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Premium Brands

**Second Quarter 2024
Conference Call**

August 8, 2024

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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 for the 13 and 26 weeks ended June 29, 2024, a copy of which is filed electronically through SEDAR+ and is available online at 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.

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Today's Presenters

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

Key Messages

- 2024 second quarter highlights
 - Record second quarter revenue of \$1.7 billion representing a 4.4%, or \$71.8 million, increase as compared to the second quarter of 2023
 - Solid progress on Specialty Foods' core U.S. growth initiatives, which for the quarter generated an organic volume growth rate of 12.9% and total sales of \$661.4 million
 - Record second quarter adjusted EBITDA of \$164.6 million representing an 8.0%, or \$12.2 million, increase as compared to the second quarter of 2023
 - A 9.7% adjusted EBITDA margin, up from 9.3% in the second quarter of 2023
 - Specialty Foods' adjusted EBITDA margin continues to normalize reaching 10.5% for the quarter, a 40-basis point improvement as compared to the second quarter of 2023
 - The 2024 CEO Letter to Shareholders, titled "Transformational Growth," posted to the Premium Brands' website

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		Total	
	#	Sales	#	Sales	#	Sales	#	Sales	#	Sales	#	Sales
Seafood	-	-	1	325	5	983	-	-	7	554	13	1,862
Distribution	-	-	1	450	9	1,169	1	951	1	150	12	2,720
Protein	3	154	2	234	5	221	6	791	11	718	27	2,118
Sandwich	-	-	-	-	1	442	3	666	1	1,359	5	2,467
Bakery	-	-	-	-	2	148	3	115	4	204	9	467
Culinary	-	-	1	50	-	-	5	1,743	1	75	7	1,868
	3	154	5	1,059	22	2,963	18	4,266	25	3,060	73	11,502

Expresco Foods



- Custom manufacturer of fully cooked grilled protein products, frozen and fresh, for foodservice and retail customers across North America
- 75,000 square foot facility with capacity, flexibility and state-of-the-art technology
- Integrated logistics and warehouse
- 450 employees
- Four modern cooking lines that grill all our fully cooked products
- Proprietary skewer-making technology





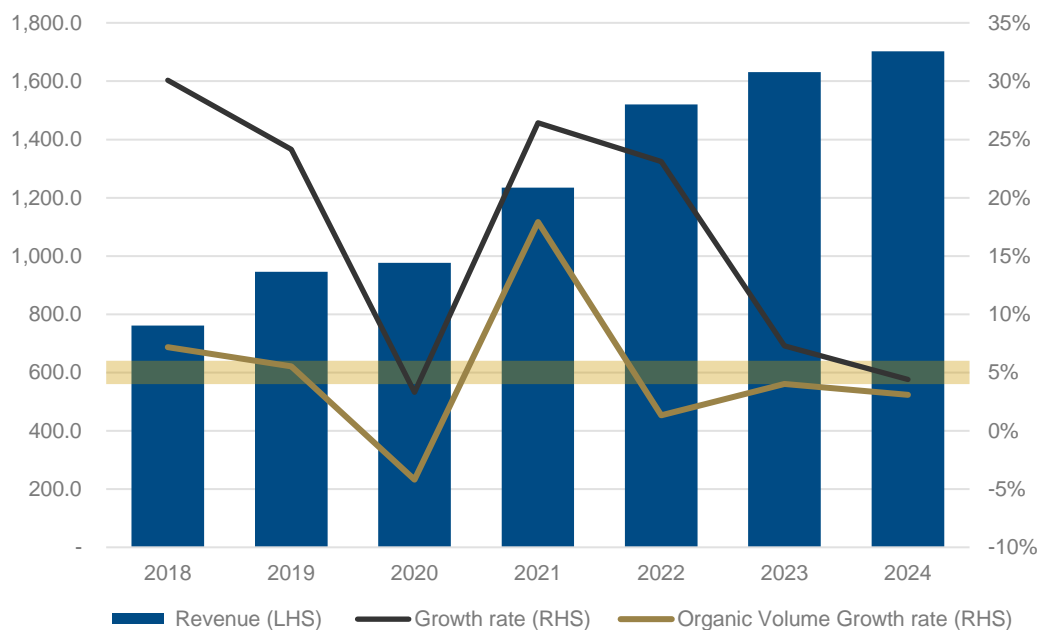




Q2-2024 Financial Update

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

	2018	2019	2020	2021	2022	2023	2024
Revenue	761.5	945.4	976.6	1,234.7	1,519.9	1,630.9	1,702.7
OGR	6.4%	4.2%	0.1%	17.9%	13.9%	6.2%	4.0%
OVGR	7.2%	5.5%	(4.2%)	17.9%	1.3%	4.0%	3.1%



- Targeted long-term annual organic volume growth rate range is **4% to 6%**

Positive Factors

- Specialty Foods' organic volume growth – **\$62.4m or 5.8%**
- Selling price inflation – **\$6.1m**
- Acquisitions – **\$8.0m**
- A weaker CAD relative to the USD – **\$0.3m**

Negative Factors

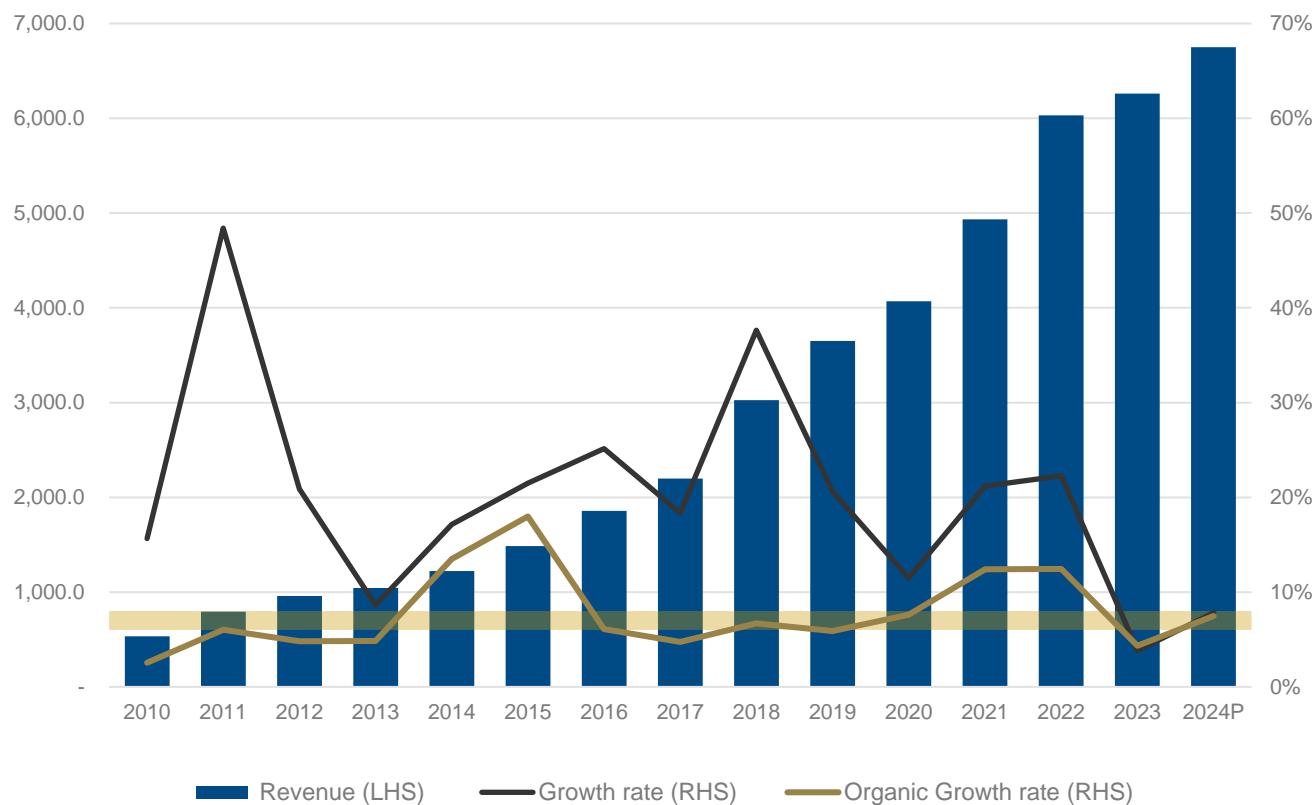
- Contraction in Premium Food Distribution's sales – **\$12.0m or 2.2%**
- Shutdown of Creekside business – **\$2.0m**

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

	Q2-2023	FX & Pricing	Volume Growth	Q2-2024	OVGR
Core U.S. sales growth initiatives:					
Protein Group	238.7	0.9	17.1	256.7	7.2%
Sandwich Group	329.1	0.5	55.0	384.6	16.7%
Bakery Group	16.2	0.6	3.3	20.1	20.4%
	584.0	2.0	75.4	661.4	12.9%

Revenue Trend *(millions of dollars except percentages)*

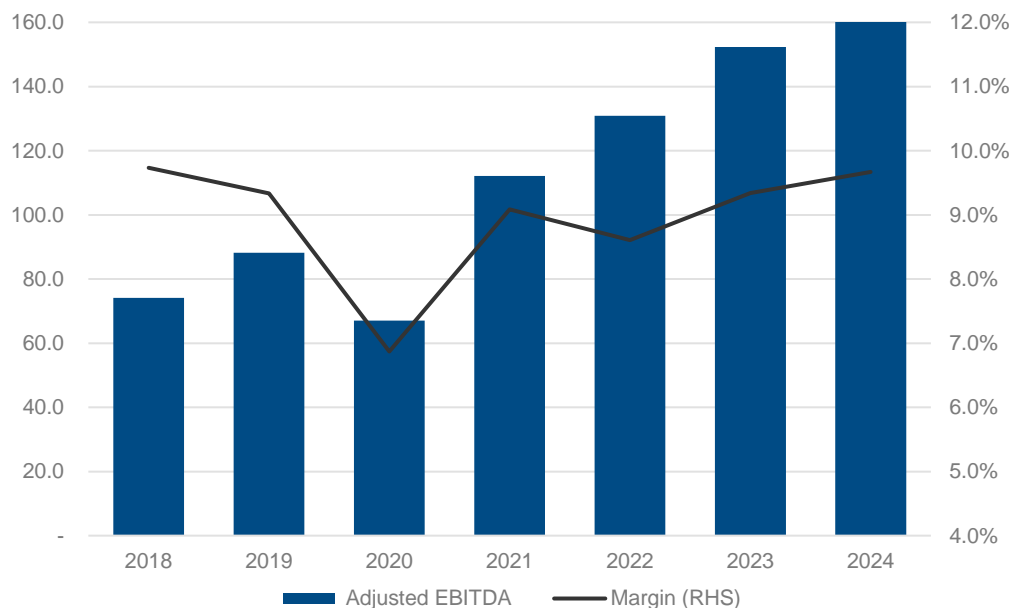
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024P
Revenue	535.2	794.3	960.1	1,043.0	1,221.8	1,484.5	1,857.5	2,198.3	3,025.8	3,649.4	4,068.9	4,931.7	6,029.8	6,261.0	6,750.0
OGR	2.6%	6.0%	4.8%	4.9%	13.5%	18.0%	6.1%	4.7%	6.7%	5.9%	7.6%	12.4%	12.4%	4.3%	7.5%
OVGR					13.5%	8.1%	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 range is **6% to 8%**
- Targeted long-term annual organic **volume** growth rate range is **4% to 6%**

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

	2018	2019	2020	2021	2022	2023	2024
EBITDA	74.1	88.2	67.1	112.2	130.8	152.4	164.6
Margin	9.7%	9.3%	6.9%	9.1%	8.6%	9.3%	9.7%



- Targeted mid-term annual adjusted EBITDA margin – **10%**
- Specialty Foods' adjusted EBITDA margin for the quarter – **10.5% vs PY 10.1%**
- Premium Food Distribution's adjusted EBITDA margin for the quarter – **7.4% vs PY 6.5%**

Positive Factors

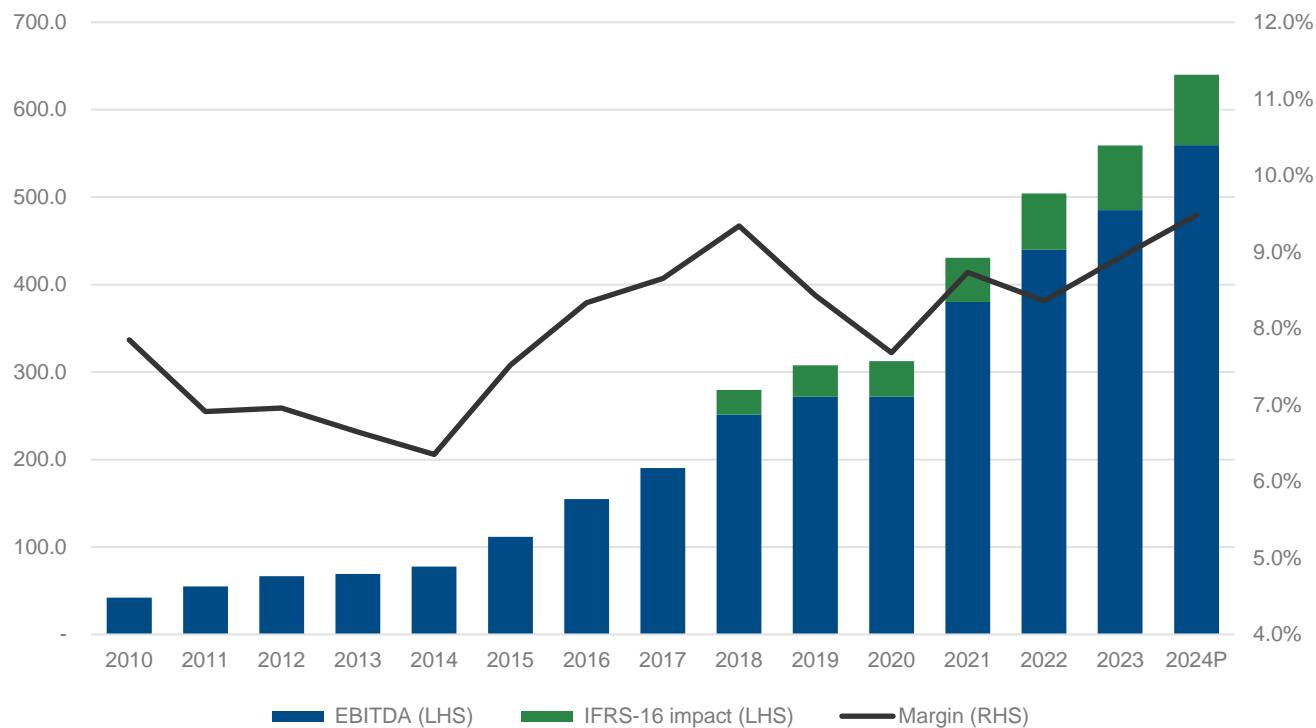
- Organic volume sales growth
- Plant efficiency gains
- Process lobster margins

Negative Factors

- Plant overhead associated with new production capacity coming online
- Wage inflation

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%

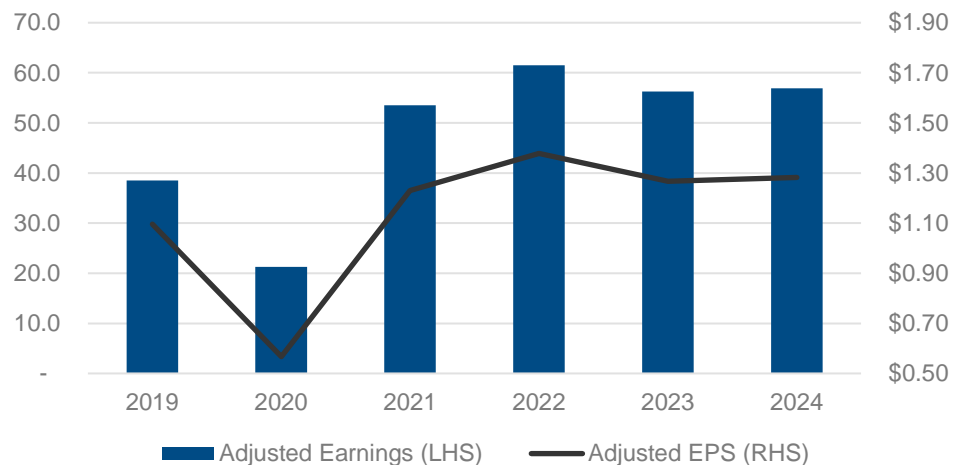


- 2024P represents mid-point of 2024 guidance of **\$630 million to \$650 million**
- 2010 to 2023 CAGR – **20.8%** (**20.7% pre IFRS-16**)
- Fiscal years starting in 2018 and forward reflect IFRS-16
- Targeted mid-term annual adjusted EBITDA margin – **10%**

Quarter Adjusted Earnings Performance

(millions of dollars except per share amounts)

	2019	2020	2021	2022	2023	2024
Adj earnings	38.5	21.2	53.5	61.5	56.3	56.9
Adj EPS	1.10	0.57	1.23	1.38	1.27	1.28



Positive Factors

- EBITDA growth

Negative Factors

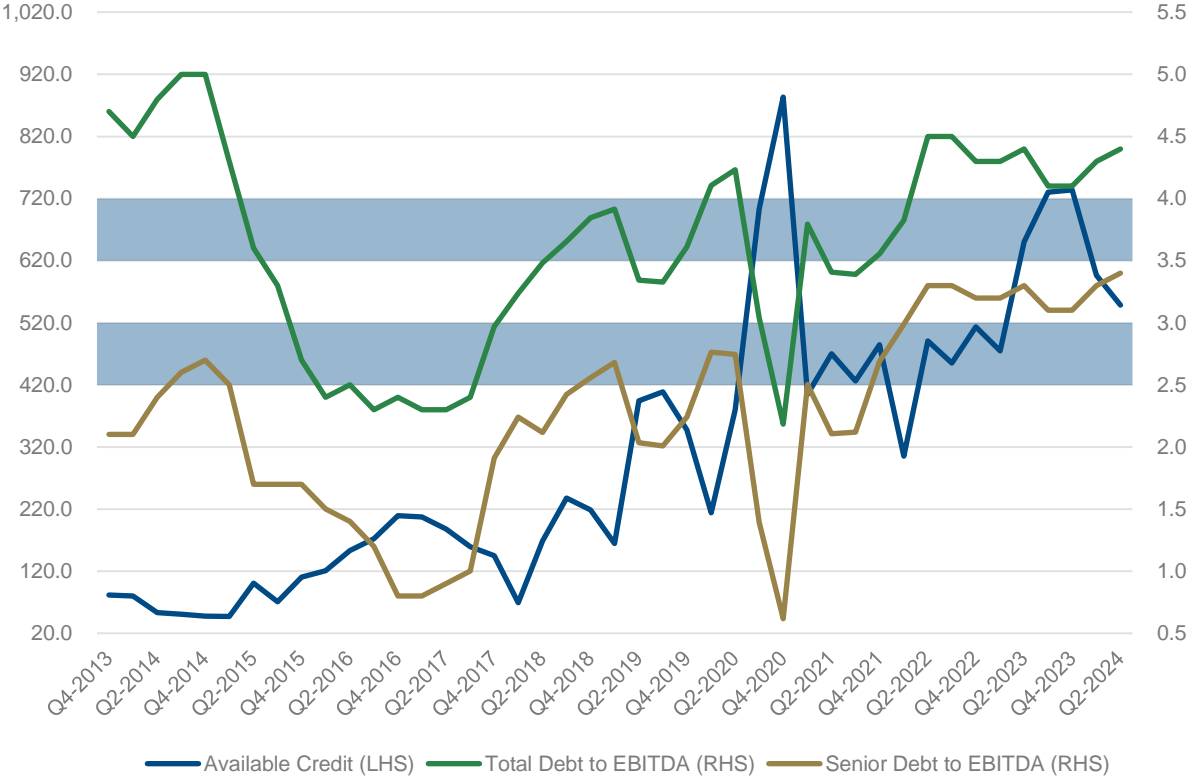
- Growth investment – estimated after-tax impact of **\$6.9m or \$0.16 / share**
 - Interest
 - Depreciation
 - Amortization of right-of-use assets and accretion of lease obligations
- Interest rates with an estimated after-tax impact of **\$1.7m or \$0.03 / share**

Capital Expenditures *(millions of dollars except percentages)*

	Q2-2024
Major project capex	83.2
Other project capex	11.5
Project capex	94.7
Maintenance capex	9.7
	104.4

- An unlevered, after-tax IRR of **15%** or greater is expected on project capex
- Expect to spend an additional **\$230 million** on approved major project capex over the next five 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 being worked on

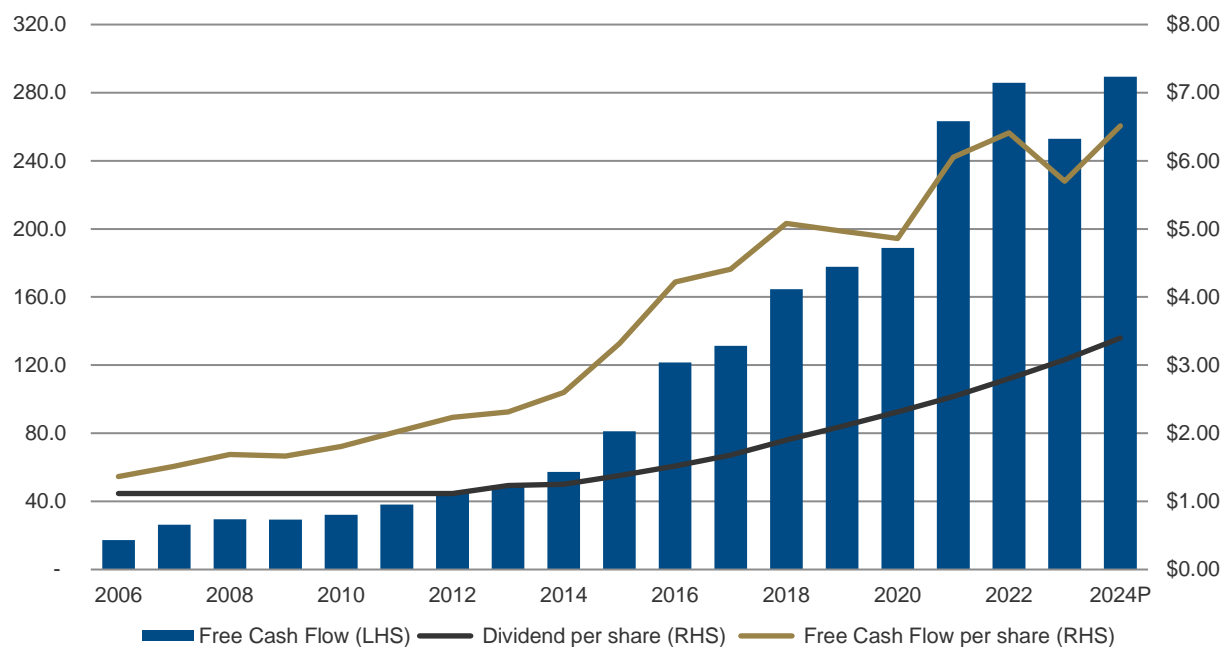
Liquidity *(millions of dollars except ratios)*



- 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	



- **\$1,020.7m** in declared dividends since July 2005
- Projected 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 CAGR is **8.8%**

