

Aritzia Presents its Fiscal 2027 Strategic and Financial Plan, Powering Stronger

Net revenue of \$3.5 to \$3.8 billion in fiscal 2027, representing a 15%-17% CAGR⁽¹⁾
Adjusted EBITDA⁽²⁾ of approximately 19% of net revenue in fiscal 2027

VANCOUVER, October 27, 2022 – Aritzia Inc. (TSX: ATZ, "Aritzia" or the "Company") announced its fiscal 2027 strategic and financial plan, Powering Stronger, and will host an Investor Day today at its Support Office in Vancouver, Canada.



“Our Powering Stronger plan leverages our unique strengths to deliver our much-loved Everyday Luxury experience to new and loyal clients, as we more than double both our net revenue in the United States and our eCommerce business, propelled by growing brand awareness and new client acquisition” said Jennifer Wong, Chief Executive Officer. “We have a long runway ahead and are well-positioned on our path to getting famous in the United States, while delivering sustained, profitable growth for our shareholders.”

As part of its Powering Stronger plan, the Company intends to execute on the following three strategic levers:

- **Geographic expansion:** Aritzia will open 8 to 10 boutiques per year and expand 3 to 5 boutiques per year through fiscal 2027, resulting in annual square footage growth in the low double digits. The Company will capitalize on premier real estate for new locations, continuing to elevate its boutique design and deliver exceptional experiences for its clients.
- **eCommerce acceleration:** Having grown its eCommerce business by 150% from fiscal 2020 to fiscal 2022, the Company will further fuel its growth by delivering eCommerce 2.0, connecting clients to tailored product discovery, creative innovation, and intuitive experiences. In addition to elevating the existing web platform, Aritzia will create new digital platforms, such as a client app.
- **Increased brand awareness:** The Company plans to build and execute on its Everyday Luxury experience, propelling increased brand awareness, new client acquisition, and loyalty. Aritzia will leverage the power of influence to build a greater following and community by amplifying clients' voices and augmenting their social media presence through strategic marketing.

These strategic levers are underpinned by the Company's unique strengths that have driven its 38-year track record of success, including: high-quality, beautifully designed product; premier real estate; a proprietary retail model; a strong digital model; talented people and high-performance culture; best-in-class infrastructure; and community responsibility.

Fiscal 2027 Financial Targets

At the Investor Day, the Company will introduce a long-term financial plan for the period from the end of fiscal 2023 to the end of fiscal 2027, including:

- Net revenue of \$3.5 to \$3.8 billion in fiscal 2027, representing a 15%–17% CAGR⁽¹⁾
- Adjusted EBITDA⁽²⁾ of approximately 19% of net revenue in fiscal 2017
- EPS growth to outpace revenue growth

(1) CAGR is calculated from the Company's fiscal 2023 net revenue outlook. See also the "Outlook" section in the Second Quarter fiscal 2023 MD&A.

(2) Unless otherwise indicated, all amounts are expressed in Canadian dollars. Certain metrics, including those expressed on an adjusted or comparable basis, are non-IFRS measures. See "Non-IFRS Measures" in this news release. Adjusted EBITDA for fiscal 2022 was 19.4% of net revenue.

Key Assumptions

The foregoing financial targets are based on management's current strategies and may be considered forward-looking information under applicable securities laws. Such targets are based on estimates and assumptions made by management regarding, among other things, general economic and geopolitical conditions and the competitive environment as well as further COVID-19 resurgences. Readers are cautioned that actual results may vary. See also the "Forward-Looking Information" section of this news release and "Risk Factors" section of its MD&A and AIF.

The foregoing financial targets are based on the following key assumptions for the period from the end of fiscal 2023 to the end of fiscal 2027, among others:

- Increasing its total boutique count to approximately 150 based on accelerated growth in the United States in the amount of 8 to 10 new boutiques annually in the United States;
- Expanding 3 to 5 existing boutiques annually;
- Increasing its total retail square footage annually in the low double digits;
- eCommerce revenue in the range of \$1.5 billion to \$1.7 billion in fiscal 2027, representing approximately 45% of the Company's total net revenue;
- Net capital expenditures of approximately \$500 million from fiscal 2024 to fiscal 2027; and
- Taxation rates consistent with historical levels.

Investor Day Webcast

The investor meeting will be streamed live and can be accessed on the Company's Investor Relations website at investors.aritzia.com/events-and-presentations starting at 9am PT / 12pm ET today. A replay of the webcast and presentation slides will be available on the website following the event.

Presenting at the Investor Day will be: Jennifer Wong, Chief Executive Officer; Brian Hill, Founder and Executive Chair; Heather McLean, Executive Vice President, Product; Karen Janes, Executive Vice President, Real Estate; Rebecca Loyo Mayo, Vice President, Sustainability; and Todd Ingledew, Chief Financial Officer.

About Aritzia

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

Founded in 1984, in Vancouver, Canada, we create and curate products that are both beautiful and beautifully made, cultivate aspirational environments, offer engaging service that delights, and connect through captivating communications. We pride ourselves on providing immersive and highly personal shopping experiences at aritzia.com and in our 100+ boutiques throughout North America to everyone, everywhere.

Everyday Luxury. To Elevate Your World.™

Non-IFRS Measures

This press release makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS, 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 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. We use non-IFRS measures including "Adjusted EBITDA". These non-IFRS measures 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 measures in the evaluation of issuers. Our management also uses non-IFRS measures 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. Definitions and reconciliations of non-IFRS measures to the relevant reported measures can be found in our MD&A dated October 12, 2022 which is available of www.sedar.com and is incorporated by reference herein.

Forward-Looking Information

Certain statements made in this press release may constitute forward-looking information under applicable securities laws. Forward-looking statements are based on information currently available to management and on estimates and assumptions made by management regarding, among other things, general economic and geopolitical conditions and the competitive environment within the retail industry, in light of its experience and perceptions of historical trends, current conditions and expected future developments, as well as other factors that are believed to be appropriate and reasonable in the circumstances. These statements may relate to our ability to more than double both our net revenue and eCommerce business in the United States, our eCommerce growth globally and our ability to increase brand awareness and new client acquisition and loyalty, our geographic expansion and our fiscal 2027 financial targets, including (i) net revenue of \$3.5 billion to \$3.8 billion in fiscal 2027, representing a 15% to 17% CAGR⁽¹⁾, (ii) adjusted EBITDA⁽²⁾ of approximately 19% of net revenue in fiscal 2027 and (iii) our EPS growth outpacing revenue growth. Particularly, information regarding our expectations of future results, targets, performance achievements, prospects or opportunities is forward-looking information. As the context requires, this may include certain targets as disclosed in the prospectus for our initial public offering, which are based on the factors and assumptions, and subject to the risks, as set out therein and herein. Often but not always, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or

“does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent our expectations, estimates and projections regarding future events or circumstances.

Implicit in forward-looking statements in respect of the Company's expectations for: (i) net revenue in the range of \$3.5 billion to \$3.8 billion in fiscal 2027, representing a 15%-17% CAGR⁽¹⁾ and (ii) adjusted EBITDA⁽²⁾ of approximately 19% of net revenue in fiscal 2027 are certain current assumptions regarding the sustained strength of the retail environment, the eventual decrease in inflationary pressures, the end of the COVID-19 pandemic and related health and safety protocols and as well as an average USD:CAD exchange rate from fiscal 2023 to fiscal 2027 of 1:1.3.

Given this unprecedented period of uncertainty, there can be no assurances regarding: (a) the limitations or restrictions that may be placed on servicing our clients in reopened boutiques or potential re-closing of boutiques or the duration of any such limitations or restrictions; (b) the COVID-19-related impacts on Aritzia's business, operations, labour force, supply chain performance and growth strategies, (c) Aritzia's ability to mitigate such impacts, including ongoing measures to enhance short-term liquidity, contain costs and safeguard the business; (d) general economic conditions related to COVID-19 and impacts to consumer discretionary spending and shopping habits; (e) credit, market, currency, commodity market, inflation, interest rates, global supply chains, operational, and liquidity risks generally; (f) geopolitical events; 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, level of activity, performance or 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 the Company's annual information form dated May 5, 2022 for the fiscal year ended February 27, 2022 (the "AIF"). A copy of the AIF and the Company's other publicly filed documents can be accessed under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

The Company cautions that the list of risk factors and uncertainties described in the AIF is not exhaustive and other factors could also adversely affect its results. 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 press release represents our expectations as of the date of this press release (or as the date they are otherwise stated to be made) and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

For more information

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