



**B**  
Premium Brands

**Third Quarter 2023  
Conference Call**

November 14, 2023



## Disclaimer

This presentation is not intended to form the basis of any investment decision and should not be considered as a recommendation by Premium Brands Holdings Corporation (the “Company”) or any other person in relation to the Company’s business or the securities of the Company. This presentation is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of the securities of the Company, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy, any of the Company’s securities in any jurisdiction. Neither this presentation nor anything in it shall form the basis of any contract or commitment. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any investor. All investors should consider such factors in consultation with a professional advisor of their choosing when deciding if an investment is appropriate.

## Forward Looking Statements

This presentation contains forward looking statements with respect to the Company, including, without limitation, statements regarding its business operations, financial performance and condition, acquisition opportunities, capital projects and plans, outlook and objectives of or involving the Company. While management believes that the expectations reflected in such forward looking statements are reasonable and represent the Company's internal expectations and belief as of the date of this presentation, there can be no assurance that such expectations will prove to be correct as such forward looking statements involve unknown risks and uncertainties beyond the Company's control which may cause its actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward looking statements.

Forward looking statements generally can be identified by the use of the words "may", "could", "should", "would", "will", "expect", "intend", "plan", "estimate", "project", "anticipate", "believe" or "continue", or the negative thereof or similar variations. Forward looking statements in this presentation include statements with respect to the Company's expectations and/or projections regarding its: (i) acquisition opportunities; (ii) capital expenditure projects and investment returns related thereto; (iii) revenue; (iv) growth rate, compounded aggregate growth rate and organic growth rate; (v) EBITDA; (vi) margin; (vii) investments in project and maintenance capital expenditures; and (viii) liquidity.

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 39 weeks ended September 30, 2023, a copy of which is filed electronically through SEDAR+ and is available online at [www.sedarplus.ca](http://www.sedarplus.ca). 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.

Forward looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results. Factors that could cause actual results to differ materially from the Company's expectations as referenced in the MD&A for the 13 and 39 weeks ended September 30, 2023. Readers are cautioned that the foregoing risks and uncertainties are not exhaustive.

Forward looking statements reflect management's current beliefs and are based on information currently available to the Company. Unless otherwise indicated, the forward looking statements in this presentation are made as of the date of this presentation and, except as required by applicable law, will not be publicly updated or revised. This cautionary statement expressly qualifies the forward looking statements in this presentation.

By delivery of this presentation, the Company is not making any representation or warranty, express or implied, as to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed herein. By accepting this presentation, the recipient agrees that the Company shall not have any liability for any representation or warranty, express or implied, contained in, or for any omission from, this presentation.

## Today's Presenters

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

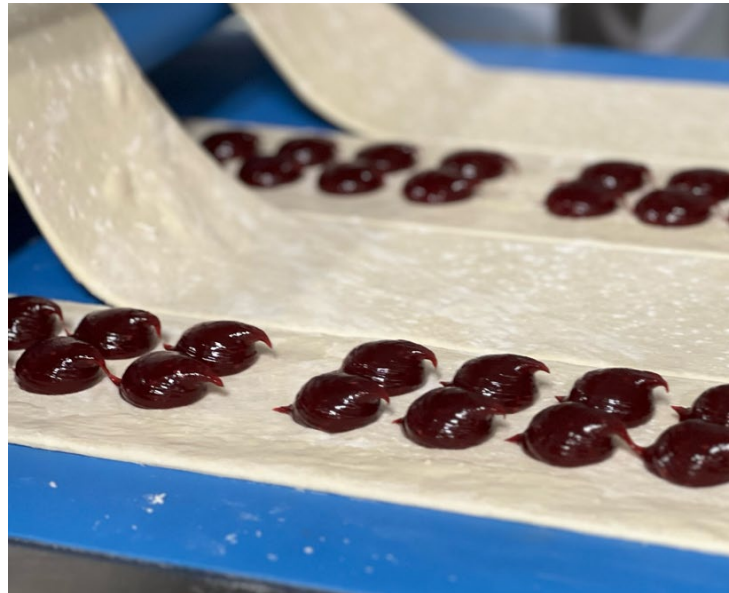
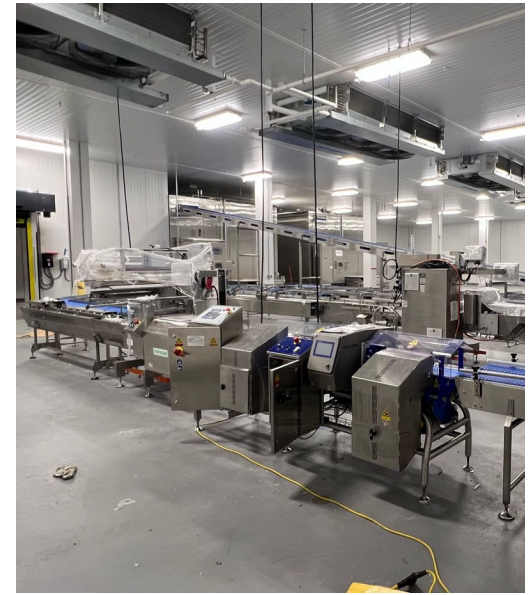
# Key Messages

- Record second quarter results
  - Sales up 1.3% to \$1.64 billion
  - Adjusted EBITDA up 12.5% to \$158.8 million
- 9.7% adjusted EBITDA margin, up from 8.7% in the third quarter of 2022
- Specialty Foods adjusted EBITDA margin of 11.0%, up 300 basis points from 8.0% in the third quarter of 2022
- Specialty Foods set to commission five capacity expansion projects over the next three quarters with three of them coming online in the fourth quarter
- Solid progress on reducing debt leverage levels with senior debt to EBITDA ratio decreasing to 3.1:1 from 3.3:1 in the previous quarter
- Subsequent to the quarter completed the acquisition of Quebec-based food distributor Menu-Mer

## Acquisition Opportunities *(millions of dollars except transactions)*

| Platform     | <i>Agreed to terms and in due diligence</i> |       | <i>In negotiations</i> |       | <i>In discussions</i> |       | <i>Identified future opportunity</i> |       | <i>Past discussions and currently on hold</i> |       | Total |        |
|--------------|---|-------|------------------------|-------|-----------------------|-------|--------------------------------------|-------|---|-------|-------|--------|
|              | Advanced                                    |       | Active                 |       | Early Stage           |       | Opportunity                          |       | Inactive                                      |       |       |        |
|              | #   | Sales | #                      | Sales | #                     | Sales | #                                    | Sales | #   | Sales | #     | Sales  |
| Seafood      | -   | -     | 7                      | 406   | 4                     | 310   | 1                                    | 54    | 9   | 1,448 | 21    | 2,218  |
| Distribution | -   | -     | 1                      | 150   | 3                     | 1,053 | 1                                    | 943   | 4   | 100   | 9     | 2,246  |
| Protein      | -   | -     | 4                      | 354   | 9                     | 1,737 | 5                                    | 483   | 9   | 508   | 27    | 3,082  |
| Sandwich     | -   | -     | -                      | -     | 1                     | 438   | 4                                    | 795   | 1   | 1,347 | 6     | 2,580  |
| Bakery       | -   | -     | -                      | -     | 2                     | 148   | 3                                    | 115   | 3   | 163   | 8     | 426    |
| Culinary     | -   | -     | -                      | -     | -                     | -     | 4                                    | 1,630 | 4   | 302   | 8     | 1,932  |
|              | -   | -     | 12                     | 910   | 19                    | 3,686 | 18                                   | 4,020 | 30  | 3,868 | 79    | 12,484 |





The Next Five Years – Accelerating Growth



# San Leandro Grand Opening

November 2023



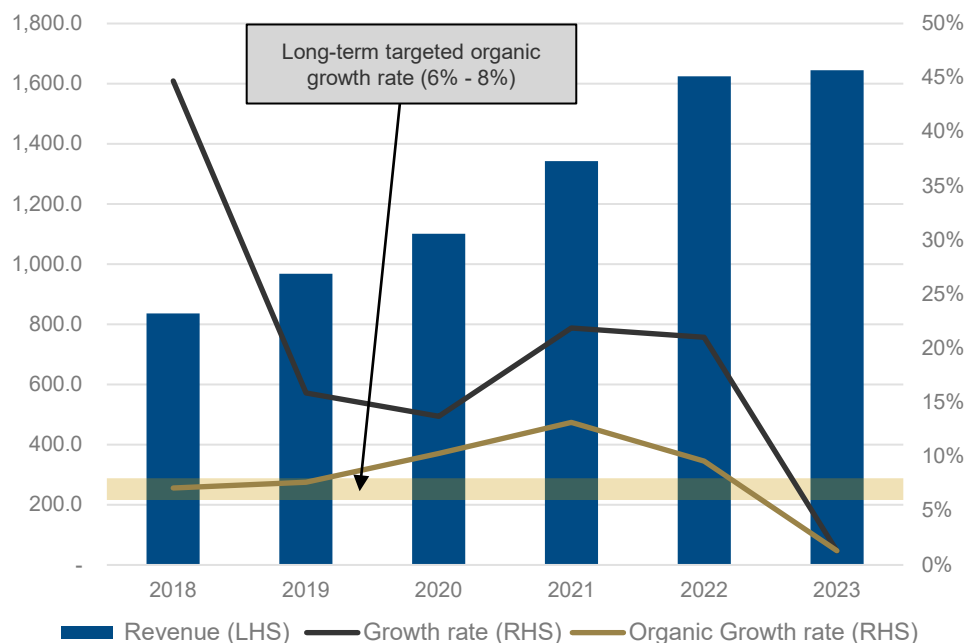




# **Q3-2023 Financial Update**

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

|         | 2018  | 2019  | 2020    | 2021    | 2022    | 2023    |
|---------|-------|-------|---------|---------|---------|---------|
| Revenue | 835.5 | 968.3 | 1,101.1 | 1,341.8 | 1,623.9 | 1,644.9 |
| OGR     | 7.1%  | 7.6%  | 10.3%   | 13.2%   | 9.6%    | 1.3%    |
| OVGR    | 6.6%  | 5.8%  | 9.1%    | 4.7%    | 1.6%    | 0.4%    |



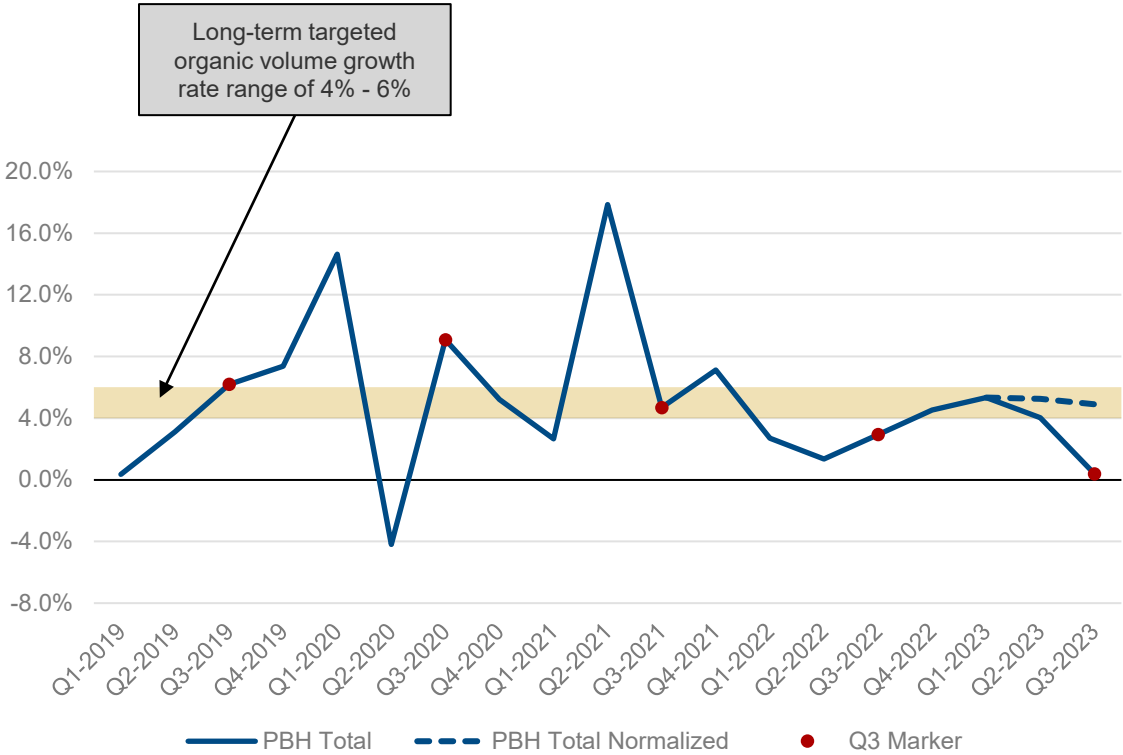
### Positive factors

- Specialty Foods organic volume growth – **\$34.5m**
- A weaker CAD relative to the USD – **\$17.6m**

### Negative factors

- Contraction in Premium Food Distribution sales driven by a 20.3% decline in the Maine lobster harvest – **\$28.0m**
- Selling price deflation – **\$3.1m**

# Organic Volume Growth Rate



Factors impacting the Q3-2023 OVGR:

- **SF**: transitory impact of customer business optimization initiatives
- **SF**: capacity expansion delays
- **PFD**: lobster business challenges

Normalizing for the above the Q3-2023 OVGR would be 4.9% – **7.6% for SF** and (1.8%) for PFD



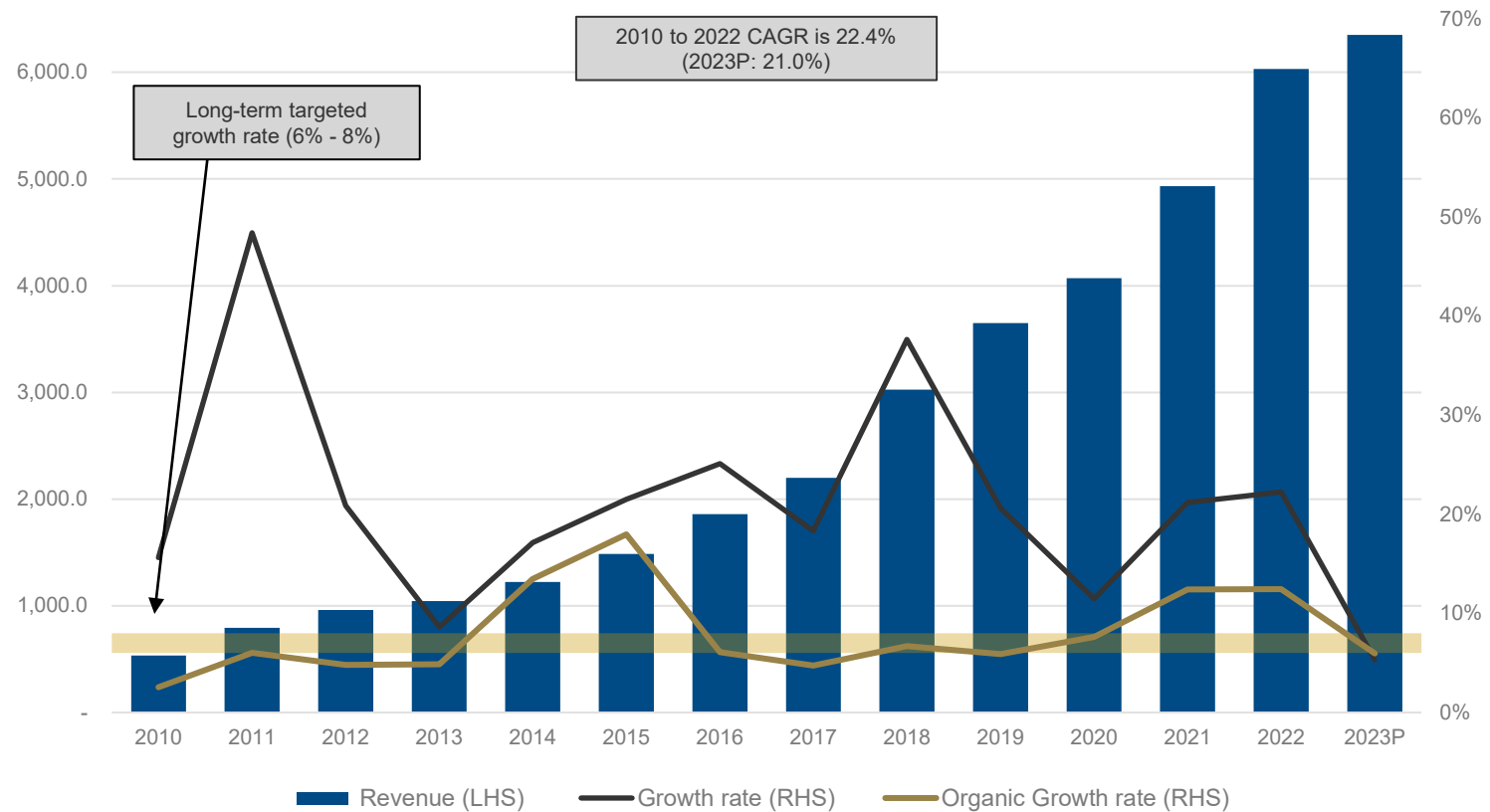
## Maine Lobster Catch *(in millions of pounds except percentages)*

|           | 2021 | 2022 | 2023 | 2022 / 2023<br>Change<br>(pounds) | 2022 / 2023<br>Change<br>(%) |
|-----------|------|------|------|-----------------------------------|------------------------------|
| July      | 20.0 | 19.3 | 17.0 | (2.3)                             | (11.9%)                      |
| August    | 17.1 | 21.1 | 16.4 | (4.7)                             | (22.3%)                      |
| September | 18.1 | 16.2 | 11.7 | (4.5)                             | (27.8%)                      |
| Total     | 55.2 | 56.6 | 45.1 | (11.5)                            | (20.3%)                      |

*Data is from Uner Barry and reflects the most current NOAA (National Oceanic Atmospheric Administration) data*

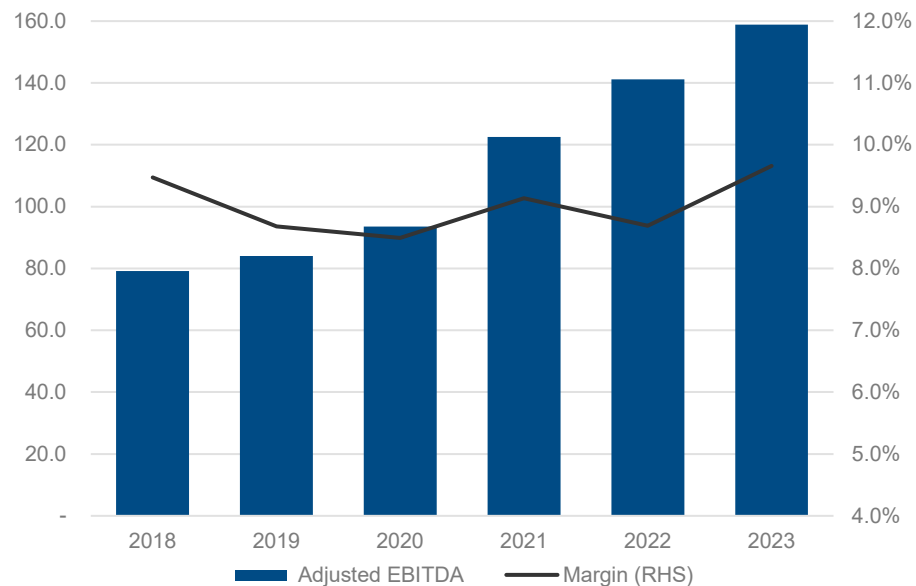
# Revenue Trend *(millions of dollars except percentages)*

|         | 2010  | 2011  | 2012  | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023P   |
|---------|-------|-------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Revenue | 535.2 | 794.3 | 960.1 | 1,043.0 | 1,221.8 | 1,484.5 | 1,857.5 | 2,198.3 | 3,025.8 | 3,649.4 | 4,068.9 | 4,931.7 | 6,029.8 | 6,350.0 |
| OGR     | 2.6%  | 6.0%  | 4.8%  | 4.9%    | 13.5%   | 18.0%   | 6.1%    | 4.7%    | 6.7%    | 5.9%    | 7.6%    | 12.4%   | 12.4%   | 5.3%    |



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

|        | 2018 | 2019 | 2020 | 2021  | 2022  | 2023  |
|--------|------|------|------|-------|-------|-------|
| EBITDA | 79.1 | 84.1 | 93.5 | 122.6 | 141.2 | 158.8 |
| Margin | 9.5% | 8.7% | 8.5% | 9.1%  | 8.7%  | 9.7%  |



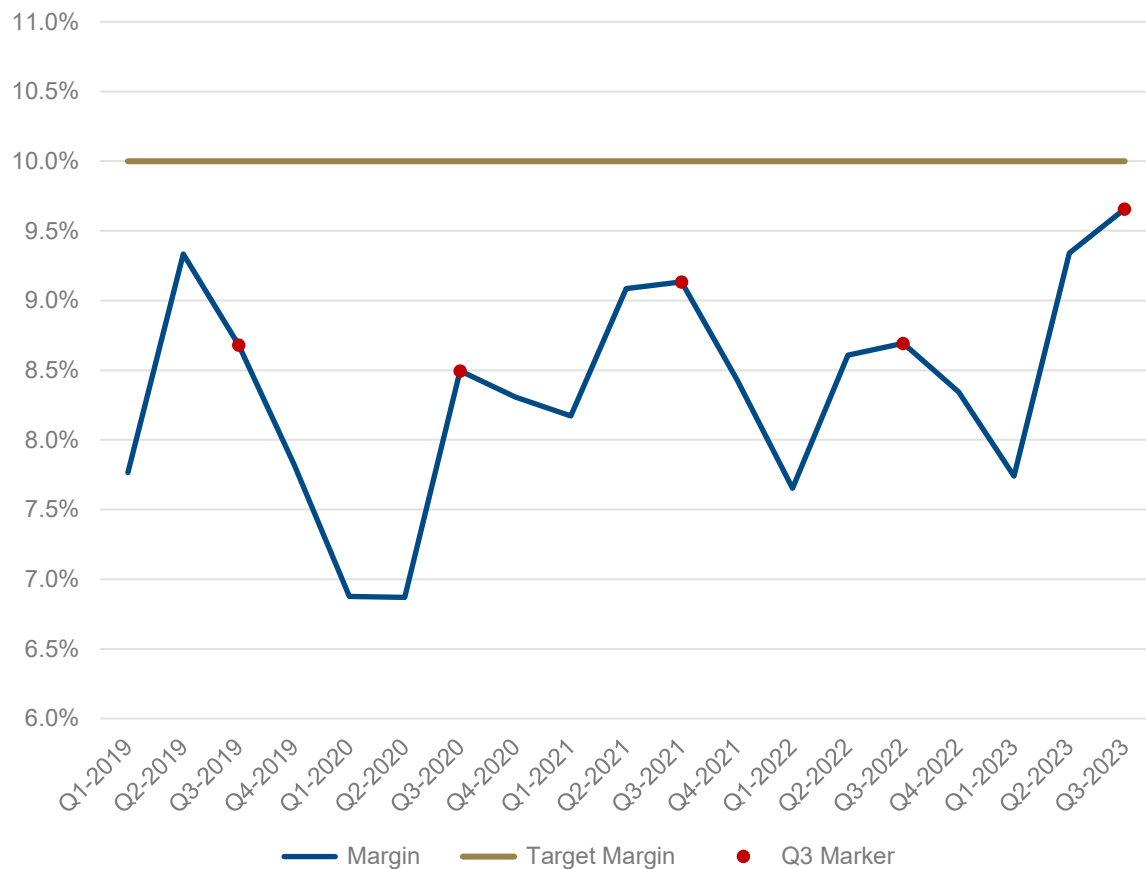
### Positive factors

- Price inflation net of raw material, wage and freight cost inflation / deflation
- Plant efficiencies
- Outside storage costs
- Organic sales growth

### Negative factors

- Discretionary promotion (does not include featuring rebates)
- Plant overhead
- Incentive based compensation

# Adjusted EBITDA Margin

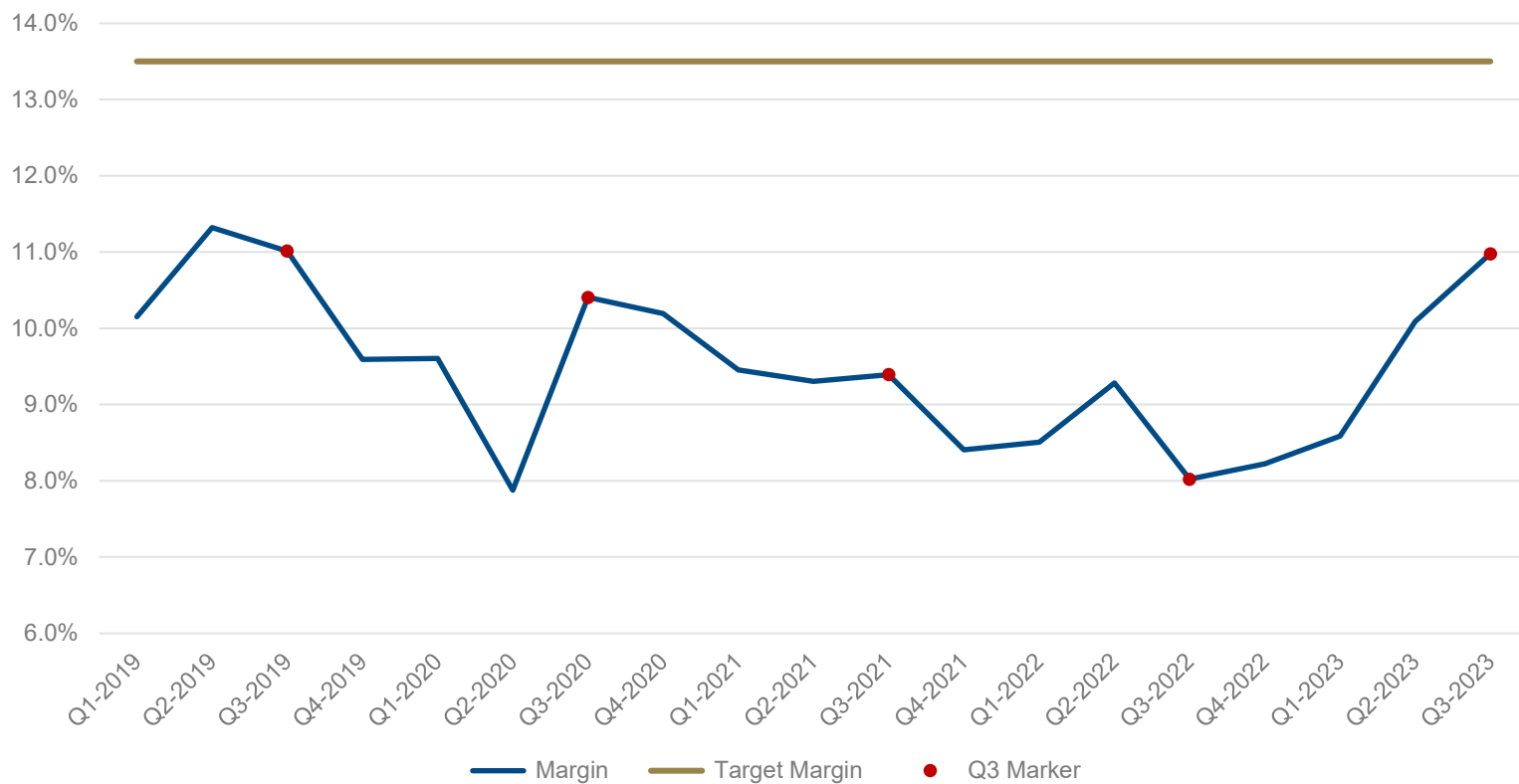


Transitory factors impacting the Company's Q3-2023 EBITDA margin:

- **SF**: unutilized production capacity
- **PFD**: lobster business challenges (**20 bps**)

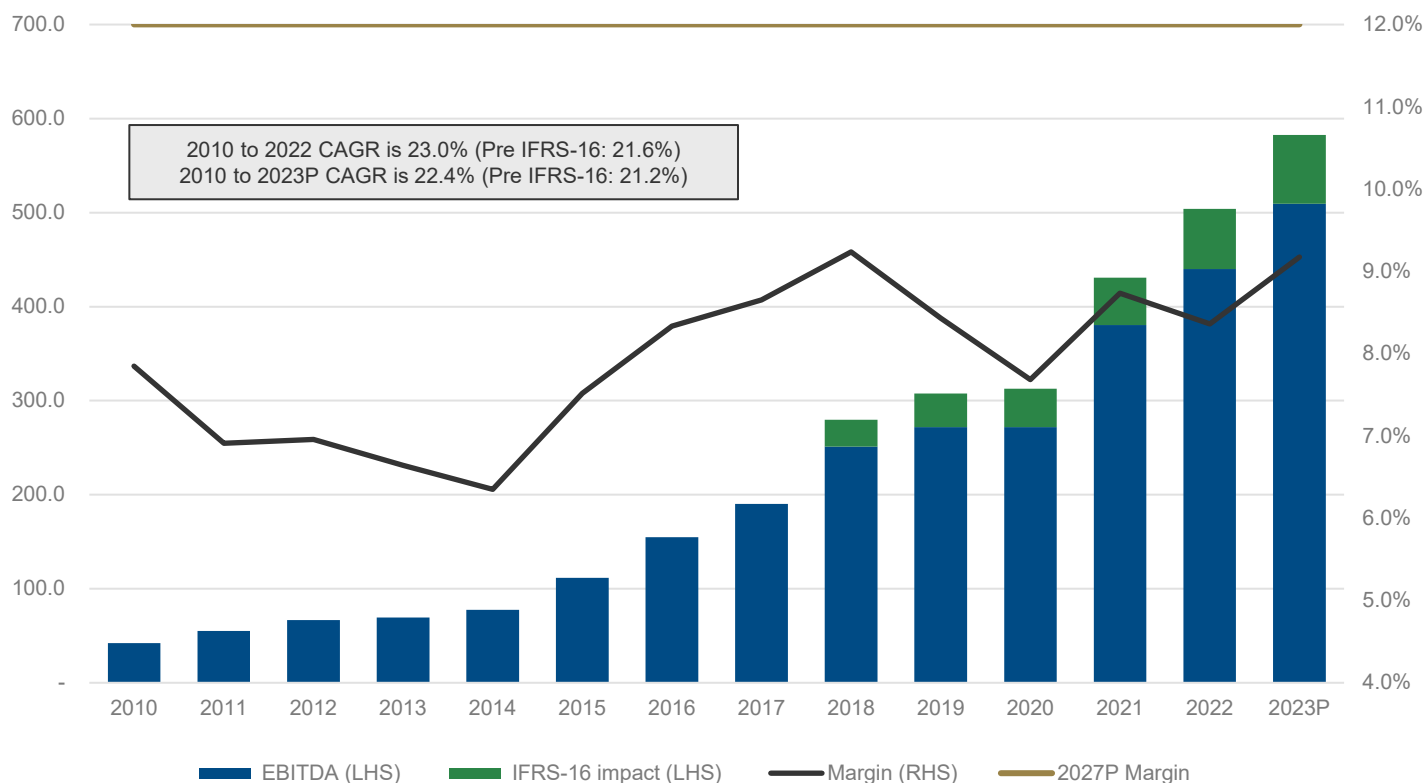


## Specialty Foods – Adjusted EBITDA Margin



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

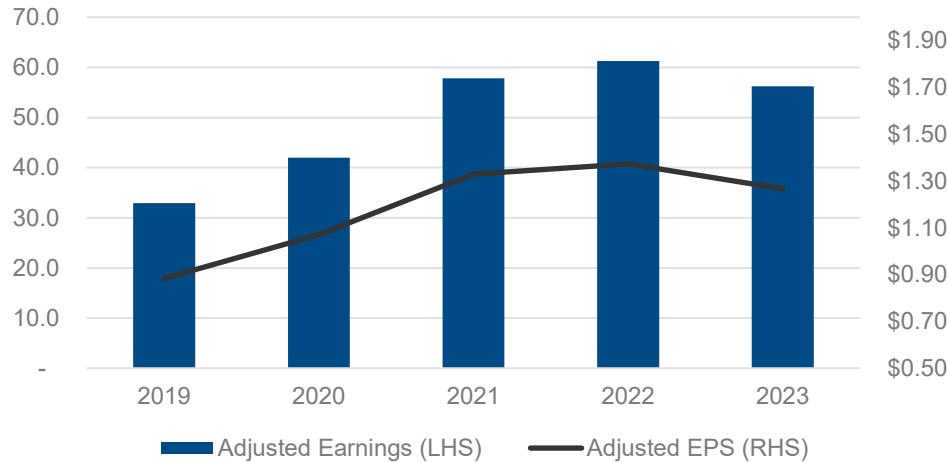
|        | 2010 | 2011 | 2012 | 2013 | 2014 | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023P |
|--------|------|------|------|------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| EBITDA | 42.0 | 54.9 | 66.8 | 69.3 | 77.6 | 111.6 | 154.8 | 190.2 | 280.2 | 307.7 | 312.6 | 430.7 | 504.2 | 582.5 |
| Margin | 7.8% | 6.9% | 7.0% | 6.6% | 6.4% | 7.5%  | 8.3%  | 8.7%  | 9.3%  | 8.4%  | 7.7%  | 8.7%  | 8.4%  | 9.2%  |



# Quarter Adjusted Earnings Performance

(millions of dollars except per share amounts)

|              | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------|------|------|------|------|------|
| Adj earnings | 32.9 | 42.0 | 57.8 | 61.3 | 56.4 |
| Adj EPS      | 0.88 | 1.07 | 1.33 | 1.37 | 1.27 |



## Major positive factors:

- EBITDA growth – **\$17.6m**
- Decreased income taxes – **\$2.2m**

## Major negative factors:

- Growth investment – **\$12.9m**
  - Interest (\$5.3m)
  - Amortization of right-of-use assets and accretion of lease obligations (\$2.9m)
  - Depreciation (\$4.7m)
- Interest rates and FX – **\$11.5m**

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

|                                  | Q3-2023 | YTD-2023 | Investment To-Date | Net Investment Expected | Expected IRR   |
|----------------------------------|---------|----------|--------------------|-------------------------|----------------|
| Project capital expenditures     | 84.1    | 233.7    | 393.3              | 669.4                   | 15% or greater |
| Maintenance capital expenditures | 8.8     | 34.4     | 34.4               | 52.5                    | -              |
|                                  | 92.9    | 268.1    | 427.7              | 721.9                   |                |

Based on mid-point of 2023 guidance of \$50 million to \$55 million



# Liquidity *(millions of dollars except ratios)*

