NEWS RELEASE

For immediate release

Saputo

SAPUTO REPORTS FINANCIAL RESULTS FOR THE THIRD QUARTER OF FISCAL 2025 ENDED DECEMBER 31, 2024

(*Montréal, February 6, 2025*) – Saputo Inc. (TSX: SAP) (we, Saputo or the Company) reported today its financial results for the third quarter of fiscal 2025, which ended on December 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).

"In the third quarter, our strong execution resulted in our highest adjusted EBITDA[1] performance since 2023, with $417 million, reflecting a 13% year-over-year increase," said Carl Colizza, President and CEO. "We made significant strides in executing our strategic playbook and controlling costs, and benefited from accelerated contributions from our recently completed capital projects. Our solid cash generation also enabled us to return additional cash to shareholders through our share buyback program. We're confident in our ability to continue generating steady cash flows and we intend to focus our capital allocation strategy on share repurchases. As a result, we increased the total number of shares that can be purchased under our NCIB from 2% to 5% of shares outstanding."

Fiscal 2025 Third Quarter Financial Highlights

- Revenues amounted to $4.994 billion, up $727 million or 17.0%.
- Net loss totalled $518 million.
    - A non-cash goodwill impairment charge of $674 million after tax was recorded in relation to the Dairy Division (UK) in our Europe Sector.
- Net loss per share (EPS) (basic and diluted) were $1.22, compared to $0.29.
- Adjusted EBITDA[1] amounted to $417 million, up $47 million or 12.7%.
- Adjusted net earnings[1] totalled $167 million, up from $163 million, and adjusted EPS[1] (basic and diluted) were stable at $0.39.

(unaudited)	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2024	2023	**2024**	2023
Revenues	**4,994**	4,267	**14,308**	12,797
Adjusted EBITDA[1]	**417**	370	**1,189**	1,130
Net earnings (loss)	**(518)**	(124)	**(250)**	173
Adjusted net earnings[1]	**167**	163	**491**	498
Earnings (loss) per share				
Basic and Diluted	**(1.22)**	(0.29)	**(0.59)**	0.41
Adjusted EPS[1]				
Basic and Diluted	**0.39**	0.38	**1.16**	1.18

- Results reflected the following:
    - Revenue and adjusted EBITDA[1] growth of 17.0% and 12.7%, respectively;
    - Revenues were up in all our sectors;
    - Our Canada Sector had a strong performance with adjusted EBITDA of $175 million, up 16.7%;
    - Our USA Sector continued to deliver benefits from operational improvements, contributing to a 20.3% growth in adjusted EBITDA;
    - USA Market Factors[2] had a negative impact due to the unfavourable milk-cheese Spread[2]. Pricing protocols for our dairy food products mitigated the impact of fluctuations of the average butter market price[2];
    - In our International Sector, we benefited from lower milk costs in Australia, while in Argentina, the peso devaluation did not keep pace with inflation, which has led to higher costs of production, including higher milk costs;
    - In our Europe Sector, adjusted EBITDA increased as our Dairy Division (UK) margins continued to recover from the prior year, when we were selling off high-cost excess inventory. However, a non-cash goodwill and intangible assets impairment charge was recorded due to ongoing challenging market conditions in the United Kingdom leading to a slower-than-expected cadence of margin recovery for our Dairy Division (UK); and
    - Solid cash generation from operating activities of $382 million.

- Normal course issuer bid (NCIB):
    - Saputo increased from 2% to 5% the number of common shares that may be purchased under the NCIB, allowing for the purchase of up to 21,217,922 common shares of its 424,358,459 issued and outstanding common shares as of November 8, 2024.
    - During the third quarter of fiscal 2025, the Company purchased approximately 1.2 million common shares for a total purchase price of approximately $32 million.

- Dividend:
    - The Board of Directors approved a dividend of $0.19 per share payable on March 14, 2025, to shareholders of record on March 4, 2025.

[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.

FY25 OUTLOOK

- Factors impacting our performance in FY25 will be the economic health of consumers, the rate of input cost inflation, commodity market and foreign exchange volatility, the supply chain environment, and benefits from our Global Strategic Plan.
- Inflationary pressures are anticipated to moderate versus the prior fiscal 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 gradual ramp-up in contribution from optimization and capacity expansion initiatives, notably in the USA Sector, through the end of FY25 and FY26.
- We expect to see continued margin recovery in the Europe Sector, although at a slower-than-expected cadence. The sector is also expected to further benefit from its strong brand portfolio but will be impacted by rising input costs and challenging market conditions in the United Kingdom.
- The International Sector should benefit from lower overall milk prices in Australia, while Argentina will be operating under macroeconomic volatility.
- Cash flow generation should increase as we harvest the benefits from operational improvements and from a reduction in capital expenditures following the completion of the bulk of our Global Strategic Plan investments.
- Given the Company's flexible balance sheet and expected cash generation, Saputo intends to focus its capital allocation strategy on share repurchases in the near-term. See "Increase to Normal Course Issuer Bid" below.

Increase to Normal Course Issuer Bid

Saputo announces that the Toronto Stock Exchange (TSX) has accepted its notice to amend its NCIB.

The amendment increases the number of common shares that may be purchased for cancellation under the NCIB from 8,487,169 (representing 2% of its issued and outstanding common shares as of November 8, 2024) to 21,217,922 (representing 5% of its issued and outstanding common shares as of November 8, 2024). The effective date of the amendment is February 11, 2025. No other terms of the NCIB have been amended.

Saputo is increasing the number of common shares it can purchase under the NCIB as it believes that, from time to time, the common shares may trade in price ranges that do not fully reflect their value. Given the Company’s flexible balance sheet and expected cash generation, Saputo intends to focus its capital allocation strategy on share repurchases in the near term, to the extent the common shares trade at a discount from what management considers to be an appropriate value for the common shares.

Other than to reflect the increase in the maximum number of common shares that may be repurchased under the NCIB, the automatic purchase plan (APP) established in connection with the NCIB remains unchanged.

Saputo believes that the purchase of its own shares may, under appropriate circumstances, be a responsible allocation of cash. Although Saputo presently intends to continue to purchase common shares under the NCIB, there can be no assurances that any such purchases will be completed.

As at November 8, 2024, date of Saputo’s original NCIB application to the TSX, 424,358,459 common shares were issued and outstanding. Under the NCIB, as at February 6, 2025, Saputo had repurchased 1,782,863 common shares at a weighted-average purchase price of $25.28.

GLOBAL STRATEGIC PLAN UPDATE

The cumulative effect of depressed dairy commodity markets, inflationary pressure, and a challenging consumer spending environment has significantly impacted the Company's ability to deliver against its previous expectations. Given this, we have decided to withdraw our previously disclosed long-term adjusted EBITDA[1] aspirations.

The expected benefits from the initiatives that are under our control represent meaningful improvement opportunities. With greater cost efficiency and an ability to capture additional growth opportunities, we strongly believe that our initiatives will enable us to execute on our strategic ambitions and ensure our Company's long-term success.

[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.

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 third quarter of fiscal 2025. These documents can be obtained on SEDAR+ under the Company's profile 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, February 7, 2025, 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 Carl Colizza, President and CEO, and Maxime Therrien, CFO 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: 2834054
  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 the Company'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, including those that may result from recent tariff announcements, 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.

SELECTED QUARTERLY FINANCIAL INFORMATION

Fiscal Years	2025			2024				2023
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	**4,994**	4,708	4,606	4,545	4,267	4,323	4,207	4,468
Adjusted EBITDA[1]	**417**	389	383	379	370	398	362	392
Adjusted EBITDA margin[1]	**8.4 %**	8.3 %	8.3 %	8.3 %	8.7 %	9.2 %	8.6 %	8.8 %
Net earnings (loss)	**(518)**	126	142	92	(124)	156	141	159
Net earnings (loss) margin[4]	**(10.4)%**	2.7 %	3.1 %	2.0 %	(2.9)%	3.6 %	3.4 %	3.6 %
Restructuring costs[2]	**—**	5	—	15	4	—	—	21
Goodwill and intangible assets impairment charge[2]	**674**	—	—	—	265	—	—	—
Loss (gain) on hyperinflation (Argentina net monetary position)[2]	**(5)**	11	10	34	3	9	(2)	—
Amortization of intangible assets related to business acquisitions[2]	**16**	15	15	15	15	16	15	16
Adjusted net earnings[1]	**167**	157	167	156	163	181	154	196
Adjusted net earnings margin[1]	**3.3 %**	3.3 %	3.6 %	3.4 %	3.8 %	4.2 %	3.7 %	4.4 %
Earnings (loss) per share (basic and diluted)	**(1.22)**	0.30	0.33	0.22	(0.29)	0.37	0.33	0.38
Adjusted EPS basic[1]	**0.39**	0.37	0.39	0.37	0.38	0.43	0.37	0.47
Adjusted EPS diluted[1]	**0.39**	0.37	0.39	0.37	0.38	0.43	0.36	0.46

Selected factor(s) positively (negatively) impacting Adjusted EBITDA[1]

Fiscal Years	2025			2024				2023
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
USA Market Factors[3,4]	**(20)**	(17)	15	(61)	(27)	32	(14)	29
Inventory write-down	**—**	—	—	—	(14)	(7)	(10)	—
Hyperinflation accounting[3,5] (Argentina)	**(28)**	(15)	(9)	(6)	(36)	(10)	—	(17)
Foreign currency exchange[4,6]	**8**	1	4	—	3	7	4	5

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 Net of applicable income taxes.
3 Refer to the "Glossary" section of the Management's Discussion and Analysis.
4 As compared to the same quarter of the previous fiscal year.
5 Includes the effect of conversion of Argentine pesos to Canadian dollars.
6 Foreign currency exchange includes the effect of conversion of US dollars, Australian dollars and British pounds sterling to Canadian dollars.

CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FISCAL PERIOD ENDED DECEMBER 31, 2024

Revenues

Revenues for the **third quarter of fiscal 2025** totalled $4.994 billion, up $727 million or 17.0%, as compared to $4.267 billion for the same quarter last fiscal year.

Revenues increased in all our sectors and reflected higher sales volumes and higher domestic selling prices. Higher international cheese and dairy ingredient market prices in our export markets had a positive impact.

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 positive impact of $82 million.

Revenues include a non-cash positive impact of $51 million due to the application of hyperinflation accounting[2] to the revenues of the Dairy Division (Argentina), as compared to a negative impact of $303 million for the same quarter last fiscal year.

The conversion of foreign currencies, other than the Argentine peso, to the Canadian dollar had a favourable impact of approximately $92 million.

In the **nine months of fiscal 2025**, revenues totalled $14.308 billion, up $1,511 million or 11.8%, as compared to $12.797 billion.

Revenues increased in all our sectors and reflected higher sales volumes and higher domestic selling prices. Higher international cheese and dairy ingredient market prices in our export markets had a positive impact.

The combined effect of fluctuations of the average block market price[2] and of the butter market price[2] in our USA Sector had a positive impact of $291 million.

Revenues include a non-cash positive impact of $68 million due to the application of hyperinflation accounting[2] to the revenues of the Dairy Division (Argentina), as compared to a negative impact of $318 million for the same period last fiscal year.

The conversion of foreign currencies, other than the Argentine peso, to the Canadian dollar had a favourable impact of approximately $206 million.

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

Operating costs

(in millions of CDN dollars)

	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2024	2023	**2024**	2023
Operating costs excluding depreciation, amortization, and restructuring costs	**$ 4,577**	$ 3,897	**$ 13,119**	$ 11,667
Add:				
Depreciation and amortization	**161**	147	**462**	438
Restructuring costs	**—**	6	**7**	6
Operating costs including depreciation, amortization, and restructuring costs	**$ 4,738**	$ 4,050	**$ 13,588**	$ 12,111

Operating costs including depreciation, amortization, and restructuring costs for the **third quarter of fiscal 2025** totalled $4.738 billion, up $688 million or 17.0%, as compared to $4.050 billion for the same quarter last fiscal year. In the **nine months of fiscal 2025**, operating costs including depreciation, amortization, and restructuring costs totalled $13.588 billion, up $1.477 billion or 12.2%, as compared to $12.111 billion for the same period last fiscal year.

These increases were in line with higher sales volumes and higher commodity market prices and their impacts on the cost of raw materials and consumables used, hyperinflation in Argentina, and higher labour costs, which include the effect of wage increases. These increases also included increases in depreciation and amortization which were mainly attributable to the net effect of commissioning and decommissioning of assets in connection with capital projects under our Global Strategic Plan. Operating costs included the favourable impacts from our cost containment measures and from operational efficiencies.

During the second quarter of fiscal 2025, we recorded severance and site closure costs totalling $7 million ($5 million after tax) mainly in connection with our intention of closing one of our Dairy Division (Australia) sites. There were no restructuring costs during the first and third quarters of fiscal 2025.

In the third quarter of fiscal 2024, we recorded restructuring costs of $6 million ($4 million after tax), which include non-cash fixed assets write-down of $4 million and employee-related costs of $2 million. in connection with the announcement of the closure of one of our Dairy Division (USA) sites. There were no restructuring costs in the first half of fiscal 2024.

Net earnings (loss)

Net loss for the **third quarter of fiscal 2025** totalled $518 million, as compared to a net loss of $124 million for the same quarter last fiscal year. The net loss increased mainly due to a higher non-cash goodwill and intangible assets impairment charge, increased depreciation and amortization, and higher income tax expense and financial charges, offset by lower restructuring costs, a gain on hyperinflation (Argentina net monetary position) as compared to a loss for the same quarter last fiscal year, and the factors which have led to a higher adjusted EBITDA[1], as described below.

In the **nine months of fiscal 2025**, net loss totalled $250 million, as compared to net earnings of $173 million for the same period last fiscal year. The net loss is mainly due to a higher non-cash goodwill and intangible assets impairment charge, increased depreciation and amortization, restructuring costs, an increased loss on hyperinflation (Argentina net monetary position), and increased income tax expense and financial charges which have offset the factors which have led to a higher adjusted EBITDA[1], as described below.

[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.

Adjusted EBITDA[1]

Adjusted EBITDA[1] for the **third quarter of fiscal 2025** totalled $417 million, up $47 million or 12.7%, as compared to $370 million for the same quarter last fiscal year.

In our Canada Sector, adjusted EBITDA was up 16.7%, or $25 million, driven by the benefits derived from operational efficiencies, higher sales volumes, favourable product mix, and lower general and administrative costs.

In our USA Sector, adjusted EBITDA was up $27 million or 20.3%. This increase included approximately $30 million in benefits derived from capital investments in our cheese network, operational improvements, including increased capacity utilization and productivity driving higher volumes, supply chain initiatives, cost reductions, and lower selling, general, and administrative expenses.

USA Market Factors[2] had a negative impact of $20 million due to the unfavourable milk-cheese Spread[2]. This was partially mitigated through the favourable impact of our pricing protocols for our dairy food products relative to fluctuations of the average butter market price[2].

In our International Sector, adjusted EBITDA was down $34 million or 40% mainly due to the Argentine peso devaluation not keeping pace with inflation, which led to higher costs of production including higher milk costs. Reduced milk availability in Argentina further contributed to higher milk costs. The more moderate Argentine peso devaluation, as compared to the comparative quarter, led to less profitability from US dollar denominated export sales. In Australia, we benefited from lower milk costs in effect since July 1, 2024. Adjusted EBITDA of the International Sector included a non-cash negative impact of $28 million due to the application of hyperinflation accounting[2] to the results of the Dairy Division (Argentina).

In our Europe Sector, adjusted EBITDA was up $29 million, as compared to $2 million adjusted EBITDA for the same quarter last fiscal year, as our Dairy Division (UK) margins continued to recover from the prior year, when we were selling off high-cost excess inventory.

The effect of the conversion of foreign currencies, other than the Argentine peso, to the Canadian dollar, had a total unfavourable impact of approximately $8 million.

Adjusted EBITDA[1] in the **nine months of fiscal 2025** totalled $1.189 billion, up $59 million or 5.2%, as compared to $1.13 billion for the same period last fiscal year.

In our Canada Sector, adjusted EBITDA was up 10.9%, or $48 million, driven by the benefits derived from operational efficiencies, higher sales volumes, favourable product mix, and lower general and administrative costs .

In our USA Sector, adjusted EBITDA was up $84 million or 21.9%. This growth included approximately $74 million in benefits derived from capital investments in our cheese network, operational improvements, including increased capacity utilization and productivity driving higher volumes, supply chain initiatives, cost reductions, and lower selling, general and administrative expenses.

USA Market Factors[2] had a negative impact of $22 million due to the unfavourable milk-cheese Spread[2]. This was partially mitigated through the favourable impact of our pricing protocols for our dairy food products relative to fluctuations of the average butter market price[2]. Higher dairy ingredient market prices had a positive impact.

In our International Sector, adjusted EBITDA was down $95 million, or 38.8%, mainly due to the unfavourable disconnect in the relation between international cheese and dairy ingredient market prices and the cost of milk as raw material. This was partially offset by the favourable impact of lower milk costs in Australia in effect since July 1, 2024.

In Argentina, the peso devaluation did not keep pace with inflation which has led to higher production costs including higher milk costs. Reduced milk availability in Argentina further contributed to higher milk costs. The more moderate Argentine peso devaluation, as compared to the same period last fiscal year, led to less profitability from US dollar denominated export sales. Adjusted EBITDA of the International Sector includes a non-cash negative impact of $52 million due to the application of hyperinflation accounting[2] to the results of the Dairy Division (Argentina).

In our Europe Sector, adjusted EBITDA was up $22 million, or 36.7%, as our Dairy Division (UK) margins were recovering from the prior year, when we were selling off high-cost excess inventory. In the first quarter, our Dairy Division (UK) exited the cycling through of remaining high-cost inventory.

The effect of the conversion of foreign currencies, other than the Argentine peso, to the Canadian dollar, had a total unfavourable impact of approximately $13 million.

1. This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the “Non-GAAP Measures” section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.
2. Refer to the "Glossary" section of the Management's Discussion and Analysis.

Goodwill and intangible assets impairment charge

In the **third quarter of fiscal 2025** and **nine months of fiscal 2025**, a non-cash goodwill and intangible assets impairment charge of $684 million ($674 million after tax) was recorded for our Europe Sector's Dairy Division (UK).

In performing our annual goodwill impairment testing as at December 31, 2024, for our Dairy Division (UK) cash-generating unit (the UK CGU), estimates of future discounted cash flows were reduced primarily due to ongoing challenging market conditions in the United Kingdom, including persisting inflation and elevated interest rates. While margins have been improving during fiscal 2025, these improvements have not been as rapid as initially expected, leading to a longer projected recovery period.

As a result, the estimated recoverable value of the UK CGU was determined to be lower than its carrying value and a non-cash goodwill impairment charge was recorded, representing the total value of goodwill for the UK CGU. See Note 4 to the condensed interim consolidated financial statements for additional information.

The impairment charge also includes a non-cash charge related to acquired intangible assets.

In the **third quarter of fiscal 2024** and **nine months of fiscal 2024**, a non-cash goodwill impairment charge of $265 million was recorded in relation to our International Sector's Dairy Division (Australia).

In performing our annual goodwill impairment testing as at December 31, 2023, for 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 the Australia CGU. See Note 4 to the condensed interim consolidated financial statements for additional information.

Loss (gain) on hyperinflation (Argentina net monetary position)

The gain on hyperinflation for the **third quarter of fiscal 2025** totalled $5 million (as compared to a loss of $3 million in fiscal 2024). In the **nine months of fiscal 2025**, the loss on hyperinflation totalled $16 million ($10 million in fiscal 2024). The loss (gain) on hyperinflation is relative to the application of hyperinflation accounting[2] for the Dairy Division (Argentina), and includes the non-cash effect of inflation indexation and currency conversion on its balance sheet amounts. The loss (gain) on hyperinflation position varies quarter-over-quarter due to changes in the inflation indexation rate in Argentina and in the Argentina peso to Canadian dollar conversion rate.

Financial charges

Financial charges for the **third quarter of fiscal 2025** totalled $52 million, up $10 million compared to the same quarter last fiscal year. In the **nine months of fiscal 2025**, financial charges totalled $139 million, up $13 million compared to the same period last fiscal year. These increases were mainly due to higher interest charges due to an increase in bank loans, the unfavourable impacts of the conversion of foreign currencies, as well as inflation indexation and hyperinflation accounting[2] for the Dairy Division (Argentina).

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

Income tax expense

Income tax expense for the **third quarter of fiscal 2025** and for the **nine months of fiscal 2025** totalled $43 million and$131 million respectively. Excluding the effects of the non-cash goodwill and intangible assets impairment charges of $684 million and $265 million, in the third quarters of fiscal 2025 and fiscal 2024, respectively, the effective tax rates would have been 25% for both the third quarter of fiscal 2025 and the nine months of fiscal 2025, as compared to 18% and 20% in the corresponding quarter and period last fiscal year, respectively.

The effective tax rates discussed above, for the third quarter of fiscal 2025 and for the nine months of fiscal 2025, were higher than in the corresponding periods last year mostly due to the negative impact of the tax and accounting treatments of inflation in Argentina.

The effective 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[1] for the **third quarter of fiscal 2025** totalled $167 million, up $4 million or 2.5%, as compared to $163 million for the same quarter last fiscal year.

Adjusted net earnings[1] for the **nine months of fiscal 2025** totalled $491 million, down $7 million or 1.4%, as compared to $498 million for the same period last fiscal year.

These variations are mainly due to the factors which have led to decreases in net earnings, as described above, excluding the impacts of the non-cash goodwill and intangible assets impairment charges, restructuring costs, and of the non-cash loss (gain) on hyperinflation (Argentina net monetary position).

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

INFORMATION BY SECTOR

CANADA SECTOR

Fiscal Years	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**1,359**	1,294	1,253	1,192	1,271	1,248	1,211
Adjusted EBITDA	**175**	162	153	138	150	148	144
Adjusted EBITDA margin	**12.9 %**	12.5 %	12.2 %	11.6 %	11.8 %	11.9 %	11.9 %

USA SECTOR

Fiscal Years	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**2,305**	2,225	2,085	1,928	2,056	1,950	1,876
Adjusted EBITDA	**160**	145	162	138	133	147	103
Adjusted EBITDA margin	**6.9 %**	6.5 %	7.8 %	7.2 %	6.5 %	7.5 %	5.5 %

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

Fiscal Years	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
USA Market Factors[1,2]	**(20)**	(17)	15	(61)	(27)	32	(14)
Inventory write-down	**—**	—	—	—	—	—	(10)
US currency exchange[2]	**4**	2	2	—	—	3	5

1 Refer to the "Glossary" section of the Management's Discussion and Analysis.
2 As compared to same quarter last fiscal year.

Other pertinent information

(in US dollars, except for average exchange rate)

Fiscal Years	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Block market price[1]							
Opening	**2.120**	1.910	1.418	1.470	1.720	1.335	1.850
Closing	**1.910**	2.120	1.910	1.418	1.470	1.720	1.335
Average	**1.814**	2.057	1.793	1.516	1.620	1.817	1.579
Butter market price[1]							
Opening	**2.805**	3.125	2.843	2.665	3.300	2.440	2.398
Closing	**2.550**	2.805	3.125	2.843	2.665	3.300	2.440
Average	**2.603**	3.093	3.029	2.737	2.898	2.706	2.394
Average whey powder market price[1]	**0.613**	0.506	0.401	0.436	0.370	0.265	0.358
Spread[1]	**(0.270)**	(0.196)	(0.127)	(0.125)	(0.061)	0.075	(0.061)
US average exchange rate to Canadian dollar[2]	**1.401**	1.364	1.368	1.349	1.359	1.344	1.343

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

INTERNATIONAL SECTOR

Fiscal Years	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**1,019**	912	1,004	1,135	636	879	868
Adjusted EBITDA	**51**	54	45	88	85	83	77
Adjusted EBITDA margin	**5.0 %**	5.9 %	4.5 %	7.8 %	13.4 %	9.4 %	8.9 %

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

Fiscal Years	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Inventory write-down	**—**	—	—	—	(14)	(7)	—
Hyperinflation accounting[1] - Dairy Division (Argentina)	**(28)**	(15)	(9)	(6)	(36)	(10)	—
Australian currency exchange[2]	**2**	—	1	(1)	—	(2)	(2)

1 Refer to the "Glossary" section of the Management's Discussion and Analysis.
2 As compared to the same quarter last fiscal year. The effect of conversion of Argentine pesos to Canadian dollars is included in the line “Hyperinflation accounting – Dairy Division (Argentina)”.

Hyperinflation accounting[3] - Positive (negative) impact - Dairy Division (Argentina)

Fiscal Years	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Impact on revenues	**51**	12	5	269	(303)	(3)	(12)
Impact on Adjusted EBITDA	**(28)**	(15)	(9)	(6)	(36)	(10)	—
(Loss) gain on hyperinflation (Argentina net monetary position)[4]	**5**	(11)	(10)	(34)	(3)	(9)	(2)

3 Refer to the “Glossary” section of the Management's Discussion and Analysis.
4 This amount does not impact Adjusted EBITDA, refer to the “consolidated results for the third quarter and fiscal period ended December 31, 2024” section of the Management's Discussion and Analysis for further details.

EUROPE SECTOR

Fiscal Years	2025			2024			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**311**	277	264	290	304	246	252
Adjusted EBITDA	**31**	28	23	15	2	20	38
Adjusted EBITDA margin	**10.0 %**	10.1 %	8.7 %	5.2 %	0.7 %	8.1 %	15.1 %

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

Fiscal Years	2025			2024			
	Q3	**Q2**	Q1	Q4	Q3	Q2	Q1
United Kingdom currency exchange[1]	**1**	1	1	1	3	3	1

1 As compared to same quarter last fiscal year.

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

Adjusted net earnings is defined as net earnings before restructuring costs, amortization of intangible assets related to business acquisitions, goodwill and intangible assets impairment charge, and loss (gain) on hyperinflation (Argentina net monetary position), net of applicable income taxes. Adjusted net earnings margin is defined as adjusted net earnings expressed as a percentage of revenues. 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 our history of business acquisitions, 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, net of applicable income taxes, of net earnings to adjusted net earnings

	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2024	2023	**2024**	2023
Net earnings (loss)	**(518)**	(124)	**(250)**	173
Restructuring costs[1]	**—**	4	**5**	4
Amortization of intangible assets related to business acquisitions[1]	**16**	15	**46**	46
Goodwill and intangible assets impairment charge[1]	**674**	265	**674**	265
Loss (gain) on hyperinflation (Argentina net monetary position)[1]	**(5)**	3	**16**	10
Adjusted net earnings	**167**	**163**	**491**	498
Revenues	**4,994**	4,267	**14,308**	12,797
Adjusted net earnings margin	***3.3 %***	*3.8 %*	***3.4 %***	*3.9 %*

1 As presented on the condensed interim consolidated income statements for the corresponding periods.

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 restructuring costs, amortization of intangible assets related to business acquisitions, gain on disposal of assets, goodwill and intangible assets impairment charge, and loss (gain) on hyperinflation (Argentina net monetary position). 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 condensed interim 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

Adjusted EBITDA is defined as net earnings (loss) before income taxes, financial charges, loss (gain) on hyperinflation (Argentina net monetary position), restructuring costs, goodwill and intangible assets impairment charge, and depreciation and amortization, a measure which is presented on the condensed interim consolidated income statements. Adjusted EBITDA margin consists of adjusted EBITDA expressed as a percentage of revenues.

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

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

	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2024	2023	**2024**	2023
Net earnings (loss)	**(518)**	(124)	**(250)**	173
Income taxes[1]	**43**	31	**131**	112
Financial charges[1]	**52**	42	**139**	126
Loss (gain) on hyperinflation (Argentina net monetary position)[1]	**(5)**	3	**16**	**10**
Restructuring costs[1]	**—**	6	**7**	6
Goodwill and intangible assets impairment charge[1]	**684**	265	**684**	265
Depreciation and amortization[1]	**161**	147	**462**	438
Adjusted EBITDA	**417**	370	**1,189**	1,130
Revenues	**4,994**	4,267	**14,308**	12,797
Adjusted EBITDA margin	***8.4 %***	*8.7 %*	***8.3 %***	*8.8 %*

1 As presented on the condensed interim consolidated income statements for the corresponding periods.