

First Quarter 2024 Conference Call

May 13, 2024



Premium Brands

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Today's Presenters

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

Key Messages

- 2024 first quarter highlights
 - Record first quarter revenue of \$1.46 billion representing a 2.2%, or \$31.3 million, increase as compared to the first quarter of 2023
 - Solid progress on Specialty Foods' core U.S. growth, which for the quarter generated an organic volume growth rate of 9.7% and total sales of \$580.8 million
 - Record first quarter adjusted EBITDA of \$121.0 million representing a 9.3%, or \$10.3 million, increase as compared to the first quarter of 2023
 - An 8.3% adjusted EBITDA margin, up from 7.7% in the first quarter of 2023
 - Specialty Foods' adjusted EBITDA margin continues to normalize reaching 9.5% for the quarter, a 90-basis point improvement as compared to the first quarter of 2023
 - Sales and adjusted EBITDA guidance for 2024 was reaffirmed

Acquisition Opportunities *(millions of dollars except transactions)*

	<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>			
Platform	Advanced		Active		Early Stage		Opportunity		Inactive		Total	
	#	Sales	#	Sales	#	Sales	#	Sales	#	Sales	#	Sales
Seafood	-	-	1	300	3	192	-	-	9	1,545	13	2,037
Distribution	-	-	-	-	7	1,618	1	945	2	180	10	2,743
Protein	1	108	-	-	6	464	4	504	14	1,355	25	2,431
Sandwich	-	-	-	-	1	439	3	661	1	1,350	5	2,450
Bakery	-	-	-	-	2	148	2	81	4	203	8	432
Culinary	-	-	1	50	-	-	5	1,732	1	75	7	1,857
	1	108	2	350	19	2,861	15	3,923	31	4,708	68	11,950

Belmont Food Group



★ Belmont platform companies

BELMONT MEATS (2016)

LEADBETTER FOODS (2017)

MAID-RITE SPECIALTY FOODS (2021)

BEECHGROVE COUNTRY FOODS (2022)

KING'S COMMAND FOODS (2022)

YORKSHIRE VALLEY FARMS (2018)



Quick Release Philly



Legendary Puck Philly



The Next Five Years – Accelerating Growth



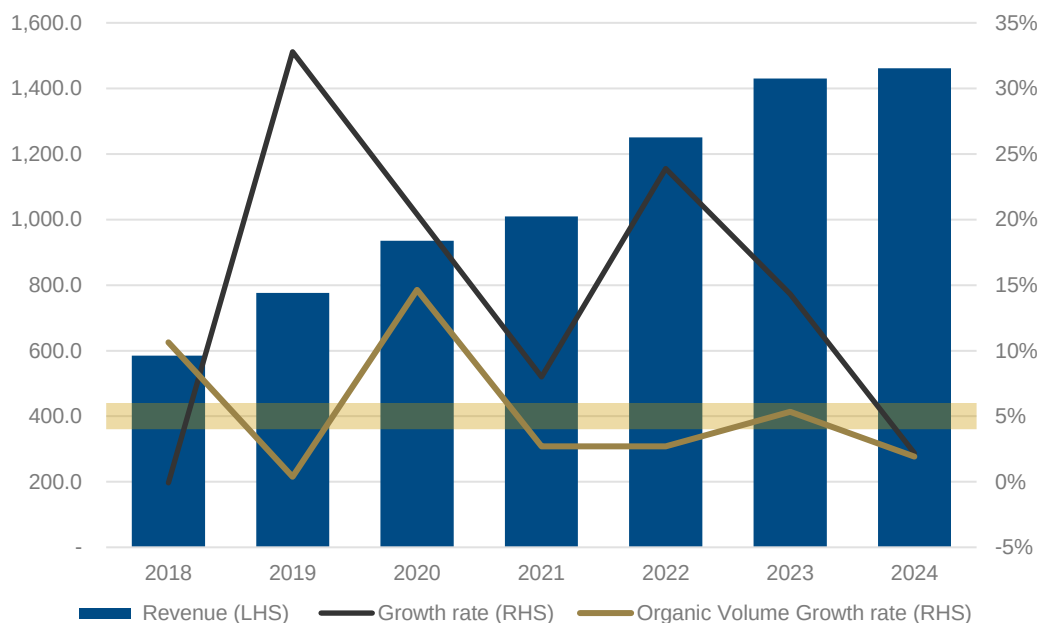




Q1-2024 Financial Update

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

	2018	2019	2020	2021	2022	2023	2024
Revenue	584.9	776.6	935.0	1,009.8	1,251.2	1,430.5	1,461.8
OGR	9.2%	1.8%	16.1%	1.7%	14.7%	11.7%	2.1%
OVGR	10.6%	0.4%	14.6%	2.7%	2.7%	5.3%	1.9%



- The first quarter is generally the slowest due to seasonal factors
- Targeted long-term annual organic volume growth rate range is **4% to 6%**

Positive Factors

- Specialty Foods' organic volume growth – **\$53.0m or 5.6%**
- Selling price inflation – **\$2.7m**
- Acquisitions – **\$2.4m**
- A weaker CAD relative to the USD – **\$0.3m**

Negative Factors

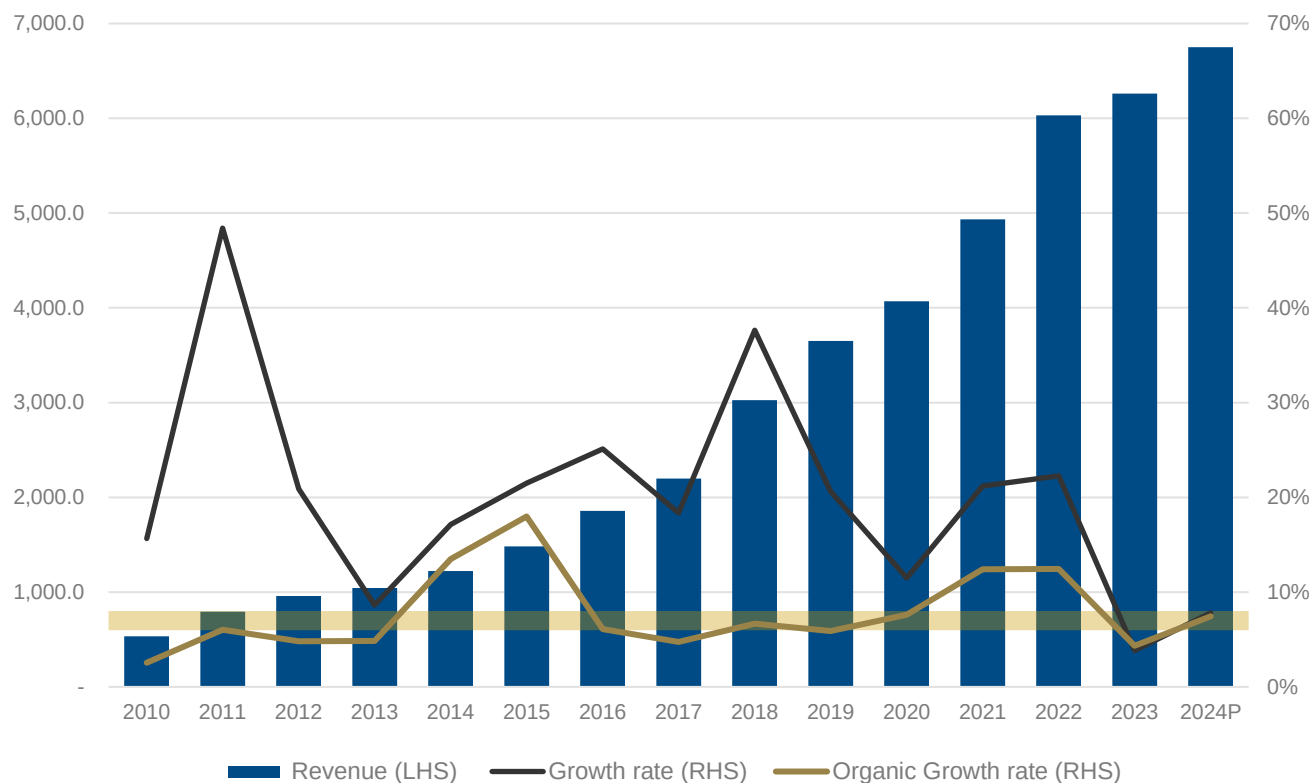
- Contraction in Premium Food Distribution's sales – **\$25.5m or 5.3%**
- Shutdown of Creekside business – **\$1.6m**

U.S. Sales Analysis *(millions of dollars except percentages)*

	Q1-2023	FX And Pricing	Q1-2024 Volume Growth	Q1-2024	OVGR	Adjusted OVGR
Core U.S. sales growth initiatives:						
Protein Group	200.4	(2.1)	19.8	218.1	9.9%	9.9%
Sandwich Group	322.9	(11.1)	24.0	335.8	7.4%	12.1%
Bakery Group	19.3	(1.1)	8.7	26.9	45.1%	45.1%
	542.6	(14.3)	52.5	580.8	9.7%	12.2%

Revenue Trend *(millions of dollars except percentages)*

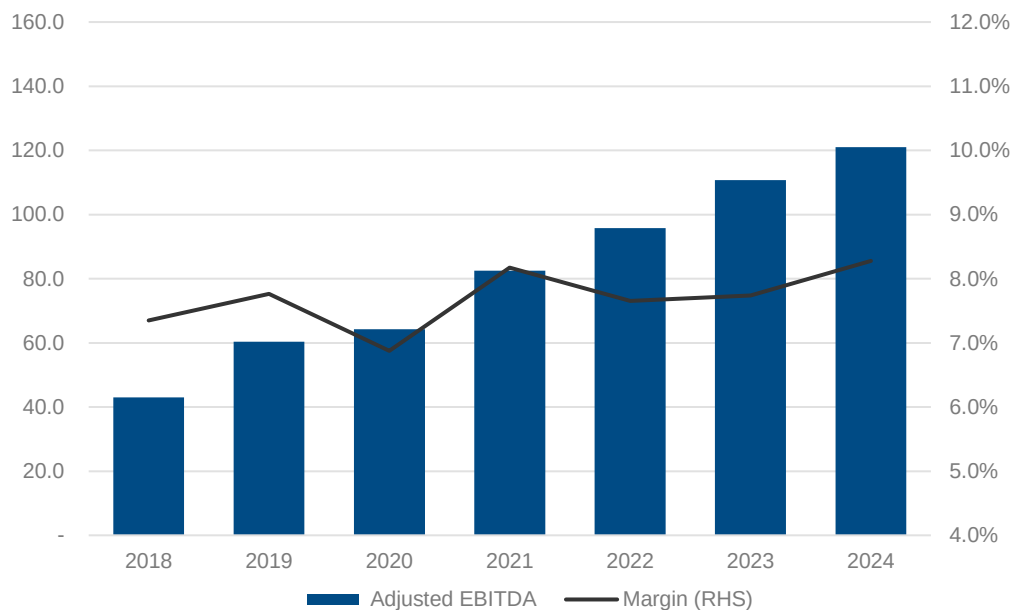
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024P
Revenue	535.2	794.3	960.1	1,043.0	1,221.8	1,484.5	1,857.5	2,198.3	3,025.8	3,649.4	4,068.9	4,931.7	6,029.8	6,261.0	6,750.0
OGR	2.6%	6.0%	4.8%	4.9%	13.5%	18.0%	6.1%	4.7%	6.7%	5.9%	7.6%	12.4%	12.4%	4.3%	7.5%
OVGR					13.5%	8.1%	5.0%	6.8%	7.1%	5.1%	5.9%	8.0%	2.5%	2.1%	7.3%



- 2024P represents mid-point of 2024 guidance of **\$6.65 billion** to **\$6.85 billion**
- 2010 to 2023 CAGR – **20.8%**
- Targeted long-term annual organic growth rate (OVR) range is **6% to 8%**
- Targeted long-term annual organic **volume** growth rate (OVGR) range is **4% to 6%**

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

	2018	2019	2020	2021	2022	2023	2024
EBITDA	43.0	60.3	64.3	82.5	95.8	110.7	121.0
Margin	7.3%	7.8%	6.9%	8.2%	7.7%	7.7%	8.3%



- Targeted mid-term annual adjusted EBITDA margin – **10%**
- First quarter generally has a lower margin due to seasonally lower sales volumes
- Specialty Foods' adjusted EBITDA margin for the quarter – **9.5% vs PY 8.6%**
- Premium Food Distribution adjusted EBITDA margin for the quarter – **5.1% vs PY 4.7%**

Positive Factors

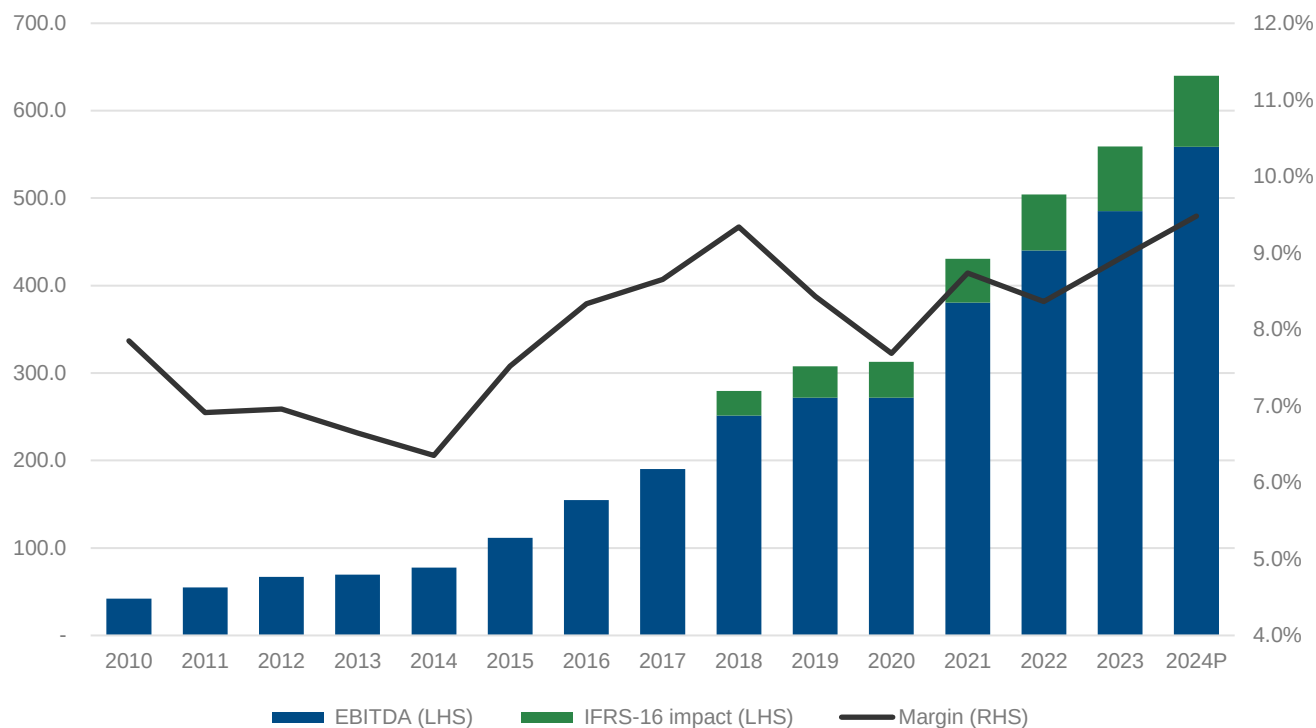
- Organic volume sales growth
- Price inflation net of raw material, wage and general cost inflation
- Plant efficiencies

Negative Factors

- Investment in plant infrastructure

EBITDA Trend *(millions of dollars except percentages)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024P
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	559.1	640.0
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%	8.9%	9.5%

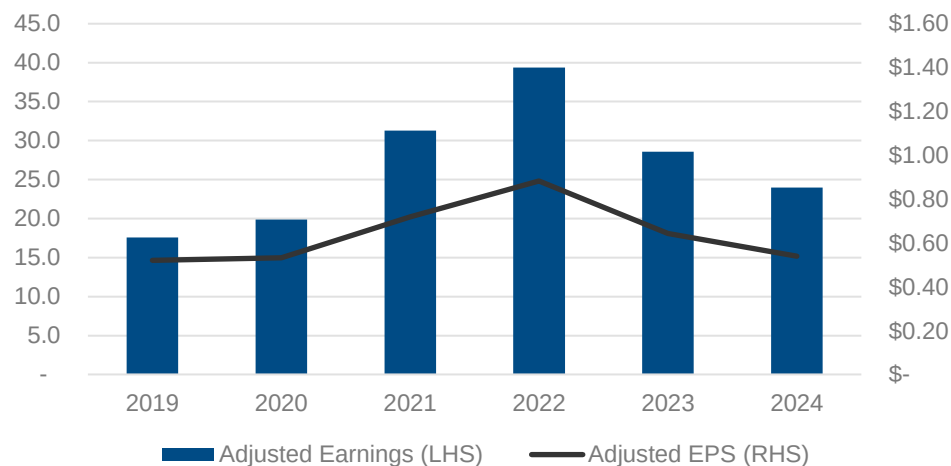


- 2024P represents mid-point of 2024 guidance of **\$630 million** to **\$650 million**
- 2010 to 2023 CAGR – **22.0%**
- 2010 to 2023 pre IFRS-16 CAGR – **20.7%**
- Fiscal years starting in 2018 and forward reflect IFRS-16
- Targeted mid-term annual adjusted EBITDA margin – **10%**

Quarter Adjusted Earnings Performance

(millions of dollars except per share amounts)

	2019	2020	2021	2022	2023	2024
Adj earnings	17.6	19.9	31.3	39.4	28.6	24.0
Adj EPS	0.52	0.53	0.72	0.88	0.64	0.54



Positive Factors

- EBITDA growth

Negative Factors

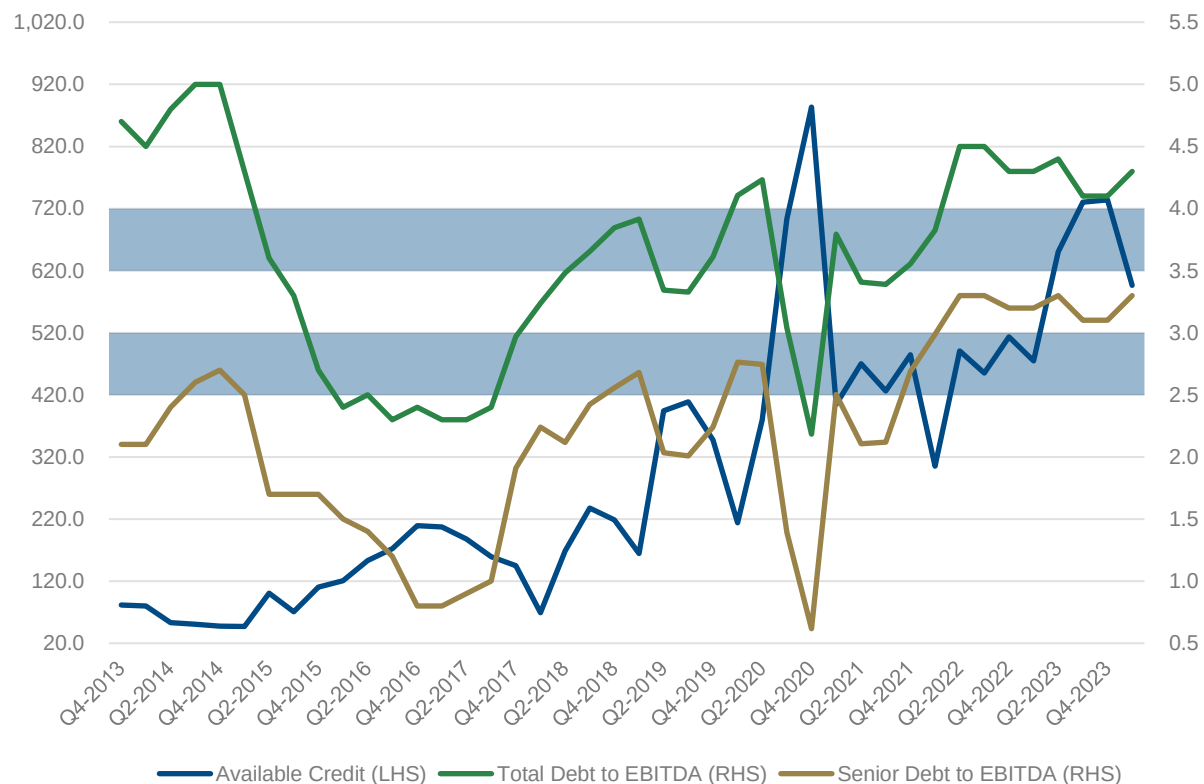
- Growth investment with an estimated after-tax impact of **\$8.2m**
 - Interest
 - Depreciation
 - Amortization of right-of-use assets and accretion of lease obligations
- Interest rates with an estimated after-tax impact of **\$3.1m**
- Effective income tax rate

Capital Expenditures *(millions of dollars except percentages)*

	Q1-2024
Major project capex	70.0
Other project capex	14.7
Project capex	84.7
Maintenance capex	13.3
	98.0

- An unlevered, after-tax IRR of **15%** or greater is expected on project capex
- Expect to spend an additional **\$296 million** on approved major project capex over the next six quarters
- All major project capex initiatives are expected to generate additional production capacity and, in many cases, improved operating efficiencies
- Sale & leasebacks of the real estate associated with at least two major projects is expected to partially offset project capex spend in 2024

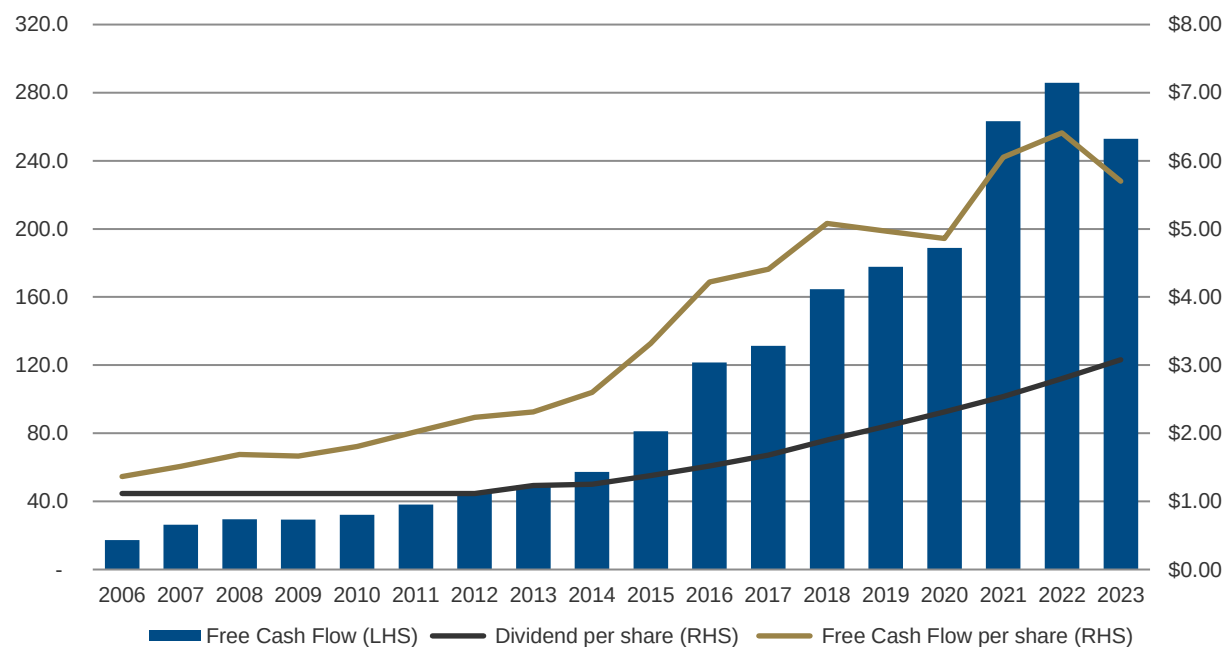
Liquidity *(millions of dollars except ratios)*



- Long-term targeted senior debt to EBITDA ratio – **2.5:1 to 3.0:1**
- Long-term targeted total debt to EBITDA ratio – **3.5:1 to 4.0:1**
- Convertible debentures make up the difference between the two 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	2022	2023	2024P
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%	43.8%	54.3%	
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	\$2.80	\$3.08	\$3.40
Dividend increase	-	-	-	-	-	-	-	4.2%	1.6%	10.4%	10.1%	10.5%	13.1%	10.5%	10.0%	10.0%	10.2%	10.0%	10.4%
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	6.41	5.70	



- Declared dividends since July 2005 – **\$982.9m**
- Expected growth in adjusted EBITDA and stabilization of interest rates expected to result in record FCF / share in 2024
- 2006 to 2023 FCF CAGR is **17.1%**
- 2006 to 2023 FCF / share is **8.8%**

