



Saputo

Fiscal Year 2023 Third Quarter Results

February 10, 2023

Caution Regarding Forward-Looking Information

This presentation and accompanying oral presentation contain statements which are forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to our objectives, outlook, business projects, strategies, beliefs, expectations, targets, commitments, goals, ambitions and strategic plans including our ability to achieve these targets, commitments, goals, ambitions and strategic plans, and statements other than historical facts. The words “may”, “could”, “should”, “will”, “would”, “believe”, “plan”, “expect”, “intend”, “anticipate”, “estimate”, “foresee”, “objective”, “continue”, “propose”, “aim”, “commit”, “assume”, “forecast”, “predict”, “seek”, “project”, “potential”, “goal”, “target”, or “pledge”, or the negative of these terms or variations of them, the use of conditional or future tense or words and expressions of similar nature, are intended to identify forward-looking statements. All statements other than statements of historical fact included in this presentation and accompanying oral presentation may constitute forward-looking statements within the meaning of applicable securities laws.

By their nature, forward-looking statements are subject to a number of inherent risks and uncertainties. Actual results could differ materially from those stated, implied, or projected in such forward-looking statements. As a result, we cannot guarantee that any forward-looking statements will materialize, and we warn readers that these forward-looking statements are not statements of historical fact or guarantees of future performance in any way. Assumptions, expectations, and estimates made in the preparation of forward-looking statements and risks and uncertainties that could cause actual results to differ materially from current expectations are discussed in our materials filed with the Canadian securities regulatory authorities from time to time, including the “Risks and Uncertainties” section of the Management’s Discussion and Analysis dated June 9, 2022, available on SEDAR under Saputo’s profile at www.sedar.com.

Such risks and uncertainties include the following: product liability; the COVID-19 pandemic and related ongoing impacts; the availability of raw materials (including as a result of climate change, extreme weather, or global or local supply chain disruptions caused by the COVID-19 pandemic, geopolitical developments, military conflicts and trade sanctions) and related price variations, along with our ability to transfer those increases, if any, to our customers in competitive market conditions; supply chain strain and supplier concentration; the price fluctuation of our products in the countries in which we operate, as well as in international markets, which are based on supply and demand levels for dairy products; our ability to identify, attract, and retain qualified individuals; cyber threats and other information technology-related risks relating to business disruptions, confidentiality, data integrity business and email compromise-related fraud; the increased competitive environment in our industry; consolidation of clientele; unanticipated business disruption; changes in consumer trends; changes in environmental laws and regulations; the potential effects of climate change; increased focus on environmental sustainability matters; the failure to execute our Global Strategic Plan as expected or to adequately integrate acquired businesses in a timely and efficient manner; the failure to complete capital expenditures as planned; changes in interest rates and access to capital and credit markets.

Forward-looking statements are based on Management’s current estimates, expectations and assumptions regarding, among other things; the projected revenues and expenses; the economic, industry, competitive, and regulatory environments in which we operate or which could affect our activities; our ability to identify, attract, and retain qualified and diverse individuals; our ability to reach our staffing level targets; our ability to attract and retain customers and consumers; our environmental performance; the results of our sustainability efforts; the effectiveness of our environmental and sustainability initiatives; the availability and cost of milk and other raw materials and energy supplies; our operating costs; the pricing of our finished products on the various markets in which we carry on business; the successful execution of our Global Strategic Plan; our ability to deploy capital expenditure projects as planned; reliance on third parties; our ability to gain efficiencies and cost optimization from strategic initiatives; our ability to correctly predict, identify, and interpret changes in consumer preferences and demand, to offer new products to meet those changes, and to respond to competitive innovation; our ability to leverage our brand value; our ability to drive revenue growth in our key product categories or platforms or add products that are in faster-growing and more profitable categories; the contribution of recent acquisitions; the anticipated market supply and demand levels for our products; the anticipated warehousing, logistics, and transportation costs; our effective income tax rate; the exchange rate of the Canadian dollar to the currencies of cheese and dairy ingredients. Our ability to achieve our environmental targets, commitments, and goals is further subject to, among others, our ability to access and implement all technology necessary to achieve our targets, commitments, and goals, as well as the development and performance of technology, innovation and the future use and deployment of technology and associated expected future results, and environmental regulation. Our ability to achieve our 2025 Supply Chain Pledges is further subject to, among others, our ability to leverage our supplier relationships.

Management believes that these estimates, expectations, and assumptions are reasonable as of the date hereof, and are inherently subject to significant business, economic, competitive, and other uncertainties and contingencies regarding future events, and are accordingly subject to changes after such date. Forward-looking statements are intended to provide shareholders with information regarding Saputo, including our assessment of future financial plans, and may not be appropriate for other purposes. Undue importance should not be placed on forward-looking statements, and the information contained in such forward-looking statements should not be relied upon as of any other date.

All forward-looking statements included herein speak only as of the date hereof or as of the specific date of such forward-looking statements. Except as required under applicable securities legislation, Saputo does not undertake to update or revise forward-looking statements, whether written or verbal, that may be made from time to time by itself or on our behalf, whether as a result of new information, future events, or otherwise. All forward-looking statements contained herein are expressly qualified by this cautionary statement.

Q3-FY23 Highlights

- Significant year-over-year improvement in the USA Sector while the Canada Sector and International Sector continued to deliver solid results
- Revenue increased versus the prior year due to inflation-driven pricing initiatives, higher commodity prices, international cheese and dairy ingredients prices, and improvements in our ability to supply ongoing demand
- Good progress on margin recovery with notable improvements in the USA Sector
- Strong global demand for cheese and dairy products
- Continued focus on improving staffing levels, particularly in the USA Sector, in order to better supply market demand
- Moving ahead with implementation of Global Strategic Plan roadmap with several capital investment and consolidation initiatives recently announced in the USA Sector

RECENT ANNOUNCEMENTS

Global Strategic Plan

- Announced further consolidation initiatives intended to further streamline and enhance our manufacturing footprint in the USA Sector:
 - Construction of a new, state-of-the-art cut-and-wrap facility in Franklin, Wisconsin, creating 600 jobs
 - Expansion of string cheese operations on the West Coast of the USA
 - Permanent closure of our Big Stone, South Dakota, Green Bay, Wisconsin, and South Gate, California, facilities
- Investment of \$240 million for the construction of new cut-and-wrap facility and intention to invest \$75 million to expand string cheese activities
- Capital investments and consolidation initiatives are expected to yield financial benefits beginning in Q4 fiscal 2024 and contribute to their full potential of approximately \$74 million annually by the end of fiscal 2027

Q3-FY23 Consolidated Results

For the quarter ended December 31, 2022

(in millions of CDN dollars)

REVENUES
\$4.587B

ADJUSTED EBITDA¹
\$445M

NET EARNINGS
\$179M

ADJUSTED NET EARNINGS¹
\$221M

FINANCIAL HIGHLIGHTS

Increased adjusted EBITDA¹ in all our sectors was led by significant improvement in the USA Sector and continued solid performances in the Canada Sector and International Sector

Increased revenues reflected:

- Pricing initiatives implemented in all our sectors
- Higher average block market price² and higher average butter market price² in the USA Sector
- Higher international cheese and dairy ingredient market prices

Ongoing inflationary pressures on input costs and commodity market volatility were successfully mitigated by pricing initiatives

Higher year-over-year adjusted EBITDA¹ driven by previously announced pricing initiatives to mitigate higher input costs and the favourable impact from the relation between international cheese and dairy ingredient market prices and the cost of milk as raw material

Benefits from our cost containment measures aimed at minimizing the effect of inflation and our efforts to prioritize efficiency and productivity initiatives

USA Market Factors² continued to put pressure on adjusted EBITDA¹, although to a lesser degree than in previous quarters

Net cash generated from operating activities of \$134 million dollars, compared to \$107 million in the same quarter last year; Year-to-date net cash generated from operating activities of \$604 million dollars

The Board of Directors approved a dividend of \$0.18 per share payable on March 17, 2023, to shareholders of record on March 7, 2023

¹Adjusted EBITDA is a total of segments measure and adjusted net earnings is a non-GAAP financial measure. These financial measures do not have any standardized meaning under International Financial Reporting Standards (IFRS). Therefore, they are unlikely to be comparable to similar measures presented by other issuers. Refer to the "Non-GAAP Measures" of our Management's Discussion and Analysis for the quarter ended December 31, 2022, which is incorporated by reference herein, for more information, including the definition and composition of these measures as well as the reconciliation to net earnings, being the most directly comparable IFRS financial measure.

² Refer to the "Glossary" section of the Management's Discussion and Analysis for the quarter ended December 31, 2022.

Q3-FY23 HIGHLIGHTS BY SECTOR

Canada Sector

For the quarter ended December 31, 2022



<i>(in millions of CDN dollars)</i>	Q3-FY23	vs. Q2-FY23	vs. Q3-FY22
Revenues	\$1,213	2%	9%
Adjusted EBITDA	\$149	\$13	\$28
Adjusted EBITDA margin	12.3%		

- Solid year-over-year results despite challenging market conditions relative to labour and inflation
- Pricing initiatives undertaken were sufficient to mitigate inflationary pressures on our input costs
- Benefited from continuous improvement programs aimed at increasing efficiencies
- Product mix continued to have a favourable impact with increased cheese sales volumes
- Continued to benefit from SG&A cost containment measures aimed at minimizing the effect of inflation



Q3-FY23 HIGHLIGHTS BY SECTOR

USA Sector

For the quarter ended December 31, 2022



(in millions of CDN dollars)	Q3-FY23	vs. Q2-FY23	vs. Q3-FY22
Revenues	\$2,172	5%	34%
Adjusted EBITDA	\$146	\$44	\$63
Adjusted EBITDA margin	6.7%		

- Benefits from previously announced pricing initiatives to mitigate higher input costs
- USA Market Factors¹ resulted in a negative net impact of \$6M versus the same quarter last fiscal year
- Labour shortages in some of our facilities and supply chain disruptions put pressure on our ability to supply ongoing demand, however, continued improvements, which began during the second quarter, contributed to higher sales volumes

Q3-FY23 HIGHLIGHTS BY SECTOR

International Sector



For the quarter ended December 31, 2022

(in millions of CDN dollars)	Q3-FY23	vs. Q2-FY23	vs. Q3-FY22
Revenues	\$917	7%	↔
Adjusted EBITDA	\$111	\$14	\$26
Adjusted EBITDA margin	12.1%		

- Favourable relation between international cheese and dairy ingredient market prices and the cost of milk as raw material
- Reduced milk availability in Australia negatively impacted export sales volumes as well as efficiencies and the absorption of fixed costs in the Dairy Division (Australia)



Q3-FY23 HIGHLIGHTS BY SECTOR

Europe Sector

For the quarter ended December 31, 2022



<i>(in millions of CDN dollars)</i>	Q3-FY23	vs. Q2-FY23	vs. Q3-FY22
Revenues	\$285	27%	17%
Adjusted EBITDA	\$39	\$5	\$6
Adjusted EBITDA margin	13.7%		

- Pricing initiatives mitigated higher cost of milk as raw material and other input cost increases in line with inflation and increased commodity and energy costs
- Higher international dairy ingredient market prices had a positive impact
- Product mix was unfavourable due to the decreases in retail market segment sales volumes

FY23 Outlook

We anticipate that input and logistics costs will remain at elevated levels, but we expect strong pricing contribution across all sectors in line with price increases

Labour availability improvements, along with fewer supply chain constraints and the acceleration of our productivity and operational improvement projects, are expected to further enhance our ability to service customers and return to historical order fill rate levels, particularly in the USA Sector

We expect the Europe Sector to continue to be negatively impacted by the volatility in energy costs resulting from the European energy crisis

We expect to continue to benefit from cost containment measures aimed at minimizing the effect of inflation and our efforts to prioritize efficiency and productivity initiatives

We expect that the impact of pricing elasticity will continue to increase moderately in the remainder of the fiscal year and into the beginning of fiscal 2024

We anticipate the retail market segment to remain strong as at-home food spending should remain elevated, while the foodservice market segment is expected to remain competitive, particularly in the USA Sector

USA Market Factors¹ have been trending favourably although they are expected to remain volatile

International cheese and dairy ingredient markets have recently moderated, but we expect them to remain volatile in nature

Meaningful recovery in earnings expected in FY23

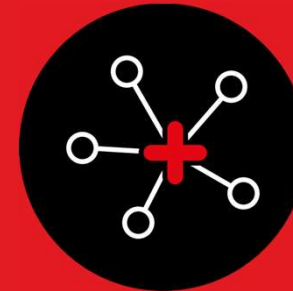
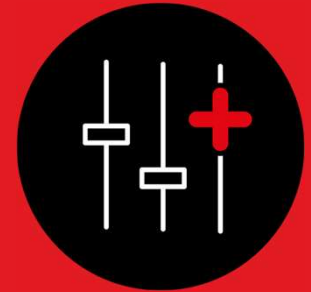
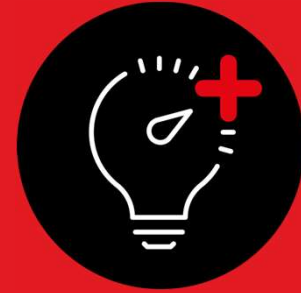
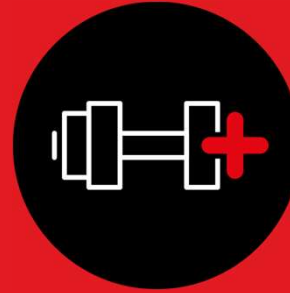
¹ Refer to the "Glossary" section of the Management's Discussion and Analysis for the quarter ended December 31, 2022.



Saputo

Fourth Quarter and Fiscal Year 2023 Results
June 8, 2023

Appendix



Quarterly Financial Information by Sector

Fiscal years <i>(in millions of CDN dollars)</i>	2023				2022			2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues								
Canada	1,213	1,185	1,142	1,055	1,112	1,081	1,033	1,001
USA	2,172	2,062	2,043	1,743	1,627	1,533	1,506	1,399
International	917	989	916	922	919	858	754	827
Europe	285	225	226	237	243	217	195	211
Total Revenue	4,587	4,461	4,327	3,957	3,901	3,689	3,488	3,438
Net Earnings (Consolidated)	179	145	139	37	86	98	53	103
Adjusted EBITDA								
Canada	149	136	132	117	121	124	113	108
USA	146	102	97	42	83	67	96	93
International	111	97	82	62	85	56	45	62
Europe	39	34	36	39	33	36	36	40
Total Adjusted EBITDA¹	445	369	347	260	322	283	290	303

Investor Relations

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