

SAPUTO ANNOUNCES ADDITIONAL CAPITAL INVESTMENTS AND NETWORK OPTIMIZATION INITIATIVES IN ITS USA SECTOR AS PART OF ITS GLOBAL STRATEGIC PLAN

(Montréal, February 2, 2023) – Building on its previously announced optimization initiatives, Saputo Inc. (we, Saputo or the Company) (TSX: SAP) announces today additional capital investments and consolidation initiatives intended to further streamline and enhance its manufacturing footprint in its USA Sector. This announcement is part of the continued execution of the Company’s Global Strategic Plan.

Highlights include:

- Construction of a new, state-of-the-art cut-and-wrap facility in Franklin, Wisconsin, creating 600 jobs
- Expansion of string cheese operations on the West Coast of the USA
- Permanent closure of its Big Stone, South Dakota, Green Bay, Wisconsin, and South Gate, California, facilities

NEW CUT-AND-WRAP FACILITY TO CONSOLIDATE AND MODERNIZE PACKAGING ACTIVITIES

Construction is underway on a greenfield facility in Franklin, Wisconsin, to consolidate and modernize the Company’s cut-and-wrap activities. This state-of-the-art facility will become the centre of Saputo’s expanded cut-and-wrap capabilities in the Midwest of the USA and is expected to result in the creation of 600 jobs. This new facility represents an investment of CDN\$240 million and is slated to be operating at full capacity by the third quarter of fiscal 2025. Once operational, Saputo anticipates transferring existing packaging operations from other manufacturing sites to its new facility in Franklin. Consequently, the Company intends to permanently close its Big Stone, South Dakota, and Green Bay, Wisconsin, facilities in the third quarter of fiscal 2024, and the third quarter of fiscal 2025, respectively.

EXPANDING STRING CHEESE OPERATIONS

After ceasing cut-and-wrap activities at its Bardsley Street, Tulare, California, facility, as announced in fiscal 2022, the Company now intends to invest CDN\$75 million to convert this location into a string cheese packaging facility. The investment will help support the Company’s growth ambitions and sustain its leadership position in the string cheese product category. The facility is slated to be operating at full capacity by the third quarter of fiscal 2025. As a result of this optimization initiative, Saputo intends to permanently close its South Gate, California, facility in the fourth quarter of fiscal 2025, and transfer existing operations from this facility to its newly converted Bardsley Street facility.

“Continuing to lay the groundwork for future growth in the USA, these initiatives aim to solidify our ability to meet current and future customer demand and further improve our cost structure,” said Lino A. Saputo, Chair of the Board, President and Chief Executive Officer. “Strategic investments, a streamlined footprint, and optimized facilities will set the stage for notable improvements in our operational performance as we consolidate activities into world-class facilities. Also designed to increase production capabilities in some of our higher-margin value-added product categories, these initiatives will fuel our aspirations to further enhance our value proposition as a high-quality, low-cost processor in the USA.”

These capital investments and consolidation initiatives in the Company’s USA Sector are expected to yield financial benefits beginning in the fourth quarter of fiscal 2024 and contribute to their full potential of approximately CDN\$74 million (CDN\$55 million after taxes) annually by the end of fiscal 2027. Costs related to the capital investments and consolidation initiatives outlined above will be approximately CDN\$23 million after taxes, which include a non-cash fixed assets write-down of approximately CDN\$13 million after taxes. These costs will start to be recorded in the fourth quarter of fiscal 2023. Approximately 720 employees will be impacted by the above-mentioned consolidation initiatives. Impacted employees will be offered the opportunity to relocate to other Saputo facilities and, if no positions are available, they will be provided with severance and outplacement support.

About Saputo

Saputo 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 one of the top ten dairy processors in the world, a leading cheese manufacturer and fluid milk and cream processor in Canada, and the top dairy processor in Australia and Argentina. In the USA, Saputo ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products. In the United Kingdom, Saputo is the largest manufacturer of branded cheese and a top manufacturer of 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 [Saputo.com](https://www.saputo.com) or via [Facebook](#), [LinkedIn](#) and [Twitter](#).

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 planned capital investment, consolidation and network optimization initiatives, the anticipated cost relative to, and the cost savings and benefits resulting from such initiatives, the expected timing of these costs, cost savings and, benefits, the expected impact of such initiatives on our production, packaging activities and employees, as well as our ambitions and strategic plans including our ability to achieve our ambitions and goals, and statements other than historical facts. The words “may”, “could”, “should”, “will”, “would”, “believe”, “plan”, “anticipate”, “intend” or “expect”, 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 a number of inherent risks and uncertainties. Actual results could differ materially from those stated, implied, or projected in such forward-looking statements. As a result, we cannot guarantee that any forward-looking statements will materialize, and we warn readers that these forward-looking statements are not statements of historical fact or guarantees of future performance in any way. Assumptions, expectations, and estimates made in the preparation of forward-looking statements and risks and uncertainties that could cause actual results to differ materially from current expectations are discussed in our materials filed with the Canadian securities regulatory authorities from time to time, including the "Risks and Uncertainties" section of the Management's Discussion and Analysis dated June 9, 2022, available on SEDAR under the Company's profile at www.sedar.com, and also include the following: our ability to implement capital investment, consolidation and network optimization initiatives as planned, our ability to achieve productivity and efficiency gains resulting from such initiatives, reliance on third parties, and our ability to face ongoing economic uncertainty.

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

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

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