PREMIUM BRANDS HOLDINGS CORPORATION REPORTS RECORD SECOND QUARTER SALES AND ADJUSTED EBITDA AND DECLARES THIRD QUARTER DIVIDEND

VANCOUVER, B.C., August 8, 2024. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today its results for the second quarter of 2024.

SECOND QUARTER HIGHLIGHTS

- Record second quarter revenue of $1.70 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 in sandwiches, protein and baked goods, 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[1] of $164.6 million representing an 8.0%, or $12.2 million, increase as compared to the second quarter of 2023
- 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
- Second quarter adjusted EPS[1] of $1.28 per share representing a 0.8%, or $0.01 per share, increase as compared to the second quarter of 2023
- Declared a dividend of $0.85 per common share for the third quarter of 2024

[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 second quarter 2024 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: 19190) 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 11:59 p.m. Toronto time on September 8, 2024 at (289) 819-1325 or (888) 660-6264 (passcode: 19190#). 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 Jun 29, 2024	13 weeks ended Jul 1, 2023	26 weeks ended Jun 29, 2024	26 weeks ended Jul 1, 2023
Revenue	1,702.7	1,630.9	3,164.5	3,061.4
Adjusted EBITDA[1]	164.6	152.4	285.6	263.1
Earnings	52.5	33.9	58.8	39.8
EPS	1.18	0.76	1.32	0.90
Adjusted earnings[1]	56.9	56.3	80.9	84.8
Adjusted EPS[1]	1.28	1.27	1.82	1.91

	Trailing Four Quarters Ended Jun 29, 2024	Trailing Four Quarters Ended Dec 30, 2023
Free cash flow[1]	257.9	253.0
Free cash flow per share	5.81	5.70
Declared dividends	144.6	137.5
Declared dividend per share	3.24	3.08
Payout ratio[1]	56.1%	54.3%

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 adjusted EBITDA as we make steady progress towards achieving our short and long-term strategic objectives,” said Mr. George Paleologou, President and CEO. “Our Specialty Foods Group continues to be the major driver of our growth as it starts to leverage the significant investments we have made over the last several years in new production capacity.

“Most of our Specialty Foods Group’s recent success has been in the US where its protein, sandwich and bakery businesses have built unique and resilient foundations for growth by finding white space opportunities. For the quarter, these businesses’ major US sales initiatives delivered 12.9% organic volume growth reaching sales of over $660 million in this market. Looking forward, the group is in the very early innings of a transformational growth cycle and we expect it to accelerate its growth as several new product launches set for late 2024 and early 2025 begin to take hold.

“The significant momentum of our Specialty Foods Group in the U.S. was partially offset by a variety of challenges in the Canadian market, the most significant of which was weakening consumer demand that impacted our Premium Food Distribution Group’s sales in both the retail and foodservice channels,” stated Mr. Paleologou. “By the end of the quarter, the Premium Food Distribution Group was seeing some stabilization in its businesses, and we are optimistic that it will resume its historic annual growth rates of 4% to 6% later in the year as inflation and interest rates continue to moderate,” added Mr. Paleologou.

“Our results for the quarter represent our fifth consecutive quarter of year-over-year improvement in our adjusted EBITDA margin, which increased to 9.7% from 9.3% in the second quarter of last year. We have our mid-term target of an annual adjusted EBITDA margin of 10% well in sight and are confident we will easily exceed this in the coming years.

“We are also pleased to report the publishing of this year’s CEO Letter to Shareholders titled Transformational Growth. Over the years we have grown from a small regional food company to a large diversified food platform by investing in the right macro trends and not being distracted by industry fads.

My letter, which you can find on our website at www.premiumbrandsholdings.com, explains our progress, actions and strategies as we execute on our five-year plan," said Mr. Paleologou.

THIRD QUARTER 2024 DIVIDEND

The Company also announced that its Board of Directors approved a cash dividend of $0.85 per common share for the third quarter of 2024, which will be payable on October 15, 2024 to shareholders of record at the close of business on September 30, 2024.

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.

Revenue

(in millions of dollars except percentages)	13 weeks ended Jun 29, 2024	% (1)	13 weeks ended Jul 1, 2023	% (1)	26 weeks ended Jun 29, 2024	% (1)	26 weeks ended Jul 1, 2023	% (1)
Revenue by segment:								
Specialty Foods	1,151.8	67.6%	1,085.0	66.5%	2,139.2	67.6%	2,033.7	66.4%
Premium Food Distribution	550.9	32.4%	545.9	33.5%	1,025.3	32.4%	1,027.7	33.6%
Consolidated	1,702.7	100.0%	1,630.9	100.0%	3,164.5	100.0%	3,061.4	100.0%

(1) Expressed as a percentage of consolidated revenue.

Specialty Foods' (SF) revenue for the quarter increased by $66.8 million or 6.2% primarily due to: (i) organic volume growth of $62.4 million representing an organic volume growth rate (OVGR) of 5.8%; and (ii) an $8.5 million increase in the translated value of sales generated by SF's U.S. based businesses due to a slightly weaker Canadian dollar. These factors were partially offset by: (i) selling price deflation of $2.1 million relating primarily to a cost-plus contract with a major foodservice customer; and (ii) the shutdown of SF's Creekside Custom Foods business as its capacity is transitioned to its rapidly growing Global Gourmet kettle business – this resulted in $2.0 million of lost sales, primarily in the fresh sandwich category.

SF's OVGR was driven by its core U.S. sales growth initiatives in sandwiches, protein and baked goods, which generated an OVGR of 12.9% and total sales of $661.4 million for the quarter. This performance was despite: (i) several major product launches being delayed to later in 2024 and early 2025 due to a combination of new capacity startup related issues and longer than expected new business on-boarding timelines; (ii) reduced promotional activities resulting from certain features being pushed out to future quarters and/or capacity being reallocated to planned new product launches; and (iii) weaker consumer spending in the retail and convenience store channels.

SF's overall OVGR was hampered or negatively impacted by: (i) a $5.4 million contraction in Canadian sales that was primarily due to production issues associated with a major capital project – these were resolved in the quarter; (ii) weaker consumer spending in the retail, convenience store and foodservice channels in Canada; (iii) unusually poor spring weather in Canada; and (iv) reduced beef jerky product sales due to a combination of weaker consumer spending and increased selling prices resulting from high beef commodity input costs.

SF's revenue for the first two quarters of 2024 increased by $105.5 million or 5.2% primarily due to: (i) organic volume growth of $115.4 million representing an organic volume growth rate (OVGR) of 5.7%; and (ii) an $8.8 million increase in the translated value of sales generated by SF's U.S. based businesses due to a slightly weaker Canadian dollar. These factors were partially offset by: (i) selling price deflation of $15.1 million; and (ii) the shutdown of SF's Creekside Custom Foods that resulted in $3.6 million of lost sales.

Premium Food Distribution's (PFD) revenue for the quarter increased by $5.0 million or 0.9% due to: (i) selling price inflation of $8.2 million relating to lobster products and to a lesser extent beef products; (ii) business acquisitions, which generated $8.0 million in growth; and (iii) an $0.8 million increase in the translated value of sales generated by PFD's U.S. based businesses due to a slightly weaker Canadian dollar. These factors were partially offset by a sales volume contraction of $12.0 million.

The contraction in PFD's sales volume, which was improved from a $25.5 million contraction in the first quarter of 2024, was primarily due to: (i) weaker consumer spending in the foodservice channel; (ii) reduced exports of live lobsters to China; and (iii) lower premium beef and seafood sales resulting from consumers trading down to discount banners and retailers featuring less premium beef products.

PFD's revenue for the first two quarters of 2024 decreased by $2.4 million or 0.2% primarily due to a sales volume contraction of $37.5 million. This was partially offset by: (i) selling price inflation of $23.9 million relating primarily to lobster and beef products; (ii) business acquisitions, which generated $10.4 million in growth; and (iii) an $0.8 million increase in the translated value of sales generated by PFD's U.S. based businesses due to a slightly weaker Canadian dollar.

Gross Profit

(in millions of dollars except percentages)	13 weeks ended Jun 29, 2024	% (1)	13 weeks ended Jul 1, 2023	% (1)	26 weeks ended Jun 29, 2024	% (1)	26 weeks ended Jul 1, 2023	% (1)
Gross profit by segment:								
Specialty Foods	255.1	22.1%	236.3	21.8%	478.1	22.3%	435.6	21.4%
Premium Food Distribution	94.7	17.2%	87.1	16.0%	169.4	16.5%	157.6	15.3%
Consolidated	349.8	20.5%	323.4	19.8%	647.5	20.5%	593.2	19.4%

(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) production efficiency improvements resulting from investments in automation and new production capacity, continuous improvement projects, a more stable labor market and higher production throughput levels; and (ii) sales leveraging benefits associated with SF's organic volume growth. These factors were partially offset by additional plant overhead costs associated with new production capacity being brought online.

SF's gross margin for the first two quarters of 2024 increased by 90 basis points primarily due to the factors impacting the second quarter as well as the impact in the first quarter of lower raw material input costs combined with selling price increases on certain products.

PFD's gross margin for the quarter and for the first two quarters of 2024 increased by 120 basis points primarily due to: (i) higher margins on processed lobster; and (ii) an increased allocation of production overhead to inventory resulting mainly from an opportunistic processed lobster inventory build made possible by an above average Canadian spring fishery.

Selling, General and Administrative Expenses (SG&A)

(in millions of dollars except percentages)	13 weeks ended Jun 29, 2024	% (1)	13 weeks ended Jul 1, 2023	% (1)	26 weeks ended Jun 29, 2024	% (1)	26 weeks ended Jul 1, 2023	% (1)
SG&A by segment:								
Specialty Foods	134.2	11.7%	126.8	11.7%	263.6	12.3%	244.6	12.0%
Premium Food Distribution	53.9	9.8%	51.5	9.4%	104.6	10.2%	99.6	9.7%
Corporate	10.2		7.8		19.7		16.1	
Consolidated	198.3	11.6%	186.1	11.4%	387.9	12.3%	360.3	11.8%

(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 and for the first two quarters of 2024 was relatively stable as sales leveraging benefits associated with SF's organic growth offset, or partially offset in the case of the first two quarters of 2024: (i) wage inflation; and (ii) higher outside storage costs, which were mostly the result of providing a major customer with additional services, the cost of which is recovered through increased selling prices on applicable products.

PFD's SG&A ratio for the quarter and for the first two quarters of 2024 increased by 40 basis points and 50 basis points, respectively, primarily due to: (i) sales deleveraging associated with the contraction in its sales volumes; and (ii) wage inflation.

Adjusted EBITDA (1)

(in millions of dollars except percentages)	13 weeks ended Jun 29, 2024	% (2)	13 weeks ended Jul 1, 2023	% (2)	26 weeks ended Jun 29, 2024	% (2)	26 weeks ended Jul 1, 2023	% (2)
Adjusted EBITDA by segment:								
Specialty Foods	120.9	10.5%	109.5	10.1%	214.5	10.0%	191.0	9.4%
Premium Food Distribution	40.8	7.4%	35.6	6.5%	64.8	6.3%	58.0	5.6%
Corporate	(10.2)		(7.8)		(19.7)		(16.1)	
Interest income from investments	13.1		15.1		26.0		30.2	
Consolidated	164.6	9.7%	152.4	9.3%	285.6	9.0%	263.1	8.6%

(1) Adjusted EBITDA is a non-IFRS financial 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 the first two quarters of 2024, the Company incurred $18.4 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*):

- Start-up of a new cooked protein capacity in Versailles, Ohio
- Start-up of new capacity associated with a 107,000 square foot expansion and reconfiguration of a meat snack and processed meats facility in Ferndale, Washington
- Reconfiguration of two deli meats facilities in Ontario to improve production efficiencies and increase dry cured production capacity
- Construction of a new 165,000 square foot distribution center and the related reconfiguration of a sandwich production facility in Columbus, Ohio
- Start-up of a new 91,000 square foot artisan bakery in San Francisco, California
- Reconfiguration of a kettle cooking facility in Richmond, British Columbia
- Reconfiguration of a 27,000 square foot production facility in Richmond, British Columbia, from primarily fresh sandwich production to supporting the Company’s Global Gourmet kettle business
- Construction of a new 60,000 square foot value-added seafood processing facility in Auburn, Maine

Equity Earnings (Loss) from Investments in Associates

Equity earnings (loss) from investments 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 Jun 29, 2024	13 weeks ended Jul 1, 2023	26 weeks ended Jun 29, 2024	26 weeks ended Jul 1, 2023
Clearwater:				
Revenue	146.3	137.9	269.8	262.4
Earnings (loss) before payments to shareholders	7.0	9.1	0.1	6.1
Net loss	(17.4)	(12.3)	(43.3)	(36.4)
The Company:				
Equity loss in Clearwater	(8.7)	(6.2)	(21.7)	(18.2)
Other net equity earnings	0.1	0.3	(0.2)	-
Equity loss from investments in associates	(8.6)	(5.9)	(21.9)	(18.2)

Clearwater Seafoods Incorporated (Clearwater)

Clearwater's revenue for the second quarter increased by $8.4 million primarily due to: (i) strong turbot catch rates resulting from a new harvesting vessel that came into operation at the start of 2024; (ii) improved Argentine scallop harvesting conditions; and (iii) the recovery of snow crab sales driven by normalization of industry inventory levels and a strong Canadian spring fishery. These factors were partially offset by: (i) lower Canadian scallop sales due to a reduction in the total allowable catch and natural catch quality variability; and (ii) reduced harvesting of Canadian frozen-at-sea shrimp caused by weather-related issues.

Clearwater's earnings before payments to shareholders for the second quarter decreased by $2.1 million primarily due to: (i) increased depreciation, primarily related to a new shrimp and turbot harvesting vessel; (ii) lower unrealized foreign currency exchange gains; (iii) restructuring costs associated with several corporate initiatives; and (iv) higher interest due mainly to general market rate increases. These factors were partially offset by an improvement in Clearwater's adjusted EBITDA that was driven by its sales growth and lower SG&A costs.

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

While the Company is maintaining its 2024 guidance for sales of $6.65 billion to $6.85 billion and adjusted EBITDA of $630 million to $650 million, and it remains on track to achieve its short and long-term strategic objectives, it is, out of an abundance of caution, increasing the probability of being at the lower end of both of its guidance ranges based on: (i) several major product launches being delayed to later in 2024 and early 2025 due to a combination of capacity start-up related issues and longer than expected new business on-boarding timelines; and (ii) weaker than expected trends in consumer spending in the foodservice channel.

The Company's guidance is 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 balance of the year; (ii) stable average raw material costs; and (iii) a stable Canadian dollar relative to the U.S. dollar. Furthermore, its guidance does not incorporate any potential acquisitions, which it continues to actively pursue (see *Forward Looking Statements*).

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)

	Jun 29, 2024	Dec 30, 2023	Jul 1, 2023
Current assets:			
Cash and cash equivalents	12.1	27.6	27.4
Accounts receivable	468.3	509.9	623.2
Inventories	820.4	746.7	760.9
Prepaid expenses and other assets	40.3	43.8	32.6
	1,341.1	1,328.0	1,444.1
Capital assets	1,337.5	1,163.9	985.2
Right of use assets	568.6	565.3	561.2
Intangible assets	539.3	540.6	544.2
Goodwill	1,099.7	1,084.1	1,083.2
Investments in and advances to associates	451.4	453.5	544.6
Other assets	18.8	22.7	23.3
	5,356.4	5,158.1	5,185.8
Current liabilities:			
Cheques outstanding	20.2	16.4	18.6
Bank indebtedness	17.7	-	14.4
Dividends payable	37.9	34.4	34.3
Accounts payable and accrued liabilities	520.4	470.9	424.6
Current portion of puttable interest in subsidiaries	30.2	30.4	22.6
Current portion of long-term debt	2.5	2.0	0.8
Current portion of lease obligations	57.7	53.9	48.7
Current portion of provisions	4.0	29.9	28.3
Current portion of convertible unsecured subordinated debentures	170.4	-	-
	861.0	637.9	592.3
Long-term debt	1,686.2	1,510.4	1,586.2
Lease obligations	590.8	583.4	578.0
Puttable interest in subsidiaries	43.0	42.4	46.0
Deferred revenue	2.7	2.8	2.8
Provisions	13.9	14.5	16.0
Deferred income taxes	111.5	115.7	111.6
	3,309.1	2,907.1	2,932.9
Convertible unsecured subordinated debentures	297.2	484.5	481.4
Equity attributable to shareholders:			
Retained earnings	1.8	18.8	34.2
Share capital	1,707.4	1,703.9	1,703.9
Reserves	40.9	43.8	33.4
	1,750.1	1,766.5	1,771.5
	5,356.4	5,158.1	5,185.8

Premium Brands Holdings Corporation

Consolidated Statements of Operations

(in millions of Canadian dollars except per share amounts)

	13 weeks ended Jun 29, 2024	13 weeks ended Jul 1, 2023	26 weeks ended Jun 29, 2024	26 weeks ended Jul 1, 2023
Revenue	1,702.7	1,630.9	3,164.5	3,061.4
Cost of goods sold	1,352.9	1,307.5	2,517.0	2,468.2
Gross profit before depreciation, amortization, and plant start-up and restructuring costs	349.8	323.4	647.5	593.2
Interest income from investments in associates	13.1	15.1	26.0	30.2
Selling, general and administrative expenses before depreciation and amortization	198.3	186.1	387.9	360.3
Operating profit before depreciation, amortization, and plant start-up and restructuring costs	164.6	152.4	285.6	263.1
Depreciation of capital assets	23.5	19.1	47.9	41.3
Amortization of intangible assets	5.2	4.0	10.7	8.0
Amortization of right of use assets	15.9	14.9	32.7	29.7
Accretion of lease obligations	6.8	6.6	14.2	13.2
Plant start-up and restructuring costs	7.6	9.8	18.4	15.6
Interest and other financing costs	43.4	37.6	83.8	71.0
Acquisition transaction costs	1.2	1.2	2.3	2.2
Change in value of puttable interest in subsidiaries	1.6	4.6	4.2	6.2
Change in value and accretion of provisions	0.5	0.4	3.8	0.9
Provision released	(20.5)	-	(20.5)	-
Equity losses from investments in associates	8.6	5.9	21.9	18.2
Change in fair value of option liabilities	-	-	(20.0)	-
Others	4.8	-	4.8	-
Earnings before income taxes	66.0	48.3	81.4	56.8
Provision for income taxes (recovery)				
Current	18.2	16.7	28.4	24.9
Deferred	(4.7)	(2.3)	(5.8)	(7.9)
	13.5	14.4	22.6	17.0
Earnings	52.5	33.9	58.8	39.8
Earnings per share:				
Basic	1.18	0.76	1.32	0.90
Diluted	1.18	0.76	1.32	0.89
Weighted average shares outstanding (in millions):				
Basic	44.4	44.4	44.4	44.4
Diluted	44.6	44.6	44.6	44.6

Premium Brands Holdings Corporation

Consolidated Statements of Cash Flows

(in millions of Canadian dollars)

	13 weeks ended Jun 29, 2024	13 weeks ended Jul 1, 2023	26 weeks ended Jun 29, 2024	26 weeks ended Jul 1, 2023
Cash flows from (used in) operating activities:				
Earnings	52.5	33.9	58.8	39.8
Items not involving cash:				
Depreciation of capital assets	23.5	19.1	47.9	41.3
Amortization of intangible assets	5.2	4.0	10.7	8.0
Amortization of right of use assets	15.9	14.9	32.7	29.7
Accretion of lease obligations	6.8	6.6	14.2	13.2
Change in value of puttable interest in subsidiaries	1.6	4.6	4.2	6.2
Equity losses from investments in associates	8.6	5.9	21.9	18.2
Non-cash financing costs	1.9	2.0	3.8	3.9
Change in value and accretion of provisions	0.5	0.4	3.8	0.9
Provision released	(20.5)	-	(20.5)	-
Change in fair value of option liabilities	-	-	(20.0)	-
Deferred income taxes recovery	(4.7)	(2.3)	(5.8)	(7.9)
Others	4.8	-	4.8	-
	96.1	89.1	156.5	153.3
Change in non-cash working capital	30.4	(54.9)	(1.9)	(33.3)
	126.5	34.2	154.6	120.0
Cash flows from (used in) financing activities:				
Long-term debt, net	41.4	108.1	132.3	182.3
Payments for lease obligations	(20.0)	(18.4)	(39.6)	(35.8)
Bank indebtedness and cheques outstanding	4.1	11.9	21.5	(4.3)
Common shares purchased for cancellation	-	-	-	(1.4)
Dividends paid to shareholders	(37.9)	(34.4)	(72.3)	(65.8)
	(12.4)	67.2	41.9	75.0
Cash flows from (used in) investing activities:				
Capital asset additions	(104.4)	(100.9)	(202.4)	(175.2)
Payment of provisions	(9.3)	(0.7)	(10.7)	(2.1)
Payment to shareholders of non-wholly owned subsidiaries	(0.6)	(1.2)	(3.6)	(1.2)
Payments for settlement of puttable interest of non-wholly owned subsidiary	-	(2.3)	-	(2.3)
Net change in share purchase loans and notes receivable	0.4	0.1	1.2	(0.2)
Investments in and advances to associates – net of distributions	1.7	0.4	3.5	2.0
	(112.2)	(104.6)	(212.0)	(179.0)
Change in cash and cash equivalents	1.9	(3.2)	(15.5)	16.0
Cash and cash equivalents – beginning of period	10.2	30.6	27.6	11.4
Cash and cash equivalents – end of period	12.1	27.4	12.1	27.4
Interest and other financing costs paid	38.7	34.2	78.9	69.7
Income taxes paid	13.8	13.5	28.2	30.0

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 Jun 29, 2024	13 weeks ended Jul 1, 2023	26 weeks ended Jun 29, 2024	26 weeks ended Jul 1, 2023
Earnings before income taxes	66.0	48.3	81.4	56.8
Plant start-up and restructuring costs	7.6	9.8	18.4	15.6
Depreciation of capital assets	23.5	19.1	47.9	41.3
Amortization of intangible assets	5.2	4.0	10.7	8.0
Amortization of right of use assets	15.9	14.9	32.7	29.7
Accretion of lease obligations	6.8	6.6	14.2	13.2
Interest and other financing costs	43.4	37.6	83.8	71.0
Acquisition transaction costs	1.2	1.2	2.3	2.2
Change in value of puttable interest in subsidiaries	1.6	4.6	4.2	6.2
Change in value and accretion of provisions	0.5	0.4	3.8	0.9
Provision released	(20.5)	-	(20.5)	-
Equity losses from investments in associates	8.6	5.9	21.9	18.2
Change in fair value of option liabilities	-	-	(20.0)	-
Others	4.8	-	4.8	-
Adjusted EBITDA	164.6	152.4	285.6	263.1

Free Cash Flow

(in millions of dollars)	52 weeks ended Dec 30, 2023	26 weeks ended Jun 29, 2024	26 weeks ended Jul 1, 2023	Rolling Four Quarters
Cash flow from operating activities	433.9	154.6	120.0	468.5
Changes in non-cash working capital	(110.6)	1.9	33.3	(142.0)
Lease obligation payments	(74.0)	(39.6)	(35.8)	(77.8)
Business acquisition transaction costs	4.4	2.3	2.2	4.5
Plant start-up and restructuring costs	45.3	18.4	15.6	48.1
Maintenance capital expenditures	(46.0)	(23.0)	(25.6)	(43.4)
Free cash flow	253.0	114.6	109.7	257.9

Adjusted Earnings and Adjusted Earnings per Share

(in millions of dollars except per share amounts)	13 weeks ended Jun 29, 2024	13 weeks ended Jul 1, 2023	26 weeks ended Jun 29, 2024	26 weeks ended Jul 1, 2023
Earnings	52.5	33.9	58.8	39.8
Plant start-up and restructuring costs	7.6	9.8	18.4	15.6
Acquisition transaction costs	1.2	1.2	2.3	2.2
Change in value and accretion of provisions	0.5	0.4	3.8	0.9
Provisions released	(20.5)	-	(20.5)	-
Equity loss from investments in associates	8.6	5.9	21.9	18.2
Change in value of puttable interest in subsidiaries	1.6	4.6	4.2	6.2
Amortization of intangible assets associated with acquisitions	5.2	4.0	10.7	8.0
Change in fair value of option liabilities	-	-	(20.0)	-
Others	4.8	-	4.8	-
	61.5	59.8	84.4	90.9
Current and deferred income tax effect of above items, and unusual tax recovery	(4.6)	(3.5)	(3.5)	(6.1)
Adjusted earnings	56.9	56.3	80.9	84.8
Weighted average shares outstanding	44.4	44.4	44.4	44.4
Adjusted earnings per share	1.28	1.27	1.82	1.91

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 August 8, 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 referenced in the *Risks and Uncertainties* section in the Company's MD&A for the 13 and 26 Weeks Ended June 29, 2024.

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 with interest rates and inflation continuing to moderate.
- The Company will be able to achieve the projected sales growth and operating efficiency improvement associated with the significant capital investments it has made in recent years.
- 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.
- There will not be any material changes in the competitive environment of the markets in which the Company's businesses compete.
- 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 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.

- The Company will be able to access sufficient skilled and unskilled labor at reasonable wage levels.
- The value of the Canadian dollar relative to the U.S. dollar will 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.
- Weather conditions in the Company's core markets will not have a significant impact on any of its businesses.
- 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, environmental 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 August 8, 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.