

Investor Presentation

April 9, 2019





DOLLARAMA 

Cautionary statement



Forward-Looking Information

This presentation contains forward-looking information about Dollarama's results, levels of activity, performance, goals or achievements which is based on estimates and assumptions that management believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause actual results to differ materially from those expressed or implied by the forward-looking information, including the risk factors described in Dollarama's Annual Information Form dated April 13, 2018 filed with Canadian securities regulators and available on SEDAR at www.sedar.com. The forward-looking information contained in this presentation represents management's expectations as at April 9, 2019, and, accordingly, is subject to change after such date. Except as may be required by law, management has no intention and undertakes no obligation to update or revise any forward-looking information.

Market and Industry Data

This presentation contains market and industry data sourced from a combination of internal company surveys and third party websites. While management believes those sources are reliable, we have not verified them, nor have they been verified by any independent sources, and we have no assurance that the information contained in third party websites is current and up-to-date. Unless otherwise indicated, the data contained in this presentation is stated as at April 9, 2019.

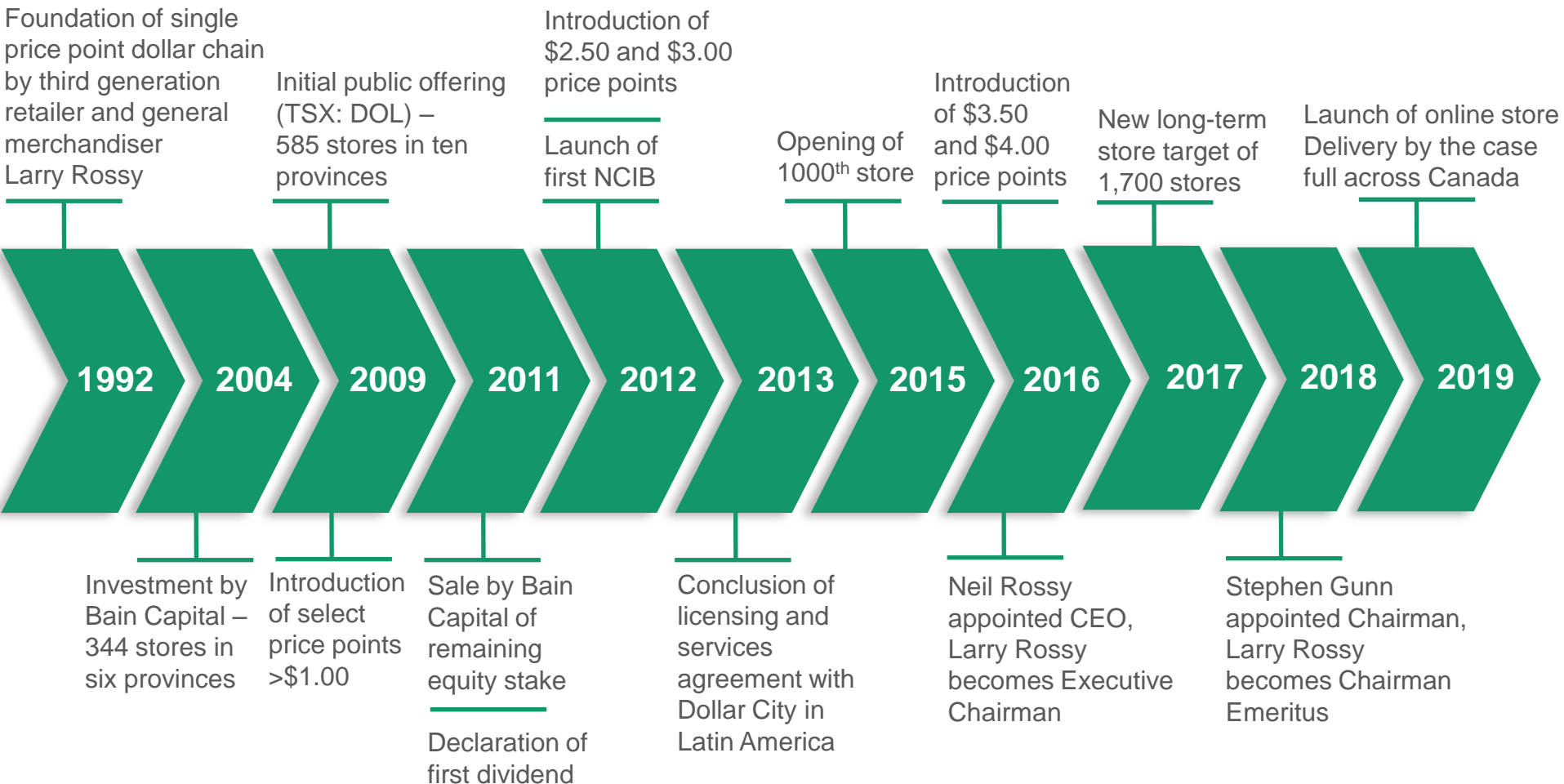
Non-GAAP Measures

This presentation refers 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 March 28, 2019 for a reconciliation of those non-GAAP measures to the most directly comparable GAAP measures.

Overview



Dollarama through the years



Dollarama today



Largest and only national dollar store chain in Canada

- 1,225 corporate-owned and operated stores
- Avg. of 10,217 sq. ft. per store
- Avg. store annual sales of \$2.9 million

Strong value proposition at select fixed price points up to \$4⁽¹⁾

- Broad assortment of everyday goods
- ~50% of merchandise sourced directly
- ~70% of sales from products priced above \$1.25⁽²⁾

Robust financial performance

- LTM⁽²⁾ sales: \$3.55B
- LTM⁽²⁾ EBITDA: \$884M (24.9% of sales)

(1) \$3.50 and \$4.00 price points introduced on August 1st, 2016 (first day of Q3-FY17)

(2) For the fiscal year ended February 3rd, 2019



A simple, growth-oriented business model



We build

on our growing store network and our low-cost direct sourcing platform

We focus

on delivering compelling value to our customers

We solidify

our brand reputation and deliver superior financial results

Backed by seasoned team and disciplined execution

Competitive Advantages



Direct sourcing expertise



Longstanding relationships with low-cost supplier network:

- Overseas direct sourcing program initiated in 1992
- Well-diversified base of established suppliers
- ~50% merchandise sourced directly from over 25 countries (primarily China)



Benefits of direct sourcing:

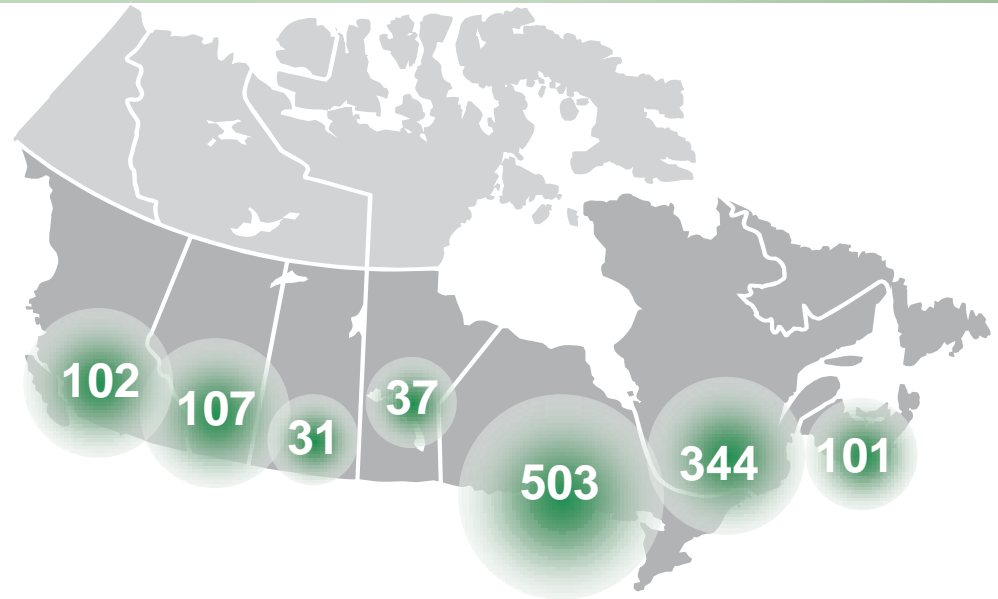
- Creates different, more compelling product selection
- Reduces costs associated with intermediaries
- Increases bargaining power with suppliers
- Provides cost flexibility to help control inflation and currency fluctuations



Large network with over 1,200 stores

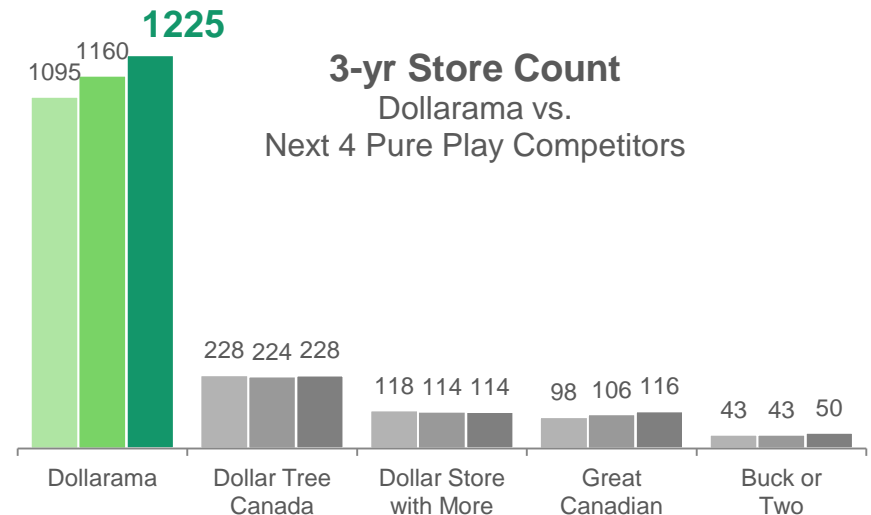


Only dollar store chain with a significant presence in **all ten provinces**



2.4x more stores than 4 largest pure play competitors combined


5.4x larger than next largest pure play competitor



Source: company reports and websites

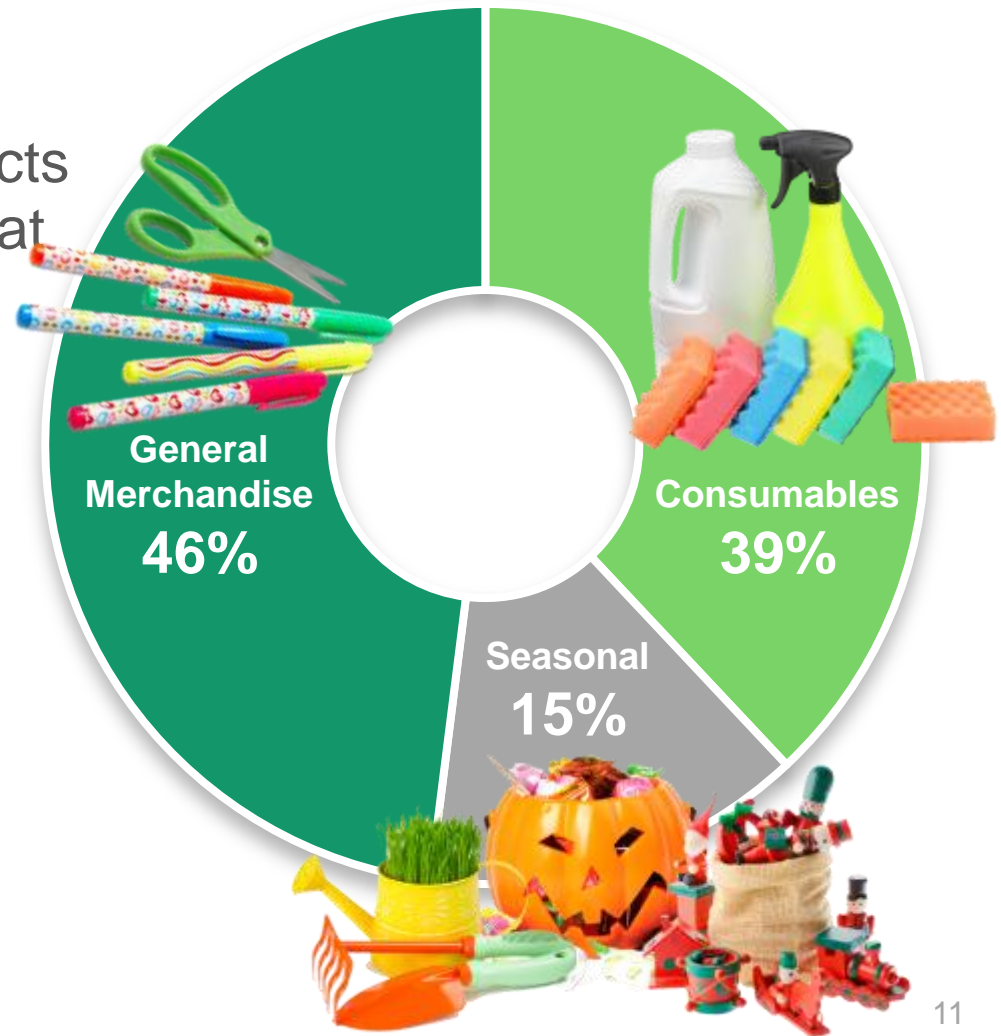
Compelling product offering



 Broad assortment of products across 20+ departments at compelling value

 Mix of store brands and name brands


 Multiple fixed price points





Strong brand awareness and broad customer appeal



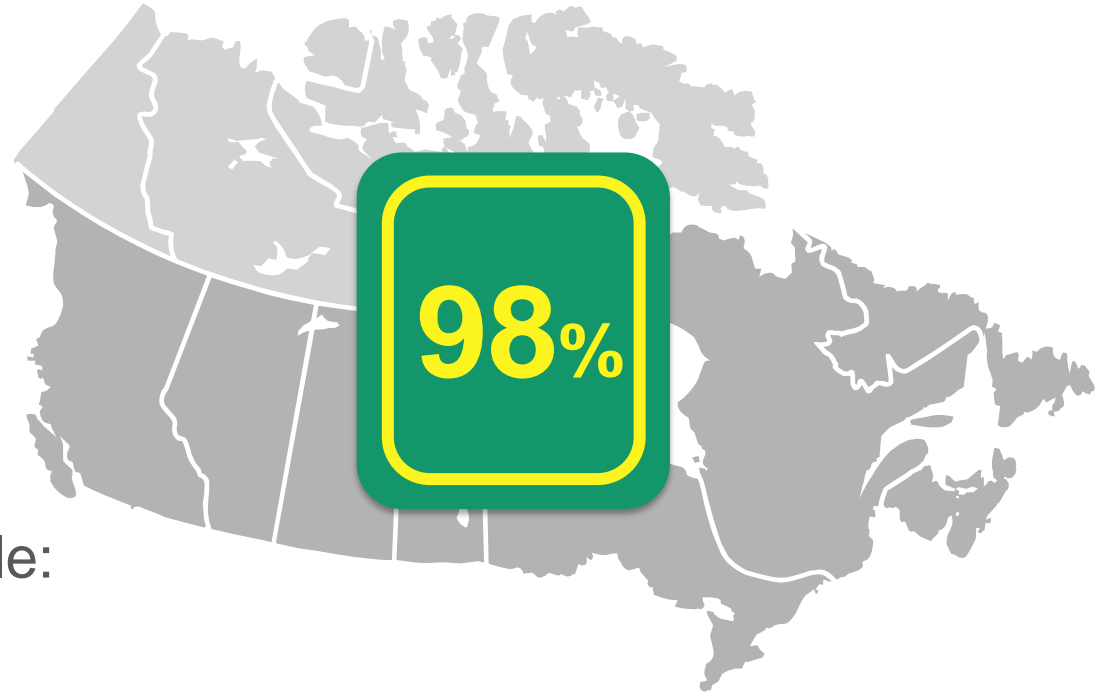
 Our value proposition is the key differentiator

 Brand awareness across Canada is at 98%

 We appeal to all demographics and income ranges



 Typical consumer profile:

- Female
- 25-54 years of age
- Annual income of \$20k-\$80k



Offering convenience and value



-  Strong brand recognition and reputation for delivering value
-  Unrivalled presence across Canada in convenient locations
-  Destination store appealing to broad customer base
-  Consistent in-store shopping experience



Operational Strategies



Strategies for driving growth and creating value



Grow store network in Canada
a disciplined manner



Leverage strengths to stimulate sales



Maintain low-cost operating
model



Significant potential for additional growth



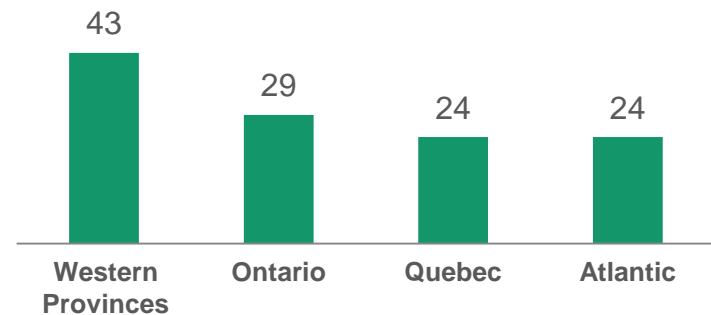
Average of **66 net new stores** per year over last 10 fiscal years

Eastern Canadian market **not saturated**

Dollarama **underpenetrated** in Ontario and Western Canada

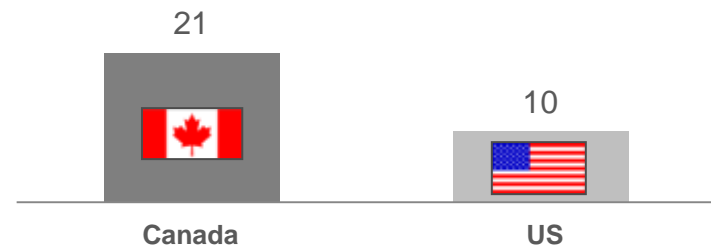
Canadian market **underpenetrated** relative to US dollar store segment
(subject to notable differences in business models)

Thousands of People per Dollarama Store



Source: Statistics Canada; Q4-FY19 store count

Thousands of People per Dollar Store



Canada: Dollarama, Buck or Two, Dollar Store with More, Dollar Tree Canada, Great Canadian
US: Dollar General, Dollar Tree, Family Dollar, Fred's, 99c only 16
Source: Census data and company websites

Disciplined approach to growth



Efficient capital model

- \$650K in leasehold improvement, fixtures and inventory



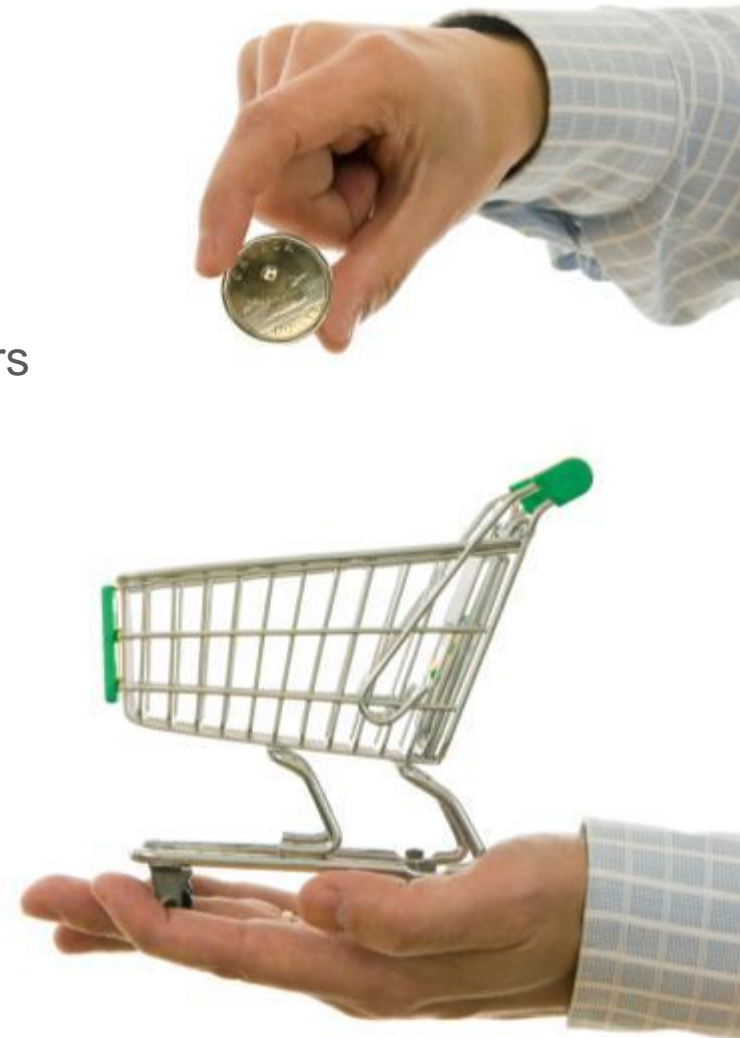
Quick sales ramp-up

- Average sales ramp-up to \$2.3M within 2 years
- Rapid payback of about 2 years



Low maintenance capex

Strong **profitability**,
low capital intensity
and **high ROI**



Leverage strengths to stimulate sales



Effective and flexible merchandising

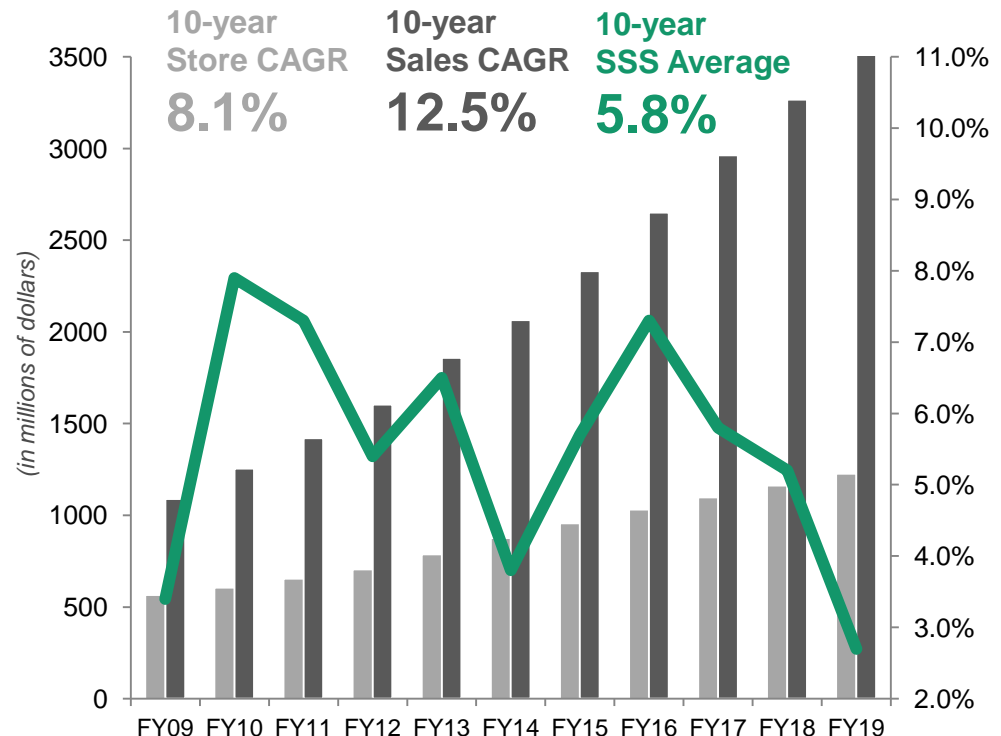
- Refresh 25-30% of merchandise every year
- Zonogram by department (vs. fixed planogram)
- No loss leaders



Multiple fixed price points

- Introduction of new price points in 2009, 2012 & 2016
- \$3.50 & \$4.00 price points introduced on August 1st, 2016 (first day of Q3-FY17)

Industry leading same-store sales



Maintain low-cost operating model



Continuous in-store productivity improvements

- POS systems
- Kronos advanced scheduling
- NCR point of sale terminals
- WIFI and mobile-driven projects

Efficient supply chain

- DC, warehouse and transportation logistics

Lean overhead operations



Robust financial performance



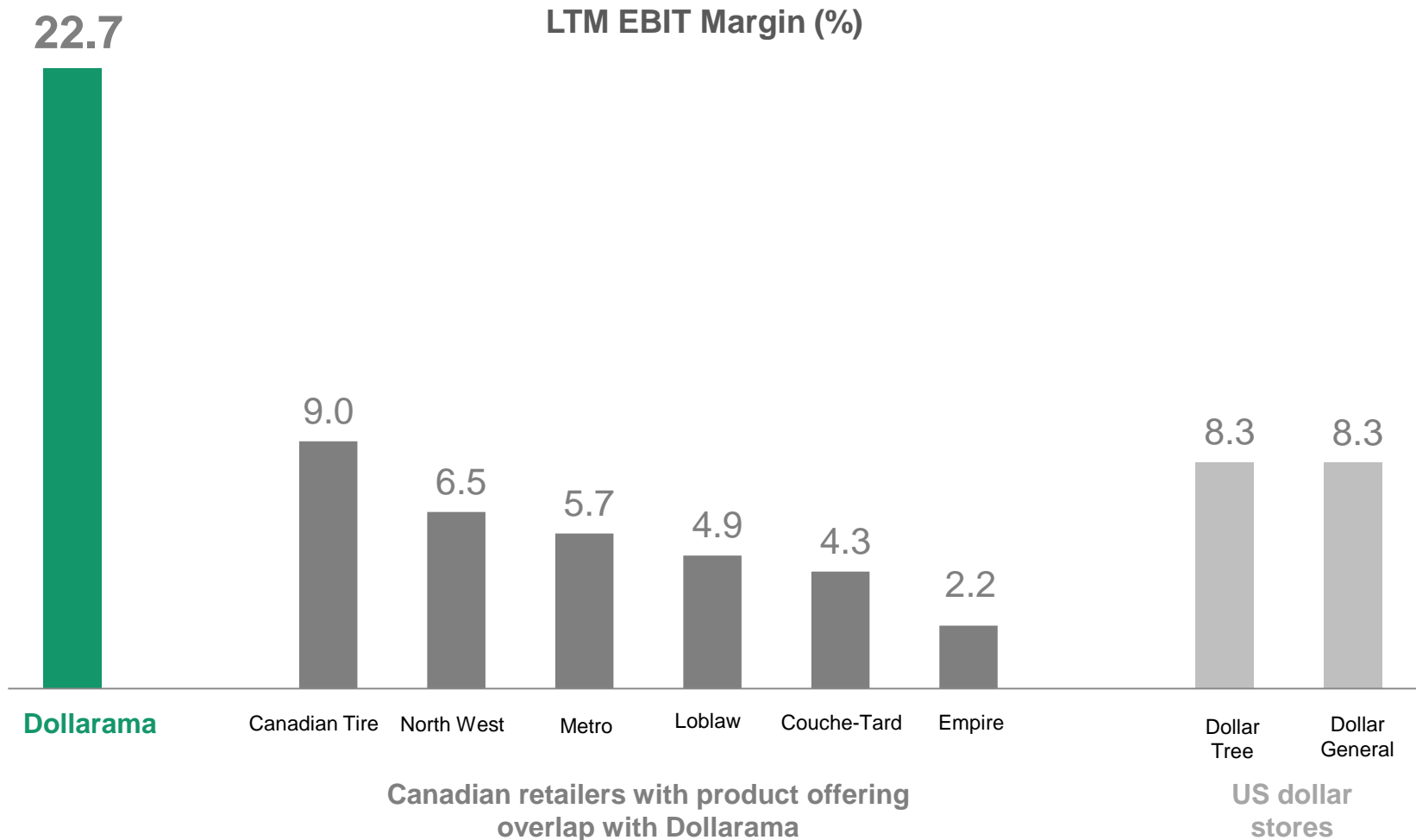
(in millions of dollars, except per share amounts)	FOURTH QUARTER ENDED				Y-O-Y	FISCAL YEAR ENDED				Y-O-Y
	FEB. 3, 2019 ⁽¹⁾		JAN. 28, 2018		GROWTH	FEB. 3, 2019 ⁽¹⁾		JAN. 28, 2018		GROWTH
Sales	\$1,060	% OF SALES	\$938	% OF SALES	13.0%	\$3,549	% OF SALES	\$3,266	% OF SALES	8.6%
Gross Margin	\$428	40.4%	\$389	41.4%	10.2%	\$1,393	39.3%	\$1,301	39.8%	7.1%
SG&A	\$155	14.6%	\$135	14.4%	14.9%	\$509	14.4%	\$475	14.5%	7.3%
EBITDA	\$273	25.8%	\$254	27.1%	7.6%	\$884	24.9%	\$826	25.3%	7.0%
Operating Income	\$251	23.7%	\$235	25.1%	6.9%	\$804	22.7%	\$756	23.1%	6.5%
Net Earnings	\$172	16.2%	\$163	17.4%	5.6%	\$549	15.5%	\$519	15.9%	5.7%
EPS	\$0.54		\$0.48		12.5%	\$1.67		\$1.52		9.9%
Adj. Debt / LTM EBITDAR⁽²⁾	2.85x		2.75x			2.85x		2.75x		

(1) The fiscal year ended on Feb. 3, 2019 included 53 weeks (Jan. 28, 2018: 52 weeks) and this additional week was accounted for during the fourth quarter (14 vs. 13 weeks)

(2) (Total debt + 6x LTM rent* expenses) / (LTM EBITDA + 1x LTM rent expenses)

*Rent includes basic rent and contingent rent, as reported in the notes to the financial statements

Balanced approach to operating margin



Source: Bloomberg, Walmart Canada figures not available

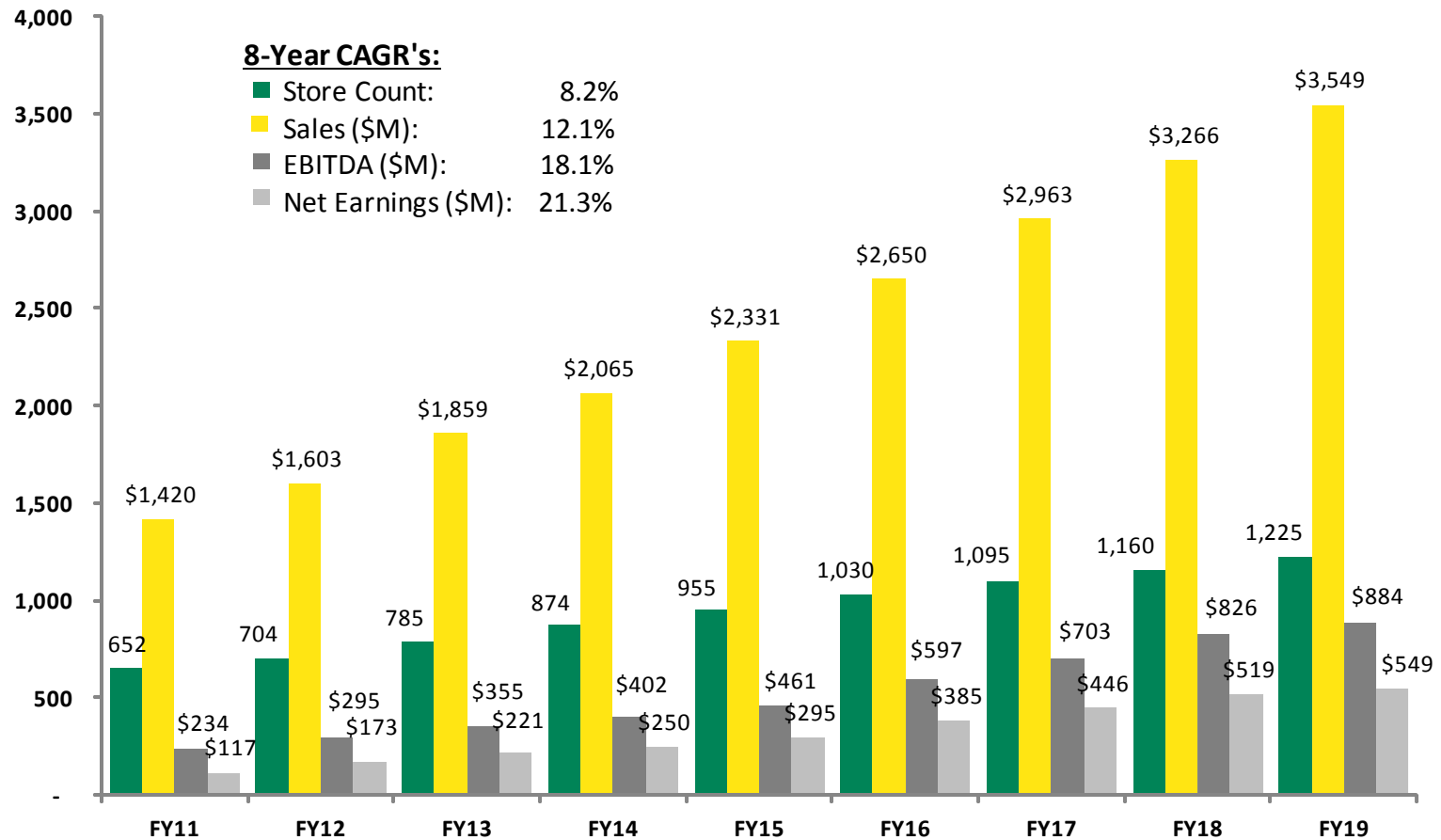
Strong organic growth with low capital requirements



Source: Bloomberg, Walmart Canada figures not available

(1) $(EBITDA - CAPEX) / EBITDA$

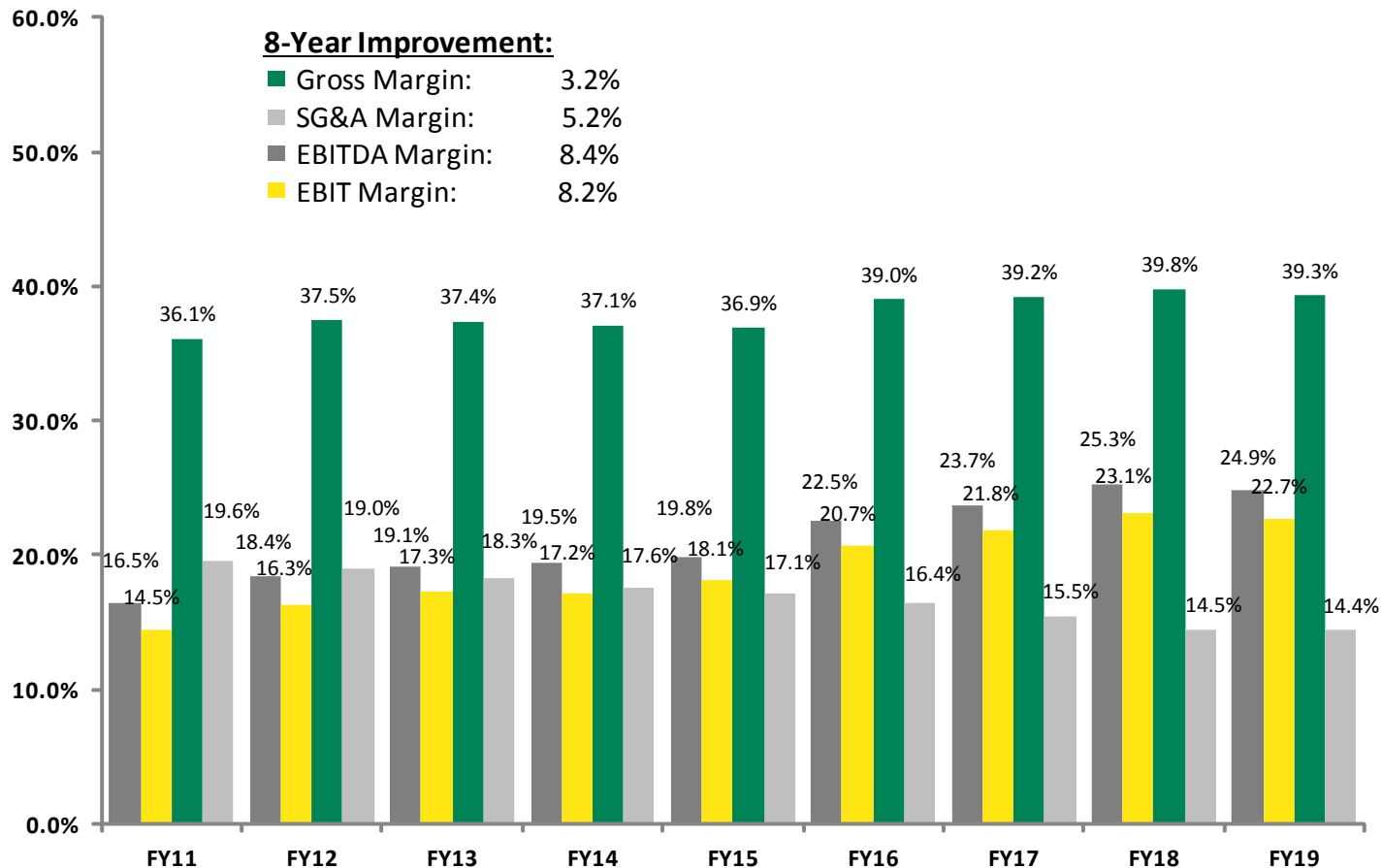
Strong key metrics growth since IPO



Continuous margin improvement since IPO







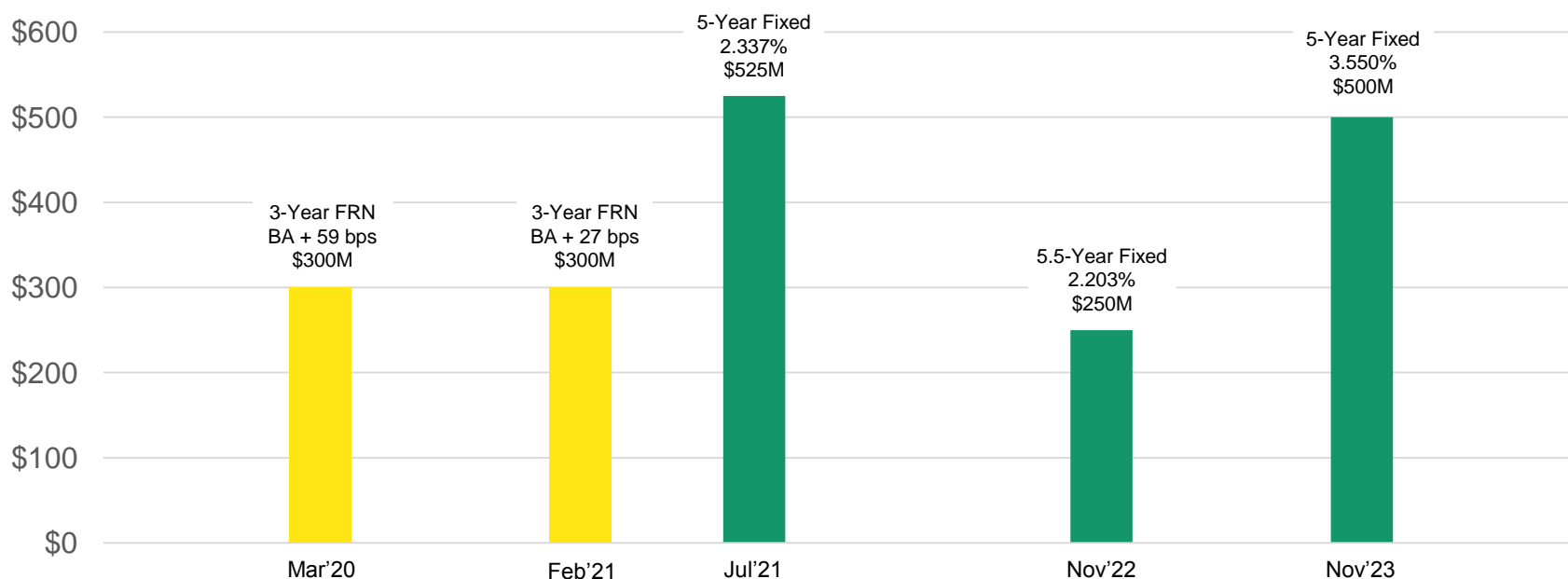
Cost structure, with 80-85% of operating costs being variable, allows for scaling benefits arising from top line growth



Balanced debt structure



-  **67%** fixed rate debt, **33%** floating rate debt⁽¹⁾
-  **\$525M** available liquidity (\$50M cash + \$475M undrawn credit facility) ^(1,2)
-  **2.74%** weighted average cost of debt⁽¹⁾
-  **2.9** years weighted average time to maturity⁽¹⁾



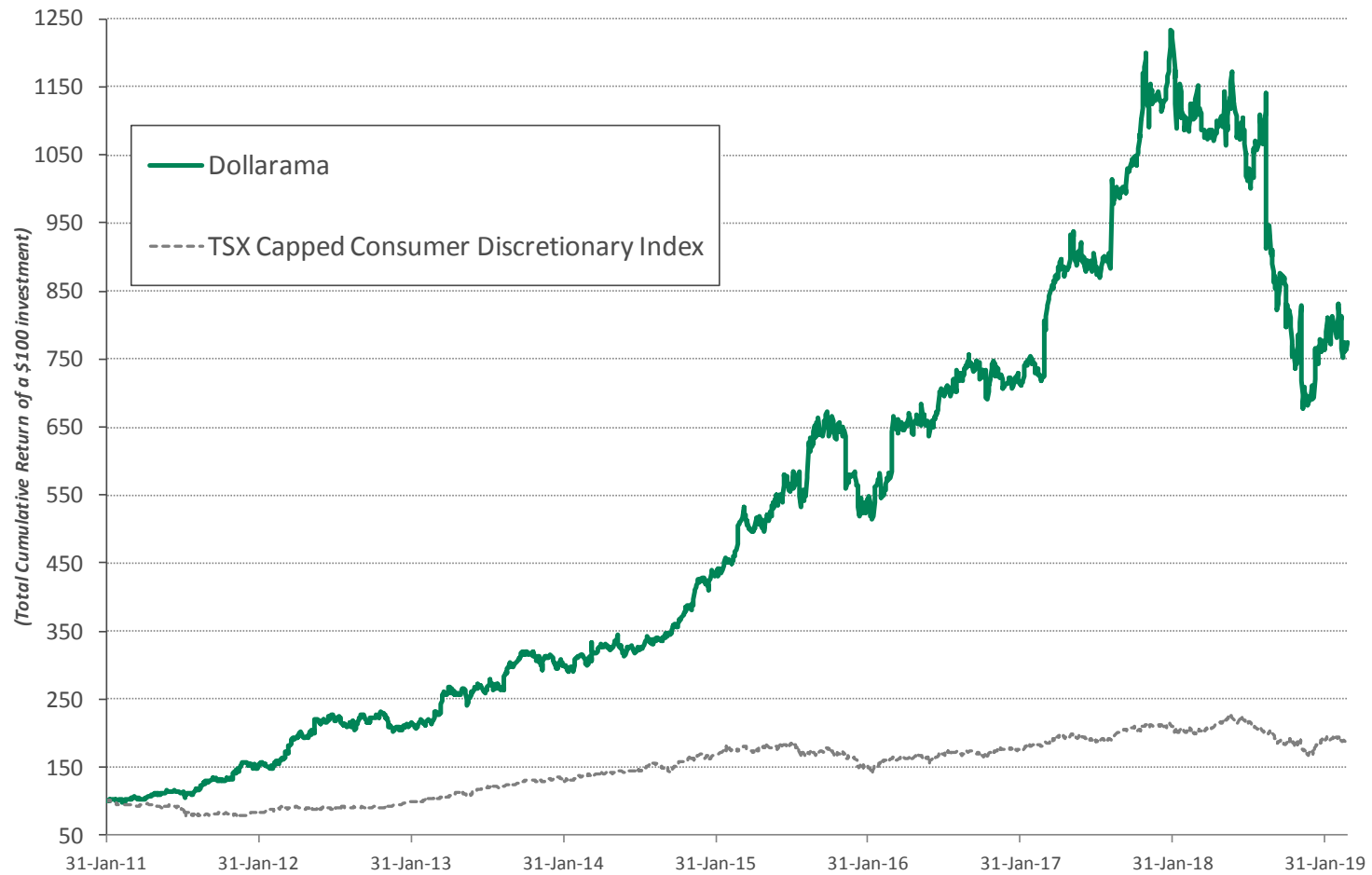
(1) As at the end of Q4-FY19

(2) Excludes letters of credit and letters of guarantee (\$5.6M combined)

Total shareholder return





Performance Graph Since January 31, 2011



Priorities



-  Open 60-70 stores in FY20 and then reach 1,700 stores by 2027
-  Sustain attractive same-store sales growth
-  Maintain balanced operating margins
-  Maximize shareholder value

Maintain and enhance our simple, growth-oriented business model



Thank you



A seasoned board and management team



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Corporate Director

Joshua Bekenstein

Managing Director
Bain Capital Partners

Gregory David

CEO
GRI Capital

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