NEWS RELEASE

For immediate release

SAPUTO REPORTS FINANCIAL RESULTS FOR THE SECOND QUARTER OF FISCAL 2024 ENDED SEPTEMBER 30, 2023

(*Montréal, November 9, 2023*) – Saputo Inc. (TSX: SAP) (we, Saputo or the Company) reported today its financial results for the second quarter of fiscal 2024, which ended on September 30, 2023. All amounts in this news release are in millions of Canadian dollars (CDN), except per share amounts, unless otherwise indicated, and are presented according to International Financial Reporting Standards (IFRS).

"In the second quarter, our team successfully navigated an increasingly dynamic and competitive environment with agility, focus, and resilience. We improved our financial performance, further executed on our Global Strategic Plan, and continued to make progress toward the next inflection point in our strategic journey," said Lino A. Saputo, Chair of the Board, President and CEO. "As we continue to weather the current landscape, we remain focused on our key priorities, including excellent commercial and operational execution and cost containment, as well as on the factors we can control, such as our consolidation and optimization initiatives, which are all fully on-track, both in terms of budget and schedule."

Fiscal 2024 Second Quarter Financial Highlights

- Revenues amounted to $4.323 billion, down $138 million or 3.1%.
- Net earnings totalled $156 million, up from $145 million. Net earnings per share (EPS) (basic and diluted) were $0.37, up from $0.35.
- Adjusted EBITDA[1] amounted to $398 million, up $29 million or 7.9%.
- Adjusted net earnings[1] totalled $181 million, up from $151 million, and adjusted EPS[1] (basic and diluted) were $0.43, up from $0.36.

(unaudited)	For the three-month periods ended September 30		For the six-month periods ended September 30	
	2023	2022	**2023**	2022
Revenues	**4,323**	4,461	**8,530**	8,788
Adjusted EBITDA[1]	**398**	369	**760**	716
Net earnings	**156**	145	**297**	284
Adjusted net earnings[1]	**181**	151	**335**	294
EPS				
Basic	**0.37**	0.35	**0.70**	0.68
Diluted	**0.37**	0.35	**0.70**	0.68
Adjusted EPS[1]				
Basic	**0.43**	0.36	**0.79**	0.70
Diluted	**0.43**	0.36	**0.79**	0.70

- Increased adjusted EBITDA[1] reflected a continued solid performance in the Canada Sector and a significant improvement in the USA Sector, while results in the Europe Sector and the International Sector were lower.
- Domestic sales volumes were higher and USA Market Factors[2] had a positive impact on adjusted EBITDA[1].
- Export sales volumes were lower due to softening of the global demand for dairy products and lower international cheese and dairy ingredient market prices negatively impacted our revenues and adjusted EBITDA[1].
- Continued focus on long-term strategic priorities and progression of major capital projects.
- The Board of Directors approved a dividend of $0.185 per share payable on December 15, 2023, to shareholders of record on December 5, 2023.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. These measures and ratios do not have a standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers. See the "Non-GAAP Measures" section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable. Adjusted net earnings and adjusted EPS for comparative periods were aligned to meet the current presentation.

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

FY24 OUTLOOK

- We expect to benefit from the carryover impact of price increases, additional capacity and capabilities, cost containment and efficiency initiatives, new product innovations, and investments in our brands and advertising.
- We expect near-term inflation on our overall input costs to moderate, but to remain at elevated levels. We will continue to manage the current inflationary environment through our pricing protocols and cost containment measures.
- A more stabilized workforce, fewer supply chain constraints, and the acceleration of our productivity and operational improvement projects are expected to further enhance our ability to service customers, particularly in the USA Sector.
- Global demand for dairy products is expected to remain moderate due to macroeconomic conditions and the impact of pricing elasticity.
- The outlook for USA Market Factors[2] remains mixed. Management believes that the long-term environment is likely to be relatively supportive for commodity prices but with continued volatility in the short to medium-term.
- The International Sector and the Europe Sector are expected to be negatively impacted by lower cheese and dairy ingredient prices.
- The Europe Sector is expected to be impacted by the selling of inventory produced at higher milk prices.
- Capital expenditures are expected to remain at similar levels versus last fiscal year, driven by Global Strategic Plan optimization and capacity expansion initiatives, as well as continued investments in automation.
- We expect strong operating cash flow to continue to support a balanced capital allocation strategy and provide the financial flexibility to consider value-enhancing opportunities, with priority given to: (i) organic growth initiatives through capital expenditures, (ii) shareholder dividends, and (iii) debt repayments.

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

GLOBAL STRATEGIC PLAN HIGHLIGHTS

Following the start-up of our recently converted state-of-the-art goat cheese manufacturing facility in Reedsburg, Wisconsin, we announced on November 2, 2023, the permanent closure of our Lancaster, Wisconsin, facility. We intend to transition production from our Lancaster facility to Reedsburg, along with that of our facility in Belmont, Wisconsin, the closure of which was previously announced. The Lancaster and Belmont facilities are expected to close in the fourth quarter of fiscal 2024.

Costs related to the Lancaster facility closure will be approximately $6 million after taxes, which include a non-cash fixed assets write-down of approximately $4 million after taxes. These costs will start to be recorded in the third quarter of fiscal 2024. Approximately 100 employees will be impacted by the Lancaster facility closure. 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.

As part of the optimization roadmap in Australia, we will commence a review and evaluation of strategic alternatives related to our King Island facility in Tasmania. We intend to keep the operations running at regular capacity while we assess possible future scenarios for the facility.

THE SAPUTO PROMISE

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

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

Highlights for the first half of fiscal 2024 include:

People:
- We were recognized as one of the World's Top Companies for Women by Forbes magazine for a second year in a row.
- We completed the deployment of our Mental Health First Aider Program across all our divisions.

Environment:
- We made strides in our Environmental Pledges by completing five capital projects designed to reduce our carbon, energy, and water footprint.
- We were rewarded for our efforts in sustainable packaging, winning ‘Flexible Plastic Pack of the Year’ at the UK Packaging Awards 2023 for our new *Cathedral City* grated cheese packaging in partnership with Amcor.

Community:
- We invested in six additional projects as part of our Saputo Legacy Program, supporting the improvement of local sport and health amenities to help families lead a more active lifestyle.
- We expanded our Volunteer Time Off Program across all divisions, allowing our employees to give back to their community by providing them paid time off to volunteer with eligible non-profit organizations.

BOARD OF DIRECTORS

On November 9, 2023, Mr. Victor Crawford and Mr. Stanley Ryan were appointed to the Company’s Board of Directors.

"I am pleased to welcome two new independent members to our Board of Directors, adding to the depth and diversity of skills and experience of our Board. Victor has vast experience in the food and beverage industry, logistics and supply chain management, and brings valuable insights in consumer retail to the Board. Stanley has extensive leadership experience across a range of operationally intensive multinational businesses in multiple geographies, particularly in the international commodities markets. Their leadership will be a valuable asset to the Board and our entire Company as we continue to focus on our Global Strategic Plan and our Saputo Promise.”
—Lino A. Saputo, Chair of the Board, President and CEO

Mr. Crawford has held executive positions at several companies in the food and beverage, hospitality, and healthcare services industries. He was Chief Executive Officer, Pharmaceutical Segment, of Cardinal Health, Inc. from 2018 until 2022, and Group President and Chief Operating Officer at Aramark Corporation from 2012 to 2018. Mr. Crawford also held senior management positions at PepsiCo, Inc. and Marriott International Inc. between 1990 and 2012. Mr. Crawford began his career with roles at PricewaterhouseCoopers and Federal-Mogul Corporation. Mr. Crawford earned his degree in accounting from Boston College in 1983. Mr. Crawford is a director of The Hershey Company, where he also serves as Chair of the Audit Committee and The National Urban League, where he serves as Chair of the Programs, Policy, Justice, and Communication Committee.

Mr. Ryan served as President and CEO of Darigold, a U.S.-based dairy cooperative, from 2016 until 2022. From 1989 until 2014, he served in several executive and general management roles for Cargill Inc. in the USA, South America, Europe, Australia, and China. In 2015, he served as interim Chief Executive Officer of Eagle Bulk Shipping. Mr. Ryan earned his MBA and both a degree and MA in International Relations from the University of Chicago in 1989, as well as a degree in Economics & Computer Applications from the University of Notre Dame in 1984. Mr. Ryan is director and Chairman of the Board of Pacific Basin Shipping Limited, a company listed on the Hong Kong Stock Exchange.

Mr. Crawford will sit on the Company’s Audit Committee while Mr. Ryan will sit on the Corporate Governance and Human Resources Committee. Both are independent directors.

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 second quarter of fiscal 2024. 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, November 10, 2023, at 8:30 a.m. (Eastern Time)

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

To participate:

- **Webcast** : https://www.gowebcasting.com/12926
  Presentation slides will be included in the webcast and can also be accessed in the "Investors" section of Saputo's website (www.saputo.com), under "Calendar of Events".

- **Conference line** *(audio only)*: 1-800-940-2599
  Please dial-in five minutes prior to the start time.

Replay of the conference call and webcast presentation
For those unable to join, the webcast presentation will be archived on Saputo's website (www.saputo.com) in the "Investors" section, under "Calendar of Events". A replay of the conference call will also be available until Friday, November 17, 2023, 11:59 p.m. (ET) by dialling 1-800-558-5253 (ID number: 22028268).

About Saputo

Saputo, one of the top ten dairy processors in the world, produces, markets, and distributes a wide array of dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products, and dairy ingredients. Saputo is a leading cheese manufacturer and fluid milk and cream processor in Canada, a leading dairy processor in Australia and the top dairy processor in Argentina. In the USA, Saputo ranks among the top three cheese producers and is one of the top producers of extended shelf-life and cultured dairy products. In the United Kingdom, Saputo is the leading manufacturer of branded cheese and dairy spreads. In addition to its dairy portfolio, Saputo produces, markets, and distributes a range of dairy alternative cheeses and beverages. Saputo products are sold in several countries under market-leading brands, as well as private label brands. Saputo Inc. is a publicly traded company and its shares are listed on the Toronto Stock Exchange under the symbol "SAP". Follow Saputo's activities at www.saputo.com or via Facebook, Instagram, 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 8, 2023, available on SEDAR+ under Saputo's profile at www.sedarplus.ca.

Such risks and uncertainties include the following: product liability; the availability and price variations of milk and other inputs, our ability to transfer input costs increases, if any, to our customers in competitive market conditions; supply chain strain and supplier concentration; the price fluctuation of dairy products in the countries in which we operate, as well as in international markets; our ability to identify, attract, and retain qualified individuals; the increased competitive environment in our industry; consolidation of clientele; cyber threats and other information technology-related risks relating to business disruptions, confidentiality, data integrity business and email compromise-related fraud; unanticipated business disruption; continuing economic and political uncertainties, resulting from actual or perceived changes in the condition of the economy or economic slowdowns or recessions; the ongoing military conflict in Ukraine; public health threats, such as the recent global COVID -19 pandemic, changes in consumer trends; changes in environmental laws and regulations; the potential effects of climate change; increased focus on environmental sustainability matters; the failure to execute our Global Strategic Plan as expected or to adequately integrate acquired businesses in a timely and efficient manner; the failure to complete capital expenditures as planned; changes in interest rates and access to capital and credit markets. There may be other risks and uncertainties that we are not aware of at present, or that we consider to be insignificant, that could still have a harmful impact on our business, financial state, liquidity, results, or reputation.

Forward-looking statements are based on Management's current estimates, expectations and assumptions regarding, among other things; the projected revenues and expenses; the economic, industry, competitive, and regulatory environments in which we operate or which could affect our activities; our ability to identify, attract, and retain qualified and diverse individuals; our ability to attract and retain customers and consumers; our environmental performance; the results of our sustainability efforts; the effectiveness of our environmental and sustainability initiatives; our operating costs; the pricing of our finished products on the various markets in which we carry on business; the successful execution of our Global Strategic Plan; our ability to deploy capital expenditure projects as planned; reliance on third parties; our ability to gain efficiencies and cost optimization from strategic initiatives; our ability to correctly predict, identify, and interpret changes in consumer preferences and demand, to offer new products to meet those changes, and to respond to competitive innovation; our ability to leverage our brand value; our ability to drive revenue growth in our key product categories or platforms or add products that are in faster-growing and more profitable categories; the successful execution of our M&A strategy; the market supply and demand levels for our products; our warehousing, logistics, and transportation costs; our effective income tax rate; the exchange rate of the Canadian dollar to the currencies of cheese and dairy ingredients. To set our financial performance targets, we have made assumptions regarding, among others: the absence of significant deterioration in macroeconomic conditions; our ability to mitigate inflationary cost pressure; the USA commodity market conditions; labour market conditions and staffing levels in our facilities; the impact of price elasticity; our ability to increase the production capacity and productivity in our facilities; and the demand growth for our products. Our ability to achieve our environmental targets, commitments, and goals is further subject to, among others: our ability to access and implement all technology necessary to achieve our targets, commitments, and goals; the development and performance of technology, innovation and the future use and deployment of technology and associated expected future results; the accessibility of carbon and renewable energy instruments for which a market is still developing and which are subject to risk of invalidation or reversal; and environmental regulation. Our ability to achieve our 2025 Supply Chain Pledges is further subject to, among others, our ability to leverage our supplier relationships and our sustainability advocacy efforts.

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	2024		2023				2022	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	**4,323**	4,207	4,468	4,587	4,461	4,327	3,957	3,901
Adjusted EBITDA[1]	**398**	362	392	445	369	347	260	322
Adjusted EBITDA margin[1]	**9.2 %**	8.6 %	8.8 %	9.7 %	8.3 %	8.0 %	6.6 %	8.3 %
Net earnings	**156**	141	159	179	145	139	37	86
Acquisition and restructuring costs[2]	**—**	—	21	27	16	6	51	—
Gain on disposal of assets[2]	**—**	—	—	—	—	—	—	(8)
Impairment of intangible assets[2]	**—**	—	—	—	—	—	—	43
Loss (gain) on hyperinflation[2]	**9**	(2)	—	—	(26)	(18)	(15)	(14)
Amortization of intangible assets related to business acquisitions[2]	**16**	15	16	15	16	16	20	18
Adjusted net earnings[1]	**181**	154	196	221	151	143	93	125
Adjusted net earnings margin[1]	**4.2 %**	3.7 %	4.4 %	4.8 %	3.4 %	3.3 %	2.4 %	3.2 %
EPS basic	**0.37**	0.33	0.38	0.43	0.35	0.33	0.09	0.21
EPS diluted	**0.37**	0.33	0.38	0.43	0.35	0.33	0.09	0.21
Adjusted EPS basic[1]	**0.43**	0.37	0.47	0.53	0.36	0.34	0.22	0.30
Adjusted EPS diluted[1]	**0.43**	0.36	0.46	0.53	0.36	0.34	0.22	0.30

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

Fiscal years	2024		2023				2022	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
USA Market Factors[3,4]	**32**	(14)	29	(6)	(27)	(7)	(19)	(40)
Inventory write-down	**(7)**	(10)	—	—	—	—	—	—
Foreign currency exchange[4,5]	**(3)**	4	(12)	(7)	(12)	(7)	(12)	(18)

1 This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. These measures and ratios do not have a standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers. See the "Non-GAAP Measures" section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable. Adjusted net earnings and adjusted EPS for comparative periods were aligned to meet the current presentation.
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 Foreign currency exchange includes the effect of conversion of US dollars, Australian dollars, British pounds sterling, and Argentine pesos to Canadian dollars.

CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND FISCAL PERIOD ENDED SEPTEMBER 30, 2023

Revenues

Revenues for the **second quarter of fiscal 2024** totalled $4.323 billion, down $138 million or 3.1%, as compared to $4.461 billion for the same quarter last fiscal year. For the **first six months of fiscal 2024**, revenues totalled $8.530 billion, down $258 million or 2.9%, as compared to $8.788 billion for last fiscal year.

The combined effect of the lower average block market price[2] and of the lower average butter market price[2] in our USA Sector had a negative impact of $213 million and $420 million, in the second quarter of fiscal 2024 and for the first six months of fiscal 2024, respectively. Lower international cheese and dairy ingredient market prices had a negative impact in all our sectors.

Higher domestic selling prices in line with the higher cost of milk as raw material, together with the carryover impact of pricing initiatives implemented in all our sectors to mitigate increasing input costs, had a favourable impact.

Overall sales volumes were stable in the second quarter of fiscal 2024 despite continued softening of global demand for dairy products. Higher domestic sales volumes more than offset our lower export sales volumes. For the first six months of fiscal 2024, sales volumes were lower due to the softening of global demand for dairy products and competitive market conditions, particularly in our USA Sector.

The effect of the fluctuation of the Argentine peso and the Australian dollar on export sales denominated in US dollars was favourable.

In the second quarter of fiscal 2024, the fluctuation of foreign currencies versus the Canadian dollar had an unfavourable impact of approximately $5 million. In the first six months of fiscal 2024, the fluctuation of foreign currencies versus the Canadian dollar had a favourable impact of approximately $101 million.

Operating costs excluding depreciation, amortization, and restructuring costs

Operating costs excluding depreciation, amortization, and restructuring costs for the **second quarter of fiscal 2024** totalled $3.925 billion, down $167 million or 4.1%, as compared to $4.092 billion for the same quarter last fiscal year. These decreases were in line with lower commodity market prices, which decreased the cost of raw materials and consumables used.

For the **first six months of fiscal 2024**, operating costs excluding depreciation, amortization, and restructuring costs totalled $7.770 billion, down $302 million or 3.7%, as compared to $8.072 billion for the same period last fiscal year. These decreases were in line with lower sales volumes and lower commodity market prices, which decreased the cost of raw materials and consumables used.

Also contributing to these decreases were lower logistics costs and the favourable impacts from our cost containment measures and from our Global Strategic Plan initiatives. The decreases were partially offset by the negative impacts of ongoing inflation on costs, as well as higher employee salary and benefit expenses, which include the effect of wage increases.

Net earnings

Net earnings for the **second quarter of fiscal 2024** totalled $156 million, up $11 million or 7.6%, as compared to $145 million for the same quarter last fiscal year. The increase is primarily due to higher adjusted EBITDA[1], as described below, and lower acquisition and restructuring costs, offset by a loss on hyperinflation compared to a gain for the same quarter last fiscal year and higher financial charges.

For the **first six months of fiscal 2024**, net earnings totalled $297 million, up $13 million or 4.6%, as compared to $284 million for the same period last fiscal year. The increase is primarily due to higher adjusted EBITDA[1], as described below, lower acquisition and restructuring costs, and lower income tax expense, offset by a loss on hyperinflation compared to a gain for the same period last fiscal year and higher financial charges.

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

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

Adjusted EBITDA[1]

Adjusted EBITDA[1] for the **second quarter of fiscal 2024** totalled $398 million, up $29 million or 7.9%, as compared to $369 million for the same quarter last fiscal year.

Higher adjusted EBITDA[1] reflected a solid performance in the Canada Sector and a significant increase in the USA Sector. Results also reflected higher domestic sales volumes. Results in the Europe Sector and the International Sector were lower. Export sales volumes were lower due to softening of the global demand for dairy products. Lower international cheese and dairy ingredient market prices had a negative impact.

USA Market Factors[2] had a positive impact of $32 million, driven by the positive impact of the milk-cheese Spread[2] as compared to the same quarter last fiscal year.

Our ongoing cost containment measures implemented to minimize the effect of inflation, along with lower logistics costs, including lower fuel prices, mainly in North America, had a favourable impact. The benefits derived from our Global Strategic Plan, including continuous improvement, supply chain optimization, and automation initiatives, also had a favourable impact.

Results included an inventory write-down of $7 million as a result of the decrease in certain market selling prices.

The fluctuation of foreign currencies versus the Canadian dollar had an unfavourable impact of approximately $3 million.

Adjusted EBITDA[1] for the **first six months of fiscal 2024** totalled $760 million, up $44 million or 6.1%, as compared to $716 million for the same period last fiscal year.

Results increased in the Canada Sector and in the USA Sector whereas those in the Europe Sector and in the International Sector were lower. Export sales volumes were lower due to softening of the global demand for dairy products. Lower international cheese and dairy ingredient market prices had a negative impact.

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

USA Market Factors[2] had a positive impact of $18 million, driven by the positive effect of the milk-cheese Spread[2] as compared to the same period last fiscal year.

Our ongoing cost containment measures implemented to minimize the effect of inflation, along with lower logistics costs, including lower fuel prices, mainly in North America, had a favourable impact. Benefits derived from our Global Strategic Plan, including continuous improvement, supply chain optimization, and automation initiatives, also had a favourable impact.

Results included an inventory write-down of $17 million as a result of the decrease in certain market selling prices.

The fluctuation of foreign currencies versus the Canadian dollar had a favourable impact of approximately $1 million.

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

Depreciation and amortization

Depreciation and amortization for the **second quarter of fiscal 2024** totalled $145 million, flat, as compared to $146 million for the same quarter last fiscal year. For the **first six months of fiscal 2024**, depreciation and amortization totalled $291 million, flat, as compared to $291 million for the same period last fiscal year.

Acquisition and restructuring costs

There were no acquisition and restructuring costs in year-to-date **fiscal 2024**.

Acquisition and restructuring costs for the **second quarter of fiscal 2023** totalled $22 million and included a non-cash fixed assets write-down of $19 million, accelerated depreciation, and employee-related costs of $2 million in connection with consolidation initiatives in the USA Sector being undertaken as part of our Global Strategic Plan.

Acquisition and restructuring costs in the **first six months of fiscal 2023** totalled $29 million and comprised costs as described above, as well as site closure costs of $9 million relating to the consolidation activities in the Europe Sector as part of our Global Strategic Plan. Restructuring costs also included a $2 million gain on disposal of assets related to the sale of a closed facility in the Canada Sector.

Loss (gain) on hyperinflation

Loss on hyperinflation for the **second quarter of fiscal 2024** totalled $9 million ($26 million gain in fiscal 2023). For the **first six months of fiscal 2024**, the loss on hyperinflation totalled $7 million ($44 million gain in fiscal 2023). The change in the loss (gain) on hyperinflation is relative to the application of hyperinflation accounting for the Dairy Division (Argentina).

Financial charges

Financial charges for the **second quarter of fiscal 2024** totalled $44 million, up $5 million compared to the same quarter last fiscal year. For **the first six months of fiscal 2024**, financial charges totalled $84 million, up $15 million compared to the same period last fiscal year. These increases reflected higher interest rates.

Income tax expense

Income tax expense for the **second quarter of fiscal 2024** totalled $44 million, reflecting an effective tax rate of 22% as compared to 23% for the same quarter last fiscal year. Income tax expense for the **first six months of fiscal 2024** totalled $81 million, reflecting an effective tax rate of 21%, as compared to 23% in the corresponding period last fiscal year.

The effective income tax rate is impacted by the tax and accounting treatments of inflation in Argentina. This impact varies from quarter to quarter. For the second quarter and first six months of fiscal 2024, this impact was positive, resulting in a reduction of the effective tax rate.

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 **second quarter of fiscal 2024** totalled $181 million, up $30 million or 19.9%, as compared to $151 million for the same quarter last fiscal year. This is mainly due to an increase in net earnings, as described above, excluding higher acquisition and restructuring costs after tax, as well as the impact of the loss on hyperinflation compared to a gain that was recognized in the same quarter last fiscal year.

Adjusted net earnings[1] for the **first six months of fiscal 2024** totalled $335 million, up $41 million or 13.9%, as compared to $294 million for the same period last fiscal year. This is mainly due to an increase in net earnings, as described above, excluding higher acquisition and restructuring costs after tax, as well as the impact of the loss on hyperinflation compared to a gain that was recognized in the same quarter last fiscal year.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable. Adjusted net earnings and adjusted EPS for comparative periods were aligned to meet the current presentation.

INFORMATION BY SECTOR

CANADA SECTOR

Fiscal years	**2024**		2023			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**1,248**	1,211	1,156	1,213	1,185	1,142
Adjusted EBITDA	**148**	144	134	149	136	132
Adjusted EBITDA margin	**11.9 %**	11.9 %	11.6 %	12.3 %	11.5 %	11.6 %

USA SECTOR

Fiscal years	**2024**		2023			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**1,950**	1,876	2,062	2,172	2,062	2,043
Adjusted EBITDA	**147**	103	143	146	102	97
Adjusted EBITDA margin	**7.5 %**	5.5 %	6.9 %	6.7 %	4.9 %	4.7 %

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

Fiscal years	**2024**		2023			
	Q2	Q1	Q4	Q3	Q2	Q1
USA Market Factors[1,2]	**32**	(14)	29	(6)	(27)	(7)
Inventory write-down	**—**	(10)	—	—	—	—
US currency exchange[2]	**3**	5	5	8	3	3

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	**2024**		2023			
	Q2	Q1	Q4	Q3	Q2	Q1
Block market price[1]						
Opening	**1.335**	1.850	2.135	1.968	2.195	2.250
Closing	**1.720**	1.335	1.850	2.135	1.968	2.195
Average	**1.817**	1.579	1.943	2.077	1.927	2.287
Butter market price[1]						
Opening	**2.440**	2.398	2.380	3.145	2.995	2.700
Closing	**3.300**	2.440	2.398	2.380	3.145	2.995
Average	**2.706**	2.394	2.375	2.904	3.035	2.808
Average whey powder market price[1]	**0.265**	0.358	0.397	0.432	0.469	0.600
Spread[1]	**0.075**	(0.061)	0.040	(0.120)	(0.222)	(0.261)
US average exchange rate to Canadian dollar[2]	**1.344**	1.343	1.353	1.357	1.306	1.275

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	2024		2023			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**879**	868	963	917	989	916
Adjusted EBITDA	**83**	77	84	111	97	82
Adjusted EBITDA margin	**9.4 %**	8.9 %	8.7 %	12.1 %	9.8 %	9.0 %

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

Fiscal years	2024		2023			
	Q2	Q1	Q4	Q3	Q2	Q1
Inventory write-down	**(7)**	—	—	—	—	—
Foreign currency exchange[1]	**(12)**	(2)	(15)	(13)	(9)	(6)

1 As compared to same quarter last fiscal year.

EUROPE SECTOR

Fiscal years	2024		2023			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**246**	252	287	285	225	226
Adjusted EBITDA	**20**	38	31	39	34	36
Adjusted EBITDA margin	**8.1 %**	15.1 %	10.8 %	13.7 %	15.1 %	15.9 %

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

Fiscal years	2024		2023			
	Q2	Q1	Q4	Q3	Q2	Q1
Foreign currency exchange[1]	**3**	1	(1)	(2)	(4)	(2)

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 IFRS, enable investors to evaluate the Company's operating results, underlying performance, and future prospects in a manner similar to management. These metrics are presented as a complement to enhance the understanding of operating results but not in substitution of GAAP results.

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

NON-GAAP FINANCIAL MEASURES AND RATIOS

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

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

Adjusted net earnings and adjusted net earnings margin

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

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

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

	For the three-month periods ended September 30		**For the six-month periods ended September 30**	
	2023	2022	**2023**	2022
Net earnings	**156**	145	**297**	284
Acquisition and restructuring costs[1]	**—**	16	**—**	22
Amortization of intangible assets related to business acquisitions[1]	**16**	16	**31**	32
Loss (gain) on hyperinflation[1,2]	**9**	(26)	**7**	(44)
Adjusted net earnings	**181**	151	**335**	294
Revenues	**4,323**	4,461	**8,530**	8,788
Adjusted net earnings margin (expressed as a percentage of revenues)	***4.2 %***	*3.4 %*	***3.9 %***	*3.3 %*

1 Net of applicable income taxes.
2 Starting in the first quarter of fiscal 2024:
- the loss (gain) on hyperinflation is presented on a separate line on the consolidated income statements (Refer to Note 15 of the condensed interim consolidated financial statements for further information); and
- adjusted net earnings exclude the loss (gain) on hyperinflation to provide investors with more useful information with regards to our ongoing operations.

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

Adjusted EPS basic and adjusted EPS diluted

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

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

TOTAL OF SEGMENTS MEASURES

A total of segments measure is a financial measure that is a subtotal or total of two or more reportable segments and is disclosed within the notes to Saputo's 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

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

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

	For the three-month periods ended September 30		**For the six-month periods ended September 30**	
	2023	2022	**2023**	2022
Net earnings	**156**	145	**297**	284
Income taxes	**44**	43	**81**	87
Financial charges[1]	**44**	39	**84**	69
Loss (gain) on hyperinflation[1]	**9**	(26)	**7**	**(44)**
Acquisition and restructuring costs	**—**	22	**—**	29
Depreciation and amortization	**145**	146	**291**	291
Adjusted EBITDA	**398**	369	**760**	716
Revenues	**4,323**	4,461	**8,530**	8,788
Adjusted EBITDA margin	***9.2 %***	*8.3 %*	***8.9 %***	*8.1 %*

1 Starting in the first quarter of fiscal 2024, the loss (gain) on hyperinflation is presented on a separate line on the consolidated income statements (Refer to Note 15 of the condensed interim consolidated financial statements for further information). Comparative periods included in this news release were aligned to meet the current presentation.