



Premium Brands

First Quarter 2022 Conference Call

May 6, 2022

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Forward looking statements are based on a number of key expectations and assumptions made by the Company, including, without limitation the expectations and assumptions outlined in the Company's Management's Discussion and Analysis ("MD&A") for the 13 and 52 weeks ended December 25, 2021, a copy of which is filed electronically through SEDAR and is available online at www.sedar.com. Although the forward looking statements contained in this presentation are based on what the Company's management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements.

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Today's Presenters

- **George Paleologou**
President & Chief Executive Officer
- **Will Kalutycz**
Chief Financial Officer

Key Messages

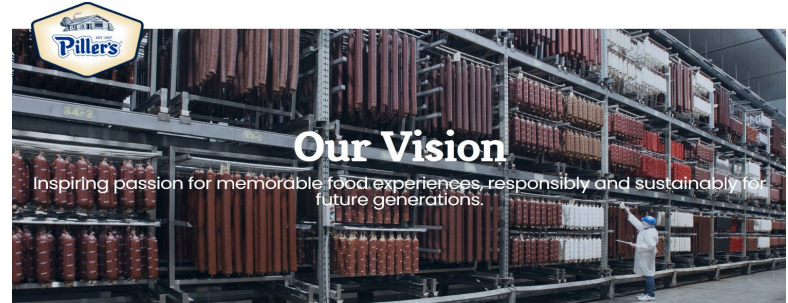
- Record first quarter results despite ongoing headwinds
 - Sales up 23.9%
 - Adjusted EBITDA up 16.1%
 - Adjusted EPS up 22.2%
- Selling price increases of \$122.6 million in the quarter – \$138.8 million on a full quarter basis with still more to come
- Clearwater continues to perform well ahead of plan
 - Sales up 28.9%
 - Adjusted EBITDA up 25.9%
- Acquisition activity remains especially robust with four transactions closed during the quarter
- Well positioned to reach 2023 annual sales and adjusted EBITDA goals of \$6 billion and \$600 million ahead of plan

Piller's Brantford, ON Facility

OVERVIEW

- Piller's Brantford, ON production facility is one of its three operating facilities. It produces a variety of meat snack products, including meat sticks, Salami Whips and snack cups, all under the Piller's brand name
- The facility is 127,000 sf including a recent \$19.1 million 27,000 sf expansion that is expected to be completed in Q1-2022 and uses state-of-the-art drying room, autoloading, packaging and water conservation technologies
- The plant is SQF and CFIA certified. It is also Halal and gluten-free certified

FACILITY



Hempler's Ferndale, WA Facility

OVERVIEW

- The Hempler's facility is one of the Specialty Food platform's 42 operating facilities. It produces bacon, smoked sausages, hams and meat sticks, all under the Hempler's brand name and is SQF certified.
- The facility is 52,000 sf and is currently undergoing an expansion that will result in a 159,000 sf enhanced facility. The project is expected to be complete in Q2-2023 with increased capacity, greener technologies and additional manufacturing capabilities.

FACILITY



Concord Saint-Eustache, QC Facility

OVERVIEW

- Concord's 75,000 sf Saint-Eustache, QC facility produces fully cooked fire grilled and marinated skewers and has state-of-the-art slicing and shredding capabilities.
- The manufacturing and cold storage facility has a 20 million pound annual production capacity. It is both federally inspected and SQF certified.

FACILITY



Expresco Montreal, QC Facility

OVERVIEW

- Expresco Foods is a manufacturer of fully cooked grilled protein products, frozen and fresh, for foodservice, retail and deli throughout North America
- The 75,000 sf facility has integrated logistics and warehousing that offers capacity, flexibility and efficiency. It is SQF, CFIA, USDA, USDA Organic and Canada Organic certified. It also holds Halal (ISWA) certification.

FACILITY



SK Food Group's Phoenix, AZ Facility

OVERVIEW

- SK Food Group's Phoenix, AZ production facility is one of the Sandwich platform's 8 operating facilities. It produces a variety of frozen sandwiches and wraps
- The facility is 213,000 sf and uses state-of-the-art assembly and packaging technologies including a proprietary fully automated assembly lines. It is SQF, USDA and CFIA certified
- In June 2021 the Phoenix plant was the Sandwich platform's first facility to produce 1 million sandwiches in a single day

FACILITY



C&C / Frandon Montreal, QC Facility

OVERVIEW

- The C&C / Frandon shared facility is one of the Distribution platform's 27 operating facilities. It processes and distributes a variety of protein and seafood products for the Quebec, and to a lesser extent, the Ontario markets
- The facility is 133,000 sf and is SQF and CFIA certified. It also includes a bonded warehouse, a Canadian certified re-inspection area and state-of-the-art seafood processing and holding technologies

FACILITY



Acquisition Opportunities *(millions of dollars except transactions)*

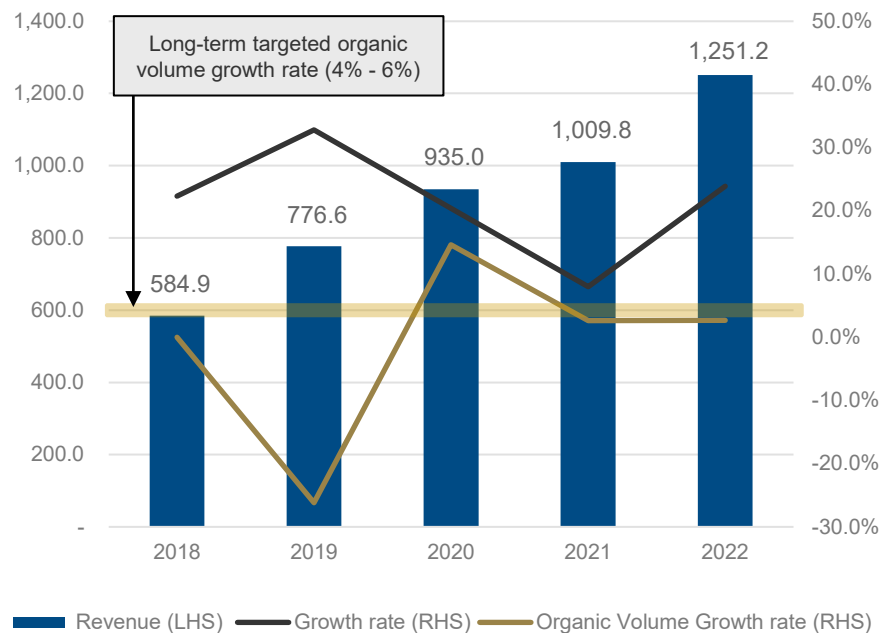
Platform	Advanced		Active		Early Stage		Opportunity		Inactive		Total	
	#	Sales	#	Sales	#	Sales	#	Sales	#	Sales	#	Sales
Seafood	-	-	3	990	9	494	4	204	4	345	20	2,033
Distribution	-	-	6	283	3	1,050	1	882	4	53	14	2,268
Protein	1	89	4	172	13	1,099	6	473	14	1,489	38	3,322
Sandwich	-	-	1	13	1	26	2	567	1	1,260	5	1,866
Bakery	-	-	-	-	4	318	2	63	5	243	11	624
Culinary	-	-	3	138	1	-	8	871	-	-	12	1,009
	1	89	17	1,596	31	2,987	23	3,060	28	3,390	100	11,122



Q1-2022 Financial Update

May 2022

Quarter Sales Performance *(millions of dollars except percentages)*



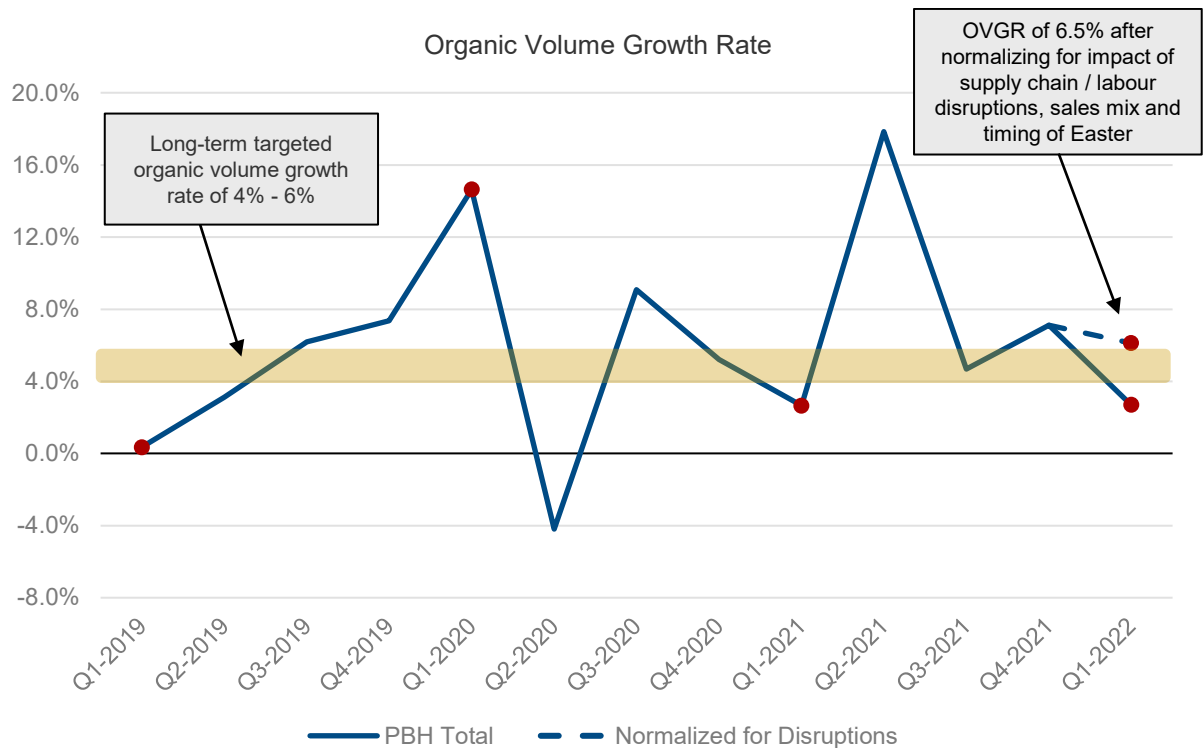
Positive factors

- Selling price inflation – **\$122.6m**
- Acquisitions – **\$93.1m**
- Organic volume growth – **\$27.5m**

Negative factors

- A stronger CAD, which resulted in lower translated values for US based businesses – **\$1.8m**

Growth Rates



Factors impacting the Company's Q1-2022 organic volume growth rate:

Temporary

- Reduced featuring of branded products in the retail channel to mitigate the impact of cost inflation while price increases are being implemented
- Supply chain and labor related disruptions resulting in lost sales of ~\$28.8m
- Sales mix changes with lower average selling prices for certain new listings offsetting volume growth – normalized for this OVGR is 3.4%
- A later Easter

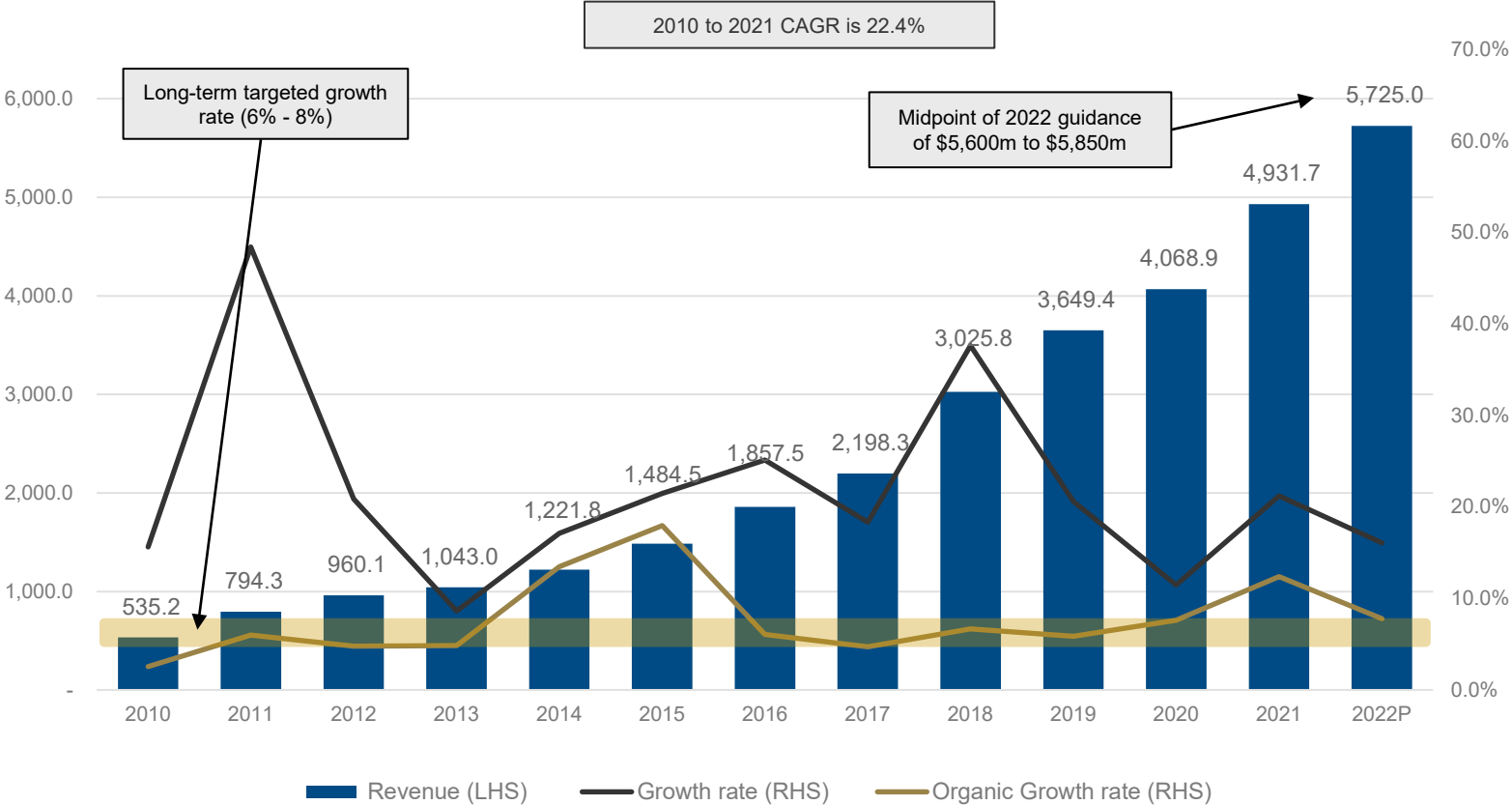
Structural

- Evolution of processed lobster strategy resulting in additional inventory being put away for the busy spring and summer seasons and less live trading in the quarter
- Seasonality with the first quarter generally being the slowest

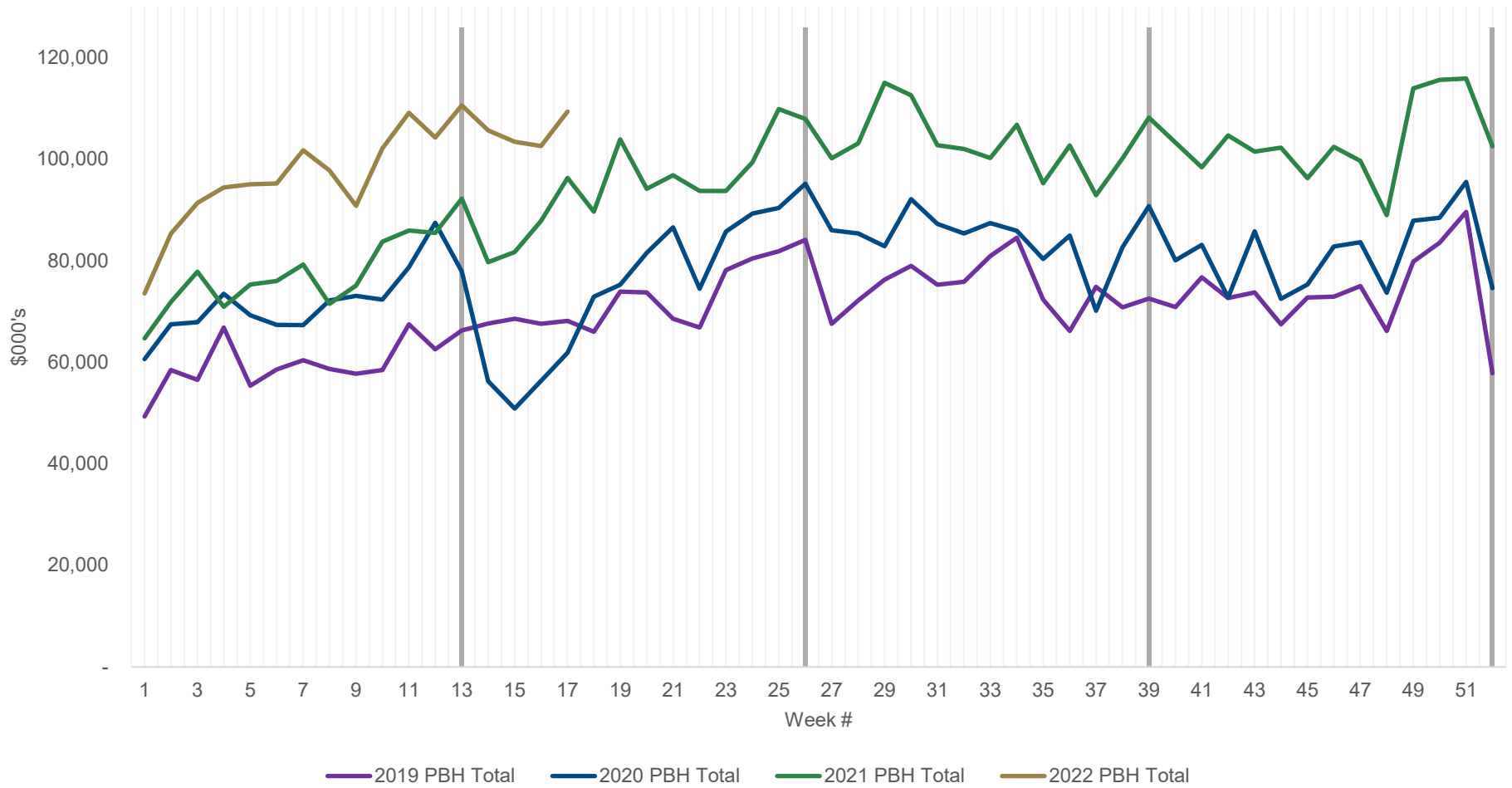
Major Organic Growth Drivers

Seafood	Distribution	Protein	Sandwich	Bakery	Culinary
<p>Processed lobster and crab initiatives in foodservice and retail</p> <p>Leveraging new capacity to expand in the GTA foodservice market</p> <p>Expansion of foodservice focused distribution networks into the retail channel</p> <p>Leveraging seafood foodservice customer base to develop new protein sales opportunities</p> <p>Large retailers looking to DSD for seafood counter solutions</p> <p>Retail sushi program</p> <p>Branded value-added seafood products including skewers</p> <p>Non-distributive foodservice sales of differentiated protein and seafood products</p> <p>Expansion of fresh seafood distribution into the US</p> <p>Clearwater synergies</p>	<p>Non-distributive foodservice sales of differentiated protein and seafood products</p> <p>Leveraging new capacity to expand in the Quebec foodservice market</p> <p>Expansion of foodservice focused distribution networks into the retail channel</p> <p>Leveraging seafood foodservice customer base to develop new protein sales opportunities</p> <p>Value-added seafood products, e.g. skewers</p> <p>Geographical expansion of trading operations</p> <p>Healthcare programs</p> <p>Expansion of concessionary programs into ON</p> <p>Clearwater synergies</p>	<p>Branded meat snack sticks programs in the US</p> <p>Branded and behind-the-counter cooked protein product solutions for retail, c-store and foodservice customers in the US and Canada</p> <p>Branded Italian charcuterie programs in the US and Canada</p> <p>Expansion of meat snack programs into the US c-store channel</p> <p>Expansion of fresh marinated products, including kabobs, into the US</p> <p>Expansion of fresh burger programs into the US</p> <p>Expansion of retail DSD network into central Canada</p> <p>Branded ready-to-eat meals</p>	<p>Leveraging IP and North American leading capacity to grow in the grocery, c-store and QSR channels</p> <p>Charcuterie assembly</p> <p>Prepared meal solutions for retail</p>	<p>Branded naturally fermented / clean ingredient artisan breads programs</p> <p>Branded artisan packaged and sliced breads</p> <p>US expansion</p> <p>Frozen dough product solutions for retail and foodservice</p>	<p>Product solution provider for major retailers in NA as well as international</p> <p>Artisan pizza</p> <p>US expansion</p> <p>Seafood counter value-added product solutions</p> <p>Meal kit components for retailers</p> <p>Gusset broth and soup lines – seafood focused</p> <p>Clearwater synergies</p>

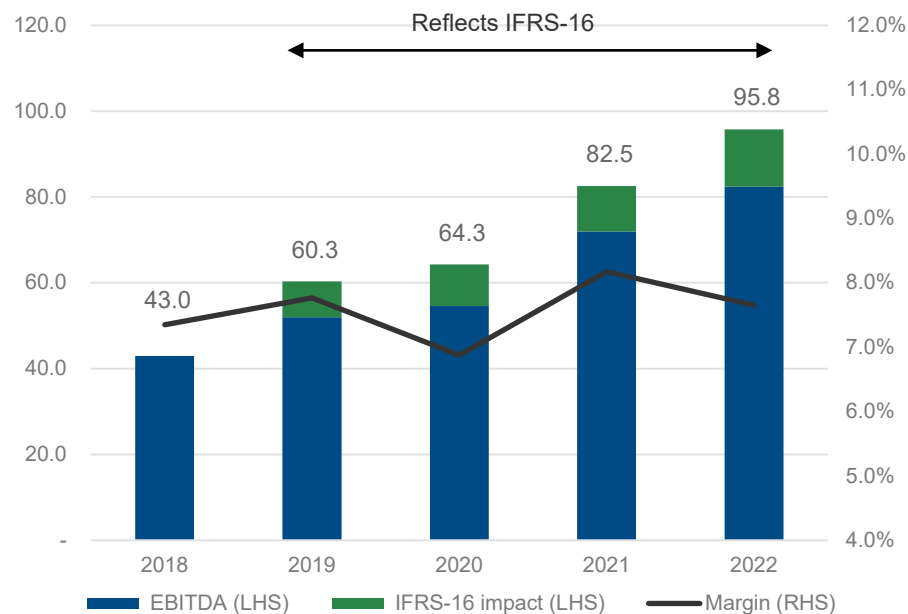
Revenue Trend *(millions of dollars except percentages)*



Weekly Sales Trend



Quarter Adjusted EBITDA Performance *(millions of dollars except percentages)*



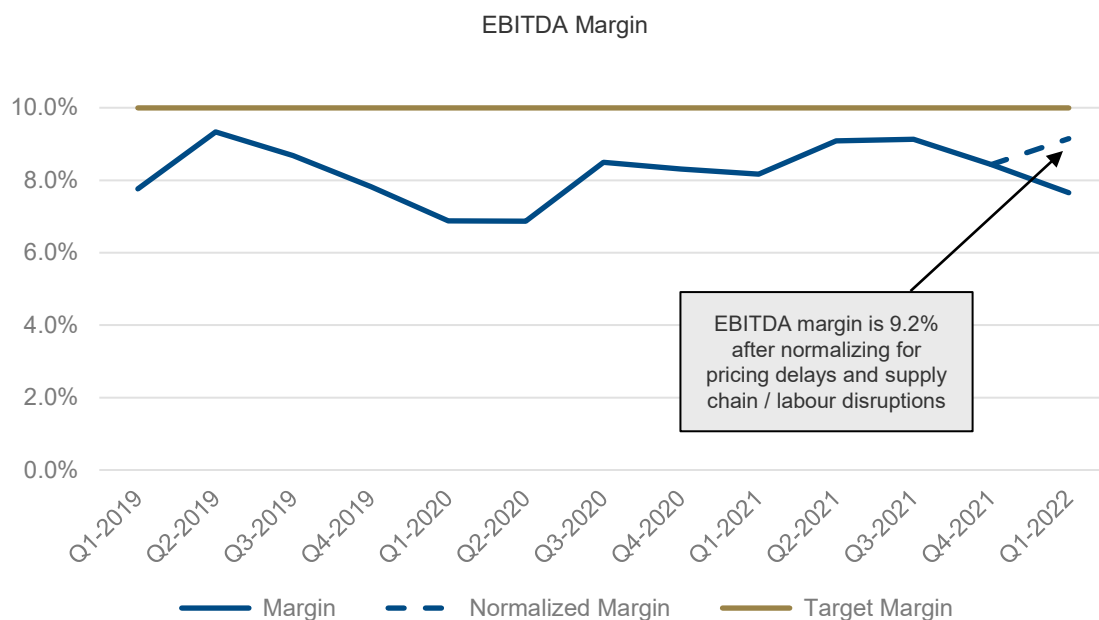
Positive factors

- Selling price inflation – **\$122.6m**
- Acquisitions
- Organic sales growth (including intercompany sales growth)
- Incentive based compensation
- Investment income
- Production efficiency improvements

Negative factors

- Direct materials, wage and freight inflation – **\$124.5m**
- Plant overhead
- Outside storage costs
- Investment in additional SG&A staff

Quarter Adjusted EBITDA Margin Performance



Factors impacting the Company's Q1-2022 EBITDA margin relative to 10% target:

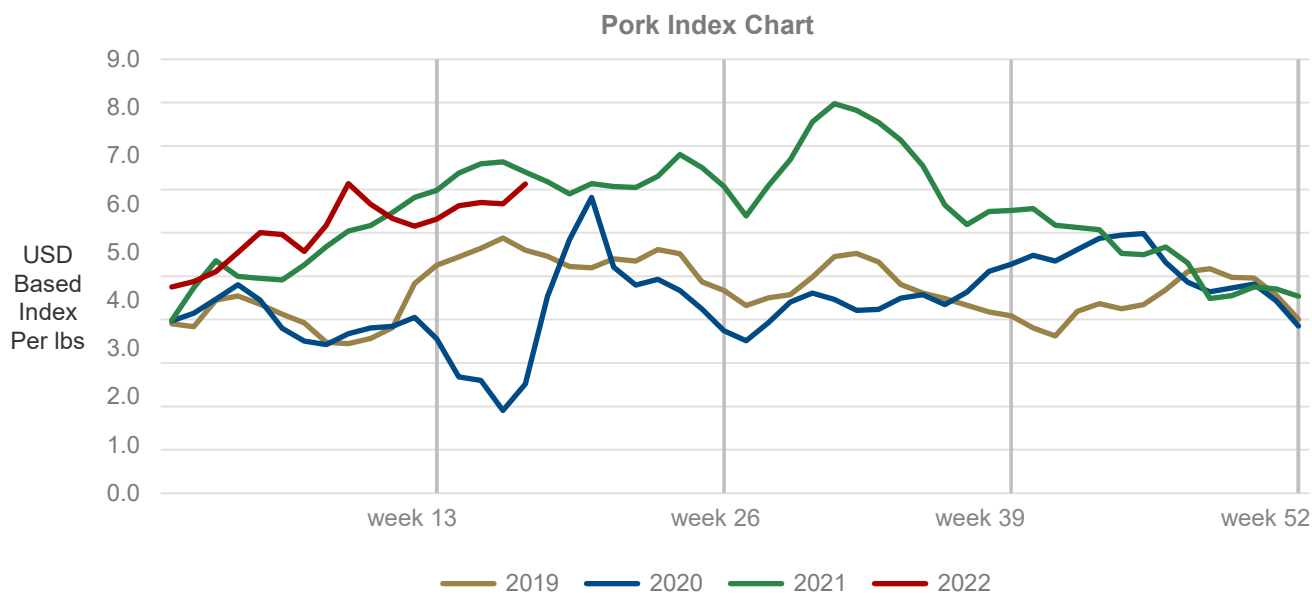
Temporary

- Delayed selling price increases due to retailer notice periods
- Lost contribution from supply chain and labor related disruptions
- Certain product categories being temporarily managed to maintain margin dollars versus margin percentages in order to assist customers in dealing with extreme cost inflation
- Cost plus contracts

Structural

- Seasonally slow quarter

Commodity Trends – Pork



Demand factors

- Significant upward shift in consumer demand curve
- Substitution resulting from record beef and chicken prices

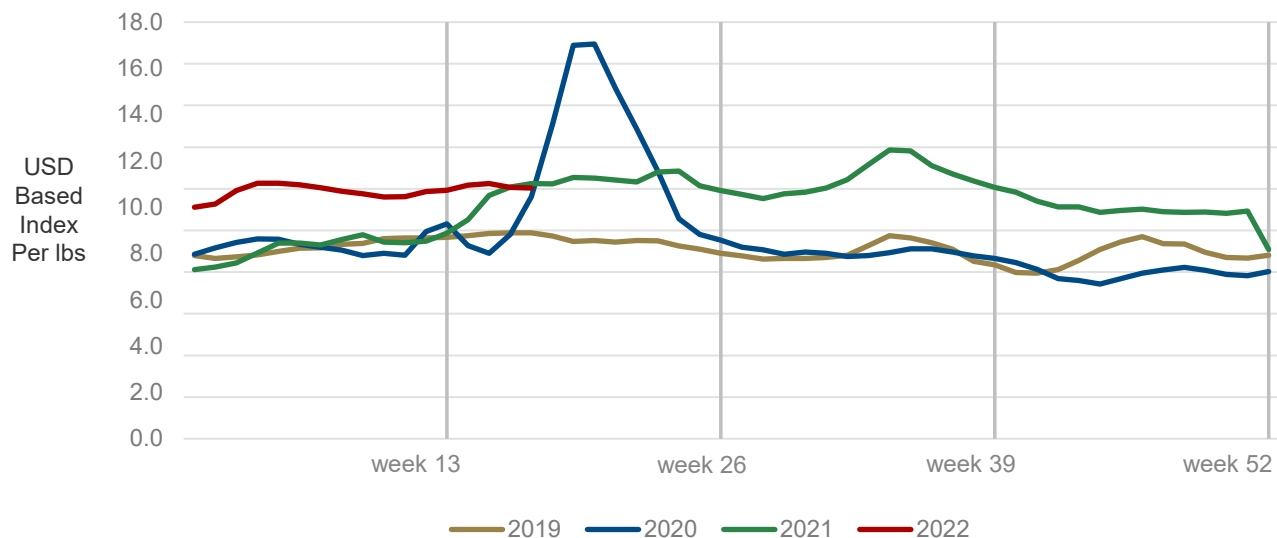
Supply factors

- Labor shortages – particularly impacting value-added inputs
- Low frozen inventories in North America
- Significant increases in China’s production
- General inflation including rising labor costs

- Index is comprised of a weighted basket of the following pork products: legs, 72% trim and bellies
- Source: USDA

Commodity Trends – Beef

Beef Index Chart



Demand factors

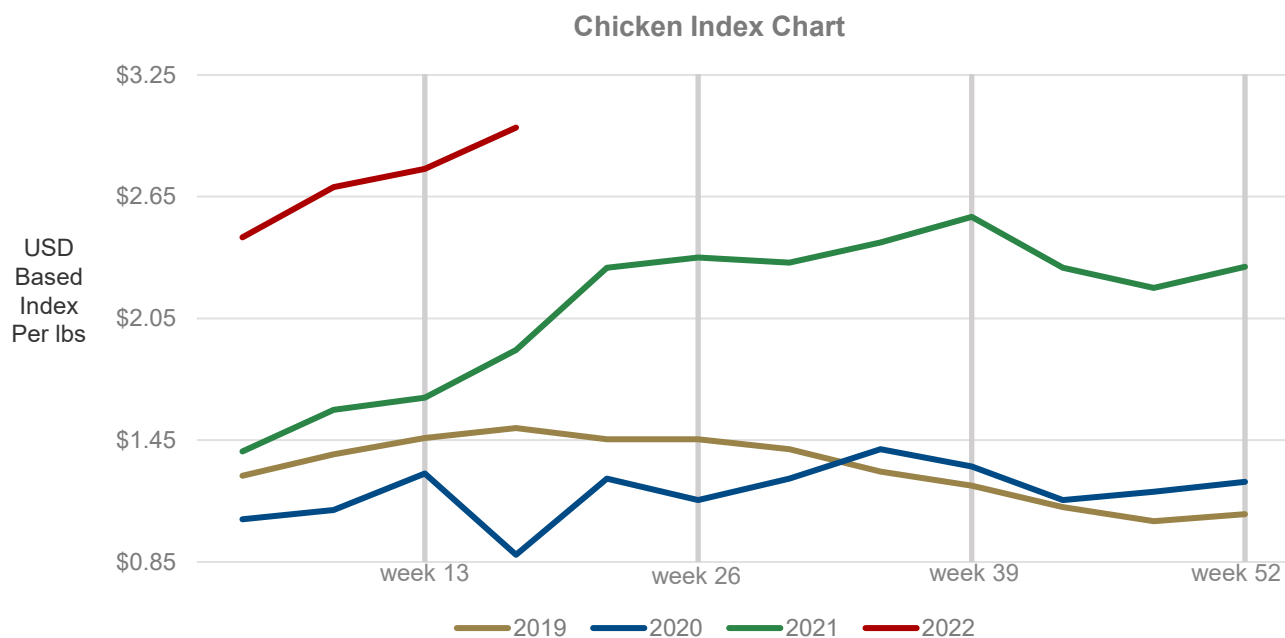
- Significant upward shift in consumer demand curve
- Strong US exports, particularly to China

Supply factors

- General inflation including rising labor and transportation costs

- Index is comprised of a weighted basket of the following beef products: striploins, top butts, inside rounds, and 50%, 85% and 90% trims
- Source: USDA

Commodity Trends – Chicken



Demand

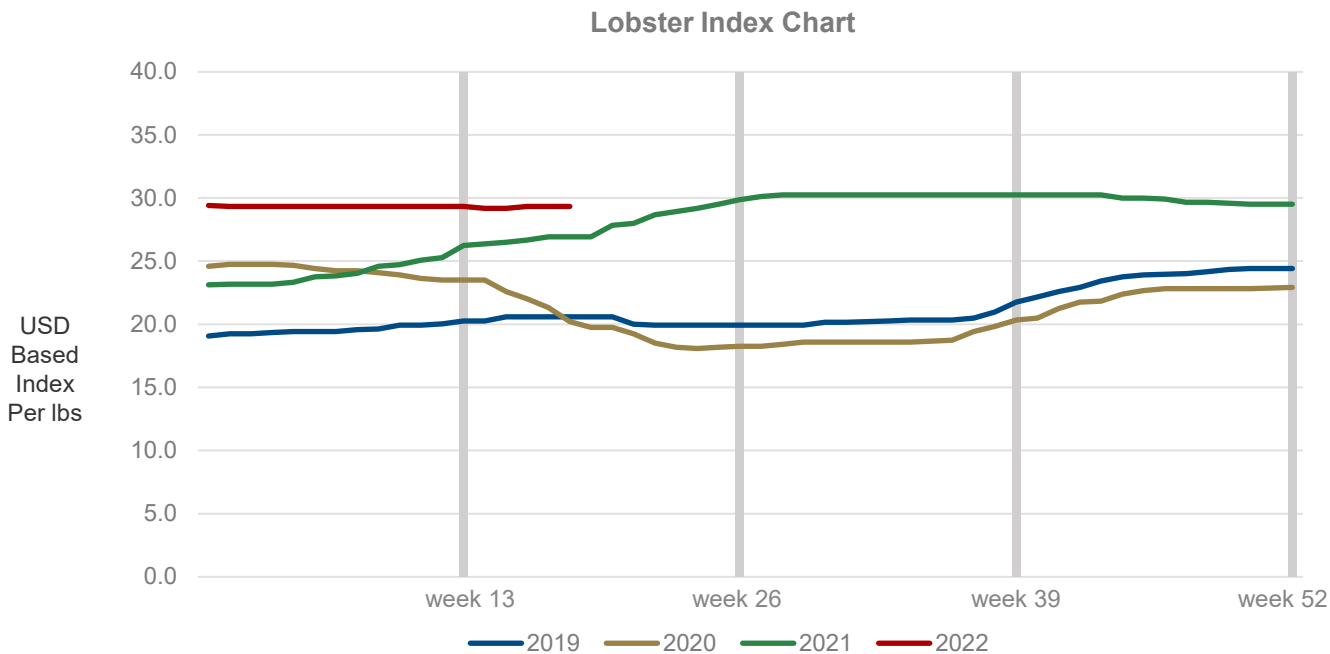
- Significant upward shift in consumer demand curve
- Substitution resulting from record beef prices
- New QSR offerings

Supply

- Record US exports
- US hatchery issues
- Low frozen inventory levels
- Impacts of avian influenza
- Labor shortages – particularly impacting value-added inputs
- US Industry consolidation
- General inflation including rising labor and feed costs

- Index is comprised of chicken: east jumbo boneless/skinless breasts tender out & East Line Run Breast Tenders
- Source: Umer Barry

Commodity Trends – Lobster



Demand factors

- Significant upward shift in consumer demand curve
- Seasonal live demand in Asia largely occurred prior to recent pandemic related shutdowns
- Growing demand for processed products in retail and foodservice channels
- Substitution resulting from record high prices for other premium seafood products

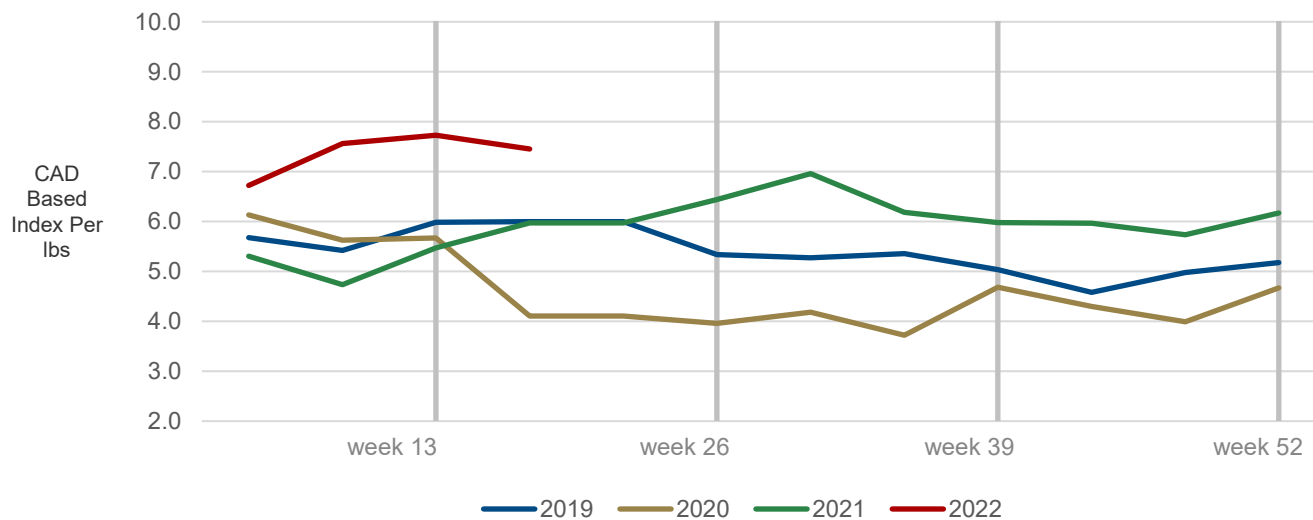
Supply factors

- Stable harvests
- Low processed inventories

- Index is comprised of a weighted basket of the following lobster products: 4-5oz tails, claws and knuckles
- Source: Umer Barry

Commodity Trends – Salmon

Salmon Index Chart



Demand factors

- Reopening of economies
- General consumer trends

Supply factors

- Supply chain disruptions
- East coast farm disruptions
- West coast farm shutdowns
- Industry consolidation

- Index is comprised of following salmon products: farmed, fillet, fresh, Chile Atl.,D-Trim, FOB Miami,2-3 lbs; west coast Atlantic salmon 12-14 pound
- Source: Umer Barry

Poultry Analysis *(millions of dollars except percentages)*

	Q1-2021	Price Increases	Volume Increases	Input Cost Increases	Q1-2022	Change	Pro Forma Price Increases	Pro Forma Q1-2022
Sales	80.6	17.3	4.3	-	102.2	21.6	9.2	111.4
Gross profit	23.1	17.3	0.5	(21.0)	19.9	(3.2)	9.2	29.1
Gross margin	28.6%				19.5%			26.1%



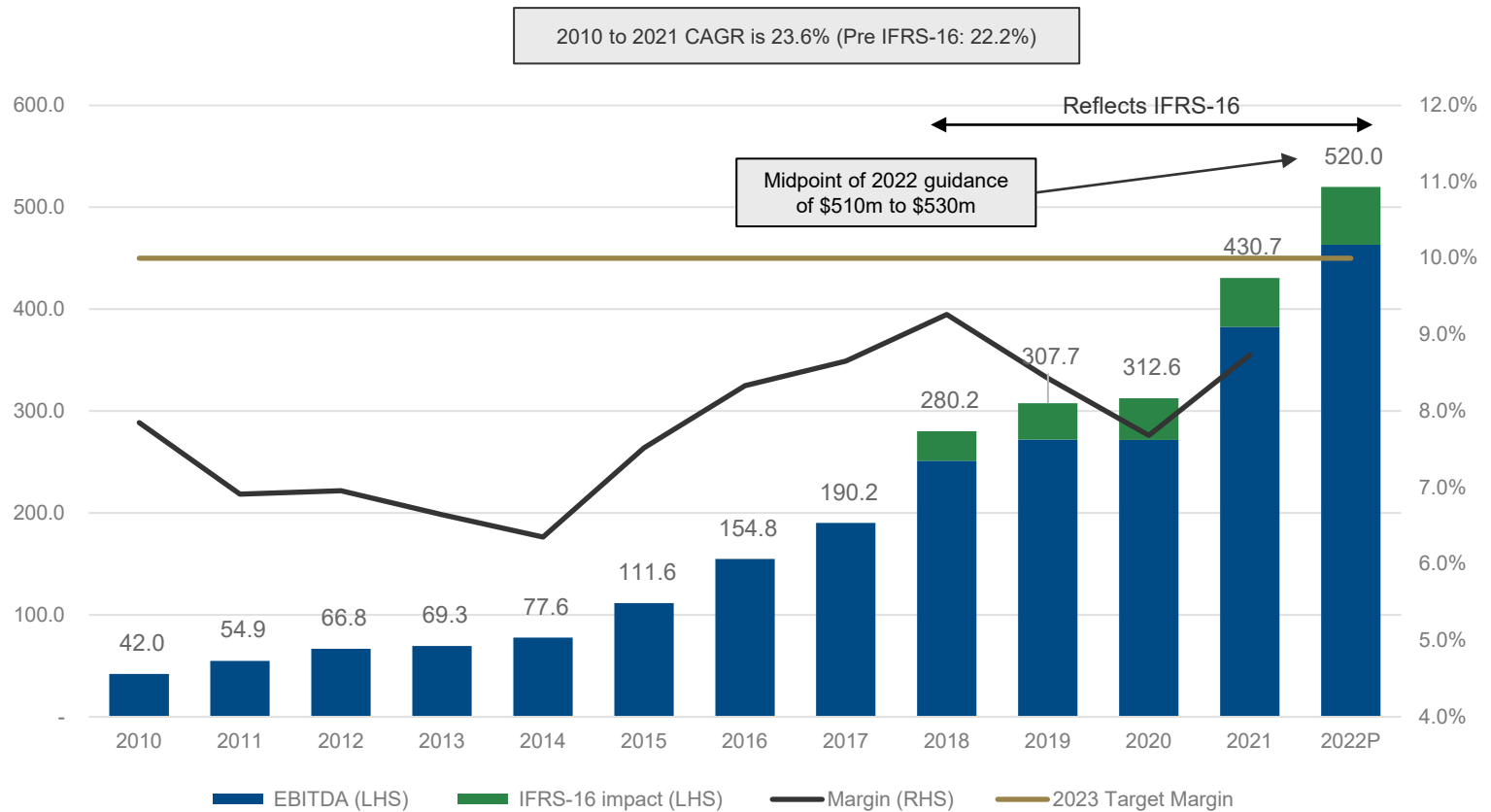
Case Study – Price History On a Leading Cooked Chicken SKU

<i>Product category</i>	<i>Cooked chicken</i>
<i>2021 sales (dollars)</i>	<i>\$57.9</i>
<i>2021 sales (cases)</i>	<i>471,441</i>
<i>2020 sales (cases)</i>	<i>436,598</i>
<i>2021 sales increase (cases)</i>	<i>34,843</i>
2021 price increases	23.7%
2021 volume increase	8.0 %

	Price Increase	Percent Increase	New Per Case Price
April 2021	\$4.60	5.0%	\$96.67
June 2021	\$7.73	8.0%	\$104.40
October 2021	\$10.61	10.2%	\$115.01
January 2022	\$10.61	9.2%	\$125.62
March 2022	\$15.08	12.0%	\$140.70
April 2022	\$21.11	15.0%	\$161.81

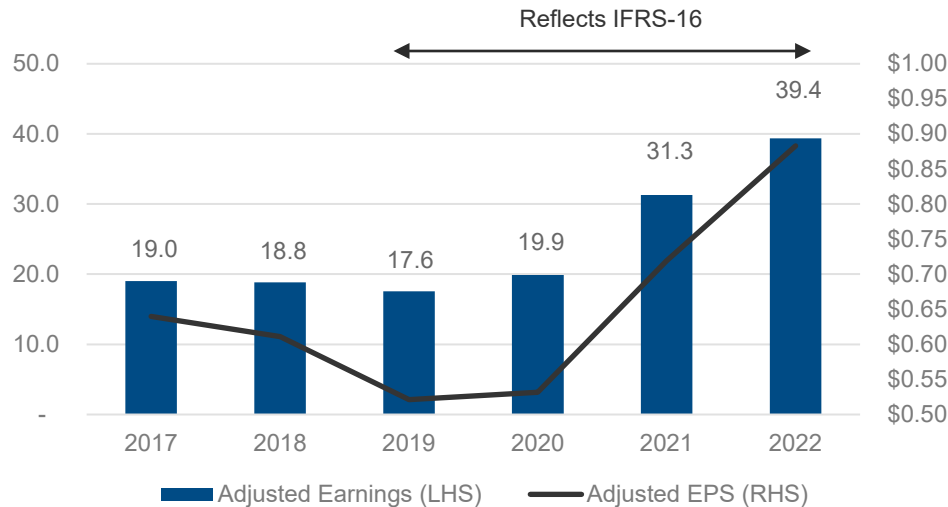
} **75.7% increase**

Adjusted EBITDA Trend *(millions of dollars except percentages)*



Quarter Adjusted Earnings Performance

(millions of dollars except per share amounts)



Major positive factors:

- EBITDA growth

Major negative factors:

- Increased depreciation and amortization
- Increased interest expense
- Increased income taxes

Adjusted earnings is based on net earnings adjusted on a net of tax basis for the following items:

- Acquisition costs
- Accretion on contingent consideration
- Puttable interest
- Amortization of intangibles relating to acquisitions (customer lists)
- Restructuring costs
- Equity losses / earnings
- Change in fair value of option liabilities relating to convertible debentures
- Unusual one-time tax and other gains / losses

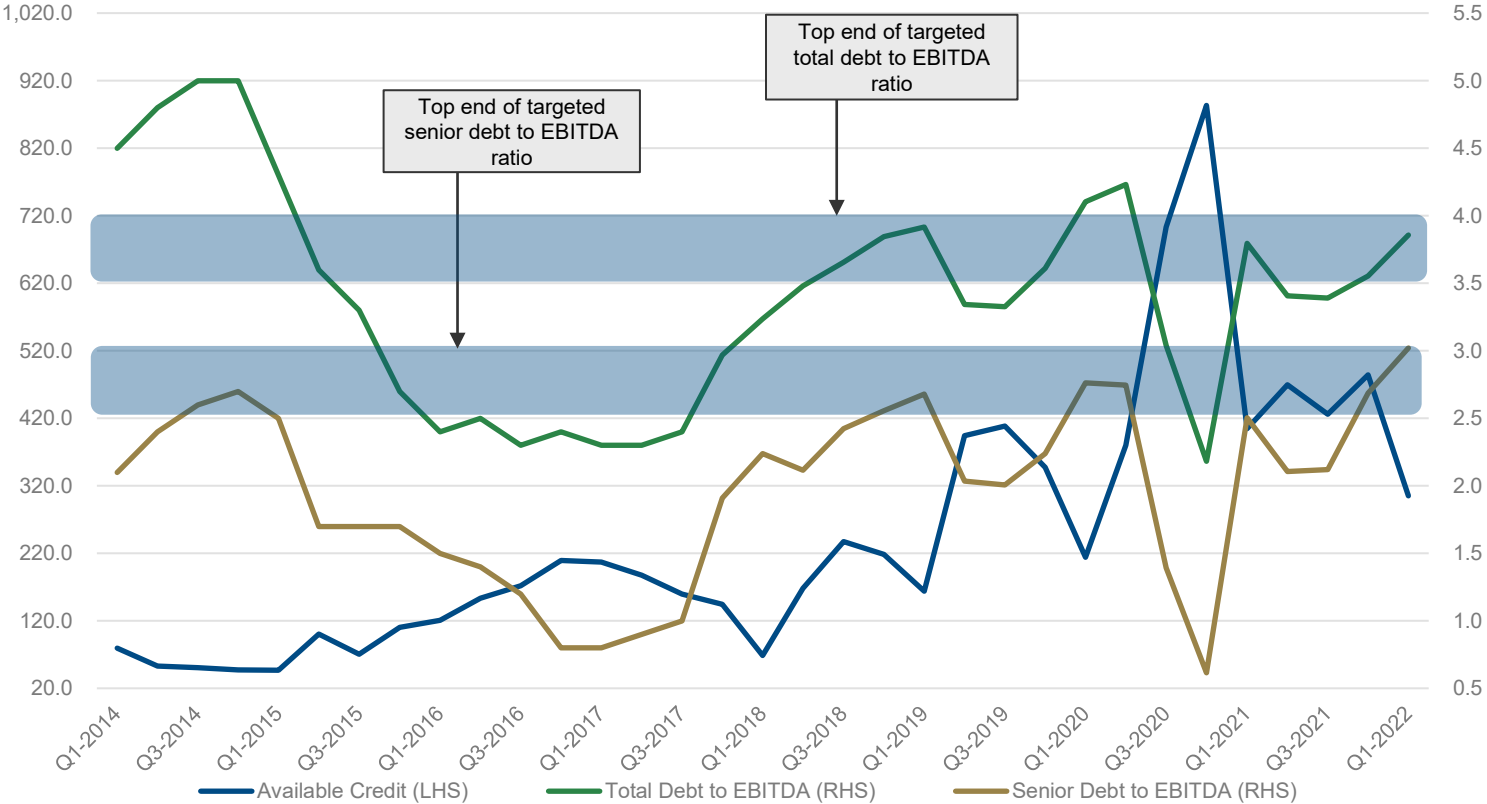
Five Year (2023) Sales Target *(millions of dollars except percentages)*

	Sales	Notes
Mid-point of 2022 guidance	5,725.0	
Organic growth for 2023 assuming at a nominal organic growth rate of 6%	352.0	Organic growth rates for 2019, 2020 and 2021 were 5.9% , 7.6% and 12.4% , respectively. General long-term target is 6% to 8%
Future acquisitions needed to achieve \$6.0 billion target	-	
2023 pro forma	6,077.0	

Five Year (2023) Adjusted EBITDA Target *(millions of dollars except percentages)*

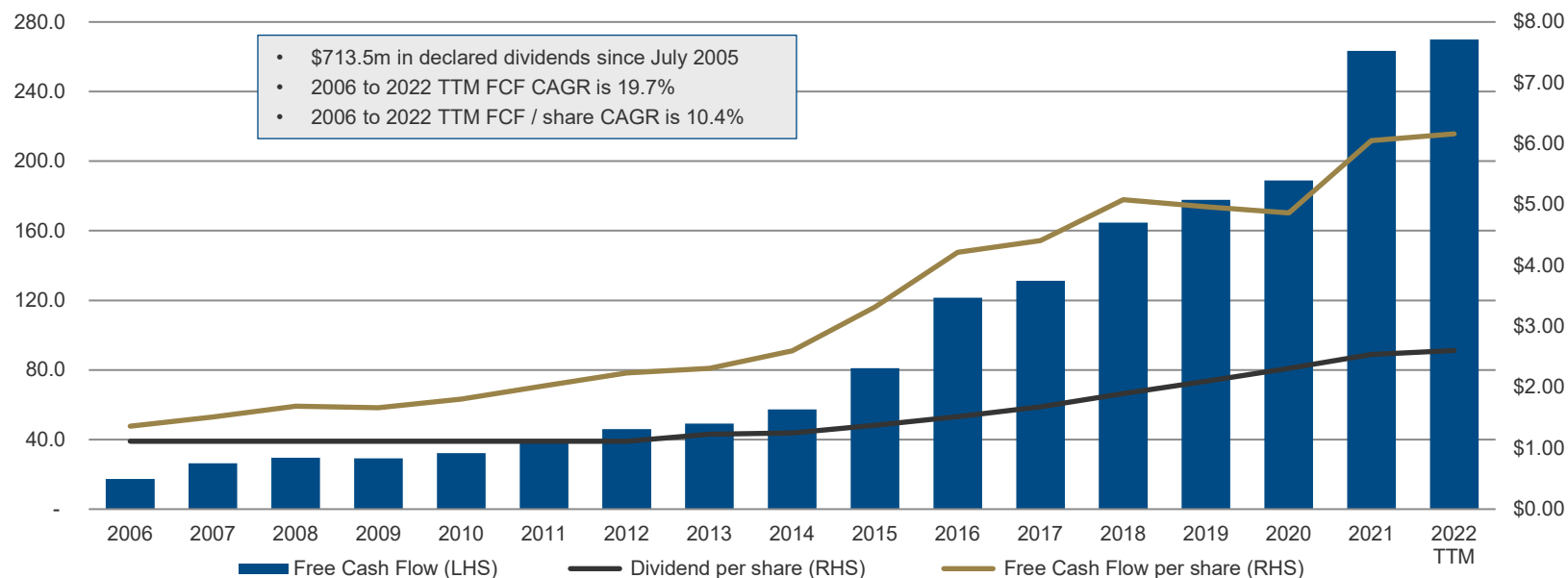
	EBITDA	% of Sales Impact	Notes
Mid-point of 2022 guidance	520.0	9.1%	
Organic growth	88.0	25.0%	Contribution margins for the Company's existing portfolio of businesses range from 15% to 35%
Future acquisitions needed to achieve \$600m target	-		
2023 adjusted EBITDA target	608.0	10.0%	

Liquidity *(millions of dollars except ratios)*



Free Cash Flow *(millions of dollars except per share amounts and percentages)*

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	TTM	2022
Payout ratio	106.4%	77.7%	69.6%	70.6%	65.2%	59.4%	53.0%	53.9%	48.4%	43.2%	36.6%	38.5%	38.1%	43.1%	48.7%	42.3%	42.7%	
Dividend per share	\$1.18	\$1.18	\$1.18	\$1.18	\$1.18	\$1.18	\$1.18	\$1.23	\$1.25	\$1.38	\$1.52	\$1.68	\$1.90	\$2.10	\$2.31	\$2.54	\$2.61	\$2.80
Dividend increase	-	-	-	-	-	-	-	4.2%	-	10.4%	10.1%	10.5%	13.1%	10.5%	10.1%	10.0%	10.0%	10.2%
Free cash / share	1.37	1.56	1.71	1.62	1.81	2.02	2.23	2.32	2.60	3.32	4.22	4.41	5.08	4.97	4.87	6.05	6.16	



Capital Allocations – Project Capex *(in millions of dollars except percentages)*

	Group	Q1-2022	Investment To-Date	Investment Expected	Completion Date	Expected IRR
Premier facility expansion	Distribution	-	-	9.5	2023	15% or greater
Viandex facility expansion	Distribution	-	-	7.7	2023	
Piller's Wismer plant replacement project	Protein	-	-	114.3	2024	
Hempler's Ferndale plant expansion	Protein	US4.7	US7.6	US83.6	2023	
Piller's Brantford expansion	Protein	3.6	17.7	18.7	2022	
Oberto plant improvement projects	Protein	US0.4	US2.7	US7.1	2023	
Oberto smokehouse expansion	Protein	US1.4	US4.3	US6.4	2023	
SKFG Hilliard production facility	Sandwich	US0.8	US0.8	US40.6	2023	
SKFG Two Gen 3 automated sandwich lines	Sandwich	US0.6	US14.3	US22.9	2022	
HQ's Edmonton replacement facility	Sandwich	0.2	1.5	17.9	2023	
Buddy's capacity expansion	Sandwich	US4.4	US6.2	US11.9	2022	
Stuyver's Langley plant expansion	Bakery	1.1	26.0	30.7	2022	
Shaw Baker's San Leandro facility	Bakery	-	-	US22.7	2022	
Global Gourmet plant reconfiguration	Culinary	0.4	3.1	11.0	2023	
		20.8	93.5	455.8		
Smaller project capex	Cons	13.0				
		33.8				

Capital Allocation – Acquisitions *(in millions of dollars except percentages)*

	Group	Q1-2022	Expected IRR
Acquired Leonetti's	Sandwich	41.6	15% or greater
Acquired Beechgrove	Protein		
Increased interest in Shaw Bakers from 50% to 73.72%	Bakery		
Acquired Rocky Mountain IP	Culinary		



Questions?