NEWS RELEASE

For immediate release

SAPUTO REPORTS FOURTH QUARTER AND FISCAL 2023 RESULTS

(*Montréal, June 8, 2023*) – Saputo Inc. (TSX: SAP) (we, Saputo or the Company) reported today its financial results for the fourth quarter and fiscal year ended on March 31, 2023. All amounts in this news release are in millions of Canadian dollars (CDN), except per share amounts, unless otherwise indicated, and are presented according to International Financial Reporting Standards (IFRS).

"We delivered a solid performance in the fourth quarter, notably through pricing initiatives, strong international markets, and favourable commodity prices. We also made progress across our supply chain which allowed us to further improve our ability to supply our customers, notably in our USA Sector," said Lino A. Saputo, Chair of the Board, President and CEO.

Commenting on full-year results, Mr. Saputo added, "During fiscal 2023, we stepped up the quality of our execution by taking decisive action to counter inflation and improving our supply chain performance, while continuing to lay the groundwork to support our long-term strategy. Although the current macro backdrop remains challenging, we expect a year of organic growth in fiscal 2024, with a focus on expanding our adjusted EBITDA[1] margins, maximizing our cash flow, and driving operating leverage. Our solid foundation will serve us well as we continue to make progress on unlocking the full earnings potential of our Global Strategic Plan."

Fiscal 2023 Fourth Quarter Financial Highlights

- Revenues amounted to $4.468 billion, up $511 million or 12.9%.
- Net earnings totalled $159 million and EPS (basic and diluted) were $0.38, up from $37 million and $0.09.
- Adjusted EBITDA[1] amounted to $392 million, up $132 million or 50.8%.
- Adjusted net earnings[1] totalled $196 million, up from $108 million, and adjusted EPS[1] (basic and diluted) were $0.47, up from $0.26.
- Net cash generated from operations amounted to $421 million, up $237 million or 128.8%.

	For the three-month periods ended March 31		For the years ended March 31	
	2023	2022	**2023**	2022
Revenues	**4,468**	3,957	**17,843**	15,035
Adjusted EBITDA[1]	**392**	260	**1,553**	1,155
Net earnings	**159**	37	**622**	274
Adjusted net earnings[1]	**196**	108	**755**	485
Net earnings per share (EPS)				
Basic	**0.38**	0.09	**1.49**	0.66
Diluted	**0.38**	0.09	**1.48**	0.66
Adjusted EPS [1]				
Basic	**0.47**	0.26	**1.80**	1.17
Diluted	**0.47**	0.26	**1.80**	1.17

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

- Increased revenues reflected pricing initiatives implemented in all our sectors, the favourable combined effect of fluctuations of the average block market price[2] and of the average butter market price[2] in the USA Sector, as well as higher international cheese and dairy ingredient market prices.
- Increased adjusted EBITDA[1] was led by significant improvement in the USA Sector and solid performances in the Canada Sector and International Sector, consistent with those of the prior quarters this fiscal year.
- USA Market Factors[2] had a favourable impact of $29 million mainly driven by the fluctuations of the average butter market price[2] and their impact on pricing protocols for our dairy food products.
- Restructuring costs of $21 million after tax, which included non-cash fixed assets write-downs totalling $9 million, negatively impacted net earnings. These costs were incurred in connection with previously announced consolidation initiatives intended to further streamline and enhance our manufacturing footprint in our USA Sector as part of our Global Strategic Plan.
- On April 2, 2023, we announced that we entered into a definitive agreement to sell two fresh milk processing facilities in Australia in a transaction valued at approximately $95 million.
- The Board of Directors approved a dividend of $0.18 per share payable on June 27, 2023, to shareholders of record on June 20, 2023.

[2] Refer to the ''Glossary'' section of the Management's Discussion and Analysis.

FY24 OUTLOOK

- We expect the carry over impact of price increases, additional capacity and capabilities, cost containment and efficiency initiatives, new product innovations, investments in our brands, and advertising to drive organic growth.

- We expect inflation on our overall input costs to moderate but to remain at elevated levels. We will continue to manage the current inflationary environment through our pricing protocols and cost containment measures.

- Global demand for dairy products is expected to grow but we foresee the impact of pricing elasticity will continue to increase.

- Competitive market dynamics and softening demand in the U.S. are expected to negatively impact our volumes as well as operational efficiencies and the absorption of fixed costs in the USA Sector.

- A more stabilized workforce, fewer supply chain constraints, and the acceleration of our productivity and operational improvement projects are expected to further enhance our ability to service customers, particularly in the USA Sector.

- The outlook for USA Market Factors[2] remains mixed. Management believes that the long-term environment is likely to be relatively supportive for commodity prices but with continued volatility in the short to medium-term.

- We expect the International Sector to be negatively impacted by lower cheese and dairy ingredient prices.

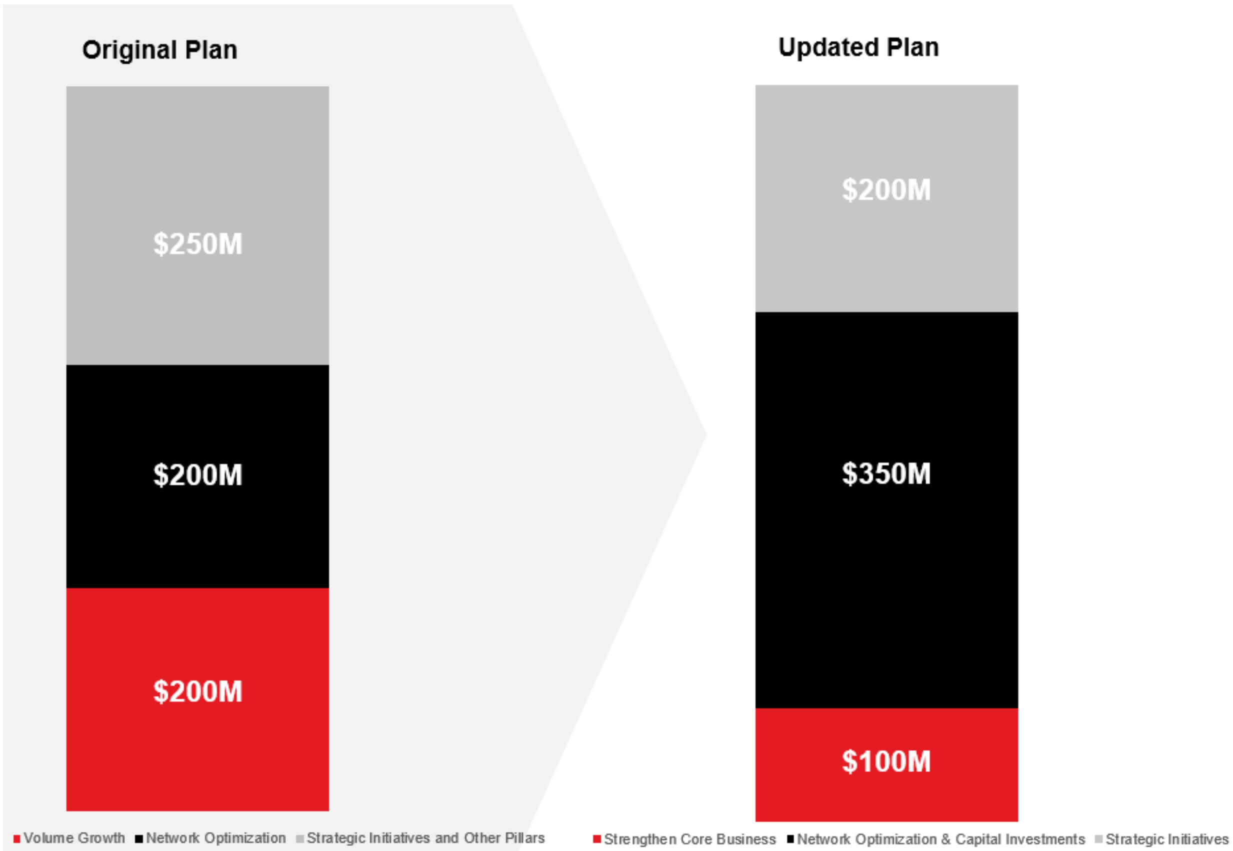
- Capital expenditures are expected to remain at similar levels versus last fiscal year, driven by Global Strategic Plan optimization and capacity expansion initiatives, and continued investments in automation.

- We expect strong operating cash flow to continue to support a balanced capital allocation strategy and provide the financial flexibility to consider value enhancing opportunities, with priority given to: (i) organic growth initiatives through capital expenditures, (ii) shareholder dividends, and (iii) debt repayments.

[2] Refer to the ‘‘Glossary’’ section of the Management’s Discussion and Analysis.

GLOBAL STRATEGIC PLAN HIGHLIGHTS

We are reaffirming our $2.125 billion adjusted EBITDA[1] target by the end of fiscal 2025 and updating our areas of focus. This represents an increase of $650 million in adjusted EBITDA[1] to our fiscal 2021 baseline. Since the announcement of our Global Strategic Plan in the fourth quarter of fiscal 2021, we witnessed a changing macroeconomic environment which uncovered additional network optimization opportunities. As a result, we now anticipate the network optimization initiatives to represent approximately $350 million of the projected adjusted EBITDA[1] growth, strategic initiatives to represent approximately $200 million, and $100 million to come from strengthening our core business.



- **Network Optimization & Capital Investments:** Streamline and optimize our asset footprint, capital and operational investments, enhance manufacturing network to improve output, margin, utilization rates, and service levels, leveraging asset flexibility and automation;
- **Strategic Initiatives:** New products and innovation, growth in dairy alternative products, process improvements, enhance value of ingredients through sales growth and cost containment initiatives; and
- **Strengthen Core Business:** Base business growth, pricing execution, improved reliability and growth of volume, channel and mix management, shift to higher-margin product mix.

On April 1, 2023, we completed the combination of our former Cheese Division (USA) and Dairy Foods Division (USA) by aligning our business processes, system applications, and IT infrastructure, and reaching a significant milestone in our One USA project. These initiatives are expected to maximize synergies, support growth, and improve our customers' experience when conducting business with our Dairy Division (USA).

On April 2, 2023, we announced that we entered into a definitive agreement to sell two fresh milk processing facilities located in Laverton North, Victoria, and Erskine Park, New South Wales, to Coles Group Limited, an Australian-based supermarket, retail, and consumer services chain, in a transaction valued at approximately $95 million (AU$105 million). In line with our Global Strategic Plan, this intended divestiture will enable us to further streamline our operating model, adjust our manufacturing network to strengthen market competitiveness, and allow us to reinvest in areas of the business that will result in more value creation opportunities.

The transaction is subject to customary conditions, including the clearance from the Australian Competition and Consumer Commission, and is expected to close in the second half of calendar 2023.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

THE SAPUTO PROMISE

The Saputo Promise is our approach to social, environmental, and economic performance based on seven Pillars: Food Quality and Safety, Our People, Business Ethics, Responsible Sourcing, Environment, Nutrition, and Community. It is an integral part of our business and a key component of our growth. As we seek to create shared value for all our stakeholders, it provides a framework that ensures we manage environmental, social, and governance (ESG) risks and opportunities successfully across our operations globally.

Anchored in the most pressing ESG issues for our business, our current three-year plan (FY23-FY25) builds on the momentum of the past few years, so our Saputo Promise continues to drive, enable, and sustain our growth.

During the fourth quarter of fiscal 2023, we:

- Approved an additional 19 projects for FY24 with the potential to save an estimated:
  - 12,800t of CO_2e
  - 226,000 GJ of energy
  - 709,000m^3 of water

- Launched our Advancing Gender Balance initiative and set our goal to increase the representation of women to 30% by fiscal 2025 globally at the senior levels (Vice President and above).

- Celebrated the 10th anniversary of our Saputo Legacy Program which supports our local communities and promotes a healthy lifestyle by investing in the construction or improvement of sports and health facilities. Over 10 years, we funded 66 projects in five countries representing a $3 million investment.

Additional Information

For more information on the fourth quarter and year-end results for fiscal 2023, reference is made to the audited consolidated financial statements, the notes thereto and to the Management's Discussion and Analysis for the fiscal year ended March 31, 2023. These documents can be obtained on SEDAR at www.sedar.com and in the "Investors" section of the Company's website, at www.saputo.com.

Webcast and Conference Call

A webcast and conference call will be held on Friday, June 9, 2023, at 8:30 a.m. (Eastern Time)

The webcast will begin with a short presentation followed by a question and answer period. The speakers will be Lino A. Saputo, Chair of the Board, President and Chief Executive Officer, and Maxime Therrien, Chief Financial Officer and Secretary.

To participate:

- **Webcast**: https://www.gowebcasting.com/12571
  Presentation slides will be included in the webcast and can also be accessed in the "Investors" section of Saputo's website (www.saputo.com), under "Calendar of Events".

- **Conference line** *(audio only)*: 1-800-757-7641
  Please dial-in five minutes prior to the start time.

Replay of the conference call and webcast presentation
For those unable to join, the webcast presentation will be archived on Saputo's website (www.saputo.com) in the "Investors" section, under "Calendar of Events". A replay of the conference call will also be available until Friday, June 16, 2023, 11:59 p.m. (ET) by dialling 1-800-558-5253 (ID number: 22027049).

About Saputo

Saputo, one of the top ten dairy processors in the world, produces, markets, and distributes a wide array of dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products, and dairy ingredients. Saputo is a leading cheese manufacturer and fluid milk and cream processor in Canada, a leading dairy processor in Australia and the top dairy processor in Argentina. In the USA, Saputo ranks among the top three cheese producers and is one of the top producers of extended shelf-life and cultured dairy products. In the United Kingdom, Saputo is the leading manufacturer of branded cheese and dairy spreads. In addition to its dairy portfolio, Saputo produces, markets, and distributes a range of dairy alternative cheeses and beverages. Saputo products are sold in several countries under market-leading brands, as well as private label brands. Saputo Inc. is a publicly traded company and its shares are listed on the Toronto Stock Exchange under the symbol "SAP". Follow Saputo's activities at www.saputo.com or via Facebook, Instagram, LinkedIn and Twitter.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This news release contains 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 news release may constitute forward-looking statements within the meaning of applicable securities laws.

By their nature, forward-looking statements are subject to 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 8, 2023, available on SEDAR under Saputo's profile at www.sedar.com.

Such risks and uncertainties include the following: product liability; the availability and price variations of milk and other inputs, our ability to transfer input costs increases, if any, to our customers in competitive market conditions; supply chain strain and supplier concentration; the price fluctuation of dairy products in the countries in which we operate, as well as in international markets; our ability to identify, attract, and retain qualified individuals; the increased competitive environment in our industry; consolidation of clientele; cyber threats and other information technology-related risks relating to business disruptions, confidentiality, data integrity business and email compromise-related fraud; unanticipated business disruption; continuing economic and political uncertainties, resulting from actual or perceived changes in the condition of the economy or economic slowdowns or recessions; the ongoing military conflict in Ukraine; public health threats, such as the recent global COVID -19 pandemic, 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. There may be other risks and uncertainties that we are not aware of at present, or that we consider to be insignificant, that could still have a harmful impact on our business, financial state, liquidity, results, or reputation.

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; 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; reliance on third parties; our ability to gain efficiencies and cost optimization from strategic initiatives; 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 successful execution of our M&A strategy; the market supply and demand levels for our products; our 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. To set our financial performance targets, we have made assumptions regarding, among others: the absence of significant deterioration in macroeconomic conditions; our ability to mitigate inflationary cost pressure; the USA commodity market conditions; labour market conditions and staffing levels in our facilities; the impact of price elasticity; our ability to increase the production capacity and productivity in our facilities; and the demand growth for our products. 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; the development and performance of technology, innovation and the future use and deployment of technology and associated expected future results; the accessibility of carbon and renewable energy instruments for which a market is still developing and which are subject to risk of invalidation or reversal; 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.

Unless otherwise indicated by Saputo, forward-looking statements in this report describe our estimates, expectations and assumptions as of the date hereof, and, accordingly, are subject to change after that date. 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.

CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FISCAL YEAR ENDED MARCH 31, 2023

Revenues

Revenues for the **fourth quarter of fiscal 2023** totalled $4.468 billion, up $511 million or 12.9%, as compared to $3.957 billion for the same quarter last fiscal year. In **fiscal 2023**, revenues totalled $17.843 billion, up $2.808 billion or 18.7%, as compared to $15.035 billion for last fiscal year.

Revenues increased due to higher domestic selling prices in line with the higher cost of milk as raw material, together with previously announced pricing initiatives implemented to mitigate increasing input costs.

In the USA Sector, the combined effect of the fluctuations of the average block market price[2] and of the average butter market price[2] had a favourable impact of $69 million and $987 million, in the fourth quarter of fiscal 2023 and for fiscal 2023, respectively. Higher international cheese and dairy ingredient market prices, as well as the effect of the fluctuation of the Argentine peso and the Australian dollar on export sales denominated in US dollars were favourable.

Overall sales volumes were stable. Sales volumes mainly increased in the USA Sector while export sales volumes decreased due to reduced milk availability in Australia.

The fluctuation of foreign currencies versus the Canadian dollar had an unfavourable impact of $10 million and $62 million, in the fourth quarter of fiscal 2023 and for fiscal 2023, respectively.

Operating costs excluding depreciation, amortization, and restructuring costs

Operating costs excluding depreciation, amortization, and restructuring costs for the **fourth quarter of fiscal 2023** totalled $4.076 billion, up $379 million or 10.3%, as compared to $3.697 billion for the same quarter last fiscal year. In **fiscal 2023,** operating costs excluding depreciation, amortization, and restructuring costs totalled $16.290 billion, up $2.410 billion or 17.4%, as compared to $13.880 billion last fiscal year. These increases were due to higher input costs in all our sectors in line with inflation and dairy commodity market volatility, which contributed to the higher cost of raw materials and consumables used. Employee salary and benefit expenses increased due to inflation and wage increases.

Net earnings

Net earnings for the **fourth quarter of fiscal 2023** totalled $159 million, up $122 million or 329.7%, as compared to $37 million for the same quarter last fiscal year. The increase is primarily due to higher adjusted EBITDA[1], as described below, lower depreciation and amortization and acquisition and restructuring costs, partially offset by higher financial charges, and income tax expense.

In **fiscal 2023**, net earnings totalled $622 million, up $348 million or 127.0%, as compared to $274 million for last fiscal year. The increase is primarily due to higher adjusted EBITDA[1], as described below, impairment of intangible assets, and the gain on disposal of assets recorded in the third quarter of last fiscal year, partially offset by higher depreciation and amortization, acquisition and restructuring costs, financial charges, and income tax expense.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the “Non-GAAP Measures” section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

[2] Refer to the "Glossary" section of the Management's Discussion and Analysis.

Adjusted EBITDA[1]

Adjusted EBITDA[1] for the **fourth quarter of fiscal 2023** totalled $392 million, up $132 million or 50.8%, as compared to $260 million for the same quarter last fiscal year.

Increased adjusted EBITDA[1] was led by significant improvement in the USA Sector and solid performances in the Canada Sector and International Sector.

We continued to benefit from the effect of higher average selling prices. Increases in average selling prices were driven by previously announced pricing initiatives implemented to mitigate higher input costs, such as consumables, packaging, transportation, and fuel, in line with pressures from ongoing inflation and volatile commodity markets.

The relation between international cheese and dairy ingredient market prices and the cost of milk as raw material in the International Sector had a positive impact.

USA Market Factors[2] had a favourable impact of $29 million, as compared to the same quarter last fiscal year, mainly due to the favourable impact of fluctuations of the average butter market price[2] on pricing protocols for our dairy food products. Despite a positive Spread[2], realization of inventories for our cheese products was negative due to the unfavourable impact of fluctuations of the average block market price[2].

Despite the challenging labour environment, sales volumes increased and order fill rates have improved in the USA Sector. Reduced milk availability in Australia continued to negatively impact efficiencies and the absorption of fixed costs.

We continued to benefit from our cost containment measures aimed at minimizing the effect of inflation and our efforts to prioritize efficiency and productivity initiatives.

The fluctuation of foreign currencies versus the Canadian dollar had an unfavourable impact of $12 million.

Adjusted EBITDA[1] in **fiscal 2023** totalled $1.553 billion, up $398 million or 34.5%, as compared to $1.155 billion for last fiscal year.

Improved results reflected solid performances in the International Sector and Canada Sector and recovery in the USA Sector.

We benefited from pricing initiatives implemented to mitigate higher input costs, such as consumables, packaging, transportation, and fuel in line with ongoing inflationary pressures and commodity market volatility.

The relation between international cheese and dairy ingredient market prices and the cost of milk as raw material in the International Sector had a positive impact. Last fiscal year, fulfilling sales contracted at depressed commodity prices in our International Sector had an unfavourable impact.

USA Market Factors[2] had an unfavourable impact of $11 million, as compared to last fiscal year, mainly due to the negative Spread[2] more particularly during the first half of the fiscal year. On the other hand, fluctuations of the average butter market price[2] had a favourable impact on pricing protocols for our dairy food products mostly during the fourth quarter of the fiscal year.

Labour shortages in some of our facilities and supply chain disruptions put pressure on our ability to supply ongoing demand. However, throughout the fiscal year, we consistently focused on overcoming these challenges and have been recovering sales volumes and increasing fill rates in our USA Sector. Furthermore, reduced milk availability in Australia negatively impacted efficiencies and the absorption of fixed costs. We actively managed these challenging market conditions throughout the fiscal year.

We benefited from our cost containment measures aimed at minimizing the effect of inflation and our efforts to prioritize efficiency and productivity initiatives.

The fluctuation of foreign currencies versus the Canadian dollar had an unfavourable impact of $38 million.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the “Non-GAAP Measures” section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

[2] Refer to the "Glossary" section of the Management's Discussion and Analysis.

Depreciation and amortization

Depreciation and amortization for the **fourth quarter of fiscal 2023** totalled $144 million, down $4 million, as compared to $148 million for the same quarter last fiscal year. In **fiscal 2023,** depreciation and amortization totalled $582 million, up $22 million, as compared to $560 million for last fiscal year. This increase was mainly attributable to additional depreciation and amortization related to the Recent Acquisitions[2], as well as additions to property, plant, and equipment, which increased the depreciable base.

Acquisition and restructuring costs

Acquisition and restructuring costs for the **fourth quarter of fiscal 2023** totalled $28 million and included a non-cash fixed assets write-down of $12 million, and employee-related costs of $14 million in connection with consolidation initiatives in the USA Sector being undertaken as part of our Global Strategic Plan.

Acquisition and restructuring costs in **fiscal 2023** totalled $95 million related to initiatives undertaken in Australia, the USA Sector, and the Europe Sector as part of our Global Strategic Plan. These costs included a total non-cash fixed assets write-down of $62 million, employee-related costs of $28 million, accelerated depreciation, and other site closure costs. Restructuring costs also include a $2 million gain on disposal of assets related to the sale of a closed facility in the Canada Sector.

In **fiscal 2022**, acquisition and restructuring costs totalled $71 million and were recorded during the fourth quarter. These costs related to the announcement of several major capital investments and consolidation initiatives intended to enhance and streamline our manufacturing footprint in our USA Sector and International Sector as well as plans to outsource warehouse and distribution activities, creating opportunities for network consolidation within our Europe Sector. Restructuring costs included a non-cash impairment charge of property, plant, and equipment of $60 million and severance costs of $8 million.

Gain on disposal of assets

In **fiscal 2022**, the Company recorded a gain on disposal of assets of $9 million mainly from the sale of a facility in the Canada Sector.

Impairment of intangible assets

In **fiscal 2022,** an impairment of intangible assets charge of $58 million was recorded. The charge includes $50 million related to software assets following our decision to pause the ERP implementation within the Dairy Division (Canada) for a minimum of three years and $8 million as a result of the application of an agenda decision of the International Financial Reporting Interpretations Committee (IFRIC) related to the capitalization of cloud-based software costs.

Financial charges

Financial charges for the **fourth quarter of fiscal 2023** totalled $39 million, up $23 million, compared to the same quarter last fiscal year. This increase reflected higher interest rates, and included a decreased gain on hyperinflation of $15 million derived from the indexation to inflation of non-monetary assets and liabilities in Argentina.

Financial charges in **fiscal 2023** totalled $101 million, up $31 million, compared to the same period last fiscal year. This increase reflected higher interest rates, and included a decreased gain on hyperinflation of $4 million derived from the indexation to inflation of non-monetary assets and liabilities in Argentina.

For the **fourth quarter of fiscal 2023**, the net effect of the hyperinflation in Argentina, which increased the value of net non-monetary assets on the consolidated statement of financial position, and of the devaluation of the Argentina peso, which decreased the value of the net non-monetary assets, resulted in a minimal gain on hyperinflation ($15 million gain in the fourth quarter of fiscal 2022). In **fiscal 2023**, the net effect of these two elements resulted in a gain on hyperinflation of $44 million ($48 million gain in fiscal 2022).

[2] Refer to the "Glossary" section of the Management's Discussion and Analysis.

Income tax expense

Income tax expense for the **fourth quarter of fiscal 2023** totalled $22 million, compared to an income tax recovery of $12 million for the same quarter last fiscal year. The increase in income tax expense is mainly due to higher taxable earnings and their geographic mix.

Income tax expense in **fiscal 2023** totaled $153 million, reflecting an effective tax rate of 19.7% as compared to 32.3% last fiscal year.

The effective income tax rate for fiscal 2022 included a one-time non-cash $50 million income tax expense incurred to adjust deferred income tax liability balances due to the enactment on June 10, 2021, of an increase from 19% to 25% of the corporate income tax rate in the United Kingdom, which became effective on April 1, 2023. Excluding the effect of this one-time non-cash expense, the effective income tax rate for fiscal 2022 would have been 20.0%.

The tax and accounting treatments of inflation in Argentina had a favourable effect of approximately 6% on both the fiscal 2023 and fiscal 2022 effective income tax rates.

The effective income tax rate varies and could increase or decrease based on the geographic mix of quarterly and year-to date earnings across the various jurisdictions in which we operate, the tax and accounting treatments of inflation in Argentina, the amount and source of taxable income, amendments to tax legislations and income tax rates, changes in assumptions, as well as estimates we use for tax assets and liabilities.

Adjusted net earnings[1]

Adjusted net earnings for the **fourth quarter of fiscal 2023** totalled $196 million, up $88 million or 81.5%, as compared to $108 million for the same quarter last fiscal year. This is mainly due to an increase in net earnings, as described above, excluding lower acquisition and restructuring costs after tax.

In **fiscal 2023**, adjusted net earnings totalled $755 million, up $270 million or 55.7%, as compared to $485 million for last fiscal year. This is mainly due to an increase in net earnings, as described above, excluding higher acquisition and restructuring costs after tax, the one-time non-cash expense to adjust deferred income tax liability balances to reflect the increase in the corporate income tax rate in the United Kingdom, the non-recurring impairment on intangible assets after tax and gain on sale of assets after tax that were recorded last fiscal year.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

INFORMATION BY SECTOR

CANADA SECTOR

	For the three-month periods ended March 31		For the years ended March 31	
	2023	2022	**2023**	2022
Revenues	**1,156**	1,055	**4,696**	4,281
Adjusted EBITDA	**134**	117	**551**	475
Adjusted EBITDA margin	**11.6 %**	11.1 %	**11.7 %**	11.1 %

USA SECTOR

	For the three-month periods ended March 31		For the years ended March 31	
	2023	2022	**2023**	2022
Revenues	**2,062**	1,743	**8,339**	6,409
Adjusted EBITDA	**143**	42	**488**	288
Adjusted EBITDA margin	**6.9 %**	2.4 %	**5.9 %**	4.5 %

Selected factor(s) positively (negatively) impacting Adjusted EBITDA

	For the three-month periods ended March 31		For the years ended March 31	
	2023	2022	**2023**	2022
USA Market Factors[1,2]	**29**	(19)	**(11)**	(118)
US currency exchange[2]	**5**	—	**19**	(32)

1 Refer to the ''Glossary'' section of the Management's Discussion and Analysis.
2 As compared to same quarter last fiscal year for the three-month periods; as compared to last fiscal year for the years ended March 31.

Other pertinent information

(in US dollars, except for average exchange rate)

	For the three-month periods ended March 31		For the years ended March 31	
	2023	2022	**2023**	2022
Block market price[1]				
Opening	**2.135**	1.980	**2.250**	1.738
Closing	**1.850**	2.250	**1.850**	2.250
Average	**1.943**	2.005	**2.058**	1.793
Butter market price[1]				
Opening	**2.380**	2.453	**2.700**	1.818
Closing	**2.398**	2.700	**2.398**	2.700
Average	**2.375**	2.692	**2.781**	2.047
Average whey powder market price[1]	**0.397**	0.759	**0.473**	0.630
Spread[1]	**0.040**	(0.253)	**(0.143)**	(0.137)
US average exchange rate to Canadian dollar[2]	**1.353**	1.266	**1.328**	1.251

1 Refer to the ''Glossary'' section of the Management's Discussion and Analysis.
2 Based on Bank of Canada published information.

INTERNATIONAL SECTOR

	For the three-month periods ended March 31		For the years ended March 31	
	2023	2022	**2023**	2022
Revenues	**963**	922	**3,785**	3,453
Adjusted EBITDA	**84**	62	**374**	248
Adjusted EBITDA margin	**8.7 %**	6.7 %	**9.9 %**	7.2 %

Selected factor(s) positively (negatively) impacting Adjusted EBITDA

	For the three-month periods ended March 31		For the years ended March 31	
	2023	2022	**2023**	2022
Foreign currency exchange[1]	**(15)**	(12)	**(43)**	(43)

1 As compared to same quarter last fiscal year for the three-month periods; as compared to last fiscal year for the years ended March 31.

EUROPE SECTOR

	For the three-month periods ended March 31		For the years ended March 31	
	2023	2022	**2023**	2022
Revenues	**287**	237	**1,023**	892
Adjusted EBITDA	**31**	39	**140**	144
Adjusted EBITDA margin	**10.8 %**	16.5 %	**13.7 %**	16.1 %

QUARTERLY FINANCIAL INFORMATION

Fiscal years	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**4,468**	**4,587**	**4,461**	**4,327**	3,957	3,901	3,689	3,488
Operating costs excluding depreciation, amortization, and restructuring costs	**4,076**	**4,142**	**4,092**	**3,980**	3,697	3,579	3,406	3,198
Adjusted EBITDA[1]	**392**	**445**	**369**	**347**	260	322	283	290
Adjusted EBITDA margin[1]	***8.8%***	***9.7%***	***8.3%***	***8.0%***	*6.6%*	*8.3%*	*7.7%*	*8.3%*
Depreciation and amortization	**144**	**147**	**146**	**145**	148	144	137	131
Impairment of intangible assets	**—**	**—**	**—**	**—**	—	58	—	—
Gain on disposal of assets	**—**	**—**	**—**	**—**	—	(9)	—	—
Acquisition and restructuring costs	**28**	**38**	**22**	**7**	71	—	(2)	2
Financial charges	**39**	**37**	**13**	**12**	16	17	19	18
Earnings before income taxes	**181**	**223**	**188**	**183**	25	112	129	139
Income taxes	**22**	**44**	**43**	**44**	(12)	26	31	86
Net earnings	**159**	**179**	**145**	**139**	37	86	98	53
Net earnings margin	***3.6%***	***3.9%***	***3.3%***	***3.2%***	*0.9%*	*2.2%*	*2.7%*	*1.5%*
Adjusted net earnings[1]	**196**	**221**	**177**	**161**	108	139	116	122
Adjusted net earnings margin[1]	***4.4%***	***4.8%***	***4.0%***	***3.7%***	*2.9%*	*3.9%*	*3.4%*	*3.8%*
EPS basic	**0.38**	**0.43**	**0.35**	**0.33**	0.09	0.21	0.24	0.13
EPS diluted	**0.38**	**0.43**	**0.35**	**0.33**	0.09	0.21	0.24	0.13
Adjusted EPS Basic[1]	**0.47**	**0.53**	**0.42**	**0.39**	0.26	0.34	0.28	0.30
Adjusted EPS diluted[1]	**0.47**	**0.53**	**0.42**	**0.39**	0.26	0.33	0.28	0.29

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section below of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

Quarterly financial information by sector

Fiscal years	2023				2022			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues								
Canada	**1,156**	**1,213**	**1,185**	**1,142**	1,055	1,112	1,081	1,033
USA	**2,062**	**2,172**	**2,062**	**2,043**	1,743	1,627	1,533	1,506
International	**963**	**917**	**989**	**916**	922	919	858	754
Europe	**287**	**285**	**225**	**226**	237	243	217	195
Total	**4,468**	**4,587**	**4,461**	**4,327**	**3,957**	**3,901**	**3,689**	**3,488**
Net earnings (consolidated)	**159**	**179**	**145**	**139**	37	86	98	53

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Adjusted EBITDA								
Canada	**134**	**149**	**136**	**132**	117	121	124	113
USA	**143**	**146**	**102**	**97**	42	83	67	96
International	**84**	**111**	**97**	**82**	62	85	56	45
Europe	**31**	**39**	**34**	**36**	39	33	36	36
Total[1]	**392**	**445**	**369**	**347**	**260**	**322**	**283**	**290**

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

NON-GAAP MEASURES

We report our financial results in accordance with GAAP and generally assess our financial performance using financial measures that are prepared using GAAP. However, this news release also refers to certain non-GAAP and other financial measures which do not have a standardized meaning under GAAP, including the following.

Term Used	Definition
Adjusted EBITDA	Net earnings before income taxes, financial charges, acquisition and restructuring costs, gain on disposal of assets, impairment of intangible assets, and depreciation and amortization.
Adjusted net earnings	Net earnings before acquisition and restructuring costs, amortization of intangible assets related to business acquisitions, gain on disposal of assets, and impairment of intangible assets, net of applicable income taxes and the UK tax rate change.
Adjusted EBITDA margin	Adjusted EBITDA expressed as a percentage of revenues.
Adjusted net earnings margin	Adjusted net earnings expressed as a percentage of revenues.
Adjusted EPS basic	Adjusted net earnings per basic common share.
Adjusted EPS diluted	Adjusted net earnings per diluted common share.

We use non-GAAP measures and ratios to provide investors with supplemental metrics to assess and measure our operating performance and financial position from one period to the next. We believe that those measures are important supplemental metrics because they eliminate items that are less indicative of our core business performance and could potentially distort the analysis of trends in our operating performance and financial position. We also use non-GAAP measures to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets and forecasts, and to determine components of management compensation. We believe these non-GAAP measures, in addition to the financial measures prepared in accordance with IFRS, enable investors to evaluate the Company's operating results, underlying performance, and future prospects in a manner similar to management. These metrics are presented as a complement to enhance the understanding of operating results but not in substitution of GAAP results.

These non-GAAP measures have no standardized meaning under GAAP and are unlikely to be comparable to similar measures presented by other issuers. Our method of calculating these measures may differ from the methods used by others, and, accordingly, our definition of these non-GAAP financial measures may not be comparable to similar measures presented by other issuers. In addition, non-GAAP financial measures should not be viewed as a substitute for the related financial information prepared in accordance with GAAP. This section provides a description of the components of each non-GAAP measure used in this news release and the classification thereof.

NON-GAAP FINANCIAL MEASURES AND RATIOS

A non-GAAP financial measure is a financial measure that depicts the Company's financial performance, financial position, or cash flow and either excludes an amount that is included in or includes an amount that is excluded from the composition of the most directly comparable financial measures disclosed in the Company's financial statements. A non-GAAP ratio is a financial measure disclosed in the form of a ratio, fraction, percentage, or similar representation and that has a non-GAAP financial measure as one or more of its components.

Below are descriptions of the non-GAAP financial measures and ratios that we use as well as reconciliations to the most comparable GAAP financial measures, as applicable.

Adjusted net earnings and adjusted net earnings margin

We believe that adjusted net earnings and adjusted net earnings margin provide useful information to investors because this financial measure and this ratio provide precision with regards to our ongoing operations by eliminating the impact of non-operational or non-cash items. We believe that in the context of highly acquisitive companies, adjusted net earnings provides a more effective measure to assess performance against the Company's peer group, including due to the application of various accounting policies in relation to the amortization of acquired intangible assets.

We also believe adjusted net earnings and adjusted net earnings margin are useful to investors because they help identify underlying trends in our business that could otherwise be masked by certain write-offs, charges, income, or recoveries that can vary from period to period. We believe that securities analysts, investors, and other interested parties also use adjusted net earnings to evaluate the performance of issuers. Excluding these items does not imply they are non-recurring. These measures do not have any standardized meanings under GAAP and are therefore unlikely to be comparable to similar measures presented by other companies.

The following table provides a reconciliation of net earnings to adjusted net earnings.

	For the three-month periods ended March 31		For the years ended March 31	
	2023	2022	**2023**	2022
Net earnings	**159**	37	**622**	274
Acquisition and restructuring costs[1]	**21**	51	**70**	51
Amortization of intangible assets related to business acquisitions[1]	**16**	20	**63**	75
Gain on disposal of assets[1]	**—**	—	**—**	(8)
Impairment of intangible assets[1]	**—**	—	**—**	43
UK tax rate change[2]	**—**	—	**—**	50
Adjusted net earnings	**196**	108	**755**	485
Revenues	**4,468**	3,957	**17,843**	15,035
Margin	***4.4 %***	*2.7 %*	***4.2 %***	*3.2 %*

1 Net of applicable income taxes.
2 On June 10, 2021, the UK Finance Act 2021 was enacted, increasing the UK tax rate from 19% to 25%, which became effective as of April 1, 2023. Refer to Note 16 to the consolidated financial statements for further information.

Adjusted EPS basic and adjusted EPS diluted

Adjusted EPS basic and adjusted EPS diluted are non-GAAP ratios and do not have any standardized meaning under GAAP. Therefore, these measures are unlikely to be comparable to similar measures presented by other issuers. We define adjusted EPS basic and adjusted EPS diluted as adjusted net earnings divided by the basic and diluted weighted average number of common shares outstanding for the period. Adjusted net earnings is a non-GAAP financial measure. For more details on adjusted net earnings, refer to the discussion above in the adjusted net earnings and adjusted net earnings margin section.

We use adjusted EPS basic and adjusted EPS diluted, and we believe that certain securities analysts, investors, and other interested parties use these measures, among other ones, to assess the performance of our business without the effect of the acquisition and restructuring costs, amortization of intangible assets related to business acquisitions, gain on disposal of assets, impairment of intangible assets, and UK tax rate change. We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Adjusted EPS is also a component in the determination of long-term incentive compensation for management.

TOTAL OF SEGMENTS MEASURES

A total of segments measure is a financial measure that is a subtotal or total of two or more reportable segments and is disclosed within the notes to Saputo's consolidated financial statements, but not in its primary financial statements. Consolidated adjusted EBITDA is a total of segments measure.

Consolidated adjusted EBITDA is the total of the adjusted EBITDA of our four geographic sectors. We report our business under four sectors: Canada, USA, International, and Europe. The Canada Sector consists of the Dairy Division (Canada), the USA Sector consists of the Dairy Division (USA), the International Sector consists of the Dairy Division (Australia) and the Dairy Division (Argentina), and the Europe Sector consists of the Dairy Division (UK). We sell our products in three different market segments: retail, foodservice, and industrial.

Adjusted EBITDA and adjusted EBITDA margin

We believe that adjusted EBITDA and adjusted EBITDA margin provide investors with useful information because they are common industry measures. These measures are also key metrics of the Company's operational and financial performance without the variation caused by the impacts of the elements itemized below and provide an indication of the Company's ability to seize growth opportunities in a cost-effective manner, finance its ongoing operations, and service its long-term debt. Adjusted EBITDA is the key measure of profit used by management for the purpose of assessing the performance of each sector and of the Company as a whole, and to make decisions about the allocation of resources. We believe that securities analysts, investors, and other interested parties also use adjusted EBITDA to evaluate the performance of issuers. Adjusted EBITDA is also a component in the determination of short-term incentive compensation for management.

The following table provides a reconciliation of net earnings to adjusted EBITDA on a consolidated basis.

	For the three-month periods ended March 31		**For the years ended March 31**	
	2023	2022	**2023**	2022
Net earnings	**159**	37	**622**	274
Income taxes	**22**	(12)	**153**	131
Financial charges	**39**	16	**101**	70
Acquisition and restructuring costs	**28**	71	**95**	71
Gain on disposal of assets	**—**	—	**—**	(9)
Impairment of intangible assets	**—**	—	**—**	58
Depreciation and amortization	**144**	148	**582**	560
Adjusted EBITDA	**392**	260	**1,553**	1,155
Revenues	**4,468**	3,957	**17,843**	15,035
Margin	***8.8 %***	*6.6 %*	***8.7 %***	*7.7 %*

CONSOLIDATED INCOME STATEMENTS

(in millions of CDN dollars, except per share amounts)

	For the three-month periods ended March 31 (unaudited)		For the years ended March 31 (audited)	
	2023	2022	**2023**	2022
Revenues	**$ 4,468**	$ 3,957	**$ 17,843**	$ 15,035
Operating costs excluding depreciation, amortization and restructuring costs	**4,076**	3,697	**16,290**	13,880
Earnings before income taxes, financial charges, acquisition and restructuring costs, gain on disposal of assets, impairment of intangible assets, and depreciation and amortization	**392**	260	**1,553**	1,155
Depreciation and amortization	**144**	148	**582**	560
Impairment of intangible assets	**—**	—	**—**	58
Gain on disposal of assets	**—**	—	**—**	(9)
Acquisition and restructuring costs	**28**	71	**95**	71
Financial charges	**39**	16	**101**	70
Earnings before income taxes	**181**	25	**775**	405
Income taxes	**22**	(12)	**153**	131
Net earnings	**$ 159**	$ 37	**$ 622**	$ 274
Net earnings per share				
Basic	**$ 0.38**	$ 0.09	**$ 1.49**	$ 0.66
Diluted	**$ 0.38**	$ 0.09	**$ 1.48**	$ 0.66

Note: These financial statements should be read in conjunction with the Company's audited consolidated financial statements, the notes thereto, and with the Management's Discussion and Analysis for the fiscal year ended March 31, 2023, included in the Company's 2023 Annual Report. These documents can be obtained on SEDAR at www.sedar.com and in the "Investors" section of the Company's website, at www.saputo.com.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of CDN dollars)

As at		March 31, 2023		March 31, 2022
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**263**	$	165
Receivables		**1,621**		1,500
Inventories		**2,872**		2,503
Income taxes receivable		**16**		52
Prepaid expenses and other assets		**79**		75
		4,851		4,295
Property, plant and equipment		**4,286**		3,962
Right-of-use assets		**446**		475
Goodwill		**3,338**		3,188
Intangible assets		**1,283**		1,371
Other assets		**158**		362
Deferred tax assets		**63**		30
Total assets	**$**	**14,425**	$	13,683
LIABILITIES				
Current liabilities				
Bank loans	**$**	**356**	$	419
Accounts payable and accrued liabilities		**2,149**		1,952
Income taxes payable		**99**		44
Current portion of long-term debt		**307**		300
Current portion of lease liabilities		**91**		65
		3,002		2,780
Long-term debt		**2,944**		3,075
Lease liabilities		**342**		386
Other liabilities		**137**		101
Deferred tax liabilities		**860**		836
Total liabilities	**$**	**7,285**	$	7,178
EQUITY				
Share capital		**2,102**		1,945
Reserves		**532**		259
Retained earnings		**4,506**		4,301
Total equity	**$**	**7,140**	$	6,505
Total liabilities and equity	**$**	**14,425**	$	13,683

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of CDN dollars)

	For the three-month periods ended March 31		For the years ended March 31	
	2023	2022	**2023**	2022
Cash flows related to the following activities:				
Operating				
Net earnings	**$ 159**	$ 37	**$ 622**	$ 274
Adjustments for:				
Stock-based compensation	**22**	—	**67**	37
Financial charges	**39**	16	**101**	70
Income tax expense	**22**	(12)	**153**	131
Depreciation and amortization	**144**	148	**582**	560
Impairment of intangible assets	**—**	—	**—**	58
Restructuring charges related to optimization initiatives	**28**	68	**95**	68
Gain on disposal of property, plant and equipment	**(1)**	—	**(4)**	(12)
Foreign exchange gain on debt	**(3)**	(3)	**(20)**	(21)
Share of joint venture earnings, net of dividends received and other	**(1)**	(1)	**(3)**	3
Changes in non-cash operating working capital items	**62**	(28)	**(367)**	(252)
Cash generated from operating activities	**471**	225	**1,226**	916
Interest and financial charges paid	**(29)**	(22)	**(143)**	(117)
Income taxes paid	**(21)**	(19)	**(58)**	(106)
Net cash generated from operating activities	**$ 421**	$ 184	**$ 1,025**	$ 693
Investing				
Business acquisitions, net of cash acquired	**—**	2	**—**	(371)
Additions to property, plant and equipment	**(305)**	(207)	**(617)**	(453)
Additions to intangible assets	**(7)**	(7)	**(24)**	(45)
Proceeds from disposal of property, plant and equipment	**1**	51	**9**	70
Net cash used for investing activities	**$ (311)**	$ (161)	**$ (632)**	$ (799)
Financing				
Bank loans	**20**	21	**(54)**	356
Proceeds from issuance of long-term debt	**—**	—	**313**	306
Repayment of long-term debt	**(24)**	(1)	**(406)**	(487)
Repayment of lease liabilities	**(18)**	(18)	**(68)**	(80)
Net proceeds from issuance of share capital	**26**	16	**45**	42
Payment of dividends	**(49)**	(50)	**(199)**	(209)
Net cash used in financing activities	**$ (45)**	$ (32)	**$ (369)**	$ (72)
Increase (decrease) in cash and cash equivalents	**65**	(9)	**24**	(178)
Cash and cash equivalents, beginning of year	**185**	163	**165**	309
Effect of Argentina hyperinflation	**15**	12	**75**	39
Effect of exchange rate changes	**(2)**	(1)	**(1)**	(5)
Cash and cash equivalents, end of year	**$ 263**	$ 165	**$ 263**	$ 165