NEWS RELEASE

For immediate release

SAPUTO REPORTS FOURTH QUARTER AND FISCAL 2024 RESULTS

(*Montréal, June 6, 2024*) – 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, 2024. 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).

Commenting on full-year results, Lino A. Saputo, Chair of the Board, President and CEO, said: *"Fiscal 2024 was a year of continued resilience. Our financial performance reflected our ability to stay the course even amidst a dynamic macro-economic environment which included commodity price volatility, a challenged consumer, and ongoing inflationary pressures. It was also a year of continued progress where, after three years of investing in and optimizing our global network, we have now completed the bulk of the major capital projects under our Global Strategic Plan, and we are ramping up commercial production at several of our facilities. While these are important achievements, particularly amid challenging market conditions, we acknowledge that we still have work to do to realize our full potential".*

"We delivered a solid performance in the fourth quarter, despite a negative $61 million impact from USA Market Factors and $15 million of duplicate operational costs in our USA Sector," Mr. Saputo added. *"Looking ahead to fiscal 2025, we can't help but be optimistic. Dairy commodities, while still volatile, are improving, and we are executing on our Global Strategic Plan. We have already started to see the benefits in our results from our major capital projects, and we expect for them to increase through FY25 and accelerate in FY26".*

Fiscal 2024 Fourth Quarter Financial Highlights

- Revenues amounted to $4.545 billion, up $77 million or 1.7%.
- Net earnings totalled $92 million and EPS (basic and diluted) were $0.22, down from $159 million and $0.38.
- Adjusted EBITDA[1] amounted to $379 million, down $13 million or 3.3%.
- Adjusted net earnings[1] totalled $156 million, down from $196 million, and adjusted EPS[1] (basic and diluted) were $0.37, down from $0.47 and $0.46 respectively.
- Strong cash generation from operating activities of $371 million.

	For the three-month periods ended March 31		For the years ended March 31	
	2024	2023	**2024**	2023
Revenues	**4,545**	4,468	**17,342**	17,843
Adjusted EBITDA[1]	**379**	392	**1,509**	1,553
Net earnings	**92**	159	**265**	622
Adjusted net earnings[1]	**156**	196	**654**	711
Net earnings per share (EPS)				
Basic	**0.22**	0.38	**0.63**	1.49
Diluted	**0.22**	0.38	**0.63**	1.48
Adjusted EPS [1]				
Basic[1]	**0.37**	0.47	**1.54**	1.70
Diluted[1]	**0.37**	0.46	**1.54**	1.70

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. These measures and ratios do not have a standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers. 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.

- Global dairy market conditions and volatile commodity markets continued to be unfavourable to Saputo's results.
  - USA Market Factors[2] had a negative impact of $61 million; and
  - In the International Sector, the disconnect in the relation between international cheese and dairy ingredient market prices and the cost of milk continued to be unfavourable.
- Adjusted EBITDA[1] also reflected the following:
  - Higher sales volumes in both domestic and export markets;
  - Steady results in the Canada Sector;
  - Continued improvement on operational controllables and higher sales volumes in the USA Sector; and
  - In the Europe Sector, the selling of inventory produced at higher milk prices.
- Restructuring costs of $15 million after tax were incurred in relation to severance costs in the context of cost efficiency efforts.
- The Board of Directors approved a dividend of $0.185 per share payable on June 26, 2024, to shareholders of record on June 18, 2024.

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

FY25 OUTLOOK

- Inflationary pressures are anticipated to moderate versus the prior year, however labour costs may remain elevated in addition to increases in marketing and advertising investments to support new product launches and our brands.

- We expect USA dairy markets to progressively improve throughout the year, supported by a better balance between milk supply and dairy demand but with continued volatility in the short to medium-term.

- Global demand for dairy products is expected to remain moderate, alongside subdued international dairy market prices due to macroeconomic conditions.

- We expect a reduction in duplicate operating costs in FY25 and a gradual ramp-up in contribution from optimization and capacity expansion initiatives, notably in our USA Sector, through the end of FY25 and FY26.

- The Europe Sector is expected to benefit from the cycle through of high-cost inventory, an improved product mix from higher retail sales volume, as well as a lower cost base following cost-out initiatives and site consolidation.

- Cash flow generation should increase, driven by improvements in adjusted EBITDA[1] and a reduction in capital expenditures following the completion of the bulk of our Global Strategic Plan investments.

- Our leverage ratio should progressively come down and is anticipated to be below our target of 2.25 times net debt to adjusted EBITDA[1] as adjusted EBITDA[1] and cash flow generation improve during FY25.

- We expect to see steady improvements in FY25 and remain on course to deliver on our long-term goals. Factors impacting our performance in FY25 will be the economic health of consumers, the moderating rate of input cost inflation, the increasing stability of the supply chain environment, and benefits from our Global Strategic Plan.

[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.

GLOBAL STRATEGIC PLAN HIGHLIGHTS

The Company's Global Strategic Plan is designed to accelerate organic growth. As part of this growth plan, we expect to continue reaping benefits from our ongoing efforts to optimize our existing footprint, add new capacity, adjust our product mix by facility, and align our portfolio more closely with customer and consumer needs. Global Strategic Plan benefits are expected to continue to come to fruition over the course of FY25 and accelerate in FY26.

FY25 priorities include:

USA Sector: Several capital projects focused on supporting our USA growth, including establishing new facilities and adding capacity to support key product categories, are either fully operational or ramping up and will be fully operational in the coming months. Near-term priorities in the USA Sector include completing our cheese network transformation, executing on the planned closures of the Lancaster, Wisconsin; Big Stone, South Dakota; Green Bay, Wisconsin; and South Gate, California, facilities, and continuing to ramp up our new automated cut-and-wrap facility in Franklin, Wisconsin. Other priorities include strengthening the Sector's innovation pipeline, developing new products, and continuing to grow brands while expanding volume with key customers.

Canada Sector: Focus is on automation and supply chain optimization initiatives, the expansion of our product portfolio, and maximizing our distribution capabilities to drive growth.

Europe Sector: Near-term priorities include delivering on our cost-out plan, executing on the planned closure of the facility in Frome, UK, driving retail volume through consumer advertising and innovation, and onboarding new private label customers.

International Sector: In Australia, priorities include executing our site consolidation roadmap, rebalancing our business between domestic and export activities, advancing our review of strategic alternatives for the King Island facility, and completing the sale of two milk processing facilities to Coles Group Limited.

THE SAPUTO PROMISE

On June 6, 2024, we issued our 2024 Saputo Promise Report as part of our commitment to be accountable to our stakeholders and transparent about our progress in managing key Environmental, Social, and Governance (ESG) aspects impacting our business.

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 and continues to drive, enable, and sustain our growth. The report includes in-depth information on the progress we have made throughout FY24 towards our three-year plan and highlights our performance across the seven Pillars of our Saputo Promise: Food Quality & Safety, Our People, Business Ethics, Responsible Sourcing, Environment, Nutrition, and Community.

The 2024 Saputo Promise Report can be obtained in the "Our Promise" section of the Company's website, at www.saputo.com.

Additional Information

For more information on the fourth quarter and year-end results for fiscal 2024, 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, 2024. These documents can be obtained on SEDAR+ at www.sedarplus.ca 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 7, 2024, 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 CEO, and Maxime Therrien, Chief Financial Officer and Secretary.

To participate:

- **Webcast** : A live webcast of the event can be accessed using this **link**
  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**: 1-888-596-4144 Conference ID: 1644009
  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".

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 products. 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, and LinkedIn.

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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 6, 2024, available on SEDAR+ under Saputo's profile at www.sedarplus.ca.

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; 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 Market Factors[2], ingredient markets, commodity prices, foreign exchange; 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 and our sustainability advocacy efforts.

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

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 news release 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 PERIOD ENDED MARCH 31, 2024

Revenues

Revenues for the **fourth quarter of fiscal 2024** totalled $4.545 billion, up $77 million or 1.7%, as compared to $4.468 billion for the same quarter last fiscal year.

Higher domestic selling prices in line with the higher cost of milk as raw material continued to positively impact revenues.

The effects of currency fluctuations on export sales denominated in US dollars were favourable.

Domestic and export sales volumes were both higher, despite continued softening of global demand for dairy products and ongoing competitive market conditions.

The combined effect of fluctuations of the average block market price[2] and of the average butter market price[2] in our USA Sector had a negative impact of $185 million. Lower international cheese and dairy ingredient market prices had a negative impact in all our sectors.

The conversion of foreign currencies to the Canadian dollar had an unfavourable impact of approximately $114 million, mainly due to the devaluation of the Argentine peso.

In **fiscal 2024**, revenues totalled $17.342 billion, down $501 million or 2.8%, as compared to $17.843 billion.

The combined effect of fluctuations of the average block market price[2] and of the average butter market price[2] in our USA Sector had a negative impact of $772 million. Lower international cheese and dairy ingredient market prices had a negative impact in all our sectors.

The carryover effect of pricing initiatives implemented to mitigate inflationary pressures and higher domestic selling prices in line with the higher cost of milk as raw material had a positive impact. Also, the effects of currency fluctuations on export sales denominated in US dollars were favourable.

Export sales volumes were lower due to the softening global demand for dairy products, while domestic sales volumes were stable despite ongoing competitive market conditions.

The conversion of foreign currencies to the Canadian dollar had an unfavourable impact of approximately $293 million, mainly due to the devaluation of the Argentine peso.

Operating costs excluding depreciation, amortization, and restructuring costs

Operating costs excluding depreciation, amortization, and restructuring costs for the **fourth quarter of fiscal 2024** totalled $4.166 billion, up $90 million or 2.2%, as compared to $4.076 billion for the same quarter last fiscal year. In **fiscal 2024**, operating costs excluding depreciation, amortization, and restructuring costs totalled $15.833 billion, down $457 million or 2.8%, as compared to $16.290 billion for last fiscal year.

These variations were in line with lower commodity market prices and their impacts on the cost of raw materials and consumables used, lower logistics costs, and the favourable impacts from our cost containment measures and from our Global Strategic Plan initiatives. These favourable impacts were partially offset by ongoing inflation on costs, including hyperinflation in Argentina, as well as higher employee salary and benefit expenses, which include the effect of wage increases. Operating costs also included duplicate operational costs incurred to implement previously announced network optimization initiatives.

Net earnings

Net earnings for the **fourth quarter of fiscal 2024** totalled $92 million, down $67 million or 42.1% as compared to $159 million for the same quarter last fiscal year. The decrease is due to the factors which have led to a lower adjusted EBITDA[1], as described below, a loss on hyperinflation, higher financial charges, and higher income tax expense, offset by lower acquisition and restructuring costs.

In **fiscal 2024**, net earnings totalled $265 million, down $357 million or 57.4%, as compared to $622 million for last fiscal year. The decrease is primarily due to a non-cash goodwill impairment charge of $265 million, the factors which have led to lower adjusted EBITDA[1], as described below, a loss on hyperinflation compared to a gain for the same period last fiscal year, and higher financial charges, offset by lower acquisition and restructuring costs, and lower 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 2024** totalled $379 million, down $13 million or 3.3%, as compared to $392 million for the same quarter last fiscal year.

Under continued volatile commodity market conditions, USA Market Factors[2] resulted in a negative impact of $61 million, due to the negative Spread[2] and to the unfavourable realization of inventories from the combined effect of fluctuations of the average block market price[2] and of the average butter market price[2].

The International Sector also showed lower results due to the continued disconnect in the relation between international cheese and dairy ingredient market prices and the cost of milk as raw material.

Results also reflected higher sales volumes in both domestic and export markets while lower international cheese and dairy ingredient market prices had a negative impact.

In the Europe Sector, the selling of inventory produced at higher milk prices continued to have a negative impact, although to a lesser extent than the previous quarters.

Our ongoing cost containment measures implemented to minimize the effect of inflation, along with lower logistics costs, mainly in North America, and continued operational improvements in the USA Sector, had a positive impact. These favourable impacts were partially offset by costs incurred to implement previously announced network optimization initiatives, including approximately $15 million in the USA Sector.

The conversion of foreign currencies to the Canadian dollar had an unfavourable impact of approximately $6 million, mainly due to the devaluation of the Argentine peso.

Adjusted EBITDA[1] in **fiscal 2024** totalled $1.509 billion, down $44 million or 2.8%, as compared to $1.553 billion for last fiscal year.

In the context of volatile commodity markets, USA Market Factors[2] had a negative impact of $70 million, driven by the combined negative impacts of the fluctuation of the average block market price[2] related to our cheese products and of the lower average butter market price[2] related to our dairy food products. The milk-cheese Spread[2] was negative although to a lesser extent as compared to last fiscal year.

The International Sector performance was negatively impacted by the disconnect in the relation between international cheese and dairy ingredient market prices and the cost of milk.

Export sales volumes were lower due to softening of the global demand for dairy products. Lower international cheese and dairy ingredient market prices had a negative impact.

Results increased in the Canada Sector and in the USA Sector, where operational improvements had a positive impact.

The Europe Sector performance was negatively impacted by the selling of inventory produced at higher milk prices.

We benefited from the carryover impact of higher average selling prices, driven by previously announced pricing initiatives, which were implemented to mitigate higher input costs in line with ongoing inflation and volatile commodity markets.

Our ongoing cost containment measures implemented to minimize the effect of inflation, along with lower logistics costs, including lower fuel prices, mainly in North America, had a favourable impact. Benefits derived from our Global Strategic Plan, including continuous improvement, supply chain optimization, and automation initiatives, also had a favourable impact. These favourable impacts were partially offset by costs incurred to implement previously announced network optimization initiatives, including approximately $36 million in the USA Sector.

Results included an inventory write-down of $31 million as a result of the decrease in certain market selling prices.

The conversion of foreign currencies to the Canadian dollar had an unfavourable impact of approximately $38 million, mainly due to the devaluation of the Argentine peso.

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[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 2024** totalled $157 million, up $13 million, as compared to $144 million for the same quarter last fiscal year. Depreciation and amortization in **fiscal 2024** totalled $595 million, up $13 million, as compared to$582 million for last fiscal year. These increases were mainly attributable to additional depreciation and amortization related to the commissioning of assets in connection with our capital projects under our Global Strategic Plan. These increases were partially offset by a reduction in the International Sector from the ongoing network optimization initiatives in Australia aimed at the consolidation of eleven facilities into six. Also contributing to the increases was the effect of hyperinflation accounting for our Dairy Division (Argentina).

Acquisition and restructuring costs

Acquisition and restructuring costs for the **fourth quarter of fiscal 2024** totalled $19 million and related to severance costs incurred in the context of cost efficiency efforts.

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 severance 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 2024** totalled $25 million. During the third quarter of fiscal 2024, we announced the permanent closure of our Lancaster, Wisconsin, facility, in line with our Global Strategic Plan. As a result, restructuring costs of $6 million, which include non-cash fixed assets write-down of $4 million and severance costs of $2 million, were recorded. As described above, we also recorded severance costs totalling $19 million.

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, severance costs of $28 million, accelerated depreciation, and other site closure costs. Restructuring costs also included a $2 million gain on disposal of assets related to the sale of a closed facility in the Canada Sector.

Goodwill impairment charge

In **fiscal 2024**, a non-cash goodwill impairment charge of $265 million was recorded.

In performing our annual goodwill impairment testing as at December 31, 2023, our Dairy Division (Australia) Cash Generating Unit (the Australia CGU) estimates of future discounted cash flows were reduced due to the increasing disconnect in the relation between international cheese and dairy ingredient prices and farm gate milk prices in a context of declining milk production in Australia.

As a result, the estimated recoverable value of the Australia CGU was determined to be lower than its carrying value and a non-cash goodwill impairment charge of $265 million (non tax-deductible) was recorded, representing the total value of the goodwill for this CGU.

Loss (gain) on hyperinflation

Loss on hyperinflation for the **fourth quarter of fiscal 2024** totalled $34 million (minimal gain in fiscal 2023). In **fiscal 2024**, the loss on hyperinflation totalled $44 million ($44 million gain in fiscal 2023). The loss (gain) on hyperinflation is relative to the application of hyperinflation accounting for the Dairy Division (Argentina), and includes the effects of inflation indexation and currency conversion on its balance sheet amounts.

Financial charges

Financial charges for the **fourth quarter of fiscal 2024** totalled $50 million, up $11 million compared to the same quarter last fiscal year. In **fiscal 2024**, financial charges totalled $176 million, up $31 million compared to the same period last fiscal year. These increases reflected higher interest rates.

Income tax expense

Income tax expense for the **fourth quarter of fiscal 2024** totalled $27 million ($22 million for the same quarter last fiscal year) and $139 million **for fiscal 2024** ($153 million in fiscal 2023). The effective tax rate for the fourth quarter of fiscal 2024 was 23%.

For fiscal 2024, the effective tax rate of 34% was higher than the effective tax rate of fiscal 2023 mainly due to the effect of the non tax-deductible goodwill impairment charge of $265 million recorded in the current year.

The tax and accounting treatments of inflation in Argentina have an impact on the effective tax rate which varies from quarter to quarter. For the fourth quarter, this impact was negative, resulting in an increase of the effective tax rate whereas in the comparable quarter of fiscal 2023 the impact was positive resulting in a decrease of the effective tax rate. For fiscal 2024 and fiscal 2023, this impact was positive, resulting in a decrease of the effective tax rate.

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 2024** totalled $156 million, down $40 million or 20.4%, as compared to $196 million for the same quarter last fiscal year. This is mainly due to the factors which have led to a decrease in net earnings, as described above, excluding lower acquisition and restructuring costs after tax, as well as the impact of a loss on hyperinflation.

In **fiscal 2024**, adjusted net earnings totalled $654 million, down $57 million or 8.0%, as compared to $711 million for last fiscal year. This is mainly due to the factors which have led to a decrease in net earnings, as described above, excluding a non-cash goodwill impairment charge, lower acquisition and restructuring costs after tax, as well as the impact of the loss on hyperinflation compared to a gain that was recognized in the same period 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

The Company reports under four geographic sectors. The Canada Sector consists of the Dairy Division (Canada). The USA Sector consists of the Dairy Division (USA). The International Sector comprises the Dairy Division (Australia) and the Dairy Division (Argentina). The Europe Sector consists of the Dairy Division (UK).

CANADA SECTOR

	For the three-month periods ended March 31		For the years ended March 31	
	2024	2023	**2024**	2023
Revenues	**1,192**	1,156	**4,922**	4,696
Adjusted EBITDA	**138**	134	**580**	551
Margin	**11.6 %**	11.6 %	**11.8 %**	11.7 %

USA SECTOR

	For the three-month periods ended March 31		For the years ended March 31	
	2024	2023	**2024**	2023
Revenues	**1,928**	2,062	**7,810**	8,339
Adjusted EBITDA	**138**	143	**521**	488
Margin	**7.2 %**	6.9 %	**6.7 %**	5.9 %

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

	For the three-month periods ended March 31		For the years ended March 31	
	2024	2023	**2024**	2023
USA Market Factors[1,2]	**(61)**	29	**(70)**	(11)
Inventory write-down	**—**	—	**(10)**	—
US currency exchange[2]	**—**	5	**8**	19

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	
	2024	2023	**2024**	2023
Block market price[1]				
Opening	**1.470**	2.135	**1.850**	2.250
Closing	**1.418**	1.850	**1.418**	1.850
Average	**1.516**	1.943	**1.633**	2.058
Butter market price[1]				
Opening	**2.665**	2.380	**2.398**	2.700
Closing	**2.843**	2.398	**2.843**	2.398
Average	**2.737**	2.375	**2.684**	2.781
Average whey powder market price[1]	**0.436**	0.397	**0.357**	0.473
Spread[1]	**(0.125)**	0.040	**(0.043)**	(0.143)
US average exchange rate to Canadian dollar[2]	**1.349**	1.353	**1.349**	1.328

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	
	2024	2023	**2024**	2023
Revenues	**1,135**	963	**3,518**	3,785
Adjusted EBITDA	**88**	84	**333**	374
Margin	**7.8 %**	8.7 %	**9.5 %**	9.9 %

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

	For the three-month periods ended March 31		For the years ended March 31	
	2024	2023	**2024**	2023
Inventory write-down	**—**	—	**(21)**	—
Foreign currency exchange[1]	**(7)**	(15)	**(57)**	(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	
	2024	2023	**2024**	2023
Revenues	**290**	287	**1,092**	1,023
Adjusted EBITDA	**15**	31	**75**	140
Margin	**5.2 %**	10.8 %	**6.9 %**	13.7 %

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

	For the three-month periods ended March 31		For the years ended March 31	
	2024	2023	**2024**	2023
Inventory write-down	**—**	(7)	**—**	(7)
Foreign currency exchange[1]	**1**	(1)	**8**	(9)

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.

QUARTERLY FINANCIAL INFORMATION

Fiscal years	2024				2023			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenues	**4,545**	**4,267**	**4,323**	**4,207**	4,468	4,587	4,461	4,327
Operating costs excluding depreciation, amortization, and restructuring costs	**4,166**	**3,897**	**3,925**	**3,845**	4,076	4,142	4,092	3,980
Adjusted EBITDA[1]	**379**	**370**	**398**	**362**	392	445	369	347
Margin[1]	***8.3%***	***8.7%***	***9.2%***	***8.6%***	*8.8%*	*9.7%*	*8.3%*	*8.0%*
Depreciation and amortization	**157**	**147**	**145**	**146**	144	147	146	145
Goodwill impairment charge	**—**	**265**	**—**	**—**	—	—	—	—
Acquisition and restructuring costs	**19**	**6**	**—**	**—**	28	38	22	7
Loss (gain) on hyperinflation	**34**	**3**	**9**	**(2)**	—	—	(26)	(18)
Financial charges	**50**	**42**	**44**	**40**	39	37	39	30
Earnings (loss) before income taxes	**119**	**(93)**	**200**	**178**	181	223	188	183
Income taxes	**27**	**31**	**44**	**37**	22	44	43	44
Net earnings (loss)	**92**	**(124)**	**156**	**141**	159	179	145	139
Margin	***2.0%***	***(2.9)%***	***3.6%***	***3.4%***	*3.6%*	*3.9%*	*3.3%*	*3.2%*
Adjusted net earnings[1]	**156**	**163**	**181**	**154**	196	221	151	143
Margin[1]	***3.4%***	***3.8%***	***4.2%***	***3.7%***	*4.4%*	*4.8%*	*3.4%*	*3.3%*
Earnings (loss) per share:								
Basic	**0.22**	**(0.29)**	**0.37**	**0.33**	0.38	0.43	0.35	0.33
Diluted	**0.22**	**(0.29)**	**0.37**	**0.33**	0.38	0.43	0.35	0.33
Adjusted EPS[1]:								
Basic[1]	**0.37**	**0.38**	**0.43**	**0.37**	0.47	0.53	0.36	0.34
Diluted[1]	**0.37**	**0.38**	**0.43**	**0.36**	0.46	0.53	0.36	0.34

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	2024				2023			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenues								
Canada	**1,192**	**1,271**	**1,248**	**1,211**	1,156	1,213	1,185	1,142
USA	**1,928**	**2,056**	**1,950**	**1,876**	2,062	2,172	2,062	2,043
International	**1,135**	**636**	**879**	**868**	963	917	989	916
Europe	**290**	**304**	**246**	**252**	287	285	225	226
Total	**4,545**	**4,267**	**4,323**	**4,207**	**4,468**	**4,587**	**4,461**	**4,327**
Net earnings (loss) (consolidated)	**92**	**(124)**	**156**	**141**	159	179	145	139

	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Adjusted EBITDA								
Canada	**138**	**150**	**148**	**144**	134	149	136	132
USA	**138**	**133**	**147**	**103**	143	146	102	97
International	**88**	**85**	**83**	**77**	84	111	97	82
Europe	**15**	**2**	**20**	**38**	31	39	34	36
Total[1]	**379**	**370**	**398**	**362**	**392**	**445**	**369**	**347**

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, and are described in this section.

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 GAAP, 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 provide 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, as well as by the effect of tax law changes and rate enactments. 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	
	2024	2023	**2024**	2023
Net earnings	**92**	159	**265**	622
Acquisition and restructuring costs[1]	**15**	21	**19**	70
Amortization of intangible assets related to business acquisitions[1]	**15**	16	**61**	63
Goodwill impairment charge	**—**	—	**265**	—
Loss (gain) on hyperinflation[2]	**34**	—	**44**	(44)
Adjusted net earnings	**156**	**196**	**654**	711
Revenues	**4,545**	4,468	**17,342**	17,843
Margin (expressed as a percentage of revenues)	***3.4 %***	*4.4 %*	***3.8 %***	*4.0 %*

1 Net of applicable income taxes.

2 Starting in fiscal 2024:

- the loss (gain) on hyperinflation is presented on a separate line on the consolidated income statements; and
- adjusted net earnings exclude the loss (gain) on hyperinflation to provide investors with more useful information with regards to our ongoing operations.

Comparative periods included in this news release were aligned to meet the current presentation.

Adjusted EPS basic and adjusted EPS diluted

Adjusted EPS basic (adjusted net earnings per basic common share) and adjusted EPS diluted (adjusted net earnings per diluted common share) 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, goodwill impairment charge, and loss (gain) on hyperinflation. 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. Adjusted EBITDA margin consists of adjusted EBITDA expressed as a percentage of revenues. 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**	
	2024	2023	**2024**	2023
Net earnings	**92**	159	**265**	622
Income taxes	**27**	22	**139**	153
Financial charges[1]	**50**	39	**176**	145
Loss (gain) on hyperinflation[1]	**34**	—	**44**	**(44)**
Acquisition and restructuring costs	**19**	28	**25**	95
Goodwill impairment charge	**—**	—	**265**	—
Depreciation and amortization	**157**	144	**595**	582
Adjusted EBITDA	**379**	392	**1,509**	1,553
Revenues	**4,545**	4,468	**17,342**	17,843
Adjusted EBITDA margin	***8.3 %***	*8.8 %*	***8.7 %***	*8.7 %*

1 Starting in fiscal 2024, the loss (gain) on hyperinflation is presented on a separate line on the consolidated income statements. Comparative periods included in this news release were aligned to meet the current presentation.

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)	
	2024	2023	**2024**	2023
Revenues	**$ 4,545**	$ 4,468	**$ 17,342**	$ 17,843
Operating costs excluding depreciation, amortization and restructuring costs	**4,166**	4,076	**15,833**	16,290
Earnings before income taxes, financial charges, loss (gain) on hyperinflation, acquisition and restructuring costs, depreciation and amortization and goodwill impairment charge	**379**	392	**1,509**	1,553
Depreciation and amortization	**157**	144	**595**	582
Goodwill impairment charge	**—**	—	**265**	—
Acquisition and restructuring costs	**19**	28	**25**	95
Loss (gain) on hyperinflation	**34**	—	**44**	(44)
Financial charges	**50**	39	**176**	145
Earnings before income taxes	**119**	181	**404**	775
Income taxes	**27**	22	**139**	153
Net earnings	**$ 92**	$ 159	**$ 265**	$ 622
Net earnings per share				
Basic	**$ 0.22**	$ 0.38	**$ 0.63**	$ 1.49
Diluted	**$ 0.22**	$ 0.38	**$ 0.63**	$ 1.48

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, 2024, included in the Company's 2024 Annual Report. These documents can be obtained on SEDAR+ at www.sedarplus.ca 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, 2024		March 31, 2023
ASSETS				
Current assets				
Cash and cash equivalents	$	**466**	$	263
Receivables		**1,401**		1,621
Inventories		**2,860**		2,872
Income taxes receivable		**32**		16
Prepaid expenses and other assets		**75**		79
		4,834		4,851
Property, plant and equipment		**4,531**		4,286
Right-of-use assets		**465**		446
Goodwill		**3,098**		3,338
Intangible assets		**1,166**		1,283
Other assets		**95**		158
Deferred tax assets		**71**		63
Total assets	$	**14,260**	$	14,425
LIABILITIES				
Current liabilities				
Bank loans	$	**418**	$	356
Accounts payable and accrued liabilities		**2,193**		2,149
Income taxes payable		**23**		99
Current portion of long-term debt		**414**		307
Current portion of lease liabilities		**85**		91
		3,133		3,002
Long-term debt		**2,699**		2,944
Lease liabilities		**370**		342
Other liabilities		**154**		137
Deferred tax liabilities		**854**		860
Total liabilities	$	**7,210**	$	7,285
EQUITY				
Share capital		**2,180**		2,102
Reserves		**459**		532
Retained earnings		**4,411**		4,506
Total equity	$	**7,050**	$	7,140
Total liabilities and equity	$	**14,260**	$	14,425

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of CDN dollars)

	For the three-month periods ended March 31		For the years ended March 31	
	2024	2023	**2024**	2023
Cash flows related to the following activities:				
Operating				
Net earnings	**$ 92**	$ 159	**$ 265**	$ 622
Adjustments for:				
Stock-based compensation	**(5)**	22	**49**	67
Financial charges	**50**	39	**176**	145
Income tax expense	**27**	22	**139**	153
Depreciation and amortization	**157**	144	**595**	582
Goodwill impairment charge	**—**	—	**265**	—
Restructuring charges related to optimization initiatives	**19**	28	**25**	95
Gain on disposal of property, plant and equipment	**—**	(1)	**(1)**	(4)
Foreign exchange loss (gain) on debt	**1**	(3)	**27**	(20)
Loss (gain) on hyperinflation	**34**	—	**44**	(44)
Share of joint venture earnings, net of dividends received and other	**(1)**	(1)	**2**	(3)
Changes in non-cash operating working capital items	**69**	62	**(2)**	(367)
Cash generated from operating activities	**443**	471	**1,584**	1,226
Interest and financial charges paid	**(27)**	(29)	**(177)**	(143)
Income taxes paid	**(45)**	(21)	**(216)**	(58)
Net cash generated from operating activities	**$ 371**	$ 421	**$ 1,191**	$ 1,025
Investing				
Additions to property, plant and equipment	**(199)**	(305)	**(641)**	(617)
Additions to intangible assets	**(4)**	(7)	**(13)**	(24)
Proceeds from disposal of property, plant and equipment	**—**	1	**2**	9
Net cash used for investing activities	**$ (203)**	$ (311)	**$ (652)**	$ (632)
Financing				
Bank loans	**(25)**	20	**95**	(54)
Proceeds from issuance of long-term debt	**—**	—	**550**	313
Repayment of long-term debt	**(7)**	(24)	**(686)**	(406)
Repayment of lease liabilities	**(19)**	(18)	**(68)**	(68)
Net proceeds from issuance of share capital	**5**	26	**11**	45
Payment of dividends	**(79)**	(49)	**(245)**	(199)
Net cash used in financing activities	**$ (125)**	$ (45)	**$ (343)**	$ (369)
Increase in cash and cash equivalents	**43**	65	**196**	24
Cash and cash equivalents, beginning of year	**429**	185	**263**	165
Effect of exchange rate changes and Argentina hyperinflation	**(6)**	13	**7**	74
Cash and cash equivalents, end of year	**$ 466**	$ 263	**$ 466**	$ 263