



Saputo

Fiscal Year 2023 First Quarter Results

August 4, 2022

Caution Regarding Forward-Looking Information

This presentation and accompanying oral presentation contain statements which are forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to our objectives, outlook, business projects, strategies, beliefs, expectations, targets, commitments, goals, ambitions and strategic plans including our ability to achieve these targets, commitments, goals, ambitions and strategic plans, and statements other than historical facts. The words “may”, “could”, “should”, “will”, “would”, “believe”, “plan”, “expect”, “intend”, “anticipate”, “estimate”, “foresee”, “objective”, “continue”, “propose”, “aim”, “commit”, “assume”, “forecast”, “predict”, “seek”, “project”, “potential”, “goal”, “target”, or “pledge”, or the negative of these terms or variations of them, the use of conditional or future tense or words and expressions of similar nature, are intended to identify forward-looking statements. All statements other than statements of historical fact included in this presentation and accompanying oral presentation may constitute forward-looking statements within the meaning of applicable securities laws.

By their nature, forward-looking statements are subject to a number of inherent risks and uncertainties. Actual results could differ materially from those stated, implied, or projected in such forward-looking statements. As a result, we cannot guarantee that any forward-looking statements will materialize, and we warn readers that these forward-looking statements are not statements of historical fact or guarantees of future performance in any way. Assumptions, expectations, and estimates made in the preparation of forward-looking statements and risks and uncertainties that could cause actual results to differ materially from current expectations are discussed in our materials filed with the Canadian securities regulatory authorities from time to time, including the “Risks and Uncertainties” section of the Management’s Discussion and Analysis dated June 9, 2022, available on SEDAR under Saputo’s profile at www.sedar.com.

Such risks and uncertainties include the following: product liability; the COVID-19 pandemic and related ongoing impacts; the availability of raw materials (including as a result of climate change, extreme weather, or global or local supply chain disruptions caused by the COVID-19 pandemic, geopolitical developments, military conflicts and trade sanctions) and related price variations, along with our ability to transfer those increases, if any, to our customers in competitive market conditions; supply chain strain and supplier concentration; the price fluctuation of our products in the countries in which we operate, as well as in international markets, which are based on supply and demand levels for dairy products; our ability to identify, attract, and retain qualified individuals; cyber threats and other information technology-related risks relating to business disruptions, confidentiality, data integrity business and email compromise-related fraud; the increased competitive environment in our industry; consolidation of clientele; unanticipated business disruption; changes in consumer trends; changes in environmental laws and regulations; the potential effects of climate change; increased focus on environmental sustainability matters; the failure to execute our Global Strategic Plan as expected or to adequately integrate acquired businesses in a timely and efficient manner; the failure to complete capital expenditures as planned; changes in interest rates and access to capital and credit markets.

Forward-looking statements are based on Management’s current estimates, expectations and assumptions regarding, among other things; the projected revenues and expenses; the economic, industry, competitive, and regulatory environments in which we operate or which could affect our activities; our ability to identify, attract, and retain qualified and diverse individuals; our ability to attract and retain customers and consumers; our environmental performance; the results of our sustainability efforts; the effectiveness of our environmental and sustainability initiatives; the availability and cost of milk and other raw materials and energy supplies; our operating costs; the pricing of our finished products on the various markets in which we carry on business; the successful execution of our Global Strategic Plan; our ability to deploy capital expenditure projects as planned; our ability to correctly predict, identify, and interpret changes in consumer preferences and demand, to offer new products to meet those changes, and to respond to competitive innovation; our ability to leverage our brand value; our ability to drive revenue growth in our key product categories or platforms or add products that are in faster-growing and more profitable categories; the contribution of recent acquisitions; the anticipated market supply and demand levels for our products; the anticipated warehousing, logistics, and transportation costs; our effective income tax rate; the exchange rate of the Canadian dollar to the currencies of cheese and dairy ingredients. Our ability to achieve our environmental targets, commitments, and goals is further subject to, among others, our ability to access and implement all technology necessary to achieve our targets, commitments, and goals, as well as the development and performance of technology, innovation and the future use and deployment of technology and associated expected future results, and environmental regulation. Our ability to achieve our 2025 Supply Chain Pledges is further subject to, among others, our ability to leverage our supplier relationships.

Management believes that these estimates, expectations, and assumptions are reasonable as of the date hereof, and are inherently subject to significant business, economic, competitive, and other uncertainties and contingencies regarding future events, and are accordingly subject to changes after such date. Forward-looking statements are intended to provide shareholders with information regarding Saputo, including our assessment of future financial plans, and may not be appropriate for other purposes. Undue importance should not be placed on forward-looking statements, and the information contained in such forward-looking statements should not be relied upon as of any other date.

All forward-looking statements included herein speak only as of the date hereof or as of the specific date of such forward-looking statements. Except as required under applicable securities legislation, Saputo does not undertake to update or revise forward-looking statements, whether written or verbal, that may be made from time to time by itself or on our behalf, whether as a result of new information, future events, or otherwise. All forward-looking statements contained herein are expressly qualified by this cautionary statement.

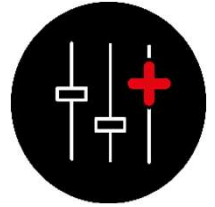
Q1-FY23 Highlights

- Strong year-over-year and quarter-over-quarter adjusted EBITDA¹ performance
- Solid results from our Canada Sector and International Sector, as well as a recovery in the USA Sector
- Pricing momentum across all sectors
- Higher international cheese and dairy ingredient market prices
- Stabilization in labour shortages and supply chain challenges
- Stable volumes and the beginning of a recovery in service levels supported by successful hiring initiatives

RECENT ANNOUNCEMENTS

Global Strategic Plan

Optimize
and enhance
operations



USA SECTOR

Starting in Q2-FY23

- Conversion of the mozzarella cheese manufacturing facility in Reedsburg, Wisconsin to a goat cheese manufacturing plant to increase capacity, expand position in growing specialty cheese categories and improve productivity
- Current cheese manufacturing from this facility will be transferred to other existing Saputo facilities in the USA Sector in order to increase capacity utilization, improve operational efficiencies and reduce costs, in line with the strategy to modernize mozzarella operations
- Closure of existing goat cheese manufacturing facility in Belmont, Wisconsin

The Saputo Promise

We seek to create shared value for all our stakeholders

2022 Saputo Promise Report published today

Completed first three-year plan

Ensures we manage ESG risks and opportunities successfully across our operations globally



Food Quality & Safety



Our People



Business Ethics



Responsible Sourcing



Environment



Nutrition & Healthy Living



Community



The 2022 Saputo Promise Report is available on www.saputo.com, in the "Our Promise" section.

Q1-FY23 Consolidated Results

For the quarter ended June 30, 2022

REVENUES
\$4.327B

ADJUSTED EBITDA¹
\$347M

NET EARNINGS
\$139M

ADJUSTED NET EARNINGS¹
\$161M

FINANCIAL HIGHLIGHTS

Pricing initiatives implemented across all our sectors mitigated ongoing inflationary pressures

Higher international cheese and dairy ingredient market prices were favourable

USA Market Factors² continued to put pressure on adjusted EBITDA due to the persistent negative spread² between the average cheese block market price and the cost of milk as raw material

The Company announced capital investments and consolidation initiatives intended to further streamline its manufacturing footprint in its USA Sector. Costs related with these capital investments and consolidation initiatives will be approximately \$15 million after tax, which include a non-cash fixed assets write-down of approximately \$10 million after tax. These costs will start to be recorded in the second quarter of fiscal 2023.

The Board of Directors reviewed the dividend policy and approved the quarterly dividend, which remains at \$0.18 per share. The quarterly dividend will be payable on September 16, 2022, to common shareholders of record on September 6, 2022.

¹Adjusted EBITDA is a total of segments measure and adjusted net earnings is a non-GAAP financial measure. These financial measures do not have any standardized meaning under International Financial Reporting Standards (IFRS). Therefore, they are unlikely to be comparable to similar measures presented by other issuers. Refer to the "Non-GAAP Measures" of our Management's Discussion and Analysis for the quarter ended June 30, 2022, which is incorporated by reference herein, for more information, including the definition and composition of these measures as well as the reconciliation to net earnings, being the most directly comparable IFRS financial measure.

² Refer to the "Glossary" section of the Management's Discussion and Analysis for the quarter ended June 30, 2022.

Q1-FY23 HIGHLIGHTS BY SECTOR

Canada Sector

For the quarter ended June 30, 2022



(in millions of CDN dollars)	Q1-FY23	vs. Q4-FY22	vs. Q1-FY22
Revenues	\$1,142	8%	11%
Adjusted EBITDA	\$132	\$15	\$19
Adjusted EBITDA margin	11.6%		

- Continued to show improved year-over-year results despite challenging market conditions relative to labour and inflation
- Pricing initiatives undertaken were sufficient to mitigate inflationary pressures on our costs
- Benefited from continuous improvement programs aimed at increasing efficiencies
- Favourable product mix from higher cheese sales volumes
- Benefits from cost containment measures aimed at minimizing the effect of inflation



Q1-FY23 HIGHLIGHTS BY SECTOR

USA Sector

For the quarter ended June 30, 2022



<i>(in millions of CDN dollars)</i>	Q1-FY23	vs. Q4-FY22	vs. Q1-FY22
Revenues	\$2,043	17%	36%
Adjusted EBITDA	\$97	\$55	\$1
Adjusted EBITDA margin	4.7%		

- Improved results despite ongoing challenging market conditions
- Benefits from previously announced pricing initiatives to mitigate higher input and logistics costs
- USA Market Factors¹ resulted in a negative net impact of \$7M (vs. Q1-FY22)
- Labour shortages in some facilities and supply chain disruptions continued to pressure our ability to supply ongoing demand, negatively impacting efficiencies and absorption of fixed costs

Q1-FY23 HIGHLIGHTS BY SECTOR

International Sector

For the quarter ended June 30, 2022



<i>(in millions of CDN dollars)</i>	Q1-FY23	vs. Q4-FY22	vs. Q1-FY22
Revenues	\$916	1%	22%
Adjusted EBITDA	\$82	\$20	\$37
Adjusted EBITDA margin	9.0%		

- Higher export and domestic sales volumes
- Favourable relation between international cheese and dairy ingredient market prices and the cost of milk (raw material)
- Reduced milk availability in Australia negatively impacted efficiencies and the absorption of fixed costs in Dairy Division (Australia)
- Higher milk intake in Dairy Division (Argentina) had a positive impact on efficiencies

Q1-FY23 HIGHLIGHTS BY SECTOR

Europe Sector

For the quarter ended June 30, 2022



<i>(in millions of CDN dollars)</i>	Q1-FY23	vs. Q4-FY22	vs. Q1-FY22
Revenues	\$226	5%	16%
Adjusted EBITDA	\$36	\$3	↔
Adjusted EBITDA margin	15.9%		

- Pricing initiatives mitigated higher cost of milk as raw material and other input cost increases in line with inflationary pressures and increased commodity prices
- Higher international dairy ingredient markets prices had favorable impact
- Product mix was unfavourable due to the increase in industrial market segment sales volumes and lower retail market segment sales volumes

FY23 Outlook

Input and logistics costs will remain at elevated levels, but strong pricing contribution expected across all Sectors; further price increases expected if cost inflation persists

Labour and operational initiatives expected to improve our ability to service customers and return to historical order fill rates, particularly in the USA

Expect to benefit from cost containment measures aimed at minimizing the effect of inflation while maximizing efforts to prioritize efficiency and productivity initiatives

We will continue to closely monitor changing consumer trends in key categories and price elasticity

Retail market segment expected to remain strong; foodservice market segment expected to remain competitive, particularly in the USA

Supply chain conditions remain challenging; constraints on service and volumes expected through second quarter of FY23 but supply and demand of trucking capacity and containers showing signs of stability

USA Market Factors¹ will remain volatile; adjust pricing to reflect commodity prices

Outlook on export prices for cheese and dairy ingredients remains cautiously positive

Meaningful recovery in earnings expected in FY23

¹ Refer to the "Glossary" section of the Management's Discussion and Analysis for the quarter ended June 30, 2022.

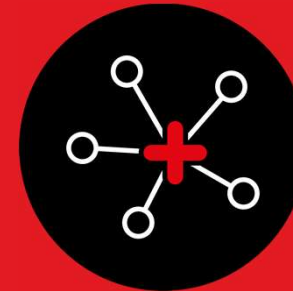
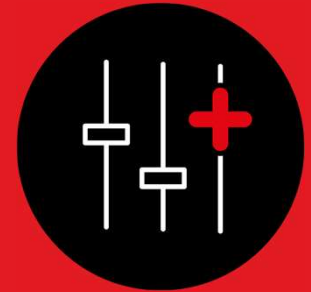
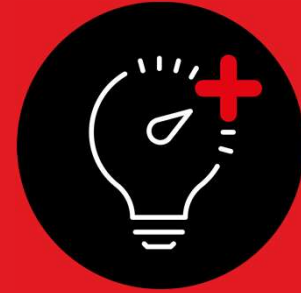
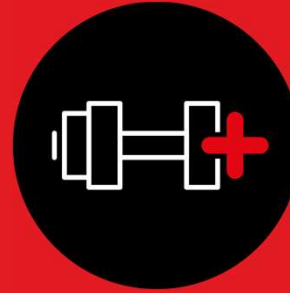
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Fiscal Year 2023 Second Quarter Results
November 10, 2022

Appendix



Quarterly Financial Information by Sector

Fiscal years	2023		2022		2021			
<i>(in millions of CDN dollars)</i>	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues								
Canada	1,142	1,055	1,112	1,081	1,033	1,001	1,089	1,063
USA	2,043	1,743	1,627	1,533	1,506	1,399	1,657	1,649
International	916	922	919	858	754	827	807	806
Europe	226	237	243	217	195	211	210	184
Total Revenue	4,327	3,957	3,901	3,689	3,488	3,438	3,763	3,702
Net Earnings (Consolidated)	139	37	86	98	53	103	210	171
Adjusted EBITDA								
Canada	132	117	121	124	113	108	118	117
USA	97	42	83	67	96	93	171	140
International	82	62	85	56	45	62	105	78
Europe	36	39	33	36	36	40	37	35
Total Adjusted EBITDA¹	347	260	322	283	290	303	431	370

Investor Relations

Nicholas Estrela
Director, Investor Relations

Saputo Inc.
6869 Métropolitain Blvd. East
Montréal, QC Canada H1P 1X8
514-328-3117
nicholas.estrela@saputo.com
www.saputo.com

