PREMIUM BRANDS HOLDINGS CORPORATION REPORTS FOURTH QUARTER AND FULL YEAR 2023 FINANCIAL RESULTS AND ANNOUNCES A 10.4% DIVIDEND INCREASE

VANCOUVER, B.C., March 15, 2024. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today its results for the fourth quarter and fiscal year ended December 30, 2023.

2023 HIGHLIGHTS

- Record revenue of $6.3 billion representing a 3.8%, or $231.2 million, increase as compared to 2022 despite 2022 having an extra week of sales
- Record adjusted EBITDA[1] of $559.1 million representing a 10.9%, or $54.9 million, increase as compared to 2022 despite 2022 having an extra week of sales
- An 8.9% adjusted EBITDA margin, up from 8.4% in 2022
- 2023 adjusted EPS[1] of $4.03 per share representing a 16.4%, or $0.79 per share decrease as compared to 2022, with the decrease being driven by higher interest costs

FOURTH QUARTER HIGHLIGHTS

- Fourth quarter revenue of $1.55 billion representing a 4.9%, or $80.1 million, decrease as compared to the fourth quarter of 2022. Normalizing for the extra week in 2022, fourth quarter revenue was up $1.4 million
- Solid progress on Specialty Foods' core U.S. growth initiatives in sandwiches, protein and baked goods, which for the quarter generated an organic volume growth rate of 9.3% and total sales of $580.9 million despite delays in new capacity coming online and the fourth quarter being slower for seasonal reasons. For the year, these initiatives generated an organic volume growth rate of 10.1% and total sales of $2.3 billion
- Record fourth quarter adjusted EBITDA[1] of $137.2 million representing a 0.6%, or $0.8 million, increase as compared to the fourth quarter of 2022. Normalizing for the extra week in 2022, fourth quarter adjusted EBITDA was up $3.2 million
- An 8.8% adjusted EBITDA margin, up from 8.3% in the fourth quarter of 2022
- Specialty Foods' adjusted EBITDA margin continues to normalize reaching 9.2% for the quarter, a 100-basis point improvement as compared to the fourth quarter of 2022
- Fourth quarter adjusted EPS[1] of $0.85 per share representing a 28.6%, or $0.34 per share decrease as compared to the fourth quarter of 2022, with the decrease being driven by higher interest costs
- Issued revenue and adjusted EBITDA guidance for 2024. Excluding potential acquisitions, the Company expects to generate revenue of $6.65 billion to $6.85 billion, and adjusted EBITDA of $630 million to $650 million in 2024
- Declared a dividend of $0.85 per share for the first quarter of 2024, representing a 10.4% increase from the previous quarter's dividend rate

[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.*

QUESTIONS AND ANSWERS SESSION

The Company will hold a Q&A session on its fourth quarter 2023 results today at 10:30 a.m. Vancouver time (1:30 p.m. Toronto time). Management's pre-recorded remarks and an investor presentation that will be referenced on the conference call are available here or by navigating through the Company's website at www.premiumbrandsholdings.com.

Access to the Q&A session may be obtained by calling the operator at (289) 514-5100 or (800) 717-1738 (Conference ID: 66569) 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. Toronto time on April 15, 2024 at (888) 660-6264 (passcode: 66569#). 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 Dec 30, 2023	14 weeks ended Dec 31, 2022	52 weeks ended Dec 30, 2023	53 weeks ended Dec 31, 2022
Revenue	1,554.7	1,634.8	6,261.0	6,029.8
Adjusted EBITDA[1]	137.2	136.4	559.1	504.2
Earnings	15.0	30.9	94.2	160.1
EPS	0.34	0.69	2.12	3.59
Adjusted earnings[1]	37.9	52.9	179.1	215.0
Adjusted EPS[1]	0.85	1.19	4.03	4.82

	Trailing Four Quarters Ended Dec 30, 2023	Dec 31, 2022
Free cash flow[1]	253.0	285.8
Free cash flow per share	5.70	6.41
Declared dividends	137.5	125.3
Declared dividend per share	3.08	2.8
Payout ratio[1]	54.3%	43.8%

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

“We made solid progress during the quarter towards achieving several of our core long-term goals and remain on track to meet our 2027 targets of $10 billion in sales and $1.0 billion of EBITDA,” said Mr. Paleologou, President and CEO. “We are particularly pleased with how our U.S. focused growth initiatives are developing. For the quarter, these generated an organic volume growth rate of 9.3% and $580.9 million in sales, despite it being a seasonally slow time and several temporary headwinds including delays in much needed new capacity coming online. This progress shows the potential of the substantial investments we have been making in this market and as our new U.S. based meat snack, cooked protein, sandwich and artisan baked goods capacity projects ramp up, we expect this growth to accelerate,” added Mr. Paleologou.

“Our success in the U.S. market was partially offset by several of our Canadian businesses underperforming due to an increasingly challenging consumer environment in Canada. We are confident, however, that as inflation and interest rates normalize over the course of 2024, we will see progressively improving results from these businesses,” said Mr. Paleologou.

“Overall for 2024, we are projecting sales of $6.65 billion to $6.85 billion and adjusted EBITDA of $630 million to $650 million before any new acquisitions,” stated Mr. Paleologou. “In terms of potential acquisitions, with the chaos of the last couple of years fading into the background, and valuation expectations moderating, we have several transactions in the pipeline that we hope to complete in the coming quarters,” added Mr. Paleologou.

FIRST QUARTER 2024 DIVIDEND

The Company also announced that its Board of Directors approved a cash dividend of $0.85 per share for the first quarter of 2024, which will be payable on April 15, 2024 to shareholders of record at the close of business on March 28, 2024.

“This will be our tenth consecutive year of rewarding our shareholders with a dividend increase of 10% or more,” said Mr. Paleologou.

Unless indicated otherwise in writing at or before the time the dividend is paid, each dividend paid by the Company in 2024 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.

As part of a realignment of certain businesses and management responsibilities, starting in fiscal 2023 the Company reclassified a business from the Premium Food Distribution segment to the Specialty Foods segment. All comparative information has been retrospectively restated.

Revenue

(in millions of dollars except percentages)	13 weeks ended Dec 30, 2023	% (1)	14 weeks ended Dec 31, 2022	% (1)	52 weeks ended Dec 30, 2023	% (1)	53 weeks ended Dec 31, 2022	% (1)
Revenue by segment:								
Specialty Foods	1,005.2	64.7%	1,040.9	63.7%	4,097.0	65.4%	3,801.1	63.0%
Premium Food Distribution	549.5	35.3%	593.9	36.3%	2,164.0	34.6%	2,228.7	37.0%
Consolidated	1,554.7	100.0%	1,634.8	100.0%	6,261.0	100.0%	6,029.8	100.0%

(1) Expressed as a percentage of consolidated revenue.

Specialty Foods' (SF) revenue for the quarter decreased by $35.7 million or 3.4% primarily due to: (i) an extra week of operations in the fourth quarter of 2022 resulting from the Company's 2022 fiscal year having 53 weeks versus 52 weeks in fiscal 2023 – this accounted for $50.0 million of the decrease; and (ii) selling price deflation of $14.4 million relating primarily to products containing chicken and/or eggs. These factors were partially offset by: (i) organic volume growth of $26.6 million representing an organic volume growth rate (OVGR) of 2.6%; and (ii) a $2.1 million increase in the translated value of sales generated by SF's U.S. based businesses due to a weaker Canadian dollar.

SF's OVGR was driven by its core U.S. sales growth initiatives in sandwiches, protein and baked goods, which generated an OVGR of 9.3% and total sales of $580.9 million for the quarter. This performance was despite: (i) experiencing temporarily lower sandwich sales growth while a customer implements a new merchandising strategy – normalizing for this factor the OVGR for SF's core U.S. sales growth initiatives is 11.4%; (ii) delays in new capacity coming online to support these sales initiatives; and (iii) approximately $8.1 million of new product launch sales planned for the quarter being delayed to the first quarter of 2024.

The solid growth generated by SF's core U.S. sales initiatives was partially offset by: (i) lower premium protein product sales in Canada caused largely by a challenging consumer environment; and (ii) reduced beef jerky product sales due to a combination of factors including consumer price sensitivity and high selling prices resulting from high beef commodity input costs. SF expects (see *Forward Looking Statements*) these challenges to be transitory and in the meantime is implementing a variety of strategies to counter them including targeted promotion, product development, and developing new markets.

SF's revenue for 2023 increased by $295.9 million or 7.8% primarily due to: (i) organic volume growth of $167.7 million representing an OVGR of 4.4%; (ii) selling price inflation of $52.5 million; (iii) a $76.4 million increase in the translated value of sales generated by SF's U.S. based businesses due to a weaker Canadian dollar; and (iv) business acquisitions, which accounted for $49.3 million of SF's growth. These factors were partially offset by the extra week of operations in the fourth quarter of 2022.

Premium Food Distribution's (PFD) revenue for the quarter decreased by $44.4 million or 7.5% due to: (i) a sales volume contraction of $34.8 million; and (ii) the extra week of operations in the fourth quarter of 2022 which accounted for $31.5 million of the decrease. These factors were partially offset by: (i) selling price inflation of $19.6 million relating primarily to lobster-based products; (ii) business acquisitions, which generated $1.5 million in growth; and (iii) a $0.8 million increase in the translated value of sales generated by PFD's U.S. based businesses due to a weaker Canadian dollar.

The contraction in PFD's sales volume was primarily due to: (i) lobster supply shortages caused mainly by a decline in the Maine lobster catch of approximately 20% in the previous quarter and a poor southwest Nova Scotia fishery in the current quarter. The decreases in both fisheries, which were the result of unusually cold waters and poor weather that prevented vessels from harvesting, are expected (see *Forward Looking Statements*) to be transitory; and (ii) lower Canadian premium beef and seafood sales caused mainly by a challenging consumer environment, which is also expected (see *Forward Looking Statements*) to be transitory.

PFD's revenue for 2023 decreased by $64.7 million or 2.9% primarily due to: (i) a sales volume contraction of $41.5 million; (ii) the extra week of operations in the fourth quarter of 2022; and (iii) selling price deflation of $4.0 million. These factors were partially offset by: (i) a $10.8 million increase in the translated value of sales generated by PFD's U.S. based businesses due to a weaker Canadian dollar; and (ii) business acquisitions, which generated $1.5 million in growth.

Gross Profit

(in millions of dollars except percentages)	13 weeks ended Dec 30, 2023	% (1)	14 weeks ended Dec 31, 2022	% (1)	52 weeks ended Dec 30, 2023	% (1)	53 weeks ended Dec 31, 2022	% (1)
Gross profit by segment:								
Specialty Foods	210.5	20.9%	214.1	20.6%	882.0	21.5%	773.2	20.3%
Premium Food Distribution	84.7	15.4%	91.9	15.5%	326.4	15.1%	330.5	14.8%
Consolidated	295.2	19.0%	306.0	18.7%	1,208.4	19.3%	1,103.7	18.3%

(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 increased by 30 basis points primarily due to: (i) the moderation of certain raw material input costs; (ii) production efficiency improvements resulting from investments in automation, continuous improvement projects and a more stable labor market; and (iii) the extra week of operations in 2022 having, for seasonal reasons, relatively low sales and therefore lower margins after accounting for production overheads. These factors were partially offset by: (i) wage inflation; and (ii) investments in additional plant infrastructure to support future growth.

SF's gross margin for 2023 increased by 120 basis points primarily due to the factors impacting the fourth quarter of 2023.

PFD's gross margin for the quarter decreased by 10 basis points primarily due to: (i) the reclass of warehouse rental income in the fourth quarter of 2022, which included a retroactive component; and (ii) increased plant overhead driven primarily by inflationary cost increases. These factors were partially offset by: (i) higher margins on lobster-based products resulting from a stronger pricing environment; (ii) the extra week of operations in 2022 having, for seasonal reasons, relatively low sales and therefore lower margins after accounting for production and warehousing overheads; and (iii) production efficiency improvements.

PFD's gross margin for 2023 increased by 30 basis points primarily due to: (i) higher margins on lobster-based products combined with the moderation of certain raw material costs earlier in the year; and (ii) improved production efficiencies; partially offset by an increase in production overhead.

Selling, General and Administrative Expenses (SG&A)

(in millions of dollars except percentages)	13 weeks ended Dec 30, 2023	% (1)	14 weeks ended Dec 31, 2022	% (1)	52 weeks ended Dec 30, 2023	% (1)	53 weeks ended Dec 31, 2022	% (1)
SG&A by segment:								
Specialty Foods	118.0	11.7%	128.5	12.3%	482.5	11.8%	450.3	11.8%
Premium Food Distribution	51.4	9.4%	50.1	8.4%	199.3	9.2%	185.9	8.3%
Corporate	3.9		7.5		28.4		25.1	
Consolidated	173.3	11.1%	186.1	11.4%	710.2	11.3%	661.3	11.0%

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

SF's SG&A as a percentage of sales (SG&A ratio) for the quarter decreased by 60 basis points primarily due to: (i) lower incentive-based compensation accruals; and (ii) sales leveraging benefits associated with its organic growth.

SF's SG&A ratio for 2023 was relatively stable as the sales leveraging benefits associated with its organic growth were largely offset by: (i) higher promotion costs relating to a variety of new sales initiatives; and (ii) wage inflation and general cost inflation.

PFD's SG&A ratio for the quarter and for 2023 increased by 100 basis points and 90 basis points, respectively primarily due to: (i) the impact of lower sales relative to a relatively fixed cost base; and (ii) wage and general cost inflation.

Adjusted EBITDA (1)

(in millions of dollars except percentages)	13 weeks ended Dec 30, 2023	% (2)	14 weeks ended Dec 31, 2022	% (2)	52 weeks ended Dec 30, 2023	% (2)	53 weeks ended Dec 31, 2022	% (2)
Adjusted EBITDA by segment:								
Specialty Foods	92.5	9.2%	85.6	8.2%	399.5	9.8%	322.9	8.5%
Premium Food Distribution	33.3	6.1%	41.8	7.0%	127.1	5.9%	144.6	6.5%
Corporate	(3.9)		(7.5)		(28.4)		(25.1)	
Interest Income from Investments	15.3		16.5		60.9		61.8	
Consolidated	137.2	8.8%	136.4	8.3%	559.1	8.9%	504.2	8.4%

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

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 2023, the Company incurred $45.3 million in plant start-up and restructuring costs relating primarily to the following projects, all of which are expected to expand its capacity and/or generate improved operating efficiencies (see *Forward Looking Statements*):

- Reconfiguration and 8,000 square foot expansion of its cooked protein facility in Versailles, Ohio
- Reconfiguration of its cooked protein facility in Scranton, Pennsylvania, including the addition of another cooked products production line
- Construction of a new 91,000 square foot artisan bakery in San Francisco, California
- Reconfiguration of its meat snack facility in Kent, Washington
- 107,000 square foot expansion and reconfiguration of its meat snack and processed meats facility in Ferndale, Washington
- Construction of a new 67,000 square foot sandwich production facility in Edmonton, Alberta in combination with the shutdown of a sandwich production facility in Laval, Quebec
- Construction of a new 165,000 square foot distribution center and the related reconfiguration of its sandwich production facility in Columbus, Ohio
- Reconfiguration of its kettle cooking facility in Richmond, British Columbia
- Shutdown of an unprofitable prepared foods production facility in Richmond, British Columbia
- Construction of a new 60,000 square foot value-added seafood processing facility in Auburn, 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 Dec 30, 2023	14 weeks ended Dec 31, 2022	52 weeks ended Dec 30, 2023	53 weeks ended Dec 31, 2022
Clearwater:				
Revenue	168.1	192.5	580.1	604.5
Earnings before payments to shareholders	3.7	15.5	28.3	47.0
Net loss	(8.5)	(6.9)	(48.1)	(37.5)
The Company:				
Equity loss in Clearwater	(4.3)	(3.5)	(24.1)	(18.8)
Other net equity gains	0.8	2.0	1.6	3.0
Equity loss in investment in associates	(3.5)	(1.5)	(22.5)	(15.8)

Clearwater Seafoods Incorporated (Clearwater)

Clearwater's sales for the fourth quarter and for 2023 each decreased by $24.4 million primarily due to: (i) challenging consumer environments in several markets, and in particular Europe, that impacted sales of premium seafood products; and (ii) the delayed delivery of a replacement shrimp and turbot harvesting vessel, which began operations in 2024 – a legacy vessel was sold early in the first quarter of 2023. Clearwater's fourth quarter sales were further impacted by: (i) the timing of its snow crab sales, which were unusually weighted to the fourth quarter in 2022 due to challenging market conditions in earlier quarters; and (ii) an extra week of operations in the fourth quarter of 2022. These factors were partially offset by strong demand for Clearwater's Canadian sea scallops in the U.S. market.

Clearwater's earnings before payments to shareholders for the fourth quarter and for 2023 decreased by $11.8 million and $18.7 million, respectively, primarily due to: (i) lower sales volumes; (ii) reduced margins on certain premium seafood products, mainly as a result of challenging consumer environments in several markets; (iii) the adoption of hedge accounting which resulted in unrealized foreign exchange gains and losses being recorded in other comprehensive income rather than earnings; and (iv) higher senior debt interest expense due mainly to general market rate increases. These factors were partially offset by reduced incentive-based compensation accruals.

Revenue and Adjusted EBITDA Outlook

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

2024 Outlook

(in millions of dollars)	Bottom of Range	Top of Range
Revenue guidance range	6,650	6,850
Adjusted EBITDA guidance range	630	650

For 2024, the Company expects its sales to be between $6.65 billion and $6.85 billion and its adjusted EBITDA to be between $630 million and $650 million. These estimates are based on a range of assumptions (see *Forward Looking Statements*) including: (i) reasonably stable economic environments in Canada and the U.S. with inflation and interest rates moderating over the course of the year; (ii) stable raw material costs; and (iii) a stable Canadian dollar relative to the U.S. dollar.

The Company's sales and adjusted EBITDA outlooks for 2024 do not incorporate any provisions for potential future acquisitions, however, it remains active on this front and expects (see *Forward Looking Statements*) to complete several transactions during the year.

5 Year Plan

(in millions of dollars)	5-Year Target (2027)
Revenue	10,000
Adjusted EBITDA	1,000

The Company remains on track (see *Forward Looking Statements*) to meet or exceed the five-year targets it set at the beginning of 2023.

Premium Brands Holdings Corporation

Consolidated Balance Sheets

(in millions of Canadian dollars)

	December 30, 2023	December 31, 2022
Current assets:		
Cash and cash equivalents	27.6	11.4
Accounts receivable	509.9	590.8
Inventories	746.7	786.1
Prepaid expenses and other assets	43.8	38.0
	1,328.0	1,426.3
Capital assets	1,163.9	862.2
Right of use assets	565.3	576.0
Intangible assets	540.6	558.5
Goodwill	1,084.1	1,093.0
Investment in and advances to associates	453.5	538.9
Other assets	22.7	23.7
	5,158.1	5,078.6
Current liabilities:		
Cheques outstanding	16.4	19.3
Bank indebtedness	-	18.0
Dividends payable	34.4	31.3
Accounts payable and accrued liabilities	470.9	419.4
Current portion of puttable interest in subsidiaries	30.4	23.1
Current portion of long-term debt	2.0	6.5
Current portion of lease obligations	53.9	45.4
Current portion of provisions	29.9	1.8
	637.9	564.8
Long-term debt	1,510.4	1,421.4
Lease obligations	583.4	589.3
Puttable interest in subsidiaries	42.4	43.9
Deferred revenue	2.8	2.8
Provisions	14.5	44.2
Deferred income taxes	115.7	120.6
	2,907.1	2,787.0
Convertible unsecured subordinated debentures	484.5	478.6
Equity attributable to shareholders:		
Retained earnings	18.8	63.8
Share capital	1,703.9	1,702.6
Reserves	43.8	46.6
	1,766.5	1,813.0
	5,158.1	5,078.6

Premium Brands Holdings Corporation

Consolidated Statements of Operations

(in millions of Canadian dollars except per share amounts)

	13 weeks ended Dec 30, 2023	14 weeks ended Dec 31, 2022	52 weeks ended Dec 30, 2023	53 weeks ended Dec 31, 2022
Revenue	1,554.7	1,634.8	6,261.0	6,029.8
Cost of goods sold	1,259.5	1,328.8	5,052.6	4,926.1
Gross profit before depreciation, amortization, and plant start-up and restructuring costs	295.2	306.0	1,208.4	1,103.7
Interest income from investment in associates	15.3	16.5	60.9	61.8
Selling, general and administrative expenses	173.3	186.1	710.2	661.3
Operating profit before depreciation, amortization, and plant start-up and restructuring costs	137.2	136.4	559.1	504.2
Depreciation of capital assets	23.5	22.0	86.5	79.5
Amortization of intangible assets	2.8	5.8	13.3	28.8
Amortization of right of use assets	15.2	18.4	60.2	52.0
Accretion of lease obligations	6.7	8.2	26.4	24.5
Plant start-up and restructuring costs	17.3	13.2	45.3	27.2
Interest and other financing costs	40.4	31.7	150.9	81.4
Acquisition transaction costs	1.1	1.2	4.4	6.2
Change in value of puttable interest in subsidiaries	1.0	5.5	10.2	5.5
Accretion of provisions	0.3	0.5	2.2	6.8
Remeasurement of provisions	-	(21.8)	-	(21.8)
Equity loss in investments in associates	3.5	1.5	22.5	15.8
Change in value of investments in associates	2.5	16.0	2.5	16.0
Fair value gains on investments in associates	-	(0.1)	-	(19.9)
Other	1.5	0.7	1.5	0.7
Earnings before income taxes	21.4	33.6	133.2	201.5
Provision for income taxes (recovery)				
Current	4.0	(1.7)	43.1	36.4
Deferred	2.4	4.4	(4.1)	5.0
	6.4	2.7	39.0	41.4
Earnings	15.0	30.9	94.2	160.1
Earnings per share:				
Basic	0.34	0.69	2.12	3.59
Diluted	0.34	0.69	2.11	3.57
Weighted average shares outstanding (in millions):				
Basic	44.4	44.6	44.4	44.6
Diluted	44.6	44.8	44.6	44.8

Premium Brands Holdings Corporation

Consolidated Statements of Cash Flows
(in millions of Canadian dollars)

	13 weeks ended Dec 30, 2023	14 weeks ended Dec 31, 2022	52 weeks ended Dec 30, 2023	53 weeks ended Dec 31, 2022
Cash flows from (used in) operating activities:				
Earnings	15.0	30.9	94.2	160.1
Items not involving cash:				
Depreciation of capital assets	23.5	22.0	86.5	79.5
Amortization of intangible assets	2.8	5.8	13.3	28.8
Amortization of right of use assets	15.2	18.4	60.2	52.0
Accretion of lease obligations	6.7	8.2	26.4	24.5
Change in value of puttable interest in subsidiaries	1.0	5.5	10.2	5.5
Accretion of provisions	0.3	0.5	2.2	6.8
Remeasurement of provisions	-	(21.8)	-	(21.8)
Equity loss in investment in associates	3.5	1.5	22.5	15.8
Change in value of investments in associates	2.5	16.0	2.5	16.0
Fair value gains on investments in associates	-	(0.1)	-	(19.9)
Non-cash financing costs	1.8	2.1	7.9	6.8
Deferred income taxes (recovery)	2.4	4.4	(4.1)	5.0
Other	1.5	0.7	1.5	0.7
	76.2	94.1	323.3	359.8
Change in non-cash working capital	4.3	40.1	110.6	(263.3)
	80.5	134.2	433.9	96.5
Cash flows from (used in) financing activities:				
Long-term debt, net	(10.1)	(40.1)	112.2	297.1
Payments for lease obligations	(19.3)	(21.4)	(74.0)	(64.2)
Bank indebtedness and cheques outstanding	(0.3)	1.9	(20.9)	2.3
Dividends paid to shareholders	(34.4)	(31.3)	(134.4)	(122.5)
Proceeds from issuance of convertible debentures – net of issuance costs	-	-	-	143.0
Common shares purchased for cancellation	-	(13.7)	(1.4)	(13.7)
	(64.1)	(104.6)	(118.5)	242.0
Cash flows from (used in) investing activities:				
Capital asset additions	(131.6)	(73.7)	(399.7)	(228.4)
Business and asset acquisitions	(5.5)	(2.4)	(5.5)	(122.9)
Payment of provisions	-	(3.0)	(4.3)	(14.5)
Payments to shareholders of non-wholly owned subsidiaries	-	-	(1.2)	(0.6)
Payments for settlement of puttable interest of non-wholly owned subsidiaries	-	(1.0)	(2.3)	(1.7)
Net change in share purchase loans and notes receivable	-	(2.6)	0.5	(5.4)
Investment in and advances to associates – net of distributions	107.6	26.2	113.3	29.9
	(29.5)	(56.5)	(299.2)	(343.6)
Change in cash and cash equivalents	(13.1)	(26.9)	16.2	(5.1)
Cash and cash equivalents – beginning of period	40.7	38.3	11.4	16.5
Cash and cash equivalents – end of period	27.6	11.4	27.6	11.4
Interest and other financing costs paid	36.8	31.1	145.3	70.0
Income taxes paid	8.6	13.3	33.2	81.2

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 Dec 30, 2023	14 weeks ended Dec 31, 2022	52 weeks ended Dec 30, 2023	53 weeks ended Dec 31, 2022
Earnings before income taxes	21.4	33.6	133.2	201.5
Plant start-up and restructuring costs	17.3	13.2	45.3	27.2
Depreciation of capital assets	23.5	22.0	86.5	79.5
Amortization of intangible assets	2.8	5.8	13.3	28.8
Amortization of right of use assets	15.2	18.4	60.2	52.0
Accretion of lease obligations	6.7	8.2	26.4	24.5
Interest and other financing costs	40.4	31.7	150.9	81.4
Acquisition transaction costs	1.1	1.2	4.4	6.2
Change in value of puttable interest in subsidiaries	1.0	5.5	10.2	5.5
Accretion of provisions	0.3	0.5	2.2	6.8
Remeasurement of provisions	-	(21.8)	-	(21.8)
Equity loss in investments in associates	3.5	1.5	22.5	15.8
Change in value of investments in associates	2.5	16.0	2.5	16.0
Fair value gains on investments in associates	-	(0.1)	-	(19.9)
Other	1.5	0.7	1.5	0.7
Adjusted EBITDA	137.2	136.4	559.1	504.2

Free Cash Flow

(in millions of dollars)	52 weeks ended Dec 30, 2023	53 weeks ended Dec 31, 2022
Cash flow from operating activities	433.9	96.5
Changes in non-cash working capital	(110.6)	263.3
Lease obligation payments	(74.0)	(64.2)
Acquisition transaction costs	4.4	6.2
Plant start-up and restructuring costs	45.3	27.2
Maintenance capital expenditures	(46.0)	(43.2)
Free cash flow	253.0	285.8

Adjusted Earnings and Adjusted Earnings per Share

(in millions of dollars except per share amounts)	13 weeks ended Dec 30, 2023	14 weeks ended Dec 31, 2022	52 weeks ended Dec 30, 2023	53 weeks ended Dec 31, 2022
Earnings	15.0	30.9	94.2	160.1
Plant start-up and restructuring costs	17.3	13.2	45.3	27.2
Amortization of intangible assets	2.8	5.8	13.3	28.8
Acquisition transaction costs	1.1	1.2	4.4	6.2
Change in value of puttable interest in subsidiaries	1.0	5.5	10.2	5.5
Accretion of provisions	0.3	0.5	2.2	6.8
Remeasurement of provisions	-	(21.8)	-	(21.8)
Equity loss in investments in associates	3.5	1.5	22.5	15.8
Change in value of investments in associates	2.5	16.0	2.5	16.0
Fair value gains on investments in associates	-	(0.1)	-	(19.9)
Other	1.5	0.7	1.5	0.7
	45.0	53.4	196.1	225.4
Current and deferred income tax effect of above items, and unusual tax recovery	(7.1)	(0.5)	(17.0)	(10.4)
Adjusted earnings	37.9	52.9	179.1	215.0
Weighted average shares outstanding	44.4	44.6	44.4	44.6
Adjusted earnings per share	0.85	1.19	4.03	4.82

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 March 15, 2024, 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: revenue; adjusted EBITDA; plant start-up and restructuring costs; income tax rates; dividends and dividend policy; capital expenditures and business acquisitions; convertible debentures; net working capital; liquidity outlook; provisions; financial leverage ratios; value of puttable interests; and sale and leaseback and lease renewal transactions.

Some of the factors that could cause actual results to differ materially from the Company's expectations are outlined below under *Risks and Uncertainties* section in the Company's MD&A for the 13 and 52 Weeks Ended December 30, 2023.

Assumptions used by the Company to develop forward looking statements contained or incorporated by reference in this press release 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 the United States will remain relatively stable and in Canada will improve in the later part of 2024.
- The average cost of the basket of procured products and raw materials purchased by the Company will remain relatively stable.
- The Company will be able 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 differentiated attributes such as antibiotic free, no added hormones or use of organic ingredients; (ii) increased reliance on healthier and less processed convenience-oriented foods both for on-the-go snacking as well as easy meal preparation, both at home and in foodservice; (iii) healthier eating, including reduced sugar consumption and an increased emphasis on animal protein and seafood; (iv) increased snacking in between and in place of meals; (v) increased interest in understanding the provenance of individual food products; and (vi) increased social awareness of issues such as reconciliation with Indigenous Peoples, sustainability, and ethical supply chain practices.

- 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.
- 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 March 15, 2024 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.