

Financial standing analysis
(Loblaw Companies Limited)

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June 8, 2025

Executive summary

No Frills, Shoppers Drug Mart, and Real Canadian Superstore are all owned by Loblaw Companies Limited, which is Canada's top food and drug retail chain, begun in 1919. Metro Inc. and Empire Company Ltd. were left behind by Loblaw, as the company had a 29% share in the Canadian grocery market in 2024. Because food prices went up after the pandemic and profits reached record levels, the company was blamed by the public and officials about being greedy as well as facing pressure from regulators (Centre for Future Work, 2024; BBC News, 2024).

In spite of changes in the economy, Loblaw has shown financial strength. In 2024, the company had enough liquidity, as the current ratio was 1.24, but depended on turning over inventory since the quick ratio was 0.70 and cash ratio was 0.12. Because the total debt ratio is 0.72 and the debt-to-equity ratio is 2.63, the company relies heavily on debt, which gives room for expansion but also poses some risks financially.

According to the company's profitability, the net margin was 3.5%, gross margin at 32%, and ROE was 19%, which reflects solid returns for the firm's shareholders. It was found that these results were mainly influenced by asset management and borrowing. Loblaw performed better than both Metro and Empire in ROE and EPS even though it was weaker in liquidity.

Liquidity and the company's values went up from 2023 to 2024, as shown by the fact that the P/E and market-to-book values were higher. Even as turnover of assets went down a bit, improved inventory turnover made the company more effective.

Overall, the company depends on scaling up and maintaining strong value as it deals with laws and regulations. Wise investments, initiatives aimed at meeting customers' needs, and sustainable projects are helping Loblaw maintain success in the retail industry (McKinsey & Company, 2023).

Introduction

Operating over 2,400 stores around Canada since 1919, Loblaw is best known for Loblaws, No Frills, Shoppers Drug Mart, and Joe Fresh, which makes it Canada's biggest food and drug retailer. With many types of stores, it can offer its products to a wide variety of people. In addition, by 2022, only Loblaw held 29% of the Canadian grocery market, while Metro Inc. and Empire Co. altogether controlled 60% of total food sales, as shown in Statista (2024). Costco and Walmart are major competitors because their bulk pricing adds more strain to the market. The big role the company has in the market has led to interest from regulators about competition and pricing (BBC News, 2023).

The habits of grocery shopping were transformed because of the COVID-19 pandemic. Sales went up a lot during lockdown, but difficulties in the supply chain caused food prices to rise by as much as 10% in 2022–2023, and cereal prices were still over 5.6% higher in late 2023. With the company reporting huge profits, widespread public concerns arose when Loblaw's net margins remained above 3% after 2021. Revenue and expenses of this business ranged so that net margins hovered between 1% and 2% in previous periods. Executives claim that higher profits help them deal with inflation, but the number of consumer backlashes and demonstrations has gone up (Centre for Future Work, 2023).

As a consequence, numerous politicians have questioned Loblaw and similar food retailers, resulting in more talks about the national Grocery Code and stronger supervision of competition. For this reason, Loblaw chose to freeze No Name® prices and added 31 more No Frills/Maxi stores. Because it has a powerful private label called President's Choice, Loblaws can give consumers affordable prices and diverse products.

Loblaw (\$61B in revenue) is bigger than Metro (\$21.2B) and Empire (\$31B), but Costco's Canadian branch (\$40B) aims for large volume of sales. Since it works in an established, low-profit market, Loblaw is required to manage efficiency and stay loyal to its customers.

Responding to what investors expect and the changes after the pandemic, Loblaw is determined to make its offer stronger by putting effort into sustainability and expanding health care services, including achieving net-zero emissions by 2040 (McKinsey & Company, 2023).

Ratio analysis

While doing a business analysis, you should look into a company's business conditions, goals, financial condition, and achievements to determine what risks and rewards apply. A major advantage of ratio analysis is that it identifies useful links between different figures in different statements (Babalola & Abiola, 2013).

The analysis and numbers of various financial ratios for Loblaw Companies Limited are shown here and sorted into liquidity, leverage, turnover, profitability, and valuation. The latest results demonstrate that Loblaw Companies Limited is doing acceptably and effectively in these areas. Also, the analysis looks at things within the company and outside factors that could have played a part in these outcomes.

Table 1 gives an overview of Loblaw's important financial ratios. What is examined is data that came from the company's year-end consolidated financial statements for 2024.

Table 1

Key Financial Ratios by Category for Loblaw Companies Limited 2024

Type	Ratio	Calculation of Ratio
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		Value
Liquidity	Current Ratio	1.24
	Quick Ratio	0.70
	Cash Ratio	0.12
Leverage	Total Debt Ratio	0.72
	Debt-equity Ratio	2.63
	Leverage Ratio	3.63
	Long-term Debt Ratio	0.40
	Interest Coverage Ratio	3.75
	Cash Coverage Ratio	61.39
Turnover	Turnover Ratio	1.49
	Receivable Turnover	41.93
	Average Collection Period	8.70
	Inventory Turnover	14.73
	Average days Revenue in Inventory	55.96
Profitability	Net Profit Margin	0.035
	Gross Profit Margin	0.32
	Return on Assets (ROA)	0.053
	Return on Equity (ROE)	0.19
Valuation	P/E (Price/Earnings) Ratio	20.12
	Market-To-Book	2.10

Note: All financial ratio values in the table were calculated based on data retrieved from Loblaw Companies Limited's 2024 annual results (Loblaw Companies Limited, 2025).

The ratio values obtained are analyzed by category below:

a. Liquidity

It is used to check if the available resources can meet the company's short-term debt commitments. The company owns \$1.24 in assets that can be quickly used, for every \$1.00 of liabilities it has. Even though it is not very large, this figure is close to what is common in the fast-paced retail industry.

After subtracting inventory from current assets and looking at cash as the main source, Loblaw has \$0.70 of liquid assets for each \$1.00 of its obligations. It is less than the usually expected ratio of 1.0, and this may indicate that there may be a liquidity issue if important

obligations must be met quickly and inventory is not sold at once. Still, it is acceptable for retail businesses to set guidelines this way. You should also check Loblaw's inventory turnover and average collection period to get a better idea from the ratio.

Out of all the assets it holds, Loblaw can pay only 12% of its current liabilities with cash alone. It is normal in retail for businesses to reinvest their cash into their operations, since this is usually lower than other types of companies.

b. Leverage

Loblaw relies a lot on debt because 72% of its total assets come from loans. Even though these profits are more than 70%, having thin margins and continuous investment is normal in the retail field.

It means that Loblaw has twice as much debt compared to the money its equity investors put into the company. This points to large debts being used, which results in better results when the company does well but leaves them in danger when the economy is less stable.

Loblaw has 3.63 times as much in assets as equity, which proves that the company is using strong leverage. Borrowing for expansion supports the economy, but it makes the country vulnerable to different economic trends. When the 0.40 ratio of long-term debt is seen, it indicates that a great deal of lasting capital is provided by long-term liabilities, which can make the company more stable.

On top of that, being covered 3.75 times, Loblaw can afford its interest costs with ease and is unlikely to have trouble paying back loans they owe.

c. Turnover

The figure of 1.49 (loblaw company asset ratio) says that Loblaw generated \$1.49 in sales for every \$1 put into assets. To sum up, this signifies products are used wisely, particularly in the retail sector.

The Loblaw company managed to collect on average 42 times its account receivables in one year, as shown by the receivables turnover ratio of 41.93. A 8.70-day average collection period indicates that the company manages receivables properly and enjoys good cash flow.

Loblaw had inventory turnover of 14.73, so it stocked up its products more than 14 times in one year. This proves that there is enough emphasis on inventory management and sources are not stored for a long time. The 55.96-day average period for retailers' revenue in inventory is short, since it means stock is kept for less than two months, which matches high-volume retail.

d. Profitability

This shows that Loblaw makes a profit of 3.5 cents from every dollar it receives from sales. Even though it is not much, this margin is the norm in retail, where prices are low and sales are high.

A gross profit margin of 32% proves that much of its revenue is left over after deducting direct costs, which means the company is doing well with how it prices things and sources items.

Since Loblaw's ROA is 5.3%, it can be said that the company achieves returns slightly higher than 5 cents for each dollar of assets it invests, which indicates mediocre efficiency.

With a return on equity of 19%, shareholders have benefited a lot. But it's important to point out that using debt in their operations also helps these businesses achieve a high return.

e. Valuation

Loblaw shows confidence in its growth because the P/E ratio of 20.12 suggests that investors are willing to pay more than 20 times the company's earnings per share.

The company's market value is over twice the amount indicated by its book value. It may show that people have a good impression of the brand, trust their managers, and anticipate further growth.

f. The Du Pont Identify

The calculation for ROE made using the Du Pont identity splits the result into net profit margin, asset turnover, and financial leverage. Using this model, investors can tell if the major contributors to returns are effective workings, the way assets are managed, or the financial structure (Gupta, 2017).

The analysis of the case of Loblaw Companies and the figures in Table 1 shows the following:

$$ROE = Net Profit \times Turnover Ratio \times Leverage Ratio$$

$$ROE = 0.035 \times 1.49 \times 3.63$$

$$ROE = 0.189$$

When we multiply net profit margin (0.035), total asset turnover (1.49), and financial leverage ratio (3.63), we find that the return on equity (ROE) based on Du Pont is 18.9%. It is consistent with the profitability ratio analysis' finding, which showed a ROE of 19%. Both shapes of the ROE found in the simulations back up the usefulness of the Du Pont model and strengthen faith in the numbers in the ratio data. It is also revealed in the analysis that using leverage and efficient assets is crucial for how Loblaw achieves better financial results for its shareholders. All in all, the Du Pont framework gives a wider view of how the company's finances stand.

Peer group analysis

It is necessary for Loblaw Companies Limited to measure how its finances stack up with other leading Canadian retail chains. So, we can see how Loblaw works with strategy, finances, efficiency, and shareholder value against Metro Inc. and Empire Company Limited (Sobeys). This section points out areas where Loblaw is performing well and where problems may exist by

studying financial ratios mentioned above. Making comparisons with other industries helps bring out Loblaw's best practices and shows decision-makers where they stand in the retail sector.

1. Profitability Ratios.

Table 2

ROE Calculation for Loblaw, Metro, and Empire (Fiscal 2023–2024)

Metric (Fiscal 2023–24)	Loblaw (2024)	Metro Inc. (2024)	Empire Co. (2023)
Net Income	2,741	932	758
Total Equity	18,022	6,948	5,920
ROE Calculation	$(2,741 / 18,022) \times 100$	$(932 / 6,948) \times 100$	$(758 / 5,920) \times 100$
Result	15.21%	13.41%	12.80%

Note. Information taken from Annual report for each company from: [Metro Inc.](#), [Empire Co.](#), and [Loblaw Companies Limited](#).

Now following the results. It's important to interpret each of the ratios defined for the analysis

1.1. Return on Equity (ROE) measures what an organization earns from its shareholders' investments.

The company has a market share of 15.2%, and it is followed by Metro at 13.4% and Empire at 12.8%. Loblaw's ROE is the highest among its competitors, proving that they are good at using equity and earning income. Part of the reason is the company's large amount of debt (debt-to-equity = 0.98), which increases its returns and risk when markets are unstable (Ross et al., 2022). Metro alternates the risk and return ratio more, which makes its performance even. Empire's diversification could have influenced its performance.

Table 3

Net Profit Calculation for Loblaw, Metro, and Empire (Fiscal 2023–2024)

Metric (Fiscal 2023–24)	Loblaw (2024)	Metro Inc. (2024)	Empire Co. (2023)
Net Income	2,741	932	758

Revenue	72,084	21,200	30,200
Margin Calculation	$(2,741 / 72,084) \times 100$	$(932 / 21,200) \times 100$	$(758 / 30,200) \times 100$
Result	3.80%	4.40%	2.51%

Note. Information taken from Annual report for each company from: [Metro Inc.](#), [Empire Co.](#), and [Loblaw Companies Limited](#).

1.2. The percentage result of Net Profit Margin

In Loblaw's case, 3.8% of cards belong to them, while Metro has 4.4% and Empire's total is 2.5%. Metro outperforms other companies in profit margin, proving that it can set effective prices and cut its expenses more effectively than its peers. For many years, the company's margin has been high, but this year, it has improved because of rules and reputation problems linked to high cost of goods (Centre for Future Work, 2023). It faces the lowest margin because it still struggles to merge its businesses and gets fewer benefits from size.

Table 4

Gross Margin Calculation for Loblaw, Metro, and Empire (Fiscal 2023–2024)

Metric (Fiscal 2023–24)	Loblaw (2024)	Metro Inc. (2024)	Empire Co. (2023)
Gross Profit	21,995	4176	7550
Revenue	72,084	21,200	30,200
Calculation	$(21,995 / 72,084) \times 100$	$(4,176 / 21,200) \times 100$	$(7,550 / 30,200) \times 100$
Result	30.51%	19.70%	25.00%

Note. Information taken from Annual report for each company from : [Metro Inc.](#), [Empire Co.](#), and [Loblaw Companies Limited](#).

1.3. Gross Margin

The sales share for Loblaw is 30.5%, Metro 19.7% and Empire 25.0%.

Having a higher gross margin than its peers, Loblaw proves it has a popular brand (President's Choice, No Name) and a significant amount of private label sales. It's still possible

that you wonder about Metro, given how they choose to reduce their margin by selling their products at lower prices, which leads to more sales.

2. Liquidity Ratios

Table 5

Current Ratio Calculation for Loblaw, Metro, and Empire (Fiscal 2023–2024)

Metric (Fiscal 2023–24)	Loblaw (2024)	Metro Inc. (2024)	Empire Co. (2023)
Current Assets	8,900	4200	4600
Current Liabilities	8,091	3,500	4,120
Calculation	8,900 / 8,091	4,200 / 3,500	4,600 / 4,120
Result	1.1	1.2	1.12

Note. Financial data retrieved from the annual reports of [Metro Inc.](#), [Empire Co.](#), and [Loblaw Companies Limited](#).

2.1. Current Ratio

Loblaw got an Effort Score of 1.10, while Metro scored 1.20 and Empire's was also 1.12.

The study shows that all the companies' current ratios are between 0.9 and 1.1, suggesting that their working capital is still healthy but not too high. The company seems to be slightly more conservative about handling short-term liquidity. It may be hard for Loblaw to handle unexpected changes in its cash flow because of limited liquidity.

Table 6

Quick Ratio Calculation for Loblaw, Metro, and Empire (Fiscal 2023–2024)

Metric (Fiscal 2023–24)	Loblaw (2024)	Metro Inc. (2024)	Empire Co. (2023)
Current Assets	8,900	4200	4600
Inventory	3,080	1,150	1,280
Calculation	(8,900 - 3,080) / 8,091	(4,200 - 1,150) / 3,500	(4,600 - 1,280) / 4,120
Quick Ratio	0.72	0.87	0.81

Note. Data obtained from the annual reports of [Metro Inc.](#), [Empire Co.](#), and [Loblaw Companies Limited](#).

2.2. Quick Ratio

Loblaw has a Gini coefficient of 0.72, Metro has 0.87 and Empire has 0.81.

Loblaw relies on its inventory for cash during times when the supply gets interrupted.

The company has again claimed the first position, controlling how it uses resources and acting fast to meet demands.

3. Solvency Ratios

Table 7

Debt-to-Equity Ratio Calculation for Loblaw, Metro, and Empire (Fiscal 2023–2024)

Metric (Fiscal 2023–24)	Loblaw (2024)	Metro Inc. (2024)	Empire Co. (2023)
Liabilities	20,829	11325	13580
Equity	18,022	6,948	5,920
D/E Calculation	20,829 / 18,022	11,325 / 6,948	13,580 / 5,920
Result	1.16	1.63	2.29

Note. Financial figures are based on 2023–2024 annual reports of [Metro Inc.](#), [Empire Co.](#), and

[Loblaw Companies Limited](#).

3.1. Debt to Equity Ratio

Loblaw scores 1.16 on its ICR, Metro With a score of 1.63 and Empire ranks 2.29.

Contrary to previous ideas, Loblaw's level of debt now appears to be lower than its competitors. Because the D/E ratio is high, there is a suspicion that Empire has taken out lots of debt, and this may cause trouble if the rate of credit increases. Metro's ability to use much more debt than average shows it can handle more debt even for such a large and regional company.

Table 8

Equity Ratio Calculation for Loblaw, Metro, and Empire (Fiscal 2023–2024)

Metric (Fiscal 2023–24)	Loblaw (2024)	Metro Inc. (2024)	Empire Co. (2023)
Equity	18,022	6948	5920
Assets	38,851	18,273	24,500

Calculation	18,022 / 38,851	6,948 / 18,273	5,920 / 24,500
Result	0.46	0.38	0.24

Note. Data retrieved from annual reports of [Metro Inc.](#), [Empire Co.](#), and [Loblaw Companies Limited](#).

3.2. Equity Ratio

Of the whole food sector in Canada, Loblaw controlled 0.46, Metro owned 0.38 and Empires finished with 0.24.

The fact that Loblaw can rely more on equity than on debt helps to build stability for the company. It seems the company does not possess enough equity to maintain its operations if its revenue declines.

4. Efficiency Ratios

Table 9

Asset Turnover Calculation for Loblaw, Metro, and Empire (Fiscal 2023–2024)

Metric (Fiscal 2023–24)	Loblaw (2024)	Metro Inc. (2024)	Empire Co. (2023)
Revenue	72,084	21,200	30,200
Assets	38,851	18,273	24,500
Calculation	72,084 / 38,851	21,200 / 18,273	30,200 / 24,500
Result	1.86	1.16	1.23

Note. Data sourced from the annual reports of [Metro Inc.](#), [Empire Co.](#), and [Loblaw Companies Limited](#).

4.1. Asset Turnover

Loblaw has a ratio of 1.86, Metro's is 1.16 and Empire is at 1.23.

Loblaw has productive assets and makes \$1.85 from each \$1 it holds. It presents clever methods for handling and storing the company's fixed assets and stores. Though margins are impressive at Metro, the company could improve the way it makes use of its assets, and digital progress could assist this as well.

Table 10

Inventory Turnover Calculation for Loblaw, Metro, and Empire (Fiscal 2023–2024)

Metric (Fiscal 2023–24)	Loblaw (2024)	Metro Inc. (2024)	Empire Co. (2023)
COGS	50,089	17024	22650
Inventory	3,080	1,150	1,280
Calculation	50,089 / 3,080	17,024 / 1,150	22,650 / 1,280
Result	16.26	14.8	17.7

Note. Figures obtained from the annual reports of [Metro Inc.](#), [Empire Co.](#), and [Loblaw](#)

[Companies Limited](#).

4.2. Inventory Turnover

Loblaw lets its employees take 16.26 weeks of vacation, Metro gives 14.8, and Empire provides 17.7 weeks.

The frequent movement of inventory in empire may mean the management of the supply chain is effective. Loblaw's quick personnel changes guarantee that their products on the shelf are always new and they spend less on upkeep. Some of their goals were not met.

5. Market Valuation Ratio

Table 11

Earnings per Share (EPS) Calculation for Loblaw, Metro, and Empire (Fiscal 2023–2024)

Metric (Fiscal 2023–24)	Loblaw (2024)	Metro Inc. (2024)	Empire Co. (2023)
Net Income	2,741	932	758
Shares (M)	459	217	192
Calculation	2,741 / 458.5	932 / 216.7	758 / 191.9
EPS (CAD)	5.98	4.3	3.95

Note. EPS figures are derived from the 2023–2024 annual financial reports of [Metro Inc.](#), [Empire Co.](#), and [Loblaw Companies Limited](#).

5.1. Earnings Per Share

EPS shows how much profit is given to each share of a company's stock. The earnings per share at Loblaw are \$5.98, more than the \$4.30 at Metro and the \$3.95 at Empire.

Its higher EPS means the company is capable of rewarding its shareholders more. This is true not only because of how big it is but also its strong ability to raise prices. If Empire's EPS is lower than the industry average, it shows that the company might face difficulties or grow only slowly.

Table 12

Dividend Yield Calculation for Loblaw, Metro, and Empire (Fiscal 2023–2024)

Metric (Fiscal 2023–24)	Loblaw (2024)	Metro Inc. (2024)	Empire Co. (2023)
Dividends Paid	438	153	137
Shares (M)	459	217	192
Price	127.8	84.5	75.3
Calculation	$(438 / 458.5) / 127.80$	$(153 / 216.7) / 84.50$	$(137 / 191.9) / 75.30$
Yield (%)	0.75%	0.84%	0.95%

Note. Dividend yield data sourced from 2023–2024 annual reports of [Metro Inc.](#), [Empire Co.](#), and [Loblaw Companies Limited](#).

5.2. Dividend Yield

Loblaw owns a 0.75% part of the market; Metro accounts for 0.84%, and Empire has an 0.95% share.

Empire's interest may encourage many investors who are motivated by income and not by growth. Because Loblaw does not focused on big dividend payouts, its growth is based on investments, not on big reward yields.

Time trend analysis

The review of Loblaw Companies Limited's financial performance for 2023 and 2024 is done by using a financial trend analysis as the base year (Loblaw Companies Limited, 2024).

Key financial ratios for 2024 are compared to 2023 by using percentages, so you can easily see

which way things are headed. Here, we want to highlight the financial state of the company by examining two main ratios from each of its financial categories: liquidity, leverage, ratios for sales, earning, and its market value.

The following table provides insights into how some of the company's biggest financial ratios have changed from the year 2023 to 2024.

Table 13

Trend Analysis of Key Financial Ratios for Loblaw Companies Limited (2023–2024)

Type	Ratio	Trend Analysis		
		2024	2023	Change
Liquidity	Current Ratio	1.24	0.63	+0.61
	Quick Ratio	0.70	0.28	+0.42
Leverage	Total Debt Ratio	0.72	0.70	+0.02
	Debt-equity Ratio	2.63	2.35	+0.28
Turnover	Turnover Ratio	1.49	1.52	-0.03
	Inventory Turnover	14.73	14.48	+0.25
Profitability	Return on Assets (ROA)	0.053	0.052	0.00
	Return on Equity (ROE)	0.19	0.17	+0.02
Valuation	P/E (Price/Earnings) Ratio	20.12	18.60	+1.52
	Market-To-Book	2.10	1.75	+0.35

Note: All ratio values are based on data retrieved from Loblaw Companies Limited's 2023 and 2024 annual reports.

Loblaw's liquidity improved a lot during the year 2023, especially over 2024. Better ability to cover short-term liabilities quickly was shown, because the current ratio went from 0.63 to 1.24 and the quick ratio went from 0.28 to 0.70. They show that liquid assets are now managed better than before. At the same time, the debt-to-equity ratio climbed from 2.35 to 2.63, hinting at a greater use of debt, however, the ratio of total debt was not affected and stayed at 0.70.

Asset turnover ratio went from 1.52 to 1.49, but inventory turnover jumped from 14.48 to 14.73, meaning that inventory is getting managed well. The ROA did not move while the ROE went up from 0.17 to 0.19, which can be attributed to using financial leverage and keeping the company's operations steady.

Investors are increasingly optimistic as reflected by the valuation indicators. The company's P/E went up from 18.60 to 20.12, and the market-to-book ratio rose from 1.75 to 2.10. The gains mean that investors are giving more importance to Loblaw's stocks and growth. All in all, Loblaw's strong profit performance and progress in other key areas have made its financial outlook better and more stable.

Discussion

An analysis of Loblaw Companies Limited's finances makes it clear that being profitable is tough in an industry with little room for profits. Based on the debt-to-equity ratio, the company indicates it uses a lot of debt to finance its operations. Even though it can help get more in bad and good market situations, it can also expose investors to changes in interest rates (Ross et al., 2022). In spite of this, the company's 3.75 coverage for interest and a 19% ROE both point to good balance management by Loblaw.

Concerning liquidity is seen in the analysis of the company. The numbers for these ratios are lower than the industry standards, pointing out that a fast conversion of inventory may be critical for the company. Due to its high inventory turnover of 14.73, Loblaw demonstrates how well it can generate income.

In terms of profit and financial efficiency, Loblaw does better than Metro and Empire, however it falls behind in liquidity. The fact that Metro makes higher profits (4.4%) proves better management of costs than Empire, which shows signs of financial instability. This research highlights Loblaw's leadership and indicates there is more to be gained by carefully managing its working capital.

Results over the last few years point to advancing plans: investors trust the company more now, as shown by better liquidity and valuations. But there is a chance to make better use of assets since the asset turnover has decreased somewhat.

Through a DuPont analysis, it is shown that the returns to shareholders of Loblaw are affected by how profitable, efficient, and leveraged the company is (Corporate Finance Institute, n.d.). In order to stay strong, Loblaw needs to manage profits and also deal with more requests for openness and sustainability. Work on making your inventory smaller and depend less on

borrowing money for a short period. Making changes in digital operations and computerized logistics can enhance the use of assets and save money. All in all, companies should respond more openly to price issues, as this helps preserve their reputation and investors' faith in them.

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