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Premium Brands

Third Quarter 2024 Conference Call

November 6, 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 39 weeks ended September 28, 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

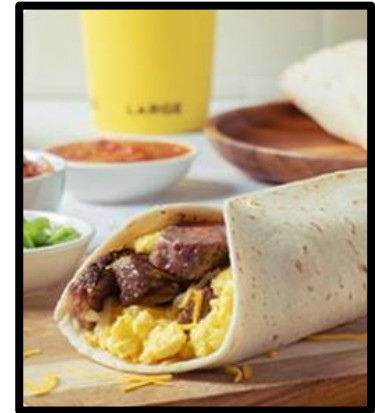
Key Messages

- 2024 third quarter highlights
 - Record third quarter revenue of \$1.67 billion representing a 1.3%, or \$22.0 million, increase as compared to the third quarter of 2023
 - Solid progress on Specialty Foods' core U.S. growth initiatives in protein and baked goods, which generated organic volume growth rates of 7.8% and 25.3%, respectively
 - Record third quarter adjusted EBITDA of \$159.4 million representing a 0.4%, or \$0.6 million, increase as compared to the third quarter of 2023
 - A 9.6% adjusted EBITDA margin as compared to a 9.7% adjusted EBITDA margin in the third quarter of 2023
 - Announced the sale of a redundant vacant property for \$26.0 million
 - Entered into a non-binding letter of intent to sell and lease back a production facility located in the State of Washington for US\$68.0 million or approximately CA\$92.5 million

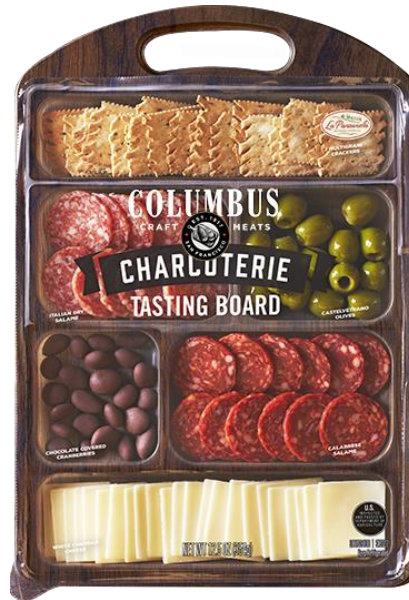
Acquisition Opportunities *(millions of dollars except transactions)*

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	-	-	2	325	4	199	-	-	8	1,276	14	1,800
Distribution	-	-	4	495	3	123	1	952	2	1,150	10	2,720
Protein	4	331	-	-	6	271	5	710	10	786	25	2,099
Sandwich	-	-	-	-	3	809	3	666	1	1,360	7	2,835
Bakery	-	-	-	-	2	148	3	422	5	238	10	808
Culinary	-	-	-	-	1	50	5	1,844	1	50	7	1,944
	4	331	6	820	19	1,600	17	4,594	27	4,860	73	12,206

North American Sandwich Division



North American Sandwich Division



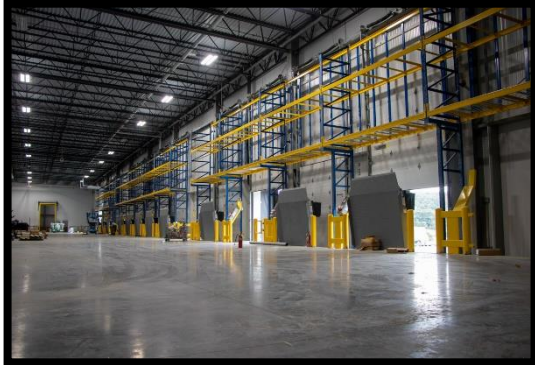
North American Sandwich Division

Operate in 7 Distinct Channels

1. Coffeehouse
2. Club
3. Grocery/Retail
4. Co-Manufacturing Frozen
5. Transportation/Airlines
6. Hospitality ***New
7. Foodservice Broadline Distributors ***New
8. International ***Pending for 2025



New Plant – Cleveland, TN



Receiving & Shipping Docks (plus 18,000+ Pallet Positions)



Overhead View
350,000 square feet, 65 acres



End Pack Room



Production Room
Entrance



Associate Breakroom

Plant Improvements – Columbus, OH



New Gen3 Automated Sandwich Assembly –
Bread Slicing



New Gen3 Automated Sandwich Assembly –
Cheese Slicing



New Gen3 Automated Sandwich Assembly –
Egg Depositing



New Associate
Entrances

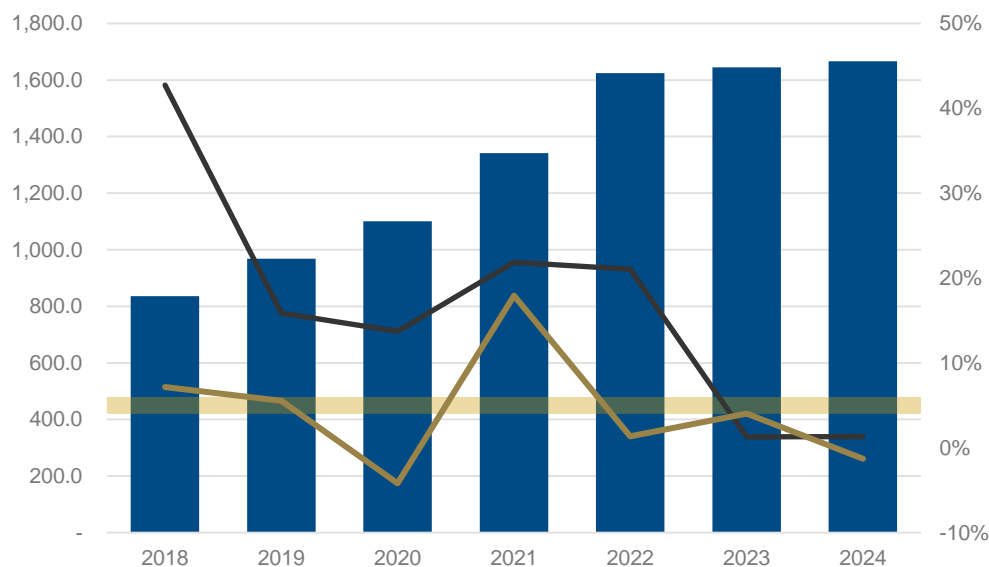


New Associate
Restrooms

Q3-2024 Financial Update

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

	2018	2019	2020	2021	2022	2023	2024
Revenue	835.5	968.3	1,101.1	1,341.8	1,623.9	1,644.9	1,666.9
OGR	6.4%	4.2%	0.1%	17.9%	13.9%	6.2%	1.0%
OVGR	7.2%	5.5%	(4.2%)	17.9%	1.3%	4.0%	(1.3%)



■ Revenue (LHS) — Growth rate (RHS) — Organic Volume Growth rate (RHS)

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

Positive Factors

- Selling price inflation – **\$29.8m**
- A weaker CAD relative to the USD – **\$7.8m**
- Acquisitions – **\$7.3m**

Negative Factors

- Contraction in Specialty Foods' sales – **\$4.0m or 0.4%**
- Contraction in Premium Food Distribution's sales – **\$17.1m or 2.9%**
- Shutdown of Creekside business – **\$1.8m**

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

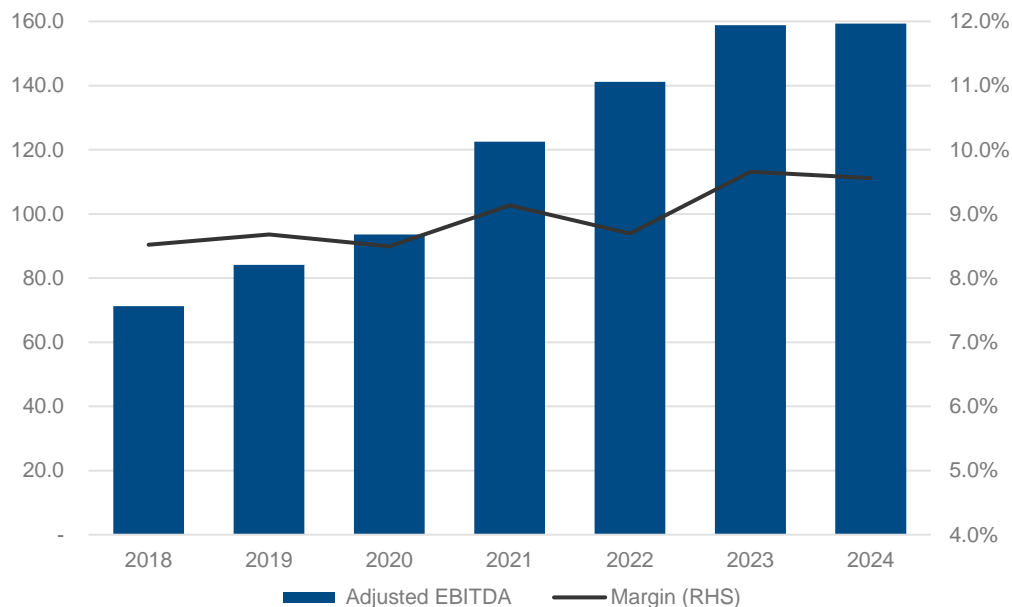
	Q3-2023	FX & Pricing	Volume Growth	Q3-2024	Q3-2024 OVGR
Core U.S. sales growth initiatives:					
Protein Group	225.5	6.5	17.7	249.7	7.8%
Sandwich Group	332.5	7.8	(16.7)	323.6	(5.0%)
Bakery Group	21.3	0.4	5.4	27.1	25.3%
	579.3	14.7	6.4	600.4	1.1%
Excluding impact of major foodservice customer	369.8	4.6	29.8	404.2	8.1%

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

	Highly Likely to be Completed in 2025	Likely to be Completed in 2025	Early Stage	Total
U.S. sales pipeline:				
Protein Group	299.2	92.0	83.6	474.8
Sandwich Group	365.5	177.1	114.2	656.8
Bakery Group	39.3	32.6	246.8	318.7
	704.0	301.7	444.6	1,450.3
	48.5%	20.8%	30.7%	100.0%

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

	2018	2019	2020	2021	2022	2023	2024
EBITDA	71.2	84.1	93.5	122.6	141.2	158.8	159.4
Margin	8.5%	8.7%	8.5%	9.1%	8.7%	9.7%	9.6%



- Targeted mid-term annual adjusted EBITDA margin – **10%**
- Specialty Foods' adjusted EBITDA margin for the quarter – **10.5% vs PY 11.0%**
- Premium Food Distribution's adjusted EBITDA margin for the quarter – **6.9% vs PY 6.1%**

Positive Factors

- Plant efficiency gains
- Discretionary compensation accruals

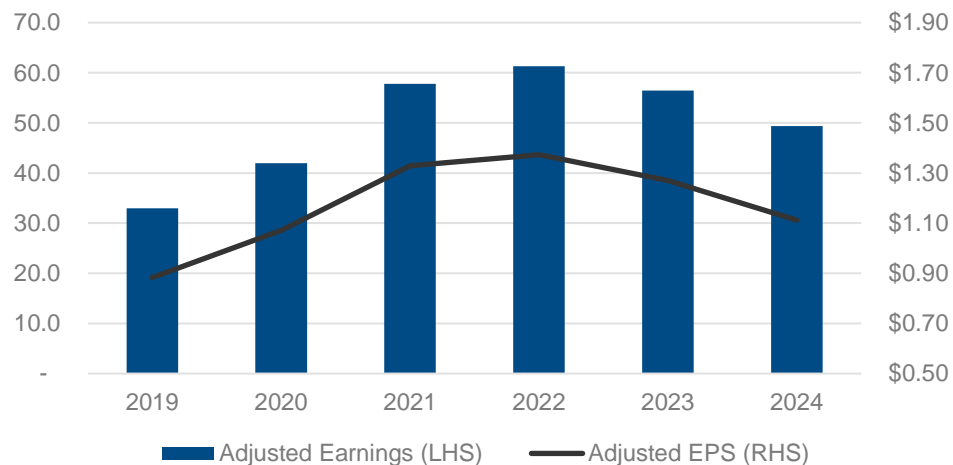
Negative Factors

- Chicken and beef cost inflation
- Wage inflation

Quarter Adjusted Earnings Performance

(millions of dollars except per share amounts)

	2019	2020	2021	2022	2023	2024
Adj earnings	32.9	42.0	57.8	61.3	56.4	49.4
Adj EPS	0.88	1.07	1.33	1.37	1.27	1.11



Positive Factors

- EBITDA growth

Negative Factors

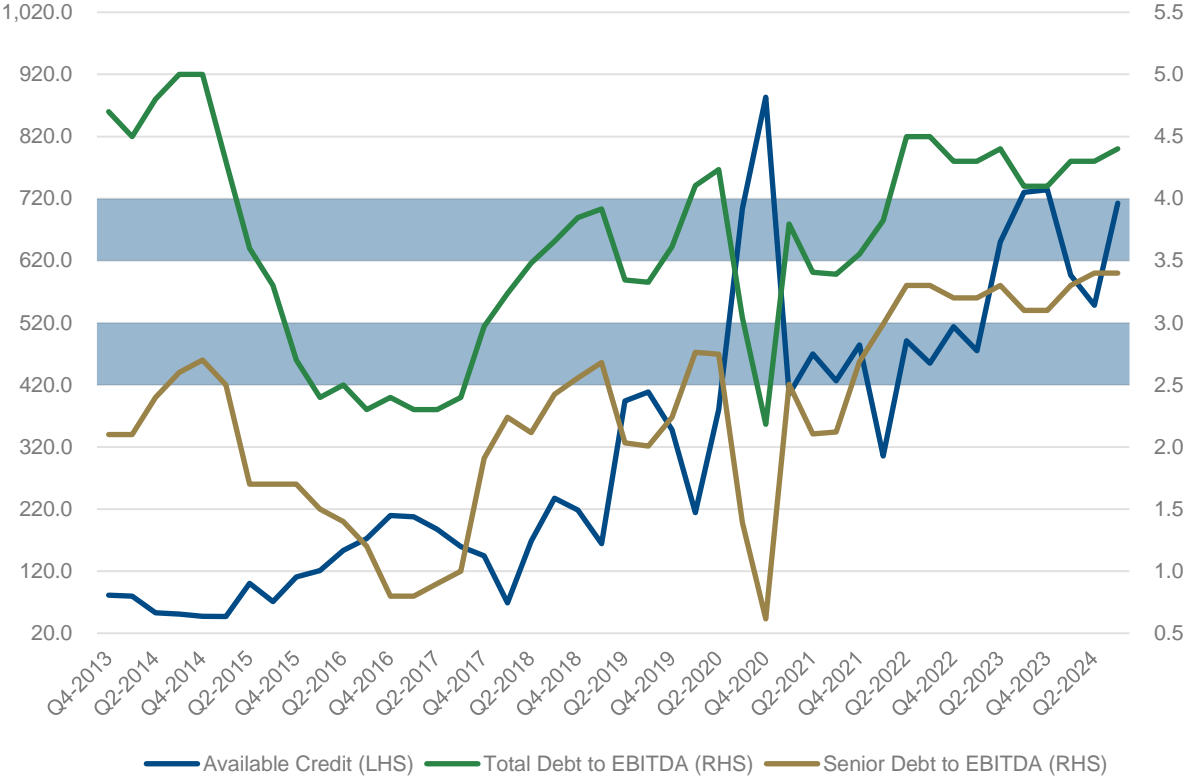
- Growth investment – estimated after-tax impact of **\$8.4m or \$0.19 / share**
 - Interest
 - Depreciation
 - Amortization of right-of-use assets and accretion of lease obligations

Capital Expenditures *(millions of dollars except percentages)*

	Q3-2024
Major project capex	60.4
Other project capex	11.0
Project capex	71.4
Maintenance capex	10.7
	82.1

- 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
- Subsequent to the quarter the Company:
 - Sold a redundant vacant property for \$26 million; and
 - Entered into a non-binding letter of intent to sell and leaseback a recently expanded production facility in the State of Washington for US\$68 million

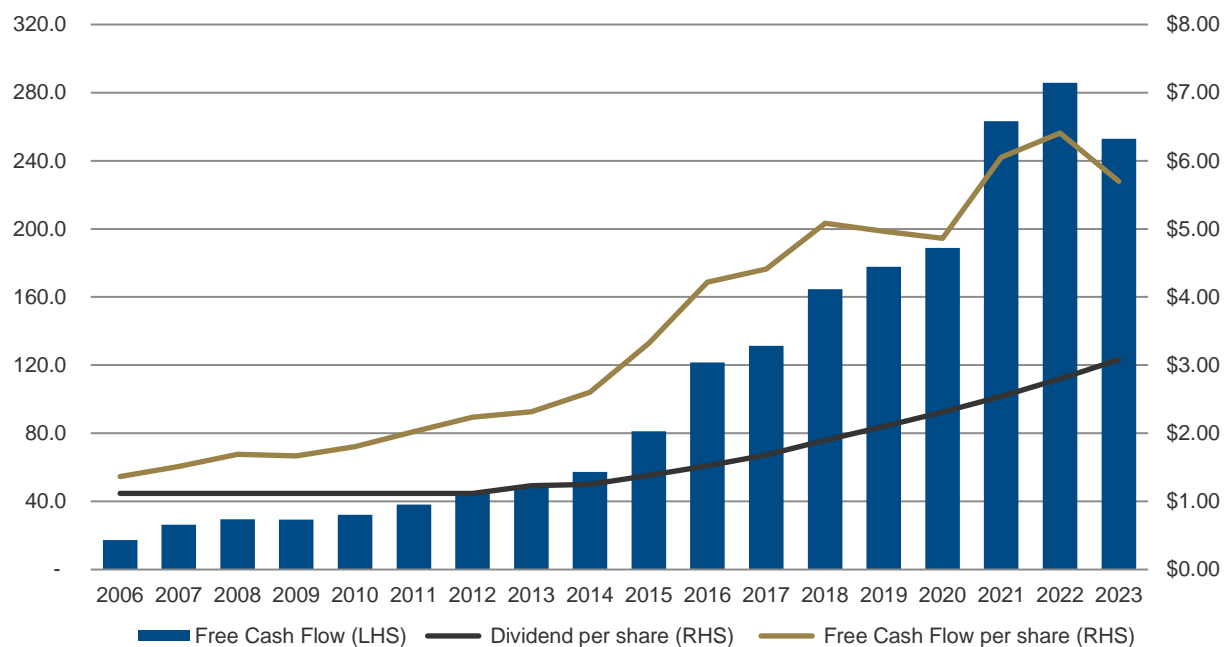
Liquidity *(millions of dollars except ratios)*



- 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	



- **\$1,058.7m** 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%**

