



# Resilience and Opportunity

## Q3 2022 Business & Financial Review

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*All dollar amounts are presented in  
CAD dollars unless otherwise noted.*



# Forward-looking Statements and Non-IFRS Measures

This presentation contains “forward-looking information” within the meaning of applicable securities law. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which the Company operates, as well as beliefs and assumptions made by the Company related to its business, operations, expectations and external environment.

- The ongoing effects of COVID-19, the volatility of post-pandemic global economies, the war in Ukraine and the recent cybersecurity incident at the Company create many uncertainties which may have a significant impact on the Company’s operations, business continuity and financial results. In addition, the Company’s operational and financial performance may be significantly impacted by factors such as supply chain disruption, cybersecurity incidents, availability of labour and materials, inflation, agricultural commodity markets, foreign exchange rates, shifting demand balance between retail and foodservice channels, product mix, productivity, access to markets and geopolitical instability.
- The Company’s expectations with respect to the growth of its meat protein business, expectations for performance, anticipated growth in sales, Adjusted EBITDA margin, gross margin, and magnitude of impact of factors affecting performance are based on a number of assumptions, estimates and projections, including but not limited to: the impact of global pork market dynamics, COVID-19, post-pandemic economic volatility, supply chain constraints and effectiveness, inflation, commodity prices, hog and pork processor margins, demand for pork and access to export markets, poultry markets and supply management, the impact of the recent cybersecurity incident on operational and financial performance (including time and cost to recover), timing and effect of pricing action, foreign exchange rates, growth in demand for sustainable meats and branded products, customer and consumer behaviour, competition, implications of foreign animal disease and availability of labour and labour performance considerations.
- The Company’s expectations with respect to its targets and business plans for the plant protein business and expectations with respect the shift in the Company’s investment thesis and its ability to achieve its goal of becoming Adjusted EBITDA neutral in the last half of 2023 are based on a number of assumptions, estimates and projections, including but not limited to: accuracy of the market analysis and future growth potential in the category, market share, the impact of COVID-19, post-pandemic economic volatility, supply chain constraints and effectiveness, inflation, the impact of the recent cybersecurity incident on operational and financial performance (including time and cost to recover), go to market strategies, results of operational optimization, results of brand renovation initiatives, foreign exchange rates, customer and consumer behavior, competition, timing and effect of pricing action, availability of labour and labour performance considerations, and the ability of the Company to calibrate its business model to the expected market opportunity.
- The Company’s assumptions about capital project expenditures, timing to complete and expectations with respect to return on these investments are based on a number of assumptions, including but not limited to: the impact of COVID-19, availability and cost of materials and labour, contractor performance and productivity levels, supply chain constraints and effectiveness, quality of estimating, weather conditions, project scope, successful commissioning, ability to achieve operational efficiencies, and demand for products from these capital investments.
- These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. These assumptions have been derived from information currently available to the Company, including information obtained by the Company from third-party sources. These assumptions may prove to be incorrect in whole or in part. In addition, actual results may differ materially from those expressed, implied, or forecasted in such forward-looking information, which reflect the Company’s expectations only as of the date hereof. Please refer to the sections entitled “Risk Factors” and “Forward-Looking Statements” in the Company’s Management Discussion and Analysis for the year ended December 31, 2021 and for the quarter ended September 30, 2022 for additional detail.

In addition, this presentation contains the following non-IFRS measures:

**Adjusted Operating Earnings:** Earnings before income taxes and interest expenses adjusted for items that are not considered representative of ongoing operational activities of the business, and items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred.

**Adjusted Earnings per Share:** Defined as basic earnings per share adjusted for all items that are not considered representative of ongoing operational activities of the business, and items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred.

**Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization:** Defined as Adjusted Operating Earnings plus depreciation and intangible asset amortization, adjusted for items included in other expense that are considered representative of ongoing operational activities. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by sales.

**Net (Debt) Cash:** Defined as cash and cash equivalents, less long-term debt and bank indebtedness.

**Construction Capital:** Defined as investments and related financing charges in projects over \$50.0 million that are related to longer-term strategic initiatives, with no returns expected for at least 12 months in the future and the asset will be re-categorized from Construction Capital once operational.

Please refer to the Company’s Management and Discussion and Analysis for the quarter ended September 30, 2022 (as filed on SEDAR) for additional information on non-IFRS financial measures.



Maple Leaf Foods is an iconic,  
purpose-driven Canadian food company





**We have transformed the Company and continue to  
create value**

Building a dynamic, powerhouse brand portfolio

Driving innovation

Investing in world-class assets

Establishing ourselves as a sustainability leader



# Our ambitious Blueprint has guided us on our journey

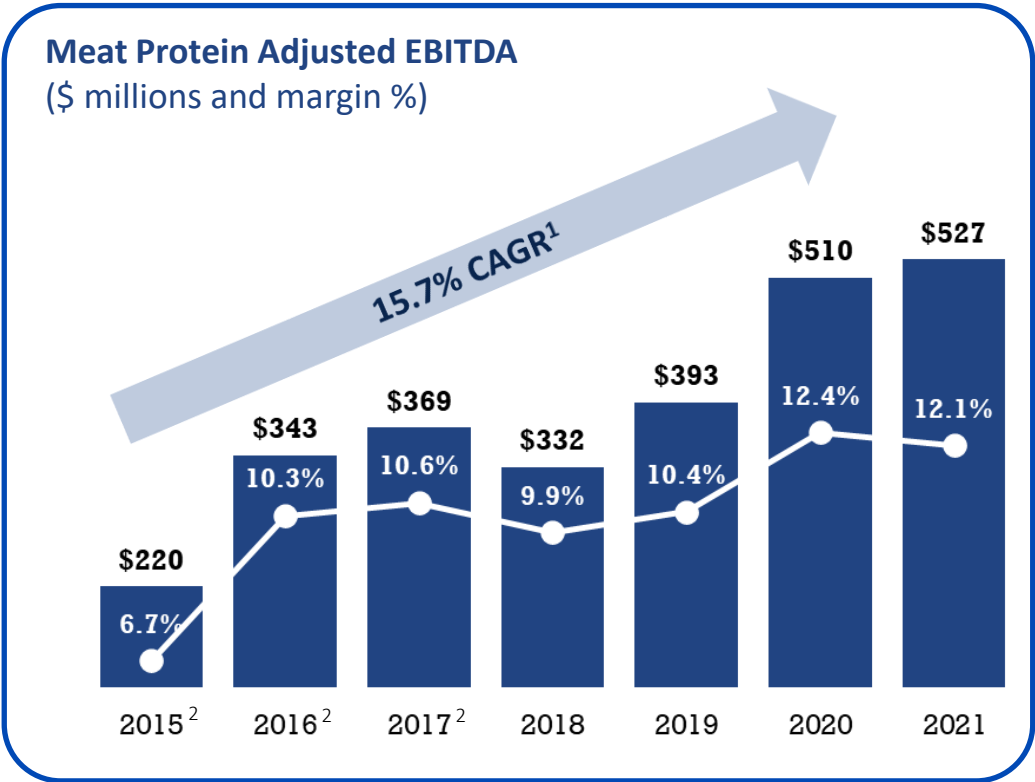
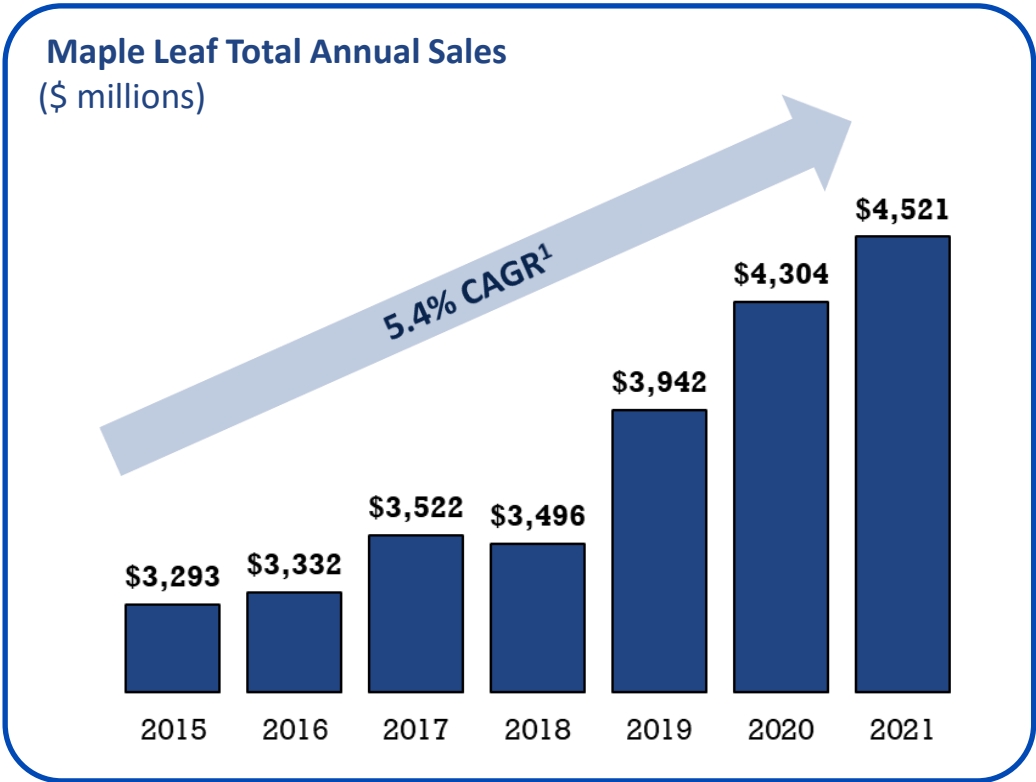


# We are proud of what we have delivered

- ✓ **Iconic portfolio of Brands**, with growing value-added production and US exposure
- ✓ **Industry-leading sustainability** practices, with long-term commitment to sustainable food production
- ✓ **Growing sustainable meat production**, drawing on powerful consumer trends reshaping the industry to drive innovation
- ✓ **Plant protein pivot to profitable growth** is on track to achieve Adjusted EBITDA neutral or better in the second half of 2023
- ✓ **Disciplined capital allocation strategy** driving future growth, strong shareholder returns and deleveraging
- ✓ Long-term Capital projects ramping-up to add **an incremental \$130 million annually** in Adjusted EBITDA starting in the second half of 2023



# Our track record demonstrates sustained top and bottom-line growth



And, we are now at our next inflection point!

<sup>1</sup>Compound annual growth rate calculated between 2016 and 2021, including impact of acquisitions  
<sup>2</sup>Figures are pro-forma without segment allocations

# Our business is resilient and growing

We understand the headwinds and they  
are short-term

The strategic investments we have made are  
about to deliver





Q3 2022

# Meat Protein



# We have positive momentum in the underlying health of our Meat Protein business, with world-class assets now starting up

## Driving Branded Growth

- ✓ 14 consecutive quarters of branded sales growth
- ✓ Brands remain robust, mostly unaffected by trade-down
- ✓ Stable market share performance in inflationary environment
- ✓ Launched *Natural Selections* brand into Dry-Cure Meats



## Leading in Sustainable Meats

- ✓ Double-digit sales growth in both Prepared Meats & Poultry in Quarter three
- ✓ Greenfield brand Applewood Smoked Uncured Bacon is now the #1 selling branded antibiotic free SKU in the US
- ✓ Sustainable Meats sales have grown to \$725M annually



## Broadening our reach

- ✓ US Prepared Meats sales grew 20%, including Greenfield at over 40% in Quarter three
- ✓ Greenfield brand now in ~13,500 US stores, 2.5x more than 2 years ago
- ✓ International meat sales are over \$1B annually and growing



## Delivering Operational Excellence

- ✓ Bacon Centre of Excellence ramping up with branded product now in market
- ✓ London Poultry plant construction completed, labour & testing on track
- ✓ Together, expected to start generating incremental annual \$130M and 260bps in Adj EBITDA margin by end of 2023

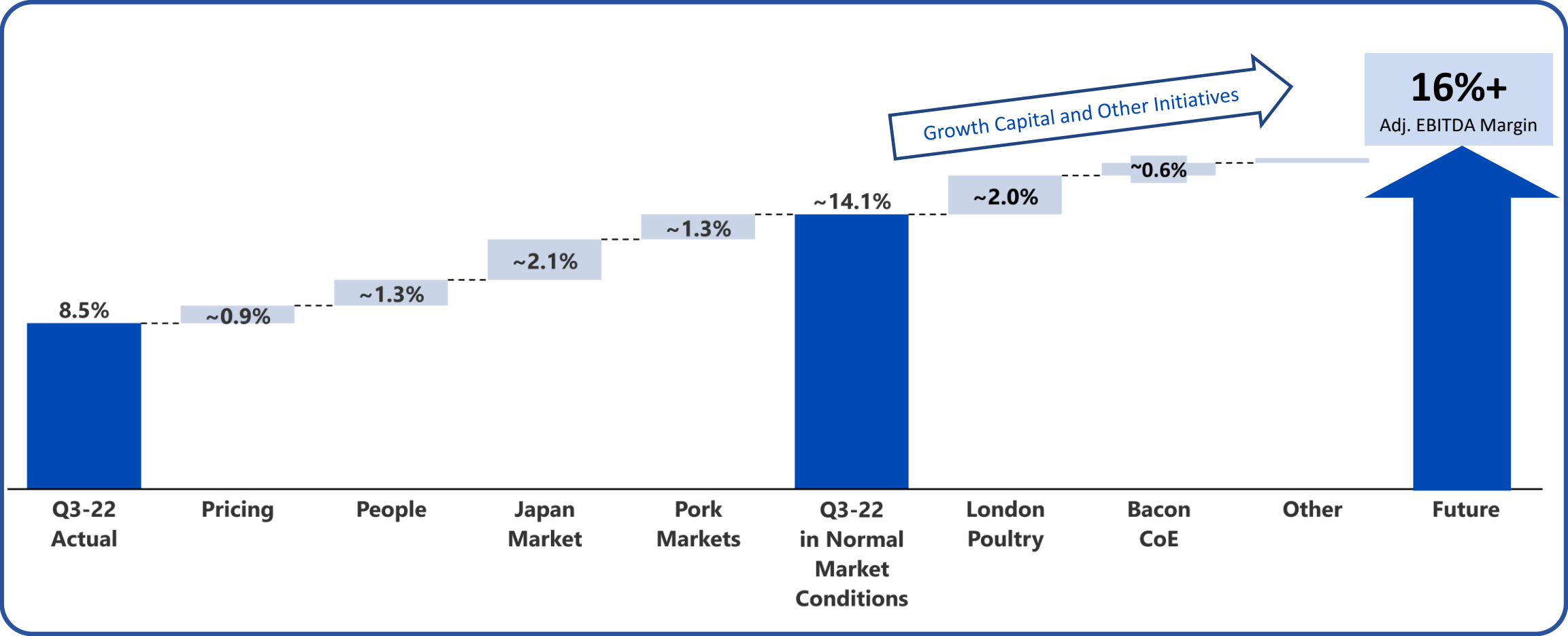


**As a result, our 2022 Meat Protein sales are growing at 5.0% year-to-date**

# Transient external forces pressuring near-term margins – rebalancing in sight

Q3 Impact	What Happened	Actions and Outlook	Status
<b>Pricing</b> ~90 bps, ~\$11M	<ul style="list-style-type: none"> <li>Significant and sustained cost inflation throughout 2022</li> <li>Our history is to plan for inflation through orderly price changes; however, the magnitude and unpredictability created a quarterly lag period</li> </ul>	<ul style="list-style-type: none"> <li>Fully executed latest round of price adjustments in September, benefiting only a portion of Q3</li> <li>Will get the full benefit of pricing in Q4</li> <li>Prepared for further pricing action if required</li> </ul>	
<b>People</b> ~130 bps, ~\$15M	<ul style="list-style-type: none"> <li>Post pandemic economy led to a high number of vacancies due to a shortage in the number of people required to properly run our business</li> <li>Impacts are seen in our supply chain including service levels, overtime costs, cost of temp. agencies &amp; loss of operating efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Vacancies have improved from Q2 peak of 1,500, to 900 at the end of September, to 600 in early November – a 60% improvement from the Q2 peak</li> <li>Some training and stabilization time is required to see the full benefit of recovery</li> <li>Expect to be stabilized by Q1 2023, with improving trend line</li> </ul>	
<b>Japan</b> ~210 bps, ~\$25M	<ul style="list-style-type: none"> <li>Unusual degree of Margin compression in Japanese Pork business</li> <li>Surplus pork previously destined for China flooding Japanese market</li> <li>Exacerbated by rise in freight disruptions and costs as well as weakening yen</li> </ul>	<ul style="list-style-type: none"> <li>Moving toward a normalization of market conditions as global exports open up, freight costs decline and pricing action in the market takes effect</li> <li>A weakening yen is a currency influence, but for us it is a pricing issue and effecting price in Japan has longer slopes to adjust to new levels</li> </ul>	
<b>Pork Markets</b> ~130 bps, ~\$15M	<ul style="list-style-type: none"> <li>Dramatic decline in Chinese imports, putting pressure on all other global markets</li> <li>Ukrainian war, disrupting agricultural markets leading to increased cost of feed grains</li> <li>Pork market conditions ~80% below five-year average</li> </ul>	<ul style="list-style-type: none"> <li><i>Rabobank (Global Pork Quarterly Q4 2022 report, October 2022)</i> expects to see trade strengthening in Q4 as a result of lower global pork inventories and increased demand in China</li> <li>Shrinking European herd &amp; anticipated softening of feed prices</li> <li>High level of confidence that supply and demand will rebalance resulting in normalization of packer margins</li> </ul>	 

# Excluding macro geopolitical factors, Adj EBITDA delivering on track



# \$1.2B investment in organic projects to add \$130M to annual Adj. EBITDA

## Capital Project

### London Poultry facility

The new 660,000 sq. ft. facility is one of the most technologically advanced poultry processing plants in the world

Capital spend ~\$772M

## Benefits

- **More profitable product mix:** through improved processing capabilities
- **Reduced costs:** through scale, technology and complexity reduction. Expect a 30% improvement in operating costs, 42% improvement in labour costs
- **Capacity growth:** to meet growing demand for higher margin value-added poultry

## Incremental Adj. EBITDA

- **Annual Adj EBITDA \$100M once fully ramped up which is expected by the end of 2023**

### Bacon Centre of Excellence

73,000 sq. ft. expansion to Winnipeg Lagimodiere site, adding two pre-cooked bacon lines, one bacon bits/chip line and additional smokehouse

Capital spend ~\$182M

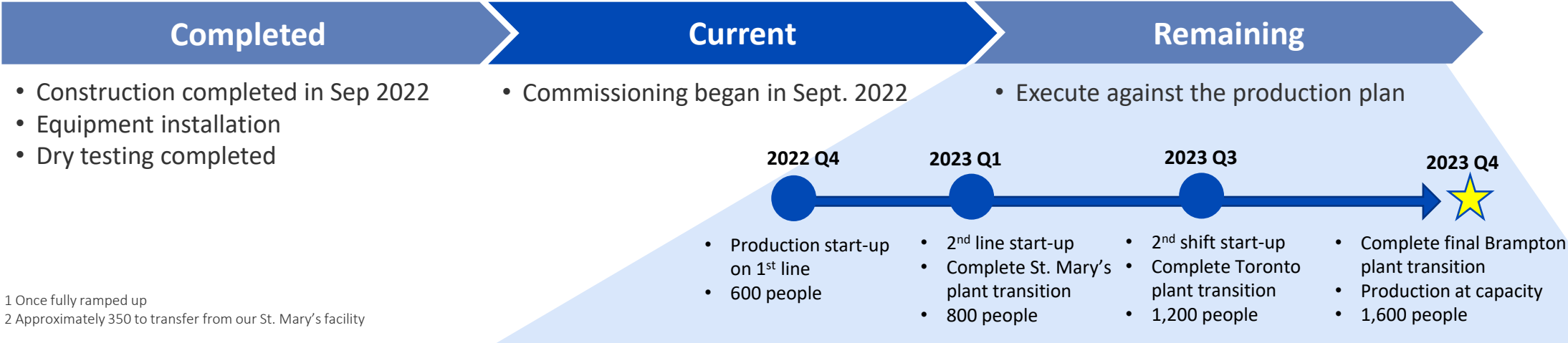
- **Captures growing demand** for pre-cooked bacon by significantly increasing production capacity
- **Improved operating efficiency** and **Reduces Risk** by shifting production away from co-manufacturers
- **Drives innovation** by providing capacity for product development in-house
- **Future growth** optionality through additional available space

- **Annual Adj EBITDA \$30M once fully ramped up which is expected in the second half of 2023**





# Preparing for first commercial production at our London Poultry plant



1 Once fully ramped up  
2 Approximately 350 to transfer from our St. Mary's facility

# Bacon Centre of Excellence ramping up commercial production



## Completed

- Construction completed in Oct 2021
- Dry testing completed

## Current

- Producing saleable product since early 2022
- Commissioning remaining lines

## Remaining

- Transition from co-manufacturers and ramp-up to be complete in H2 2023



## Meat Protein – Q3 2022 financial results

	Q3 2022	vs. LY	Drivers
Sales	\$1,194.5	+3.8%	<ul style="list-style-type: none"> <li>• Pricing action implemented in prior quarters to mitigate inflation, and a favourable mix-shift including growth in sustainable meats, branded products and sales to the United States</li> <li>• Partially offset by lower volumes</li> </ul>
Gross Profit	\$125.6	-34.4%	<ul style="list-style-type: none"> <li>• Pork market headwinds, Japan pork margin compression, cost inflation, and labour shortages, partially offset by pricing action</li> <li>• Includes start-up expenses of \$11.0 million</li> </ul>
<i>Gross Margin</i>	10.5%	-613 bps	
SG&A Expenses	\$82.9	-3.5%	<ul style="list-style-type: none"> <li>• Reduction in variable compensation, partially offset by timing of advertising and promotional expenses</li> </ul>
<i>SG&amp;A (as a % of sales)</i>	6.9%	53 bps help	
Adj. Operating Earnings	\$53.6	-50.2%	
Adj. EBITDA	\$100.9	-33.3%	
<i>Adj. EBITDA Margin</i>	8.5%	-470 bps	

**Sales growth met expectations, challenging environment pressured Adj. EBITDA margins**

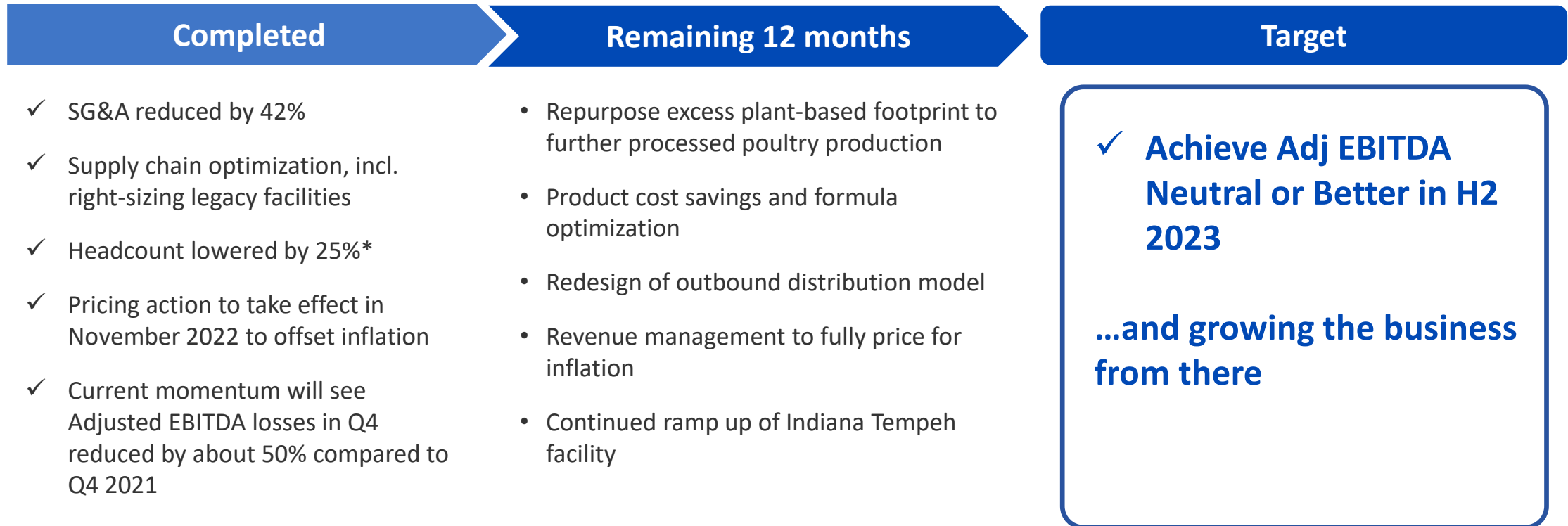


Q3 2022

# Plant Protein



# On track to achieve Plant Protein Adj. EBITDA neutral in H2 2023



**We are executing our plan and positioning Greenleaf for sustainable, profitable, long-term growth**





# Production ramp-up at Indiana tempeh plant exceeding expectations



## Strategic Rationale

- Cost effective, scalable approach to meet consumer demand
- Plays to our strong market share in this high margin, long-term growth category
- Additional space for future growth opportunities

## Completed

- Existing 118,000 sq. ft. food facility
- US\$97 million for acquisition & build-out of initial capacity (4.5M kg/yr of tempeh)
- Completed under budget, earlier than expected; began producing saleable product early in 2022

## Current Status

- Product is available on shelves
- Plant is producing higher throughput than anticipated



## Plant Protein – Q3 2022 financial results

	Q3 2022	vs. LY	Drivers
Sales	\$43.6	(12.3%) (ex-FX, in USD)	• Lower retail volumes more than offsetting pricing action implemented to mitigate inflation and structural cost increases
Gross Profit	(\$9.8)		• Inflationary costs and lower capacity utilization, partially offset by pricing action
<i>Gross Margin</i>	<i>(22.5%)</i>	(\$6.6)	• Includes start-up expenses of \$0.2 million
SG&A Expenses	\$19.9		
<i>SG&amp;A (as a % of sales)</i>	<i>45.5%</i>	(\$14.6)	• Lower advertising expenses and people costs
Adj. Operating Earnings	(\$29.5)	+20.6%	
Adj. EBITDA	(\$24.3)	+27.3%	



Q3 2022

# Maple Leaf Foods



## Total Company – Q3 2022 financial results

	Q3 2022	vs. LY	Drivers
Sales	\$1,231.9	+3.6%	• Growth in Meat, partially offset by lower sales in Plant
Adj. Operating Earnings	\$24.1	(65.8%)	
Adj. EBITDA	\$76.7	(35.0%)	• Challenging operating environment due to pork market headwinds, inflation, labour challenges
Adj. EBITDA Margin	6.2%	-370 bps	
Net earnings	\$(229.5)	\$(273.9)	• Driven by factors above as well as non-cash impairment charge on goodwill
Adj. EPS	(\$0.01)	(102.6%)	
Net Debt <sup>1</sup>	\$1,522.2	+\$432.6	• Construction of London Poultry during quarter partially offset by construction completion of the Indiana Tempeh facility and the Bacon Centre of Excellence
Debt related to Construction Capital	\$678.6	(\$142.5)	
Capital Expenditure	\$76.3	(\$76.6)	
Construction Capital CapEx	\$47.8	(\$75.5)	

<sup>1</sup>Excludes \$187.4 million in lease obligations.

Notes: All figures in millions, except per share amounts.



# Long-term outlook focused on delivering profitable growth

## Meat Protein

- **Mid-to-high single digit sales growth in 2022**, driven by continued momentum in sustainable meats, leveraging brand leadership, and growth into the U.S. market.
- **Adjusted EBITDA expansion to 14%-16% target range** once markets normalize, driven by mix-shift benefits in prepared meats resulting from growth in sustainable meats and brand renovation, as well as operational efficiencies.

## Plant Protein

- **Adjusted EBITDA improvement in the Q4 2022 of approximately 50%** compared to Q4 2021.
- **Adjusted EBITDA of neutral or better in the latter half of 2023**, based on 2021 annual sales of approximately US\$150 million, gross margin of 30%, and SG&A of less than US\$50 million.

## Capital

- **Capital expenditures for the full year of 2022 approximately \$375 million**, with approximately 50% comprised of Construction Capital mainly attributable to the construction of the London, Ontario poultry facility as well as other projects to add growth\* and capacity in the prepared meats business and to expand hog production.
- **Capital expenditures for 2023 to be in the range of \$275 to \$325 million**, with approximately \$150 million spent on maintenance and the balance on growth projects such as investments in further processed poultry, RWA barn capacity, snack kits, and smokehouse operations. Depreciation and Amortization is expected to be approximately \$250 million.





# Capital allocation focused on long-term business growth and shareholder return

## Capital Allocation Priorities

### Maintenance Capital

- Maintain existing operations and competitiveness

### Balance Sheet Optimization

- Maintain an investment grade balance sheet
- Achieved through a combination of Adj. EBITDA growth and debt reduction

### Dividends

- Maintain pattern of consistent dividend growth

### Growth Capital

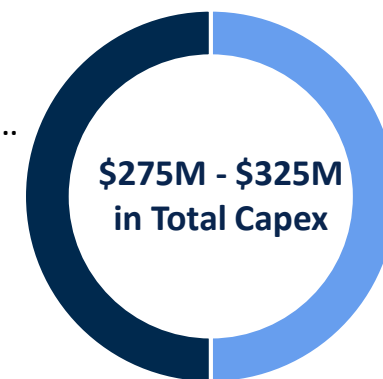
- Organic: low-risk, high-return investments
- Inorganic: small tuck-in acquisitions focused on sustainability, strong brands and synergies with existing portfolio, within North America

### Return Capital to Shareholders

- Execute share buybacks under the NCIB
- Consider special dividends as appropriate

## Balanced 2023 Capital Expenditure

~\$150M for Maintenance...



...and the remainder for Growth

### Maintenance Capital:

- Non-discretionary – maintains existing operations and competitive position

### Growth Capital:

- Discretionary – creates stakeholder value through initiatives that expand margins, increase capacities, or create further competitive advantage
- For 2023, this will include investments in our Further Processed Poultry facility in Brampton, increases in our RWA hog barn capacity, expansion in kits capacity and an upgrade to our smokehouse capacity.



# Balance sheet reflects projects in start-up phase, at an inflection point of transitioning from “Cash OUT” to “Cash IN”



# Appendix



# Reconciliation of non-IFRS metrics – Adjusted EBITDA Margin

(\$ millions) <sup>(1)</sup> (Unaudited)	Three months ended September 30, 2022				Three months ended September 30, 2021			
	Meat Protein Group	Plant Protein Group	Non-allocated <sup>(2)</sup>	Total	Meat Protein Group	Plant Protein Group	Non-allocated <sup>(2)</sup>	Total
<b>Earnings (loss) before income taxes</b>	\$ 39.4	(223.0)	(48.2)	\$ (231.8)	\$ 105.3	(37.9)	(5.2)	\$ 62.3
Interest expense and other financing costs	—	—	14.5	14.5	—	—	5.7	5.7
Impairment of goodwill	—	190.9	—	190.9	—	—	—	—
Other expense (income)	1.2	2.1	0.5	3.7	(0.6)	0.2	(0.6)	(1.0)
Restructuring and other related costs	2.0	0.4	—	2.3	0.8	—	—	0.8
<b>Earnings (loss) from operations</b>	\$ 42.6	(29.7)	(33.3)	\$ (20.3)	\$ 105.6	(37.7)	(0.1)	\$ 67.9
Start-up expenses from Construction Capital <sup>(3) (4)</sup>	11.0	0.2	—	11.2	2.0	0.6	—	2.6
Decrease (increase) in FV of biological assets	—	—	31.5	31.5	—	—	(6.6)	(6.6)
Unrealized loss (gain) on derivative contracts	—	—	1.8	1.8	—	—	6.7	6.7
<b>Adjusted Operating Earnings</b>	\$ 53.6	(29.5)	—	\$ 24.1	\$ 107.6	(37.1)	—	\$ 70.6
Depreciation and amortization	48.5	5.2	—	53.8	43.1	3.9	—	47.0
Items included in other income (expense) representative of ongoing operations <sup>(5)</sup>	(1.2)	—	—	(1.2)	0.6	(0.2)	—	0.4
<b>Adjusted EBITDA</b>	\$ 100.9	(24.3)	—	\$ 76.7	\$ 151.3	(33.4)	—	\$ 118.0
<b>Adjusted EBITDA margin</b>	8.5%	(55.6)%	n/a	6.2%	13. %	(69.6)%	n/a	9.9%

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Non-Allocated includes eliminations of inter-segment sales and associated costs of goods sold, and non-allocated costs which are comprised of expenses not separately identifiable to reportable segments and are not part of the measures used by the Company when assessing a segment's operating results.

<sup>3</sup> Start-up expenses are temporary costs as a result of operating new facilities that have been classified as Construction Capital. These costs can include training, product testing,

<sup>4</sup> yield and labour efficiency variances, duplicative overheads and other temporary expenses required to ramp-up production

<sup>5</sup> Certain comparatives figures have been restated to conform with current year presentation.

<sup>6</sup> Primarily includes a certain costs associated with sustainability projects, gains/losses on the sale of long-term assets, legal settlements, and other miscellaneous expenses.



# Reconciliation of non-IFRS metrics – Adjusted Earnings per Share

(\$ per share) (Unaudited)	Three months ended September 30,	
	2022	2021
Basic (loss) earnings per share	(\$1.86)	0.36
Impairment of goodwill	1.54	—
Restructuring and other related costs <sup>(1)</sup>	0.01	0.01
Items included in other expense not considered representative of ongoing operations <sup>(2)</sup>	0.02	—
Start-up expenses from Construction Capital <sup>(3) (4)</sup>	0.07	0.02
Change in fair value of biological assets	0.19	(0.04)
Change in unrealized fair value of derivatives	0.01	0.04
<b>Adjusted Earnings per Share<sup>(5)</sup></b>	<b>(\$0.01)</b>	<b>\$0.29</b>

<sup>1</sup> Includes per share impact of restructuring and other related costs, net of tax.

<sup>2</sup> Primarily includes legal fees and provisions and transaction related costs, net of tax.

<sup>3</sup> Start-up expenses are temporary costs as a result of operating new facilities that have been classified as Construction Capital. These costs can include training, product testing, yield and labour efficiency variances, duplicative overheads and other temporary expenses required to ramp-up production

<sup>4</sup> Certain comparatives figures have been restated to conform with current year presentation.

<sup>5</sup> Totals may not add due to rounding.

