

**FINANCIAL RESULTS FOR FISCAL 2021  
FIRST QUARTER ENDED JUNE 30, 2020**

**Revenues at \$3.391 billion, down 7.6%**  
**Adjusted EBITDA at \$366.5 million, up 2.4%**  
**Net earnings at \$141.9 million, up 16.9%**  
**Adjusted net earnings at \$160.9 million, down 2.4%**

(Montréal, August 6, 2020) – Saputo Inc. (TSX: SAP) (Saputo or the Company) reported today its financial results for the first quarter of fiscal 2021, which ended on June 30, 2020. All amounts in this news release are in Canadian dollars (CDN), unless otherwise indicated, and are presented according to International Financial Reporting Standards (IFRS).

- Revenues amounted to \$3.391 billion, a decrease of \$277.6 million or 7.6%.
- Adjusted EBITDA\* amounted to \$366.5 million, an increase of \$8.5 million or 2.4%.
- Net earnings totalled \$141.9 million and EPS\*\* (basic and diluted) were \$0.35, as compared to \$121.4 million and EPS (basic and diluted) of \$0.31.
- Adjusted net earnings\* totalled \$160.9 million and adjusted EPS\* (basic and diluted) were \$0.39, as compared to \$164.9 million and adjusted EPS (basic and diluted) of \$0.42. Adjusted EPS excluding amortization of intangible assets related to business acquisitions\* (basic and diluted) were \$0.44, as compared to \$0.46 (basic and diluted).

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

(unaudited)	For the three-month periods ended June 30	
	2020	2019
Revenues	<b>3,390.8</b>	3,668.4
Adjusted EBITDA*	<b>366.5</b>	358.0
Net earnings	<b>141.9</b>	121.4
Adjusted net earnings*	<b>160.9</b>	164.9
Adjusted net earnings excluding amortization of intangible assets related to business acquisitions*	<b>179.2</b>	179.7
Net earnings per share (basic and diluted)	<b>0.35</b>	0.31
Adjusted net earnings per share*(basic and diluted)	<b>0.39</b>	0.42
Adjusted net earnings per share excluding amortization of intangible assets related to business acquisitions*(basic and diluted)	<b>0.44</b>	0.46

\* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the first quarter of fiscal 2021 for the reconciliations to IFRS measures.

- The shift in consumer demand due to the COVID-19 pandemic impacted all the Company's Sectors to varying degrees. Overall, sales volumes in the retail market segment increased, while foodservice and industrial market segments sales volumes decreased. More specifically:
  - The Canada Sector benefited from higher sales volumes, mainly in the fluid milk category.
  - In the USA Sector, lower sales volumes affected efficiencies and the absorption of fixed costs, whereas USA Market Factors\*\* and the fluctuation of the Canadian dollar versus the US dollar had a favourable impact on results.
  - In the International Sector, increased milk availability in Australia and the specialty cheese business of Lion Dairy & Drinks Pty Ltd (Specialty Cheese Business Acquisition) in Australia, acquired on October 28, 2019, contributed positively to results.
  - The Europe Sector benefited from the surge in retail market segment sales volumes.
- As part of its commitment to share in the responsibility to eliminate racism in all its forms, Saputo has decided to retire the COON cheese brand name from its Australian brand portfolio and recorded an impairment on intangible assets charge of \$19.0 million.
- The Board of Directors reviewed the dividend policy and increased the quarterly dividend from \$0.17 per share to \$0.175 per share, representing a 2.9% increase. The quarterly dividend will be payable on October 2, 2020, to common shareholders of record on September 22, 2020.

\* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the first quarter of fiscal 2021 for the reconciliations to IFRS measures.

\*\* Refer to the "Glossary" section on page 20 of the Management's Discussion and Analysis for the first quarter of fiscal 2021.

## **Merger of Saputo's USA Divisions**

Saputo announced today the merger of its two USA divisions, the Cheese Division (USA) and the Dairy Foods Division (USA), into a single division, now known as the Dairy Division (USA). The new Division will allow Saputo to have a more agile USA platform, aligned under a common strategy, and to be in a position to more efficiently serve its markets, given consumer habits and customer expectations can evolve at a rapid pace. The merger of its two USA divisions is expected to reveal synergies in all facets of the business and operations.

To support the new organizational structure, the two strong leadership teams were combined into one management team led by Carl Colizza, who has been named President and Chief Operating Officer, Dairy Division (USA). Mr. Colizza, who had been leading the Dairy Foods Division (USA) on an interim basis since April 1, 2020, assumes this new role in addition to his current role as President and Chief Operating Officer (North America), and continues to report to Kai Bockmann, President and Chief Operating Officer, Saputo Inc. Terry Brockman has been named Chief Business Officer, Dairy Division (USA), and continues to report to Mr. Colizza.

## **Additional Information**

For more information, reference is made to the condensed interim consolidated financial statements, the notes thereto and to the Management's Discussion and Analysis for the first quarter of fiscal 2021. These documents can be obtained on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com) and in the "Investors" section of the Company's website, at [www.saputo.com](http://www.saputo.com).

## **Conference Call**

A conference call to discuss the fiscal 2021 first quarter results will be held on Thursday, August 6, 2020, at 1 p.m. Eastern Time. To participate in the conference call, dial 1-877-542-8049. To ensure your participation, please dial in approximately five minutes before the call.

To listen to this call on the Web, please enter <http://www.gowebcasting.com/10753> in your Web browser.

For those unable to participate, a replay of the conference will be available until 11:59 p.m., Thursday, August 13, 2020. To access the replay, dial 1-800-558-5253, ID number 21966306. A webcast will also be archived on [www.saputo.com](http://www.saputo.com), in the "Investors" section, under "Calendar of Events".

## **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, the top dairy processor in Australia, and the second largest in 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. 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".

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## **Media Inquiries**

1-514-328-3141 / 1-866-648-5902

## 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 the Company's objectives, outlook, business projects, strategies, beliefs, plans, expectations, targets, commitments and goals, including the Company's ability to achieve these targets, commitments and goals, 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", "seek", "project", "potential" or "target", 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 facts included in this news release may constitute forward-looking statements within the meaning of applicable securities laws.

These statements are based, among other things, on Saputo's assumptions, expectations, estimates, objectives, plans, business strategy and intentions as of the date hereof, as well as other factors it believes are appropriate under these circumstances, regarding the projected revenues and expenses, the economic, industry, competitive and regulatory environments in which the Company operates or which could affect its activities, its ability to attract and retain customers and consumers, its environmental performance, its sustainability efforts, the effectiveness of its environmental and sustainability initiatives, the availability and cost of milk and other raw materials and energy supplies, its operating costs, the pricing of its finished products on the various markets in which it carries on business, and the effects of the COVID-19 pandemic. Such forward-looking statements are intended to provide shareholders with information regarding the Company, including its assessment of future financial plans, and may not be appropriate for other purposes.

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, the Company cannot guarantee that any forward-looking statements will materialize, and the Company warns readers that these forward-looking statements are not facts 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 the Company's 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 4, 2020, available on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com).

Such risks and uncertainties include the following: product liability; the COVID-19 pandemic; the availability of raw materials (including as a result of climate change or extreme weather) and related price variations, along with the ability for the Company to transfer those increases, if any, to its customers in competitive market conditions; the price fluctuation of its products in the countries in which it operates, as well as in international markets, which are based on supply and demand levels for dairy products; the increased competitive environment in the dairy industry; consolidation of clientele; supplier concentration; unanticipated business disruption; the economic environment; changes in environmental laws and regulations; cyber threats and other Information Technology-related risks relating to business disruptions, confidentiality, and data integrity; the Company's ability to identify, attract and retain qualified individuals; the failure to adequately integrate acquired businesses in a timely and efficient manner; changes in consumer trends. The Company's ability to achieve its environmental targets, commitments and goals is further subject to, among others, the Company's ability to access and implement all technology necessary to achieve its targets, commitments and goals, as well as the development and performance of technology and technological innovations and the future use and development of technology and associated expected future results, and environmental regulation.

Forward-looking statements are based on Management's current estimates, expectations and assumptions, which Management believes are reasonable as of the date hereof, and are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events, including the duration and severity of the COVID-19 pandemic, and are accordingly subject to changes after such date. 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 its 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

The Company reports its business under the Canada Sector, the USA Sector, the International Sector and the Europe Sector. The Canada Sector consists of the Dairy Division (Canada), the USA Sector consists of the Cheese Division (USA) and the Dairy Foods 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).

**Consolidated revenues** for the three-month period ended June 30, 2020, totalled \$3.391 billion, a decrease of \$277.6 million or 7.6%, as compared to \$3.668 billion for the same quarter last fiscal year. During the quarter, due to the COVID-19 pandemic, the Company witnessed a shift in consumer demand for its products on a global scale. This resulted in revenues being negatively impacted by lower sales volumes in the foodservice and industrial market segments. Such impact was mostly in the North American divisions and was partially offset by an increase in retail sales volumes. Moreover, sales were negatively impacted by government-imposed lockdowns in the Company's export markets. With the sharp market decline, which began late in fiscal 2020 and continued early in the quarter, the fluctuation of the average block market price\*\* and the lower average butter market price\*\* decreased revenues by approximately \$80 million. The decrease in revenues was partially offset by higher domestic selling prices in the Canada and International Sectors, due to the increased cost of milk as raw material. The devaluation of the Argentine peso and the Australian dollar versus the US dollar in the export markets had a positive impact on revenues. Revenues also increased due to the contribution of the Dairy Crest Acquisition in the Europe Sector for the full quarter, as compared to an 11-week contribution the same quarter last fiscal year. The inclusion of the Specialty Cheese Business Acquisition in the International Sector also increased revenues. The fluctuation of foreign currencies versus the Canadian dollar decreased revenues by approximately \$23 million, mainly in the International Sector.

**Consolidated adjusted EBITDA\*** for the three-month period ended June 30, 2020, totalled \$366.5 million, an increase of \$8.5 million or 2.4%, as compared to \$358.0 million for the same quarter last fiscal year. The shift in consumer demand negatively impacted sales volumes and efficiencies in the North American divisions. Extreme volatility in USA Market Factors had a positive effect on adjusted EBITDA of approximately \$23 million. Increased sales volumes in the Europe Sector's retail market segment and in the Canada Sector, mainly in the fluid milk category, had a positive effect on adjusted EBITDA. In the International Sector, improved operational efficiencies, resulting from increased milk availability in Australia, mitigated the impact of lower export sales volumes. Adjusted EBITDA increased due to the contribution of the Dairy Crest Acquisition for the full quarter, as compared to an 11-week contribution the same quarter last fiscal year, and this increase was compounded by a surge in retail sales volumes. The inclusion of the Specialty Cheese Business Acquisition also contributed positively to adjusted EBITDA. The ban on non-essential business travel and the limitations placed on promotional activity and other initiatives in the context of the COVID-19 pandemic mitigated the negative impacts on adjusted EBITDA of higher operational costs, including those incurred to acquire increased supplies of personal protective equipment for employees, and unproductive labour costs. The fluctuation of foreign currencies versus the Canadian dollar decreased adjusted EBITDA by approximately \$4 million, mainly in the International Sector.

**Depreciation and amortization** for the three-month period ended June 30, 2020, totalled \$126.0 million, an increase of \$17.2 million, as compared to \$108.8 million for the same quarter last fiscal year. This increase was mainly attributable to additional depreciation and amortization related to recent acquisitions and to additions to property, plant and equipment, which increased the depreciable base.

**Impairment of intangible assets** for the three-month period ended June 30, 2020, totalled \$19.0 million and was related to the Company's decision to retire the COON cheese brand name from its Australian brand portfolio as part of its commitment to share in the responsibility to eliminate racism in all its forms.

**Inventory revaluation resulting from a business acquisition** for the three-month period ended June 30, 2020, amounted to nil, as compared to \$27.2 million for the same quarter last fiscal year. These revaluations relating to the Dairy Crest Acquisition stemmed from added value attributed to the acquired inventory as part of the purchase price allocation and were fully amortized during fiscal 2020.

**Acquisition and restructuring costs** for the three-month period ended June 30, 2020, amounted to nil as compared to \$22.4 million incurred for the Dairy Crest Acquisition last fiscal year.

\* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the first quarter of fiscal 2021 for the reconciliations to IFRS measures.

\*\* Refer to the "Glossary" section on page 20 of the Management's Discussion and Analysis for the first quarter of fiscal 2021.

**Net interest expense** for the three-month period ended June 30, 2020, totalled \$25.1 million, a decrease of \$3.4 million or 11.9%, as compared to \$28.5 million for the same quarter last fiscal year. This includes a decrease in interest expense of \$8.5 million, mainly attributable to a lower level of long-term debt and lower interest rates, partially offset by a decreased gain on hyperinflation of \$5.1 million derived from the indexation of non-monetary assets and liabilities.

**Income taxes** for the three-month period ended June 30, 2020, totalled \$54.5 million, reflecting an effective tax rate of 27.7%, as compared to 29.1% for the same quarter last fiscal year. During the first quarter, the Company recorded an impairment of intangible assets charge. Excluding this charge, the effective tax rate for the three-month period ended June 30, 2020, would have been 25.3%. Income taxes during the three-month period ended June 30, 2019, included the impact of the tax treatment of acquisition costs. Excluding these costs, the effective tax rate for the three-month period ended June 30, 2019, would have been 26.5%. The effective tax rate varies and could increase or decrease based on the geographic mix of earnings across the various jurisdictions in which Saputo operates, the amount and source of taxable income, amendments to tax legislations and income tax rates, changes in assumptions, as well as estimates used for tax assets and liabilities by the Company and its affiliates.

**Net earnings** for the three-month period ended June 30, 2020, totalled \$141.9 million, an increase of \$20.5 million or 16.9%, as compared to \$121.4 million for the same quarter last fiscal year. This increase was mainly due to the aforementioned factors.

**Adjusted net earnings\*** for the three-month period ended June 30, 2020, totalled \$160.9 million, a decrease of \$4.0 million or 2.4%, as compared to \$164.9 million for the same quarter last fiscal year. Adjusted net earnings excluding amortization of intangible assets related to business acquisitions\* totalled \$179.2 million, a decrease of \$0.5 million or 0.3%, as compared to \$179.7 million for the same quarter last fiscal year. This decrease was due to the aforementioned factors.

\* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the first quarter of fiscal 2021 for the reconciliations to IFRS measures.

## SELECTED QUARTERLY FINANCIAL INFORMATION

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

Fiscal years	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	<b>3,390.8</b>	3,718.7	3,890.8	3,665.6	3,668.4	3,236.5	3,577.2	3,420.4
Adjusted EBITDA*	<b>366.5</b>	298.4	417.0	394.4	358.0	275.1	321.2	317.5
Net earnings	<b>141.9</b>	88.7	197.8	174.9	121.4	124.2	342.0	163.1
Gain on disposal of assets <sup>1</sup>	-	-	-	-	-	-	(167.8)	-
Impairment of intangible assets <sup>1</sup>	<b>19.0</b>	-	-	-	-	-	-	-
Inventory revaluation resulting from a business acquisition <sup>1</sup>	-	-	-	10.5	22.0	-	-	-
Acquisition and restructuring costs <sup>1</sup>	-	10.1	6.4	0.4	21.5	1.6	0.2	-
Adjusted net earnings*	<b>160.9</b>	98.8	204.2	185.8	164.9	125.8	174.4	163.1
Adjusted net earnings excluding amortization of intangible assets related to business acquisitions*	<b>179.2</b>	116.5	229.1	198.3	179.7	133.8	182.3	170.9
Per share								
Net earnings								
Basic	<b>0.35</b>	0.22	0.49	0.44	0.31	0.32	0.88	0.42
Diluted	<b>0.35</b>	0.22	0.48	0.44	0.31	0.32	0.87	0.42
Adjusted net earnings*								
Basic	<b>0.39</b>	0.24	0.50	0.47	0.42	0.32	0.45	0.42
Diluted	<b>0.39</b>	0.24	0.50	0.47	0.42	0.32	0.44	0.42
Adjusted net earnings per share excluding amortization of intangible assets related to business acquisitions*								
Basic	<b>0.44</b>	0.29	0.56	0.50	0.46	0.34	0.47	0.44
Diluted	<b>0.44</b>	0.28	0.56	0.50	0.46	0.34	0.47	0.44

\* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the first quarter of fiscal 2021 for the reconciliations to IFRS measures.

<sup>1</sup> Net of income taxes.

### Selected factors positively (negatively) affecting financial performance

(in millions of CDN dollars)

Fiscal years	2021	2020			
	Q1	Q4	Q3	Q2	Q1
USA Market Factors* <sup>1</sup>	<b>23</b>	(8)	14	10	(8)
Inventory write-down	-	(18)	-	-	-
Foreign currency exchange <sup>1,2</sup>	<b>(4)</b>	(3)	(15)	(14)	(4)

\* Refer to the "Glossary" section on page 20 of the Management's Discussion and Analysis for the first quarter of fiscal 2021.

<sup>1</sup> As compared to same quarter last fiscal year.

<sup>2</sup> Foreign currency exchange includes effect on adjusted EBITDA of conversion of US dollars, Australian dollars, British pounds sterling and Argentine pesos to Canadian dollars.

## OUTLOOK

The quarter began amidst the COVID-19 pandemic and the resulting adverse global economic conditions, which disrupted financial markets (including pricing of commodities), supply chains and business productivity. As governments around the world proceeded to impose restrictions such as social distancing measures and the closure of non-essential businesses, consumer demand for the Company's products was significantly impacted. However, as the quarter progressed, economic indicators generally improved, economies began to re-open and governments began gradually easing restrictions.

The volatility in the commodities market positively impacted Saputo's financial performance in the first quarter of fiscal 2021. This volatility is expected to continue during fiscal 2021. During these unprecedented times, the volatility in the commodities market and international cheese and ingredient market price fluctuations are difficult to predict, and it is impossible to anticipate whether they will have a positive or negative impact on the Company's financial performance. A sustained return to historical financial performance and efficiencies is dependent on the recovery of volume in the foodservice and industrial market segments. During the quarter, volumes in these market segments began to recover as governments started to gradually ease restrictions, including in the countries where the Company's export customers are based, but these volume recoveries may not be linear throughout the upcoming months.

As an essential service provider, the Company's operations continued to be carried out in all regions in which it operates, and its response to the COVID-19 pandemic continues to be guided by the following principles:

- safeguarding the health and safety of employees;
- adapting commercial initiatives, production and supply chain to consumer demand; and
- helping its communities through food donations and financial support.

Saputo also recognizes that the pandemic has brought on new challenges in the lives of its employees, and as such, the Company has enhanced its already robust safety and cleaning protocols at each facility, provided a leadership commitment that no lay-offs will occur, as a result of the COVID-19 pandemic, until further notice, introduced new well-being initiatives, shared tips and best practices that promote a healthy mind and body, and gifted meals to its employees as a token of appreciation for their dedication and hard work.

With the increase in the number of office employees working remotely, the demand on information technology resources and systems has increased. The Company responded with targeted investments and training and is keeping information security top of mind.

From the onset of the pandemic, Saputo consistently helped its communities by providing food security for the most vulnerable through donations to local food banks. To date, financial and product donations have reached over \$5 million.

While the possibility of occurrence, severity and timing of new COVID-19 outbreaks in different parts of the world are impossible to predict, the Company believes that with its recent experience and learnings, it is well positioned to swiftly adapt its operations to new circumstances. Saputo will continue to apply its disciplined approach and remain focused on adjusting to ongoing changes, understanding the new normal and leveraging its global network. This includes continuously adapting manufacturing operations to local realities and changes in consumer demand, while continuing to maximize operational efficiencies. The Company has a long-standing commitment to manufacture quality products and remains focused on being an efficient operator. Saputo will maintain efforts to grow its specialty and value-added products' business and will also pursue opportunities to increase customer and consumer loyalty, while seeking further operational efficiencies and sustaining ongoing efforts to right-size its manufacturing footprint.

The unified Dairy Division (USA) will allow Saputo to have a more agile USA platform, aligned under a common strategy, and to be in a position to more efficiently serve its markets, given consumer habits and customer expectations can evolve at a rapid pace. The merger of its two USA divisions is expected to reveal synergies in all facets of the business and operations. Also, the Company continues to aim to further capture opportunities derived from the combination of all its operations in Australia under a single platform and to leverage the vast portfolio of brands inherited through the Specialty Cheese Business Acquisition.

Saputo remains well positioned to grow organically through strategic capital investments in designated manufacturing facilities aimed at driving further growth, as well as through new product development and the expansion of its export markets. As a result of uncertainties caused by the COVID-19 pandemic, the Company continues to re-evaluate the nature and timing of its capital expenditure projects. In light of COVID-19 and related restrictions, the deployment plan for the Company's Enterprise Resource Planning (ERP) program continues to evolve and further re-planning could be necessary in the upcoming months.

Saputo also aims to continue to grow through targeted acquisitions. The Company intends to seize future acquisition opportunities, which it believes constitute the right fit, with the objective of further strengthening its existing business. Additionally, Saputo is committed to diversifying its product portfolio by pursuing plant-based opportunities yet remains very bullish about dairy products, standing behind the belief that there are multiple opportunities for the Company to continue to grow in the dairy space.

Furthermore, the Company continues to focus on delivering on the Saputo Promise. With a clear strategic direction, emphasis remains on the execution of its three-year plan, which began in fiscal 2020, and Saputo continues to deploy efforts to improve performance across each of its seven Pillars.

In fiscal 2020, the Company pledged to accelerate its global climate, water, and waste performance and announced clear targets and a formal commitment to allocate additional resources, including a three-year investment of \$50 million. Various projects aimed at reducing the Company's annual energy consumption, CO<sub>2</sub> emissions, and water usage globally have now been identified.

The Company continues to benefit from a solid financial position and capital structure, supplemented by a high level of cash generated by operations. Profitability enhancement and shareholder value creation remain the cornerstones of its objectives.



## INFORMATION BY SECTOR

### CANADA SECTOR

(in millions of CDN dollars)

Fiscal years	2021	2020			
	Q1	Q4	Q3	Q2	Q1
Revenues	981.6	960.1	1,049.0	1,029.4	968.8
Adjusted EBITDA*	104.2	91.0	111.7	103.2	98.5

\* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the first quarter of fiscal 2021 for the reconciliations to IFRS measures.

The Canada Sector consists of the Dairy Division (Canada).

### USA SECTOR

(in millions of CDN dollars)

Fiscal years	2021	2020			
	Q1	Q4	Q3	Q2	Q1
Revenues	1,416.7	1,694.8	1,848.7	1,792.4	1,757.7
Adjusted EBITDA*	162.2	94.3	172.1	175.4	173.6

\* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the first quarter of fiscal 2021 for the reconciliations to IFRS measures.

### Selected factors positively (negatively) affecting financial performance

(in millions of CDN dollars)

Fiscal years	2021	2020			
	Q1	Q4	Q3	Q2	Q1
USA Market factors <sup>1</sup>	23	(8)	14	10	(8)
Inventory write-down	-	(18)	-	-	-
US currency exchange <sup>1</sup>	5	1	-	1	6

\* Refer to the "Glossary" section on page 20 of the Management's Discussion and Analysis for the first quarter of fiscal 2021.

<sup>1</sup> As compared to same quarter last fiscal year.

### Other pertinent information

(in US dollars, except for average exchange rate)

Fiscal years	2021	2020			
	Q1	Q4	Q3	Q2	Q1
<b>Block market price*</b>					
Opening	1.330	1.910	1.958	1.858	1.645
Closing	2.640	1.330	1.910	1.958	1.858
Average	1.778	1.835	1.971	1.912	1.711
<b>Butter market price*</b>					
Opening	1.335	1.950	2.128	2.410	2.255
Closing	1.765	1.335	1.950	2.128	2.410
Average	1.500	1.799	2.043	2.284	2.330
Average whey market price*	0.356	0.353	0.326	0.352	0.370
Spread*	0.047	0.113	(0.018)	0.029	0.001 <sup>2</sup>
US average exchange rate to Canadian dollar <sup>1</sup>	1.378	1.330	1.320	1.320	1.337

\* Refer to the "Glossary" section on page 20 of the Management's Discussion and Analysis for the first quarter of fiscal 2021.

<sup>1</sup> Based on Bloomberg published information.

<sup>2</sup> Updated to conform to the current Spread definition.

The USA Sector consists of the Cheese Division (USA) and Dairy Foods Division (USA).

## INTERNATIONAL SECTOR

(in millions of CDN dollars)

Fiscal years	2021	2020			
	Q1	Q4	Q3	Q2	Q1
Revenues	781.6	832.4	797.0	657.0	790.3
Adjusted EBITDA*	59.8	66.5	98.5	80.2	59.7

\* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the first quarter of fiscal 2021 for the reconciliations to IFRS measures.

### **Selected factors positively (negatively) affecting financial performance**

(in millions of CDN dollars)

Fiscal years	2021	2020			
	Q1	Q4	Q3	Q2	Q1
Foreign currency exchange <sup>1</sup>	(9)	(5)	(14)	(16)	(10)

<sup>1</sup> As compared to same quarter last fiscal year.

The International Sector consists of the Dairy Division (Australia) and the Dairy Division (Argentina).

## EUROPE SECTOR

(in millions of CDN dollars)

Fiscal years	2021	2020			
	Q1	Q4	Q3	Q2	Q1
Revenues	210.9	231.4	196.1	186.8	151.6
Adjusted EBITDA*	40.3	46.6	34.7	35.6	26.2

\* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the first quarter of fiscal 2021 for the reconciliations to IFRS measures.

The Europe Sector consists of the Dairy Division (UK).