## DOL vs. US pure play dollar stores

		DOLLARAMA	DOLLAR GENERAL	DOLLAR TREE	
SCALE	LTM revenues (\$ millions)	C\$4,209.5	US\$33,983.5	US\$26,008.5	
	LTM EBITDA (\$ millions)	C\$1,215.8	US\$3,921.0	US\$2,624.4	
	Number of stores	1,397	17,915	15,966	
	Average sales / store (\$ millions)	C\$3.1	US\$1.9	US\$1.6	
	Average store size (sq. ft)	10,346	7,410	8,011	
	Average sales / sq. ft	C\$298	US\$263	US\$206	
MIX AND LOCATIONS	Real estate locations	Metropolitan areas, mid-sized cities and small towns	Rural, suburban and urban communities	DOLLAR TREE Suburban locations, with focus on opening new stores in strip shopping centers	FAMILY DOLLAR They open new stores in strip shopping centers, freestanding buildings and downtown buildings
	Merchandise mix	44% Consumables 14% Seasonal 42% General merchandise	77% Consumables 12% Seasonal 6% Home product 5% Apparel	48% Consumables 5% Seasonal 47% Variety categories	77% Consumables 9% Seasonal 14% Variety categories
	Price points	\$0.82 - \$4.00	US\$10.00 or less	Predominantly US\$1.00 (\$1.25 or less in Canada), they have now started testing the introduction of new prices up to \$US5.00	\$US1.00 to \$US10.00

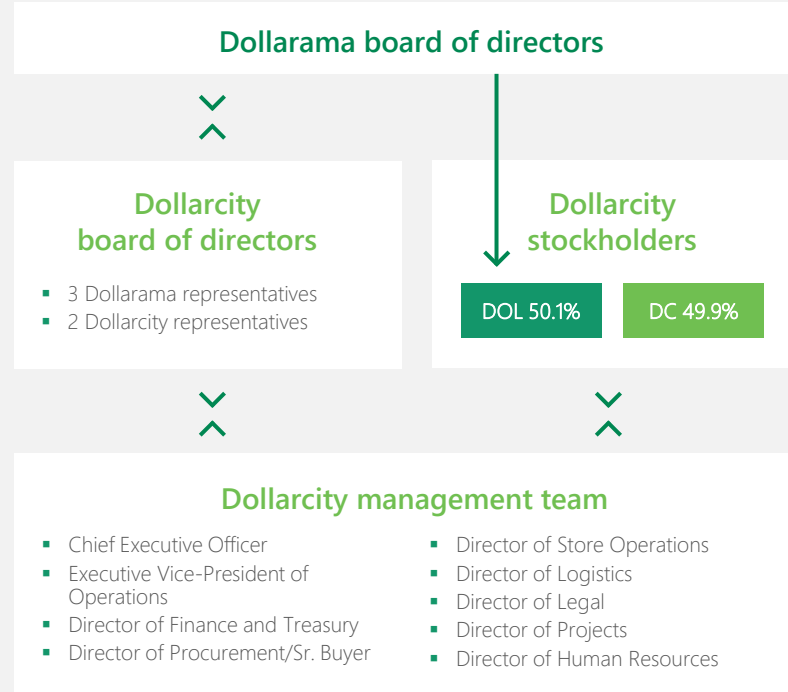
# Dollarcity governance framework

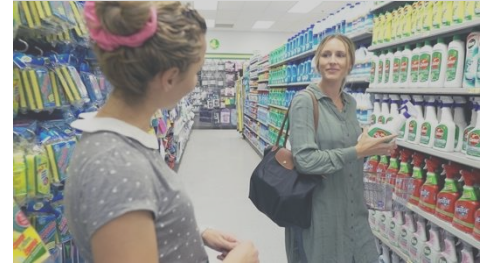
## Dollarama (50.1%)

- Majority representation on Dollarcity Board of Directors, with certain strategic and operational decisions subject to 100% stockholder approval under current ownership threshold, such as those decisions related to capital structure, nature of the business, M&A, executive appointments, annual budget and business plan approval, and entry into new countries
- No remaining call options
- Ability to postpone the exercise of Dollarcity founding group put right in certain situations
- Ability to purchase all remaining shares if exercise of put right results in Dollarcity founding group holding less than a specified ownership threshold

## Dollarcity founding group (49.9%)

- Ordinary course put rights commencing in October 2022, subject to transaction size thresholds, required ownership thresholds for designated person and freeze periods, among other conditions and restrictions
- Event-driven put rights in case of drag-along/sale transaction, DOL change of control or a designated person departure event
- Exercise of any put right triggers fair market share price valuation





## Thank you

Dollarama Inc.  
5805 Royalmount Ave.  
Montreal, QC H4P 0A1

