PREMIUM BRANDS HOLDINGS CORPORATION REPORTS RECORD THIRD QUARTER RESULTS, DECLARES FOURTH QUARTER DIVIDEND AND RELEASES ITS 2022 ESG PROGRESS REPORT

VANCOUVER, B.C., November 3, 2022. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today its results for the third quarter of 2022.

THIRD QUARTER HIGHLIGHTS

- Record third quarter revenue of $1.62 billion representing a 21.0%, or $282.1 million, increase as compared to the third quarter of 2021
- Record third quarter adjusted EBITDA[1] of $141.2 million representing a 15.2%, or $18.6 million, increase as compared to the third quarter of 2021
- Record third quarter adjusted EPS[1] of $1.37 per share representing a 3.0%, or $0.04 per share, increase as compared to the third quarter of 2021
- The Company issued its 2022 ESG Progress Report, which can be found on its website at www.premiumbrandsholdings.com
- The Company declared a dividend of $0.70 per share for the fourth quarter of 2022

[1] *The Company reports its financial results in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Adjusted EBITDA and adjusted EPS are non-IFRS financial measures. Reconciliations and explanations for all non-IFRS measures are included in the Non-IFRS Financial Measures section of this press release.*

CONFERENCE CALL

The Company will hold a conference call to discuss its third quarter 2022 results today at 10:30 a.m. PT (1:30 p.m. ET). An investor presentation that will be referenced on the conference call is available here or on the Company's website at www.premiumbrandsholdings.com.

Access to the call may be obtained by calling the operator at (416) 764-8646 or (888) 396-8049 (Conference ID: 90849003) up to ten minutes prior to the scheduled start time. For those who are unable to participate, a recording of the conference call will be available through to 10:30 a.m. ET on December 2, 2022 at (877) 674-7070 (passcode: 849003#). Alternatively, a recording of the conference call will be available at the Company's website at www.premiumbrandsholdings.com.

SUMMARY FINANCIAL INFORMATION

(In millions of dollars except per share amounts and ratios)

	13 weeks ended Sep 24, 2022	13 weeks ended Sep 25, 2021	39 weeks ended Sep 24, 2022	39 weeks ended Sep 25, 2021
Revenue	1,623.9	1,341.8	4,395.0	3,586.3
Adjusted EBITDA[1]	141.2	122.6	367.8	317.3
Earnings	43.5	46.9	129.2	94.7
EPS	0.97	1.08	2.89	2.18
Adjusted earnings[1]	61.3	57.8	162.2	142.6
Adjusted EPS[1]	1.37	1.33	3.63	3.28

	Trailing Four Quarters Ended	
	Sep 24, 2022	Sep 25, 2021
Free cash flow[1]	285.9	245.6
Free cash flow per share	6.45	5.80
Declared dividends	122.5	108.2
Declared dividend per share	2.7350	2.4825
Payout ratio[1]	42.8%	44.1%

1 *Reconciliations for all non-IFRS measures are included in the Non-IFRS Financial Measures section of this press release*.

“We are pleased to report another quarter of record sales and EBITDA as we continue to see a gradual return to more normal operating conditions. We are particularly encouraged by the trend in our results as our performance got progressively better through the course of the quarter,” said Mr. George Paleologou, President and CEO.

“Despite the persistent but moderating headwinds of inflation, supply chain challenges and labor shortages, we are making steady progress towards our short and long-term goals and remain confident that our diversified business model, decentralized and entrepreneurial culture, and dedicated and passionate people position us to generate superior long-term returns for our shareholders.

“Our businesses are continuing to invest in product innovation, production capacity, process improvement and most importantly their people, which has ideally positioned them to generate improved margins and significant organic growth as consumer lifestyles and behaviors return to normal. Furthermore, we continue to see significant opportunities to enhance the growth and profitability profiles of our businesses through strategic and opportunistic acquisitions as our pipeline remains very robust with the number of opportunities seeming to grow weekly.

“Looking forward, we are well positioned to achieve our five-year 2023 sales and adjusted EBITDA targets of $6 billion and $600 million, respectively,” added Mr. Paleologou.

“We are also pleased to announce the issuance of our 2022 ESG Progress Report, which can be found on our website. We have made significant progress over the past year in advancing our ESG initiatives and remain committed to our goal of leading our industry in this important area. As I have discussed before, the core principles of ESG are part of DNA of our company and our vision to help build a better future for our communities and the world at large,” said Mr. Paleologou.

FOURTH QUARTER 2022 DIVIDEND

The Company also announced that its Board of Directors approved a cash dividend of $0.70 per share for the fourth quarter of 2022, which will be payable on January 16, 2023 to shareholders of record at the close of business on December 30, 2022.

Unless indicated otherwise in writing at or before the time the dividend is paid, each dividend paid by the Company in 2022 or a subsequent year is an eligible dividend for the purposes of the Enhanced Dividend Tax Credit System.

ABOUT PREMIUM BRANDS

Premium Brands owns a broad range of leading specialty food manufacturing and differentiated food distribution businesses with operations across Canada and the United States. For further information, please contact George Paleologou, President and CEO or Will Kalutycz, CFO at (604) 656-3100.

www.premiumbrandsholdings.com

RESULTS OF OPERATIONS

The Company reports on two reportable segments, Specialty Foods and Premium Food Distribution, as well as non-segmented investment income and corporate costs (Corporate). The Specialty Foods segment consists of the Company's specialty food manufacturing businesses while the Premium Food Distribution segment consists of the Company's differentiated distribution and wholesale businesses as well as certain seafood processing businesses. Investment income includes interest and management fees generated from the Company's businesses that are accounted for using the equity method.

Revenue

(in millions of dollars except percentages)	13 weeks ended Sep 24, 2022	% (1)	13 weeks ended Sep 25, 2021	% (1)	39 weeks ended Sep 24, 2022	% (1)	39 weeks ended Sep 25, 2021	% (1)
Revenue by segment:								
Specialty Foods	994.1	61.2%	776.3	57.9%	2,712.6	61.7%	2,207.7	61.6%
Premium Food Distribution	629.8	38.8%	565.5	42.1%	1,682.4	38.3%	1,378.6	38.4%
Consolidated	1,623.9	100.0%	1,341.8	100.0%	4,395.0	100.0%	3,586.3	100.0%

(1) Expressed as a percentage of consolidated revenue.

Specialty Foods' (SF) revenue for the quarter increased by $217.8 million or 28.1% primarily due to: (i) business acquisitions, which accounted for $100.6 million of SF's growth; (ii) selling price inflation of $90.9 million, which was driven by increases implemented in reaction to inflationary pressures across a broad range of costs; (iii) organic volume growth of $31.0 million representing an organic volume growth rate (OVGR) of 4.0%; and (iv) a $13.8 million increase in the translated value of sales generated by SF's U.S. based businesses due to a weaker Canadian dollar – approximately 54.0% of SF's revenue for the quarter was generated by these businesses. These factors were partially offset by an $18.5 million accrual for a claim made by a customer for products sold in the second quarter of 2022 that did not meet the customer's specifications. The specifications issue was the result of raw materials supplied to SF that did not meet its own defined requirements, and correspondingly, the impact of this accrual on SF's gross profit is offset by an accrual for expected proceeds from claims against the associated supplier and/or the Company's insurance policies.

SF's OVGR of 4.0% was driven primarily by its artisan sandwich and specialty baked goods initiatives. This rate was within SF's long-term targeted range of 4% to 6% but significantly below its medium term growth expectations due to: (i) lower sales of branded protein products in the retail channel resulting from a shift in consumer spending to out-of-home dining and less retail featuring activity; (ii) the cancellation of a recently launched new product by a major customer as a result of the product specification issue outlined above; (iii) a shortage of turkey raw materials that resulted in short shipments to customers and/or the temporary delisting of certain deli products; (iv) a three week shutdown of production of a high volume cooked protein product due to disruptions caused by the installation of new manufacturing equipment; and (v) price related demand destruction in certain limited product categories – primarily meat snacks in the convenience store channel.

SF's revenue for the first three quarters of 2022 increased by $504.9 million or 22.9% primarily due to: (i) selling price inflation of $246.2 million; (ii) business acquisitions, which accounted for $192.5 million of the increase; (iii) organic volume growth of $36.4 million after deducting the $18.5 million customer claim recorded in the third quarter; and (iv) a $29.8 million increase in the translated value of sales generated by the Company's U.S. based businesses.

Premium Food Distribution's (PFD) revenue for the quarter increased by $64.3 million or 11.4% due to: (i) business acquisitions, which accounted for $52.8 million of PFD's growth; (ii) organic volume growth of $8.4 million representing an OVGR of 1.5%; and (iii) a $4.5 million increase in the translated value of sales generated by PFD's U.S. based businesses due to a weaker Canadian dollar. These factors were partially offset by selling price deflation of $1.4 million, which was entirely due to lower lobster market prices as PFD continued to implement price increases on many of its other products in reaction to broad based cost inflation.

PFD's OVGR of 1.5% was driven by: (i) a recovery in its foodservice and cruise line sales post the lifting of pandemic related restrictions; and (ii) growing momentum in several of its live and value-added lobster initiatives. This rate was below PFD's long-term targeted range of 4% to 6% primarily due to: (i) reduced retail channel sales resulting from a shift in consumer spending to out-of-home experiences and less retail featuring activity; and (ii) less trading of lobsters as PFD reallocates supply to its value-added initiatives, which resulted in a year-over-year increase in its lobster inventory.

PFD's revenue for the first three quarters of 2022 increased by $303.8 million or 22.0% primarily due to: (i) business acquisitions, which accounted for $168.2 million of the increase; (ii) selling price inflation of $100.4 million; (iii) organic volume growth of $28.1 million; and (iv) a $7.1 million increase in the translated value of sales generated by the Company's U.S. based businesses.
Specialty Foods' (SF) revenue for the quarter increased by $217.8 million or 28.1% primarily due to: (i) business acquisitions, which accounted for $100.6 million of SF's growth; (ii) selling price inflation of $90.9 million, which was driven by increases implemented in reaction to inflationary pressures across a broad range of costs; (iii) organic volume growth of $31.0 million representing an organic volume growth rate (OVGR) of 4.0%; and (iv) a $13.8 million increase in the translated value of sales generated by SF's U.S. based businesses due to a weaker Canadian dollar – approximately 54.0% of SF's revenue for the quarter was generated by these businesses. These factors were partially offset by an $18.5 million accrual for a claim made by a customer for products sold in the second quarter of 2022 that did not meet the customer's specifications. The specifications issue was the result of raw materials supplied to SF that did not meet its own defined requirements, and correspondingly, the impact of this accrual on SF's gross profit is offset by an accrual for expected proceeds from claims against the associated supplier and/or the Company's insurance policies.

Gross Profit

(in millions of dollars except percentages)	13 weeks ended Sep 24, 2022	% (1)	13 weeks ended Sep 25, 2021	% (1)	39 weeks ended Sep 24, 2022	% (1)	39 weeks ended Sep 25, 2021	% (1)
Gross profit by segment:								
Specialty Foods	193.7	19.5%	156.9	20.2%	547.9	20.2%	456.2	20.7%
Premium Food Distribution	100.1	15.9%	84.5	14.9%	249.8	14.8%	211.6	15.3%
Consolidated	293.8	18.1%	241.4	18.0%	797.7	18.2%	667.8	18.6%

(1) Expressed as a percentage of the corresponding segment's revenue.

SF's gross profit as a percentage of its revenue (gross margin) for the quarter decreased by 70 basis points primarily due to: (i) wage and freight cost inflation; (ii) additional outside storage costs associated with higher inventory levels – SF's inventory is expected (see *Forward Looking Statements*) to return to more normal levels over the next couple of quarters as global supply chain issues are resolved and raw material costs stabilize; (iii) retailer notice-period requirements which delayed the implementation of selling price increases being put through to address cost inflation – adjusting for a full quarter's impact of price increases implemented during the quarter, SF's normalized gross margin is approximately 19.9%; and (iv) recently acquired businesses that are undergoing significant restructurings and in the interim are generating lower margins relative to SF's average margin. These factors were partially offset by: (i) sales leveraging associated with SF's organic volume growth; and (ii) production efficiencies resulting from investments in automation, continuous improvement projects and a more stable labor market.

SF's gross margin for the first three quarters of 2022 decreased by 50 basis points primarily due to the factors outlined above. In regard to retailer notice-period related delays, adjusting for the year-to-date impact, SF's normalized gross margin is approximately 21.2%.

PFD's gross margin for the quarter increased by 100 basis points primarily due to higher margins on lobster based products as a result of more favorable market conditions as well as PFD's focus on value-added initiatives, partially offset by: (i) higher costs across a broad range of inputs including procured products, raw materials, freight and wages – PFD was able to offset these increases by raising its selling prices (in general, PFD's businesses have much more dynamic pricing structures relative to SF's businesses) but some of its businesses did not maintain the same margin percentage due to a variety of factors including providing its customers with time to adapt to the higher price environment and a portion of its business being structured on a cost-plus basis; and (ii) recently acquired businesses generating lower margins relative to PFD's average.

PFD's gross margin for the first three quarters of 2022 decreased by 50 basis points primarily due to: (i) the cost inflation related challenges discussed above; and (ii) recently acquired businesses generating lower margins relative to PFD's average. These factors were partially offset by sales leveraging associated with PFD's organic growth. On a year-to-date basis, the third quarter impact of higher lobster product margins was offset by a variety of lobster market-related challenges earlier in the year.

Selling, General and Administrative Expenses (SG&A)

(in millions of dollars except percentages)	13 weeks ended Sep 24, 2022	% (1)	13 weeks ended Sep 25, 2021	% (1)	39 weeks ended Sep 24, 2022	% (1)	39 weeks ended Sep 25, 2021	% (1)
SG&A by segment:								
Specialty Foods	114.7	11.5%	85.9	11.1%	318.1	11.7%	254.8	11.5%
Premium Food Distribution	47.7	7.6%	42.5	7.5%	139.5	8.3%	118.5	8.6%
Corporate	5.5		5.0		17.6		16.2	
Consolidated	167.9	10.3%	133.4	9.9%	475.2	10.8%	389.5	10.9%

(1) Expressed as a percentage of the corresponding segment's revenue.

SF's SG&A for the quarter increased by $28.8 million primarily due to: (i) business acquisitions; (ii) freight, wage and general cost inflation; and (iii) additional promotional and variable selling costs associated with its organic volume growth. These factors were partially offset by lower incentive-based compensation accruals.

SF's SG&A for the first three quarters of 2022 increased by $63.3 million primarily due to: (i) the factors outlined above; and (ii) investments made in infrastructure to support SF's long-term growth objectives.

PFD's SG&A for the quarter and for the first three quarters of 2022 increased by $5.2 million and $21.0 million, respectively, primarily due to: (i) business acquisitions; and (ii) freight and wage inflation.

Adjusted EBITDA [1]

(in millions of dollars except percentages)	13 weeks ended Sep 24, 2022	% [2]	13 weeks ended Sep 25, 2021	% [2]	39 weeks ended Sep 24, 2022	% [2]	39 weeks ended Sep 25, 2021	% [2]
Adjusted EBITDA by segment:								
Specialty Foods	79.0	7.9%	71.0	9.1%	229.8	8.5%	201.4	9.1%
Premium Food Distribution	52.4	8.3%	42.0	7.4%	110.3	6.6%	93.1	6.8%
Corporate	(5.5)		(5.0)		(17.6)		(16.2)	
Interest Income from Investments	15.3		14.6		45.3		39.0	
Consolidated	141.2	8.7%	122.6	9.1%	367.8	8.4%	317.3	8.8%

(1) Adjusted EBITDA is a non-IFRS financial measure. Reconciliation and explanation is included in the Non-IFRS Financial Measures section of this press release.
(2) Expressed as a percentage of the corresponding segment's revenue.

The Company's adjusted EBITDA margin for the first three quarters of 2022 of 8.4% was below its long-term annual target of 10% primarily due to: (i) retailer notice-period requirements which delayed the implementation of selling price increases being put through to address cost inflation – adjusting for the full impact of price increases implemented in the first three quarters of 2022, the Company's normalized adjusted EBITDA margin is approximately 9.1%; (ii) the sales challenges impacting SF in the second and third quarters as the contribution margin associated with SF's incremental sales is significantly above 10%; (iii) high outside storage costs which are expected to decrease as SF's inventory returns to more normal levels (see *Forward Looking Statements*); (iv) high freight costs, which will be addressed through higher selling prices if they do not revert to longer term average prices; and (v) recently acquired businesses that are undergoing significant restructurings and in the interim are generating lower margins relative to the Company's 10% target.

Plant Start-up and Restructuring Costs

Plant start-up and restructuring costs consist of expenses associated with: (i) the start-up of new production capacity; (ii) the reconfiguration of existing capacity to gain efficiencies and/or additional capacity; and/or (iii) the restructuring of a business to improve its profitability. The Company expects (see *Forward Looking Statements*) these investments to result in improvements in its future earnings and cash flows.

During the first three quarters of 2022, the Company incurred $14.0 million in plant start-up and restructuring costs relating primarily to the following projects:

- A 42,000 square foot expansion of its artisan bakery in British Columbia;
- Construction of a new 91,000 square foot artisan bakery in California;
- A 26,000 square foot expansion of one of its meat snack production facilities in Ontario;
- Installation of new cooking line and freezing technology at one of its cooked protein facilities in Quebec;
- Installation of fully automated sandwich production lines in its plants in Arizona and Nevada;
- A 42,600 square foot expansion of its sandwich production facility in Minnesota;
- Installation of new packaging technology at its sandwich production facility in Mississippi;
- The start-up of new sandwich programs at its production facilities in Quebec, Mississippi and Minnesota; and
- Installation of new freezing technology at its lobster processing facility in Maine.

Equity Earnings (Loss) in Investment in Associates

Equity earnings (loss) in investment in associates includes the Company's proportionate share of the earnings and losses of its investments in associates.

(in millions of dollars)	13 weeks ended Sep 24, 2022	13 weeks ended Oct 2, 2021	39 weeks ended Sep 24, 2022	39 weeks ended Oct 2, 2021
Clearwater:				
Sales	157.7	158.4	412.0	391.2
Gross profit	50.6	53.1	133.4	123.8
SG&A	14.0	13.0	40.1	35.6
	36.6	40.1	93.3	88.2
Depreciation and amortization	11.6	11.1	34.4	31.0
Interest – senior debt	4.5	3.1	9.9	10.1
Income from investments	1.7	0.5	4.5	1.9
Unrealized foreign exchange loss (gain)	9.5	6.5	16.5	(2.8)
Other	0.2	(0.1)	0.4	(0.2)
	9.1	19.0	27.6	48.2
Interest on shareholder debt	12.6	12.4	36.6	32.4
Payments to shareholders	8.5	11.8	25.5	23.5
Acquisition related costs	-	-	-	12.8
Closing risk fee paid to Premium Brands	-	-	-	2.4
Income tax expense (recovery)	(2.8)	(1.6)	(3.9)	(4.8)
Earnings (loss)	(9.2)	(3.6)	(30.6)	(18.1)
Pre-close earnings (loss) (1)	-	-	-	(4.3)
	(9.2)	(3.6)	(30.6)	(13.8)
Ownership	50.0%	50.0%	50.0%	50.0%
Clearwater net equity earnings (loss)	(4.6)	(1.8)	(15.3)	(6.9)
Other net equity earnings (loss)	2.0	1.0	1.0	1.2
Equity earnings (loss) in investment in associates	(2.6)	(0.8)	(14.3)	(5.7)

(1) Amount relates to Clearwater earnings prior to acquisition on January 25, 2021 and acquisition-related adjustments not included in Company's equity loss in investments in associates.

Clearwater Seafoods Incorporated (Clearwater)

Clearwater's sales for the quarter decreased by 0.4% or $0.7 million primarily due to: (i) the delayed sale of snow crab inventory in anticipation of more favorable pricing later in the year; and (ii) a stronger Canadian dollar relative to the Yen, GBP and Euro. These factors were partially offset by a strong pricing environment for Clearwater's core harvested species, namely frozen-at-sea scallops, clams and shrimp.

Clearwater's gross margin for the quarter decreased by 140 basis points primarily due to: (i) general cost inflation and, in particular, fleet fuel cost increases; and (ii) a stronger Canadian dollar relative to the Yen, GBP and Euro. These factors were partially offset by: (i) a strong pricing environment for Clearwater's core harvested species; and (ii) changes in sales mix resulting from lower snow crab sales.

Clearwater's SG&A for the quarter increased by $1.0 million primarily due to: (i) discretionary promotional activity and travel returning to pre-pandemic levels; (ii) wage inflation; and (iii) elimination of pandemic related subsidies.

Sales and Adjusted EBITDA Outlook

See *Forward Looking Statements* for a discussion on risks and assumptions associated with forward looking statements.

2022

(in millions of dollars)	Bottom of Range	Top of Range
Revenue guidance range – unchanged	5,750.0	6,000.0
Adjusted EBITDA guidance range – unchanged	510.0	530.0

The Company's previously provided adjusted EBITDA guidance weighted its expectations towards the lower end of its guidance range based in large part on rising freight costs and the reduced likelihood of the average cost of its raw materials moderating. While the Company is seeing early signs of improvement in many of the issues that it has faced over the last year, which bodes well for its performance in 2023, it continues to assign a higher probability to its adjusted EBITDA for 2022 being at the lower or bottom end of its targeted range.

5 Year Plan

The Company continues to make solid progress on the execution of its growth and value creation strategies and is confident (see *Forward Looking Statements*) that it will exceed its five-year targets set in 2018 of $6 billion in sales and $600 million in adjusted EBITDA by 2023.

Premium Brands Holdings Corporation

Consolidated Balance Sheets

(in millions of Canadian dollars)

	Sep 24, 2022	Dec 25, 2021	Sep 25, 2021
Current assets:			
Cash and cash equivalents	38.3	16.5	24.9
Accounts receivable	632.6	521.7	478.1
Inventories	821.1	645.2	513.6
Prepaid expenses and other assets	34.5	28.6	20.1
	1,526.5	1,212.0	1,036.7
Capital assets	820.9	617.3	579.9
Right of use assets	494.2	464.5	442.6
Intangible assets	564.4	526.3	512.3
Goodwill	1,057.9	1,001.2	872.6
Investments in and advances to associates	568.0	568.8	560.2
Other assets	21.8	18.8	17.5
	5,053.7	4,408.9	4,021.8
Current liabilities:			
Cheques outstanding	25.9	18.7	19.4
Bank indebtedness	9.5	16.3	2.2
Dividends payable	31.4	28.4	27.7
Accounts payable and accrued liabilities	435.1	445.5	420.8
Current portion of puttable interest in subsidiaries	24.1	27.1	27.1
Current portion of long-term debt	4.3	4.6	6.7
Current portion of lease obligations	41.9	32.9	30.1
Current portion of provisions	4.8	7.7	11.5
	577.0	581.2	545.5
Long-term debt	1,469.2	1,074.0	806.4
Lease obligations	505.8	477.4	456.4
Puttable interest in subsidiaries	12.0	-	-
Deferred revenue	2.8	2.8	2.8
Provisions	66.5	63.4	57.3
Deferred income taxes	119.7	105.2	93.2
	2,753.0	2,304.0	1,961.6
Convertible unsecured subordinated debenture	477.2	331.0	456.0
Equity attributable to shareholders:			
Retained earnings	70.7	35.6	22.8
Share capital	1,714.0	1,713.3	1,563.6
Reserves	38.8	25.0	17.8
	1,823.5	1,773.9	1,604.2
	5,053.7	4,408.9	4,021.8

Premium Brands Holdings Corporation

Consolidated Statements of Operations

(in millions of Canadian dollars except per share amounts)

	13 weeks ended Sep 24, 2022	13 weeks ended Sep 25, 2021	39 weeks ended Sep 24, 2022	39 weeks ended Sep 25, 2021
Revenue	1,623.9	1,341.8	4,395.0	3,586.3
Cost of goods sold	1,330.1	1,100.4	3,597.3	2,918.5
Gross profit before depreciation, amortization and plant start-up and restructuring costs	293.8	241.4	797.7	667.8
Interest income from investments in associates	(15.3)	(14.6)	(45.3)	(39.0)
Selling, general and administrative expenses	167.9	133.4	475.2	389.5
	141.2	122.6	367.8	317.3
Plant start-up and restructuring costs	8.7	-	14.0	1.0
Depreciation of capital assets	21.8	18.4	57.5	53.2
Amortization of intangible assets	7.8	6.8	23.0	20.2
Amortization of right of use assets	11.6	9.5	33.6	26.8
Accretion of lease obligations	5.5	5.1	16.3	13.9
Interest and other financing costs	22.6	11.7	49.7	33.0
Acquisition transaction costs	1.3	1.4	5.0	5.8
Accretion of provisions	1.8	1.8	6.3	5.4
Equity loss in investments in associates	2.6	0.8	14.3	5.7
Change in fair value of option liabilities	-	2.6	-	26.9
Fair value gains on investments in associates	-	-	(19.8)	-
Change in value of puttable interest in subsidiaries	-	-	-	0.5
Clearwater closing risk fee	-	-	-	(2.4)
Acquisition bargain purchase gain	-	-	-	(1.8)
Earnings before income taxes	57.5	64.5	167.9	129.1
Provision for income taxes (recovery)				
Current	11.2	18.1	38.1	55.1
Deferred	2.8	(0.5)	0.6	(20.7)
	14.0	17.6	38.7	34.4
Earnings	43.5	46.9	129.2	94.7
Earnings per share:				
Basic	0.97	1.08	2.89	2.18
Diluted	0.97	1.07	2.88	2.17
Weighted average shares outstanding (in millions):				
Basic	44.6	43.5	44.6	43.5
Diluted	44.8	43.6	44.8	43.6

Premium Brands Holdings Corporation

Consolidated Statements of Cash Flows

(in millions of Canadian dollars)

	13 weeks ended Sep 24, 2022	13 weeks ended Sep 25, 2021	39 weeks ended Sep 24, 2022	39 weeks ended Sep 25, 2021
Cash flows from (used in) operating activities:				
Earnings	43.5	46.9	129.2	94.7
Items not involving cash:				
Depreciation of capital assets	21.8	18.4	57.5	53.2
Amortization of intangible assets	7.8	6.8	23.0	20.2
Amortization of right of use assets	11.6	9.5	33.6	26.8
Accretion of lease obligations	5.5	5.1	16.3	13.9
Accretion of provisions	1.8	1.8	6.3	5.4
Equity loss in investments in associates	2.6	0.8	14.3	5.7
Change in fair value of option liabilities	-	2.6	-	26.9
Fair value gains on investments in associates	-	-	(19.8)	-
Change in value of puttable interest in subsidiaries	-	-	-	0.5
Acquisition bargain purchase gain	-	-	-	(1.8)
Non-cash financing costs	1.9	1.6	4.7	4.3
Deferred income taxes (recovery)	2.8	(0.5)	0.6	(20.7)
	99.3	93.0	265.7	229.1
Change in non-cash working capital	(14.9)	(39.2)	(303.4)	(141.7)
	84.4	53.8	(37.7)	87.4
Cash flows from (used in) financing activities:				
Long-term debt, net	47.1	10.1	337.2	283.8
Payments for lease obligations	(15.2)	(14.5)	(42.8)	(37.0)
Bank indebtedness and cheques outstanding	2.2	(1.3)	0.4	2.5
Dividends paid to shareholders	(31.4)	(27.7)	(91.2)	(80.6)
Proceeds from issuance of convertible debentures – net of issuance costs	-	-	143.0	-
	2.7	(33.4)	346.6	168.7
Cash flows from (used in) investing activities:				
Capital asset additions	(54.3)	(31.4)	(154.7)	(100.0)
Business acquisitions	(3.0)	(6.1)	(120.5)	(185.1)
Payment of provisions	(5.2)	(8.4)	(11.5)	(14.7)
Net change in share purchase loans and notes receivable	0.3	0.2	(2.8)	0.7
Investment in and advances to associates – net of distributions	0.3	26.7	3.7	(443.6)
Payment for settlement of puttable interest of non-wholly owned subsidiary	(0.7)	(0.7)	(0.7)	(0.9)
Payments to shareholders of non-wholly owned subsidiaries	-	-	(0.6)	(0.6)
Proceeds from sale-leaseback	-	-	-	150.0
	(62.6)	(19.7)	(287.1)	(594.2)
Change in cash and cash equivalents	24.5	0.7	21.8	(338.1)
Cash and cash equivalents – beginning of period	13.8	24.2	16.5	363.0
Cash and cash equivalents – end of period	38.3	24.9	38.3	24.9
Interest and other financing costs paid	14.9	7.6	38.9	27.4
Income taxes paid	11.3	6.2	67.9	29.2

NON-IFRS FINANCIAL MEASURES

The Company uses certain non-IFRS financial measures including adjusted EBITDA, free cash flow, adjusted earnings and adjusted earnings per share, which are not defined under IFRS and, as a result, may not be comparable to similarly titled measures presented by other publicly traded entities, nor should they be construed as an alternative to other earnings measures determined in accordance with IFRS. These non-IFRS measures are calculated as follows:

Adjusted EBITDA

(in millions of dollars)	13 weeks ended Sep 24, 2022	13 weeks ended Sep 25, 2021	39 weeks ended Sep 24, 2022	39 weeks ended Sep 25, 2021
Earnings before income taxes	57.5	64.5	167.9	129.1
Plant start-up and restructuring costs	8.7	-	14.0	1.0
Depreciation of capital assets	21.8	18.4	57.5	53.2
Amortization of intangible assets	7.8	6.8	23.0	20.2
Amortization of right of use assets	11.6	9.5	33.6	26.8
Accretion of lease obligations	5.5	5.1	16.3	13.9
Interest and other financing costs	22.6	11.7	49.7	33.0
Change in fair value of option liabilities	-	2.6	-	26.9
Acquisition transaction costs	1.3	1.4	5.0	5.8
Change in value of puttable interest in subsidiaries	-	-	-	0.5
Accretion of provisions	1.8	1.8	6.3	5.4
Equity loss in investments in associates	2.6	0.8	14.3	5.7
Fair value gains on investments in associates	-	-	(19.8)	-
Clearwater closing risk fee	-	-	-	(2.4)
Acquisition bargain purchase gain	-	-	-	(1.8)
Adjusted EBITDA	141.2	122.6	367.8	317.3

Free Cash Flow

(in millions of dollars)	52 weeks ended Dec 25, 2021	39 weeks ended Sep 24, 2022	39 weeks ended Sep 25, 2021	Rolling Four Quarters
Cash flow from operating activities	66.3	(37.7)	87.4	(58.8)
Changes in non-cash working capital	253.8	303.4	141.7	415.5
Lease obligation payments	(50.4)	(42.8)	(37.0)	(56.2)
Business acquisition transaction costs	7.7	5.0	5.8	6.9
Clearwater closing risk fee	(2.4)	-	(2.4)	-
Plant start-up and restructuring costs	2.1	14.0	1.0	15.1
Income taxes on sale and leaseback transaction	15.5	-	15.5	-
Maintenance capital expenditures	(29.3)	(29.3)	(22.0)	(36.6)
Free cash flow	263.3	212.6	190.0	285.9

Adjusted Earnings and Adjusted Earnings per Share

(in millions of dollars except per share amounts)	13 weeks ended Sep 24, 2022	13 weeks ended Sep 25, 2021	39 weeks ended Sep 24, 2022	39 weeks ended Sep 25, 2021
Earnings	43.5	46.9	129.2	94.7
Plant start-up and restructuring costs	8.7	-	14.0	1.0
Business acquisition transaction costs	1.3	1.4	5.0	5.8
Accretion of provisions	1.8	1.8	6.3	5.4
Equity loss from associates in start-up	2.6	0.8	14.3	5.7
Amortization of intangibles associated with acquisitions	7.8	6.8	23.0	20.2
Fair value gains on investments in associates	-	-	(19.8)	-
Change in value of puttable interest in subsidiaries	-	-	-	0.5
Change in fair value of option liabilities	-	2.6	-	26.9
Clearwater closing risk fee	-	-	-	(2.4)
Acquisition bargain purchase gain	-	-	-	(1.8)
	65.7	60.3	172.0	156.0
Current and deferred income tax effect of above items, and unusual tax recovery	(4.4)	(2.5)	(9.8)	(13.4)
Adjusted earnings	61.3	57.8	162.2	142.6
Weighted average shares outstanding	44.6	43.5	44.6	43.5
Adjusted earnings per share	1.37	1.33	3.63	3.28

FORWARD LOOKING STATEMENTS

This press release contains forward looking statements with respect to the Company, including, without limitation, statements regarding its business operations, strategy and financial performance and condition, cash distributions, proposed acquisitions, budgets, projected costs and plans 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 November 3, 2022, 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 press release include statements with respect to the Company's expectations and/or projections on its: (i) revenue; (ii) adjusted EBITDA; (iii) plant start-up and restructuring costs; (iv) income tax rates; (v) dividends and dividend policy; (vi) capital expenditures and business acquisitions; (vii) convertible debentures; (viii) net working capital; (ix) liquidity outlook; (x) provisions; (xi) 5 year plan; (xii) financial leverage ratios; and (xiii) value of puttable interests.

Some of the factors that could cause actual results to differ materially from the Company's expectations are outlined in the Company's MD&A for the 13 and 39 Weeks Ended September 24, 2022.

Assumptions used by the Company to develop forward looking statements contained or incorporated by reference in this press release are based on information currently available to it and include those outlined below as well as those outlined elsewhere in this document. Readers are cautioned that this information is not exhaustive.

- Economic conditions in Canada and the United States will remain relatively stable.
- The average cost of the basket of procured products and raw materials purchased by the Company will remain relatively stable.
- Global supply chains will continue to normalize enabling the Company to access sufficient goods and services for its manufacturing and distribution operations.
- Labor availability will continue to improve in Canada and the U.S, enabling the Company to access sufficient skilled and unskilled labor at reasonable wage levels.
- The value of the Canadian dollar relative to the U.S. dollar will continue to fluctuate in line with the levels seen over the last several months.
- The Company's major capital projects, plant start-up and restructuring, and business acquisition initiatives will progress in line with its expectations.
- The Company will be able to achieve its projected operating efficiency improvements.
- There will not be any material changes in the competitive environment of the markets in which the Company's various businesses compete.
- There will not be any material changes in the long-term food trends that have been driving growth in many of the Company's businesses. These include: (i) growing demand for higher quality foods made with simpler more wholesome ingredients and/or with differentiating attributes such as antibiotic free, no added hormones or use of organic ingredients; (ii) increased reliance on convenience oriented foods both for on-the-go snacking as well as easy home meal preparation; (iii) healthier eating including reduced sugar consumption and increased emphasis on protein and seafood; (iv) increased snacking in between and in place of meals; (v) increased interest in understanding the background and stories behind food products being consumed; and (vi) increased social awareness on issues such as sustainability, sourcing products locally, animal welfare and food waste.

- Weather conditions in the Company's core markets will not have a significant impact on any of its businesses.
- There will not be any material changes in the Company's relationships with its larger customers including the loss of a major product listing and/or being forced to give significant product pricing concessions.
- There will not be any material changes in the trade relationship between Canada and the U.S., particularly with respect to certain protein commodities such as beef, pork and chicken.
- The Company will be able to negotiate new collective agreements with no labor disruptions.
- The Company will be able to access reasonably priced debt and equity capital.
- Contractual counterparties will continue to fulfill their obligations to the Company.
- There will be no material changes to the tax and other regulatory requirements governing the Company.

Management has set out the above summary of assumptions related to forward looking statements included in this press release to provide a more complete perspective on the Company's future operations. Readers are cautioned that these statements may not be appropriate for other purposes.

Unless otherwise indicated, the forward-looking statements in this press release are made as of November 3, 2022 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 press release.