

Investor Presentation

First quarter ended
April 1, 2023

LASSONDE INDUSTRIES INC.



Lassonde

Forward-Looking Statements and use of financial measures not in accordance with IFRS

This document contains “forward-looking information” and the Corporation’s oral and written public communications that do not constitute historical fact may be deemed to be “forward-looking information” within the meaning of applicable securities law. These forward-looking statements are based on current expectations, estimates, projections, beliefs, judgments, and assumptions on the basis of information available at the time the applicable forward-looking statement was made and considering the Corporation’s experience combined with its perception of historical trends. Such statements include, but are not limited to, statements with respect to the Corporation’s objectives and goals, in addition to statements with respect to its beliefs, plans, targets, goals, objectives, expectations, anticipations, estimates, and intentions. Forward-looking statements are typically identified by words such as “anticipate”, “continue”, “estimate”, “endeavour”, “expect”, “may”, “will”, “project”, “should”, “could”, “would”, “believe”, “plan”, “intend”, “design”, “target”, “undertake”, “view”, “indicate”, “maintain”, “explore”, “entail”, “schedule”, “objective”, “strategy”, “likely”, “potential”, “outlook”, “aim”, “propose”, “goal”, and similar expressions suggesting future events or future performance in addition to the negative forms of these terms or any variations thereof. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Various factors or assumptions are typically applied by the Corporation in drawing conclusions or making the forecasts, projections, predictions, or estimations set out in the forward-looking statements. These factors and assumptions are based on information currently available to the Corporation, including information obtained by the Corporation from third-party sources. In this document, forward-looking statements include, but are not limited to, those set forth in Section 7 of the Corporation’s MD&A for the year ended December 31, 2022, which also presents some (but not all) of the key assumptions used in determining the forward-looking statements.

Such forward-looking statements relate to future events, are by their very nature subject to many important factors that could cause actual results to differ materially from those contemplated. Readers are cautioned that the assumptions considered by the Corporation to support these statements may prove to be incorrect in whole or in part. Factors that could cause actual results to differ materially from the results expressed, implied, or projected in the forward-looking statements contained in this document include, among other things, risks associated with the following: the availability of raw materials (including as a result of climate change, extreme weather, global or local supply chain disruptions, loss of key suppliers or supplier concentration, impact of pandemics, geopolitical developments, military conflicts, and trade sanctions) and related price variations; fluctuations in the prices of inbound and outbound freight, the impact of oil prices (and derivatives thereof) on the Corporation’s direct and indirect costs along with the Corporation’s ability to transfer those increases through higher prices or other means, if any, to its clients in competitive market conditions; failure to maintain strong sourcing and manufacturing platforms and efficient distribution channels; disruptions in or failures of the Corporation’s information technology systems, including the ability to access and implement technology necessary to achieve the Corporation’s targets, commitments and goals, as well as the development and performance of technology; cyber threats and other information-technology-related risks relating to business disruptions, confidentiality, data integrity, and business email compromise-related fraud; the scarcity of labour in North America and the related impact on the hiring, training, developing, retaining and reliance of qualified and/or key personnel together with their productivity, employment matters (including compensation), compliance with employment laws across multiple jurisdictions, and the potential for work stoppages due to non-renewal of collective bargaining agreements or other reasons; the successful deployment of the Corporation’s health and safety programs in compliance with applicable laws and regulations; serious injuries or fatalities, which could have a material impact on the Corporation’s business continuity and reputation and lead to compliance-related costs; the successful deployment of the Corporation’s Strategy, including components such as Project Eagle; climate change and disasters causing higher operating costs and capital expenditures and reduced production output, and impacting the availability, quality or price volatility of key commodities sourced by the Corporation; disputes with significant suppliers; the increasing concentration of clients in the food industry, providing them with significant bargaining power that could limit the Corporation’s ability to raise its prices to offset inflationary pressures; major events, such as systems and equipment failure, pandemics and natural disasters, or increased frequency or intensity of extreme weather conditions (including as a result of climate change), leading to unanticipated business disruptions at the Corporation’s facilities or those of certain suppliers; the implementation, cost and impact of environmental sustainability initiatives, as well as the cost of remediating environmental liabilities; changes made to laws (including tax and tariffs), regulations, rules and policies that affect the Corporation’s activities as well as the interpretation thereof, and new positions adopted by relevant authorities; failure to adopt to changes and developments affecting the Corporation’s industry, including customer preferences, tastes, concerns or perceptions and buying patterns, market conditions and the activities of competitors and clients; crisis management and the execution of the business continuity plan; failure to maintain the quality and safety of the Corporation’s products, which could result in product recalls and product liability claims for misbranded, adulterated, contaminated, or spoiled food products, along with reputational damage; damage to the reputation of the Corporation and its brands, including as a result of its inability to meet stakeholders’ ESG expectations or to realize expected benefits in that respect; risks related to fluctuations in interest rates, currency exchange rates, liquidity and credit, stock price and pension obligations; deterioration of general macroeconomic conditions, including international conflicts, which can lead to negative impacts on the Corporation’s suppliers, customers and operating costs; the incurrence of restructuring, disposal, or other related charges together with the recognition of impairment charges on goodwill or long-lived assets, particularly in a context of challenging performance and rising cost of capital; the sufficiency of insurance coverage; expected future cash flows and the sufficiency thereof, sources of capital at attractive rates, future contractual obligations, future financing options, renewal of credit facilities, and availability of capital to fund growth plans, operating obligations and dividends; pension plan performance, including the adequacy of pension contributions, assets, and potential pension liabilities; the implications and outcome of potential legal actions, litigation and regulatory proceedings to which the Corporation may be a party; and innovation and the future use and deployment of technology and associated expected future outcome, ability of the Corporation to protect its intellectual property and the costs incurred to do so.



Forward-Looking Statements and use of financial measures not in accordance with IFRS (cont'd)

The Corporation cautions readers that the foregoing list of factors is not exhaustive. Readers are further cautioned that some of the forward-looking statements in this document, such as statements concerning sales growth rate, productivity and service level, key commodities and input costs, expenses (including expenses relates to the Strategy), effective tax rate, working capital and capital expenditures may be considered to be financial outlooks for the purposes of applicable securities legislation. These financial outlooks are presented to evaluate potential future earnings and anticipated future uses of cash flows and may not be appropriate for other purposes. Readers should not assume these financial outlooks will be achieved

More information about risk factors can be found in Section 19 – “Uncertainties and Principal Risk Factors” of the Corporation’s MD&A for the year ended December 31, 2022. Readers should review this section in detail.

All forward-looking statements included herein speak only as of the date hereof. Unless required by law, the Corporation does not undertake any obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements contained herein or conveyed verbally are expressly qualified by this cautionary statement.

This document contains financial measures and ratios not in accordance with IFRS. Lassonde reports its financial results in accordance with IFRS and generally assesses its financial performance using financial measures that are prepared using IFRS. However, this document and discussions around the content of this document could also refer to certain measures that are not in accordance with IFRS, including the following: Adjusted operating profit; Adjusted earnings before interest, taxes, depreciation, and amortization (“EBITDA”); Adjusted profit attributable to the Corporation’s shareholders; Adjusted basic and diluted earnings per share; Operating working capital; Days operating working capital and other working capital measures such as DSO, DIO and DPO; Capital employed and sources of capital; Return on capital employed; and Net debt to adjusted EBITDA. These measures have no standardized meaning under IFRS and are unlikely to be comparable to similar measures presented by other issuers. Please refer to a separate section of this presentation and Section 16 – “Financial Measures Not in Accordance With IFRS” of the MD&A for the first quarter ended April 1, 2023 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 financial statements, as applicable. The Corporation uses measures (and ratios) that are not in accordance with IFRS to provide investors with supplemental metrics to assess and measure its operating performance and financial position from one period to the next. These metrics are presented as a complement to enhance the understanding of Lassonde’s operating results but not in substitution of IFRS results. In addition, measures that are not in accordance with IFRS should not be viewed as a substitute for the related financial information prepared in accordance with IFRS.

For additional information regarding the Corporation’s business for 2023 and known trends, events or uncertainties, see the Corporation’s management’s discussion and analysis MD&A for the first quarter ended April 1, 2023, available on the SEDAR website at www.sedar.com, in particular the “Outlook”, and “Forward-Looking Statements” sections thereof, which are incorporated by reference herein. For information about the use of measures and ratios not in accordance with IFRS, refer to section “Financial Measures Not in Accordance With IFRS”



Good Progress in the First Quarter



Sales increased by 7.5%



Financial performance marked noticeable improvements



Stabilization in the inflation trend for most input costs



Efforts to adjust pricing yielding benefits



Laser focus on executing Multi-year Strategy and Project Eagle



Benefits from Project Eagle



Simplified our product portfolio to reduce execution complexity

- Approximately 10-15% SKU reduction
- Harmonize formats, consolidate formulas and eliminate low-margin products



Offering better reflects what we can more efficiently produce

- Improved mix of private label products



Reduce downtime and costly changeovers

- Improve throughput



Opened up capacity

- Deliver growth at a better margin



Benefits from Project Eagle (cont'd)



New transportation management system (TMS)

- Better tools to identify most optimal routes and carriers
- Review of processes and other tools for logistics management



Improved efficiency in New Jersey plant and across most operations

- Expect further progress going forward



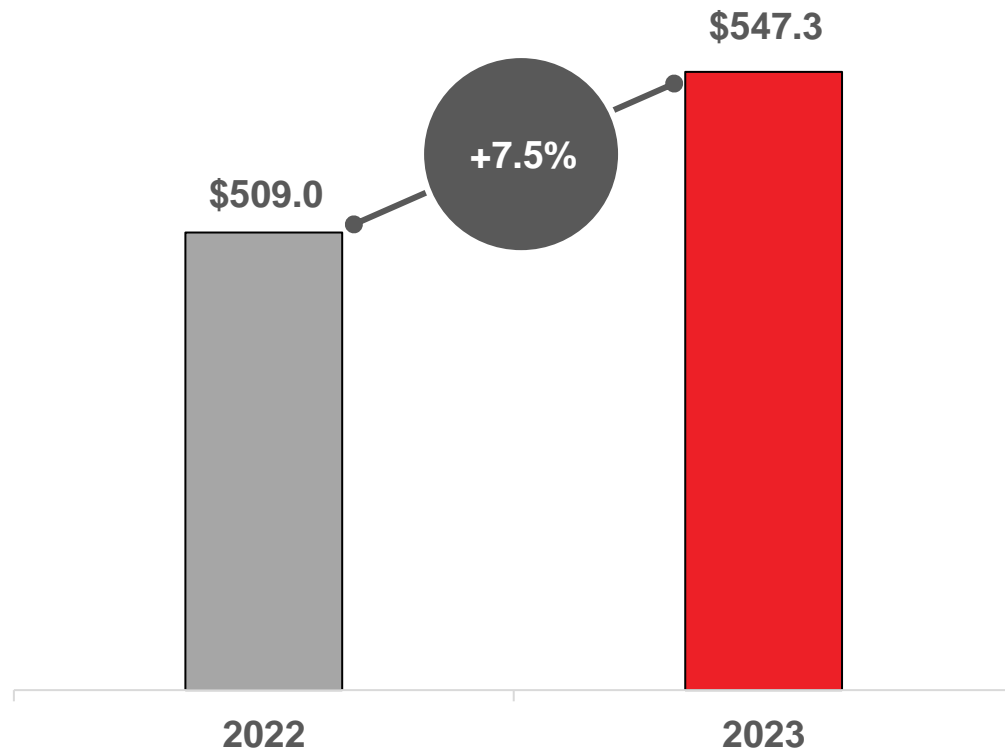
Still a few minor disruptive supply chain issues

- Slowly fading away
- Should regain some of the lost volume and manage inventory more efficiently



Q1 2023

7.5% Sales Increase (\$M)



Key Highlights

Excluding a favourable FX impact, sales were up 3.7%

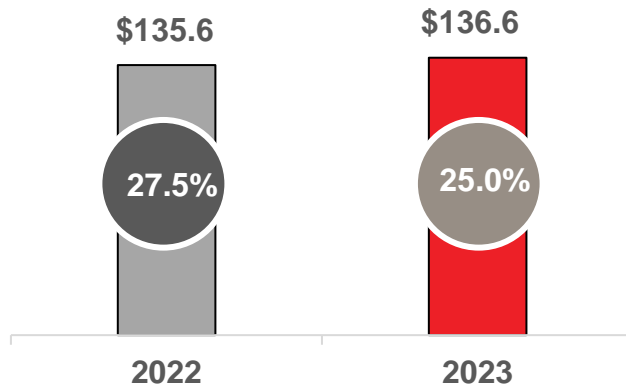
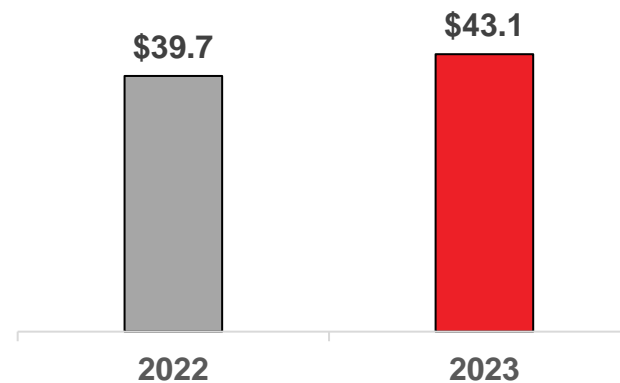
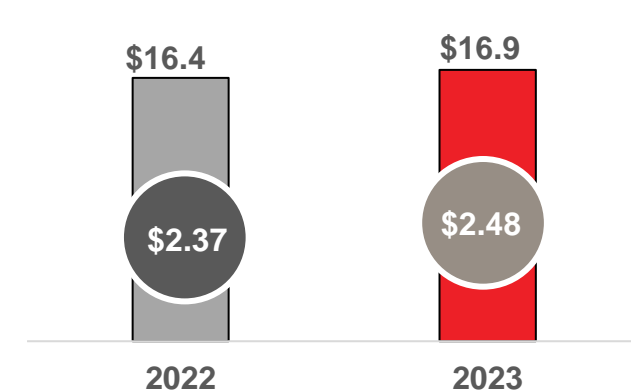
- ✓ Selling price adjustments:
 - + \$37.7M private labels
 - + \$24.0M national brands
- ✓ Favourable changes in sales mix:
 - + \$8.3M private labels, mainly U.S.
 - + \$1.2M national brands
- ✓ Effect of sales volume:
 - \$33.3M private labels, mainly U.S.
 - \$19.5M national brands



Q1 2023

Improved Profitability

Gross Profit (\$M)

Adjusted EBITDA⁽¹⁾ (\$M)Adjusted Profit Attributable to the Shareholders⁽¹⁾ (\$M) & Adjusted EPS⁽¹⁾

Key Highlights

Net of FX impact, gross profit declined \$1.4M

- ✓ Higher input and conversion costs
 - Primarily apple and orange concentrates

Lower SG&A expenses

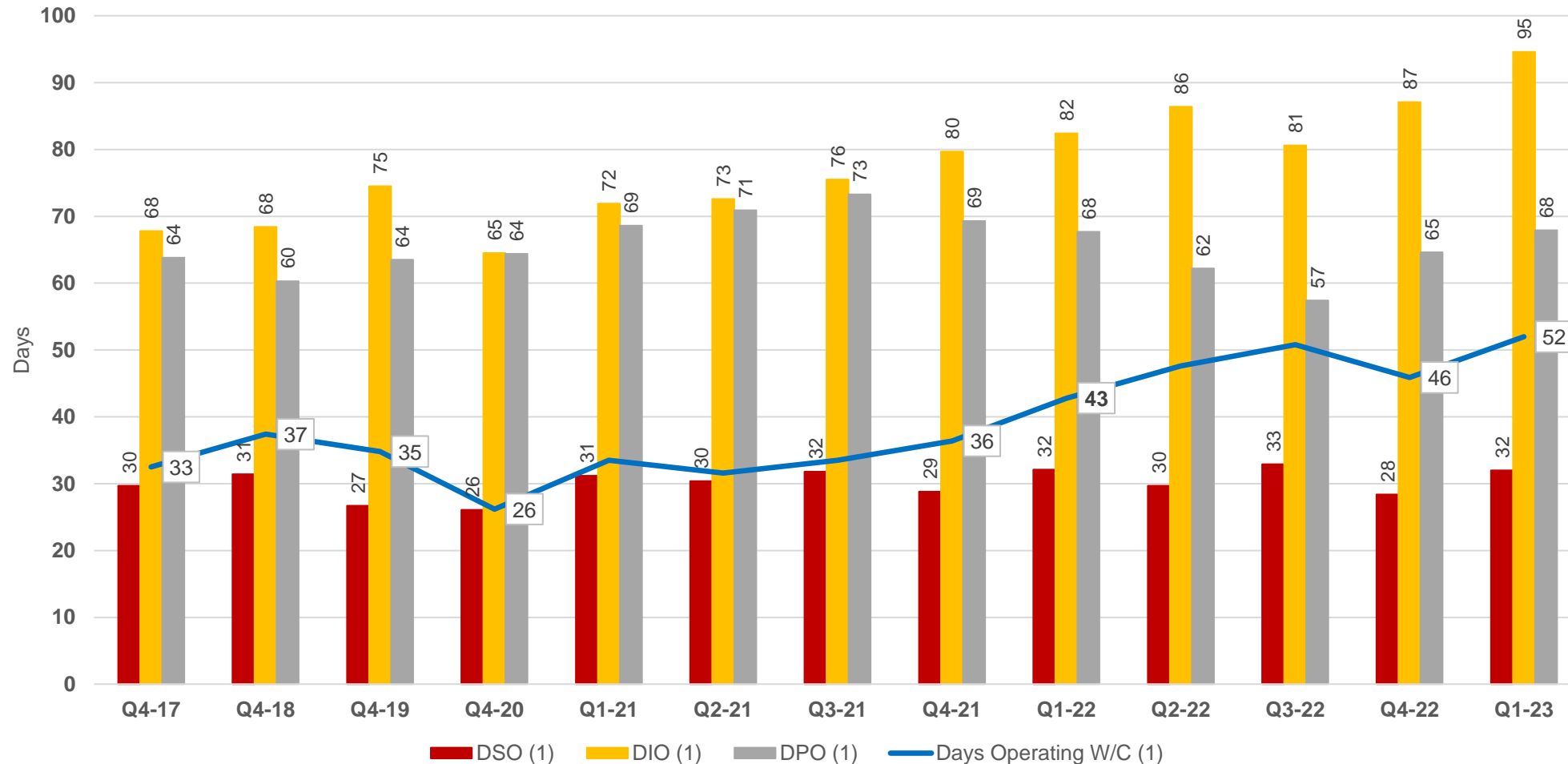
- ✓ Reduction in transportation costs (base rates, surcharges, benefits from TMS)
- ✓ Partially offset by higher selling, marketing, administrative expenses and unfavourable FX impact
- ✓ \$1.3M Y/Y decrease in expenses related to the Strategy

(1) Financial measure not in accordance with IFRS. Please refer to section on Financial Measures Not in Accordance with IFRS.



Q1 2023

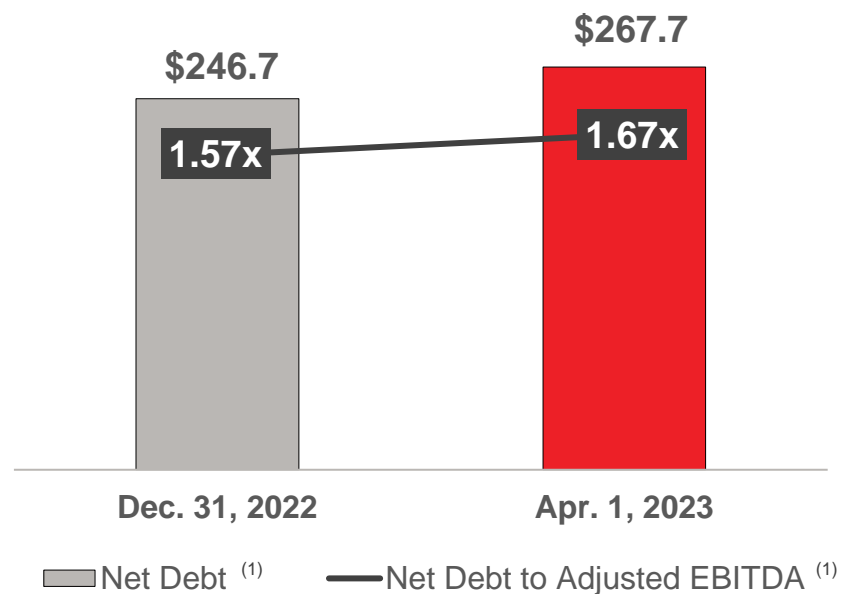
Days Operating Working Capital (1)



(1) Financial measure not in accordance with IFRS. Please refer to section on Financial Measures Not in Accordance with IFRS.



Q1 2023 Net Debt⁽¹⁾



Ratio remains well within the objective of less than 3.25x

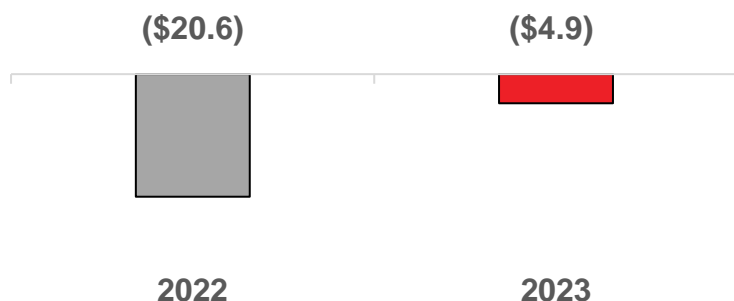
⁽¹⁾ Financial measure not in accordance with IFRS. Please refer to section on Financial Measures Not in Accordance with IFRS.



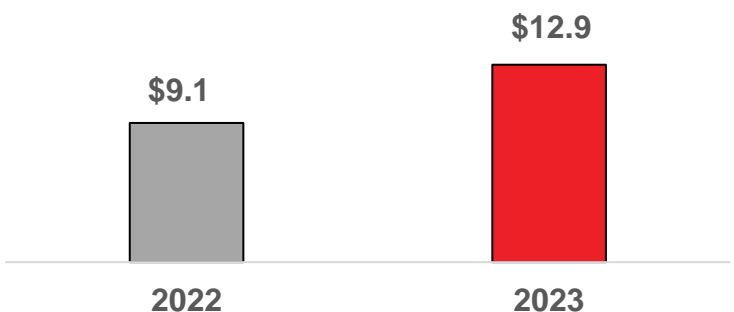
Q1 2023

Cash Flows (\$M)

Operating Activities



Acquisitions of PPE and Intangible Assets



Key Highlights

- ✓ Reduction in cash outflows due to:
 - Improved profitability
 - Lower working capital requirements
 - Lower net income tax paid
- ✓ Acquisitions of property, plant and equipment mostly related to the Multi-year Strategy
- ✓ 2023 capital expenditures estimated to reach up to 4.5% of sales



Looking Ahead

Drive continued improvement in our financial and operating performance

Focus on executing our Multi-year Strategy

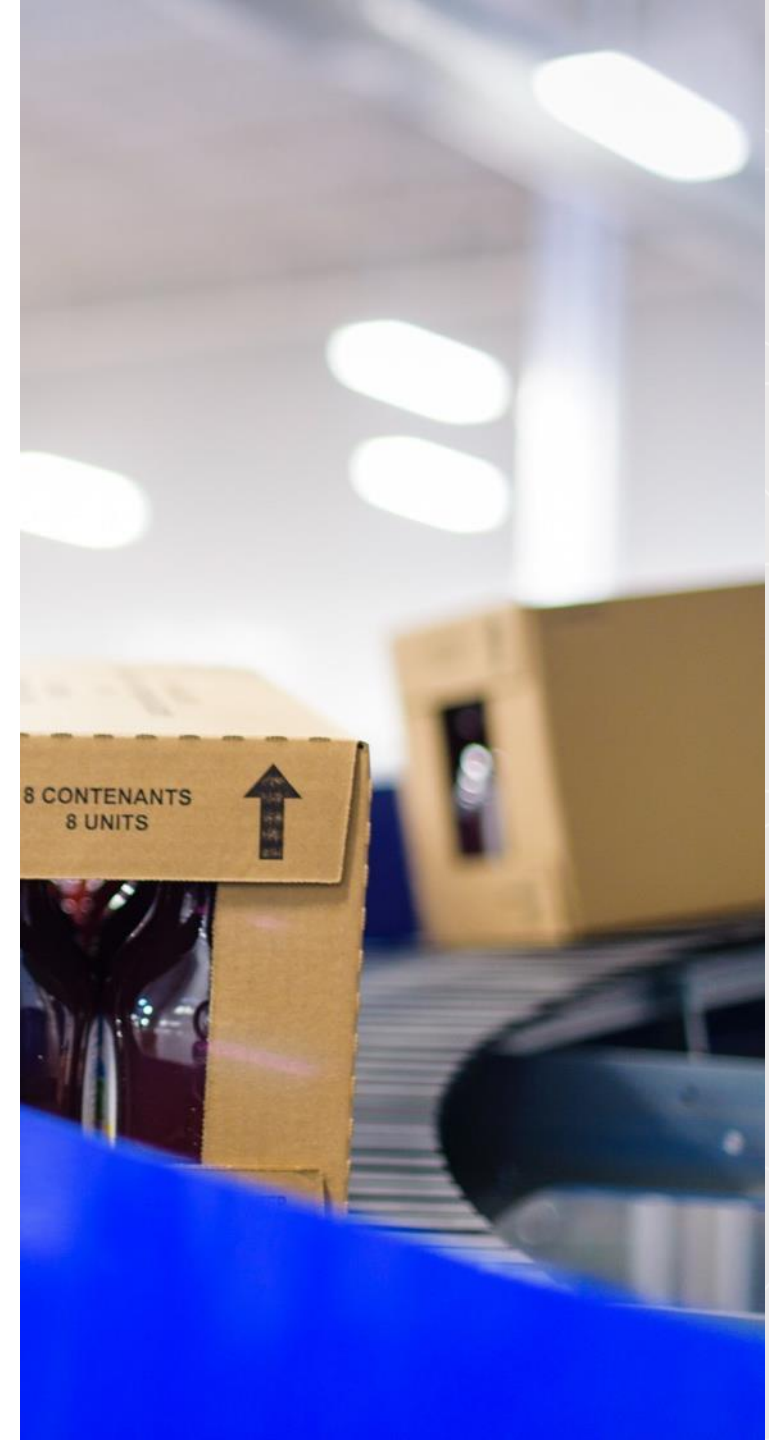
- Accelerate revenue growth
- Improve overall profitability
- Drive long-term value

Pleased with progress accomplished

- Continue implementing cloud-based systems
- Look at potential benefits of upgrading U.S. ERP system

Additional pricing action in Q1 to recover cost increases

- Some stabilization in input costs, except for orange concentrate



Looking Ahead (cont'd)

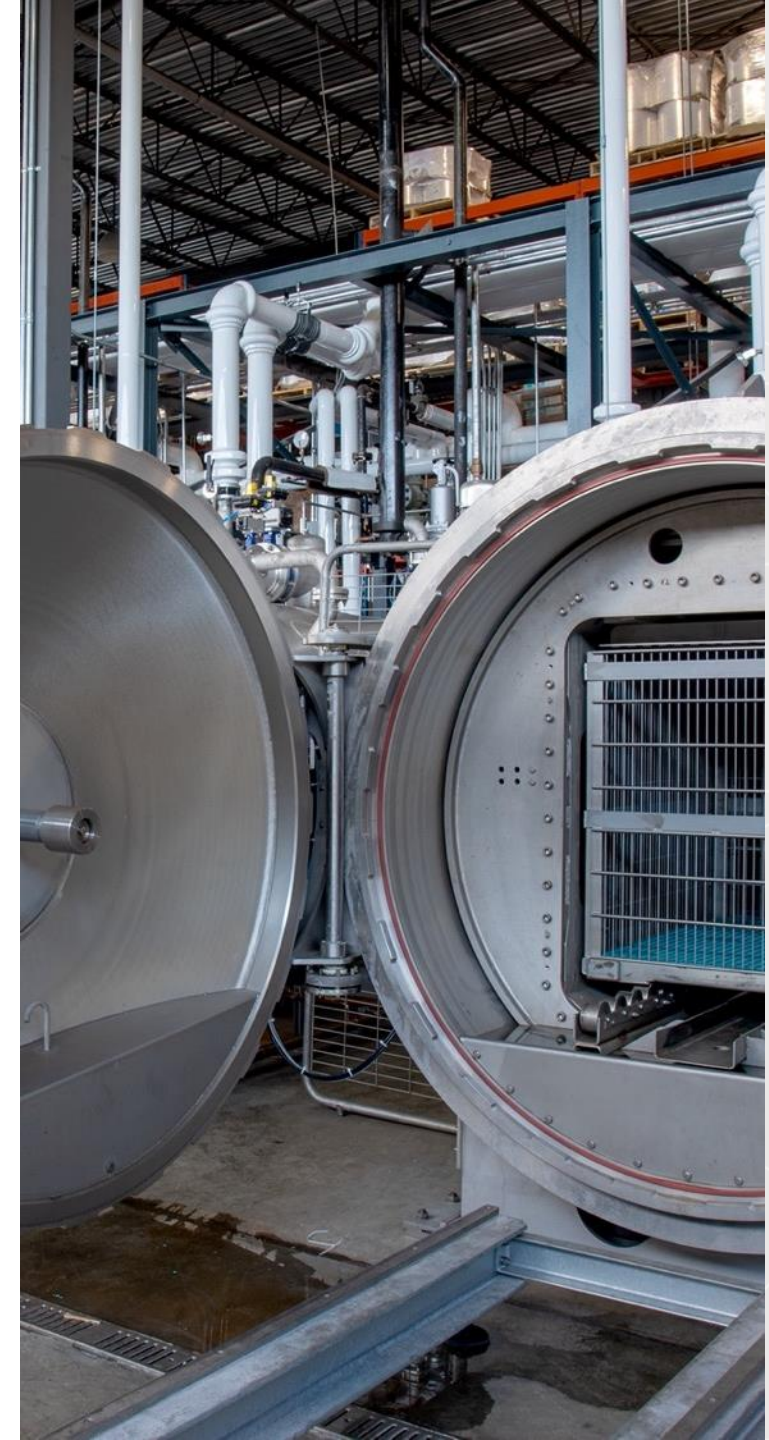
Run rate of actions to gradually benefit rest of 2023

- Implement further actions should inflation persist
- Monitor evolution of consumer habits and demand elasticity

Expect 2023 sales growth rate in the mid to high single-digit range

- Excluding foreign exchange impacts

More tangible results to be gradually delivered throughout 2023; sustained in 2024 and beyond





Financial Measures Not in Accordance with IFRS

Financial Measures Not in Accordance with IFRS

Items impacting the comparability between periods

The table on the right contains a list, description and quantification of items impacting the comparability of the financial performance between the periods.

EBITDA and Adjusted EBITDA

EBITDA is a financial measure used by the Corporation and investors to assess the Corporation's capacity to generate future cash flows from operating activities and pay financial expenses. Adjusted EBITDA is a financial measure used by the Corporation to compare EBITDA between periods by excluding items impacting comparability. EBITDA consists of the sum of operating profit, the "depreciation of property, plant and equipment and amortization of intangible assets" item shown in the Consolidated Statement of Cash Flows. Adjusted EBITDA is calculated by adjusting the EBITDA with items considered by the management as impacting the comparability between periods

<i>(In millions of dollars)</i>	First quarters ended	
	April 1, 2023	April 2, 2022
	\$	\$
Costs related to the Strategy	0.5	2.4
Implementation costs of new cloud-based systems	0.6	-
Adjustment related to non-recoverable sales taxes	0.6	-
Sum of items impacting comparability on operating profit and EBITDA:	1.7	2.4
Item impacting comparability on "Other (gains) losses":		
Gain related to the preliminary settlement of an insurance claim	(2.1)	-
Tax impact of previous items	0.1	(0.6)
Impact on profit	(0.3)	1.8
Attributable to:		
Corporation's shareholders	(0.2)	1.7
Non-controlling interest	(0.1)	0.1

<i>(In millions of dollars)</i>	First quarters ended	
	April 1, 2023	April 2, 2022
	\$	\$
Operating profit	26.2	22.4
Depreciation of property, plant and equipment and amortization of intangible assets	15.1	14.9
EBITDA	41.4	37.3
Sum of items impacting comparability	1.7	2.4
Adjusted EBITDA	43.1	39.7



Financial Measures Not in Accordance with IFRS (cont'd)

Adjusted Profit Attributable to the Corporation's Shareholders and Adjusted EPS

Adjusted profit attributable to the Corporation's shareholders and adjusted EPS are financial measures used by the Corporation to compare profit attributable to the Corporation's shareholders and EPS between periods by excluding items impacting comparability. They are calculated by adjusting them with items considered by management as impacting the comparability between periods.

	First quarters ended	
	April 1, 2023	April 2, 2022
<i>(in millions of dollars, unless otherwise indicated)</i>	\$	\$
Profit attributable to the Corporation's shareholders	17.1	14.8
Sum of items impacting comparability	(0.2)	1.7
Adjusted profit attributable to the Corporation's shareholders	16.9	16.4
Weighted average number of shares outstanding <i>(in thousands)</i>	6,822	6,924
Adjusted EPS <i>(in \$)</i>	2.48	2.37

Net Debt to EBITDA

Net debt to adjusted EBITDA is a financial measure used by the Corporation to assess its ability to pay off its existing debt and to define its available borrowing capacity. To calculate the net debt to adjusted EBITDA ratio, net debt is divided by the sum of adjusted EBITDA from the last four quarters. Net debt represents long-term debt, including the current portion, less the "Cash and cash equivalents" item, as they are presented in the Corporation's Consolidated Statement of Financial Position.

	As at	As at
	April 1, 2023	Dec. 31, 2022
<i>(in millions of dollars, except the net debt to adjusted EBITDA ratio)</i>	\$	\$
Current portion of long-term debt	8.1	100.8
Long-term debt	260.2	148.6
Less: Cash and cash equivalents	(0.6)	(2.7)
Net debt	267.7	246.7
Sum of adjusted EBITDA from the last four quarters	160.5	157.1
Net debt to adjusted EBITDA ratio	1.67:1	1.57:1



Financial Measures Not in Accordance with IFRS (cont'd)

Days Operating Working Capital is a financial efficiency measure used by the Corporation to represent the amount of sales tied up as operating working capital. To calculate this financial measure, operating working capital is divided by the last quarter's sales, as they are presented in Section 8 – “Analysis of the Consolidated Results” of the Q1 2023 MD&A, and multiplied by 91 days. Operating working capital is the sum of accounts receivable and inventories, less accounts payable and accrued liabilities, as they are presented in the Corporation's Consolidated Statement of Financial Position.

Days of Sales Outstanding (“DSO”) is a financial efficiency measure used by the Corporation to represent the average number of days that it takes the Corporation to collect payment for a sale. To calculate this financial measure, accounts receivable, as they are presented in the Consolidated Statement of Financial Position, are divided by the last quarter's sales, as they are presented in Section 8 – “Analysis of the Consolidated Results” of the Q1 2023 MD&A, and multiplied by 91 days.

Days of Inventory Outstanding (“DIO”) is a financial efficiency measure used by the Corporation to represent the average number of days the Corporation takes to turn its inventory into sales. To calculate this financial measure, inventories, as they are presented in the Consolidated Statement of Financial Position, are divided by the last quarter's cost of sales, as it is presented in Section 8 – “Analysis of the Consolidated Results” of the Q1 2023 MD&A, and multiplied by 91 days.

Days of Payable Outstanding (“DPO”) is a financial efficiency measure used by the Corporation to represent the average number of days the Corporation takes to pay its accounts payable and accrued liabilities. To calculate this financial measure, accounts payable and accrued liabilities, as they are presented in the Consolidated Statement of Financial Position, are divided by the last quarter's cost of sales, as it is presented in Section 8 – “Analysis of the Consolidated Results” of the Q1 2023 MD&A, and multiplied by 91 days.

<i>(in millions of dollars, except days operating working capital)</i>	As at April 1, 2023	As at Dec. 31, 2022
	\$	\$
Accounts receivable	192.3	173.7
Inventories	427.0	414.0
Less: Accounts payable and accrued liabilities	(306.6)	(307.0)
Operating working capital	312.7	280.7
Divided by: Last quarter's sales	547.3	556.0
	0.57	0.50
Days operating working capital (in days)	52.0	45.9
<i>(in millions of dollars, except DSO)</i>	As at April 1, 2023	As at Dec. 31, 2022
	\$	\$
Accounts receivable	192.3	173.7
Divided by: Last quarter's sales	547.3	556.0
	0.35	0.31
DSO (in days)	32.0	28.4
<i>(in millions of dollars, except DIO)</i>	As at April 1, 2023	As at Dec. 31, 2022
	\$	\$
Inventories	427.0	414.0
Divided by: Last quarter's cost of sales	410.7	432.3
	1.04	0.96
DIO (in days)	94.6	87.1
<i>(in millions of dollars, except DPO)</i>	As at April 1, 2023	As at Dec. 31, 2022
	\$	\$
Accounts payable and accrued liabilities	306.6	307.0
Divided by: Last quarter's cost of sales	410.7	432.3
	0.75	0.71
DPO (in days)	67.9	64.6



Financial Highlights

	First quarters ended	
	April 1, 2023	April 2, 2022
<i>(in millions of dollars, unless otherwise indicated)</i>	\$	\$
Sales	547.3	509.0
Cost of sales	410.7	373.5
Gross profit	136.6	135.6
Selling and administrative expenses	110.4	113.2
Operating profit	26.2	22.4
Share in the profit or (loss) of an associate	(0.3)	0.4
Financial expenses	4.0	2.2
Other (gains) losses	(2.1)	0.4
Profit before income taxes	24.1	20.2
Income tax expense	6.4	5.2
Profit	17.6	15.0
Attributable to:		
Corporation's shareholders	17.1	14.8
Non-controlling interest	0.5	0.2
	17.6	15.0
EPS (in \$)	2.51	2.14
Weighted average number of shares outstanding (in thousands)	6,822	6,924
Adjusted operating profit⁽¹⁾	27.9	24.8
Adjusted EBITDA⁽¹⁾	43.1	39.7
Adjusted EPS⁽¹⁾ (in \$)	2.48	2.37

(1) Financial measure not in accordance with IFRS. Please refer to section on Financial Measures Not in Accordance with IFRS.



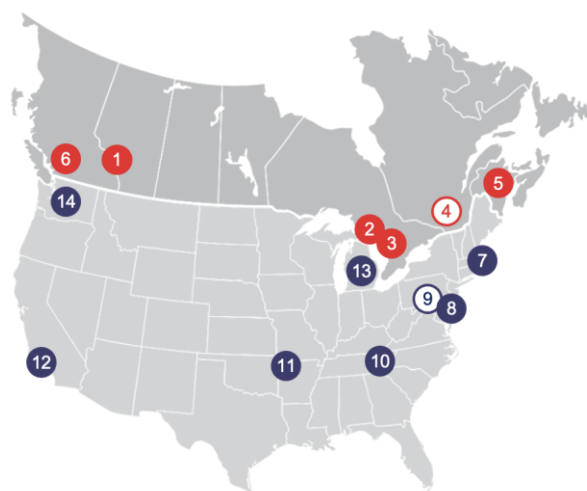
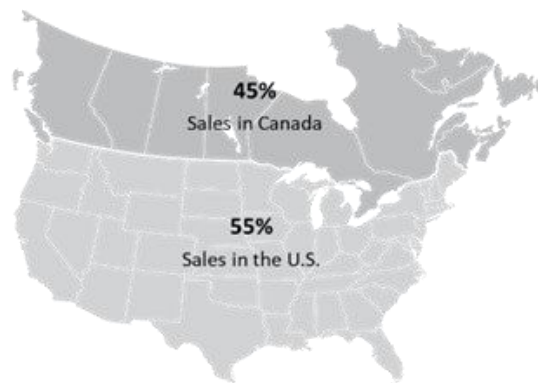
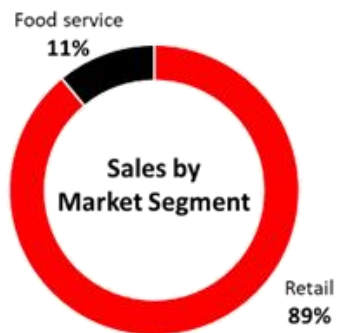
Sales Evolution

(in millions of dollars)

	Private labels	National brands	Total
	\$	\$	\$
Sales Q1-2022	289.2	219.8	509.0
Selling price adjustments impact	37.7	24.0	61.7
Volume impact	(33.3)	(19.5)	(52.8)
Change in the sales mix impact	8.3	1.2	9.5
Other impacts, net	-	0.4	0.4
Growth excluding foreign exchange impact	12.7	6.1	18.8
	4.4%	2.8%	3.7%
Foreign exchange impact	13.5	6.0	19.5
Sales Q1-2023	315.4	231.9	547.3



About Lassonde - 2022



- 1 **Calgary (AB)**
- 2 **Thornbury (ON)**
- 3 **Toronto (ON)**
- 4 **Rougemont, Saint-Damase, Boisbriand (QC)**
Head office and multiple facilities
- 5 **Port Williams (NS)**
- 6 **Kelowna (BC)**
- 7 **Carver (MA)**
Cranberry receiving station
- 8 **Seabrook (NJ)**
- 9 **Cherry Hill (NJ)**
Office
- 10 **Hendersonville (NC)**
- 11 **Springdale (AR)**
- 12 **Ontario (CA)**
- 13 **Sparta (MI)**
- 14 **Selah & Wapato (WA)**



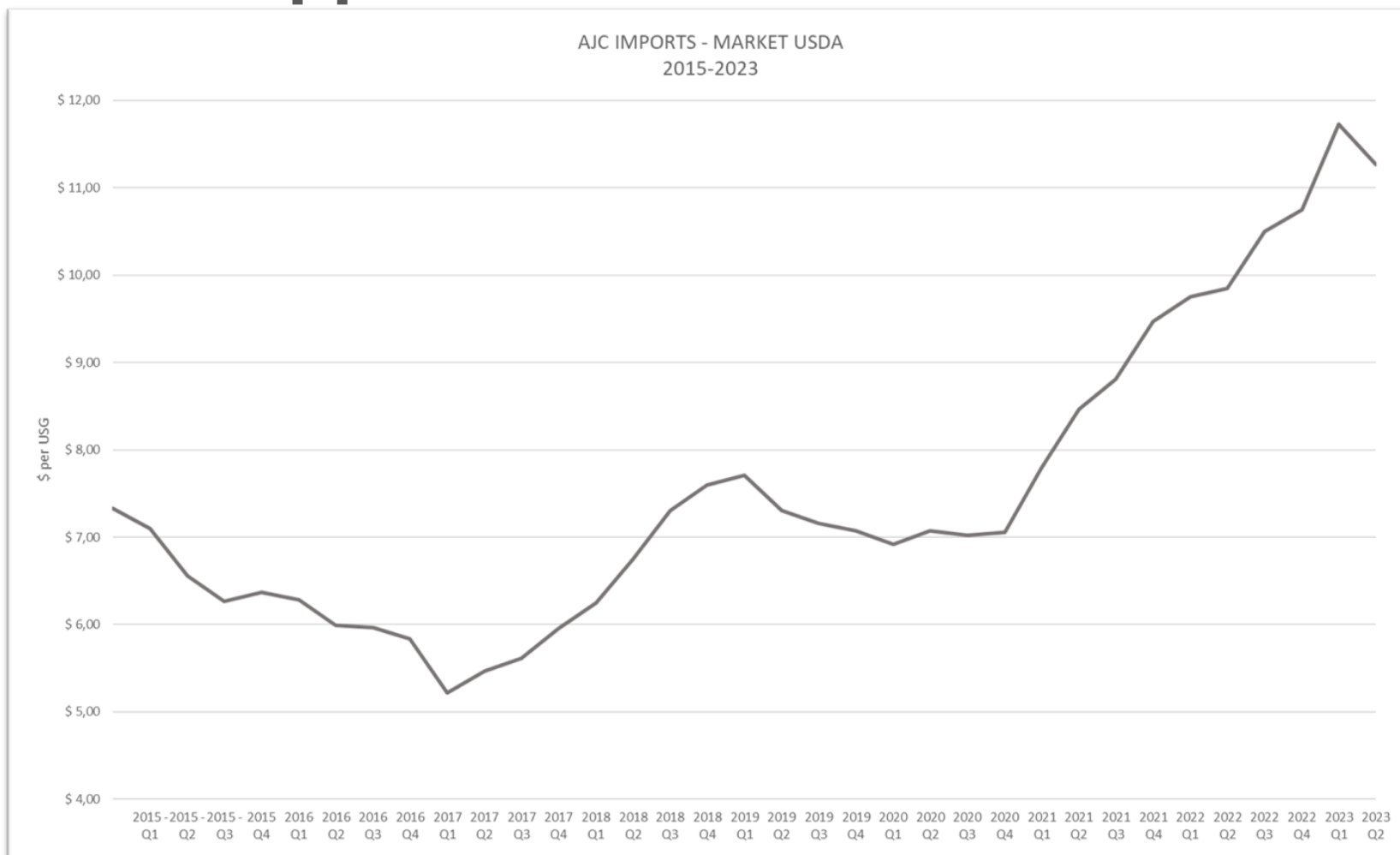
Evolution – Frozen Concentrate Orange Juice



Source: tradingeconomics.com – As at May 8, 2023



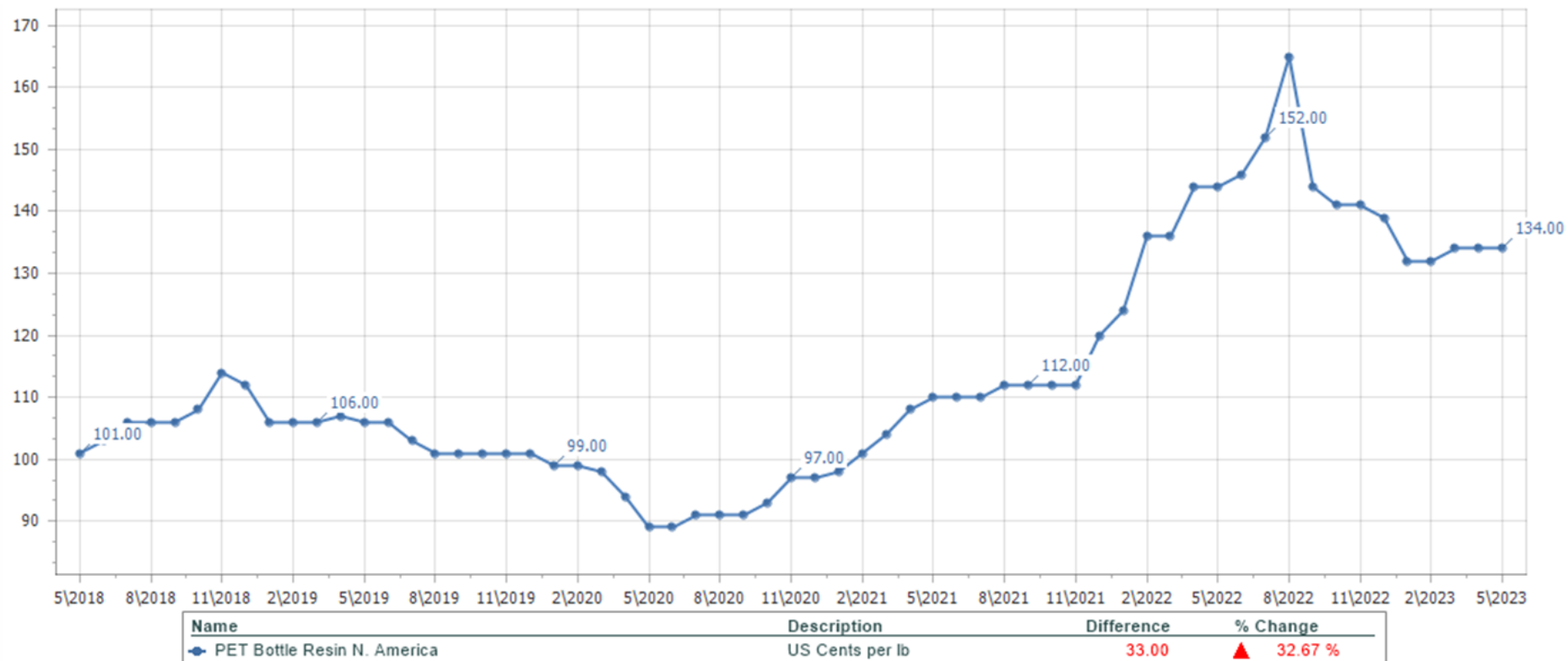
Evolution - Apple Juice Concentrate



Source: USDA monthly reporting



Evolution - Resin PET

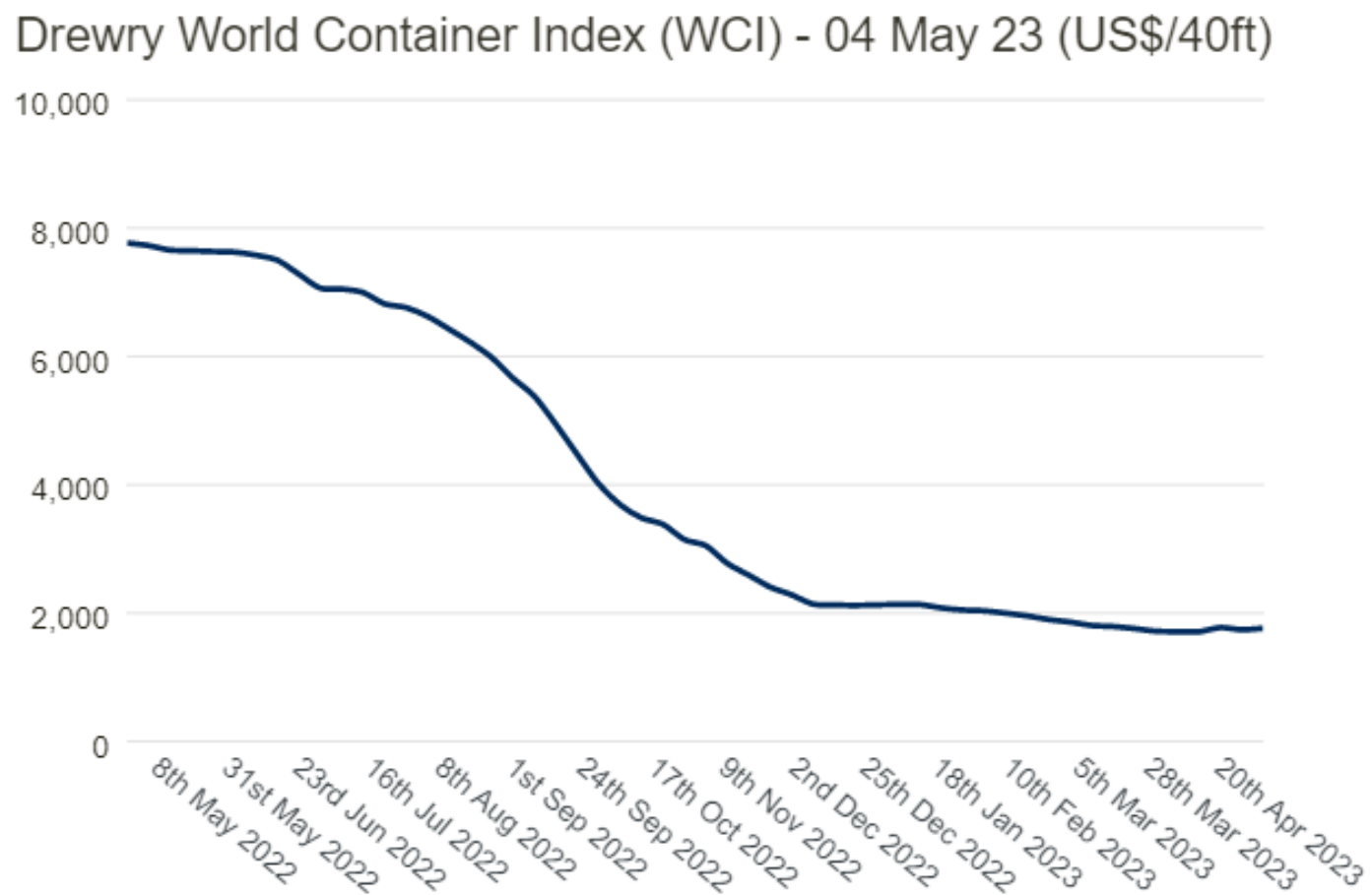


Tracking	Cost Driver	Source
Stop Tracking	PET Bottle Resin N. America	ProPurchaser Estimate

Source: ProPurchaser



Evolution - Ocean freight



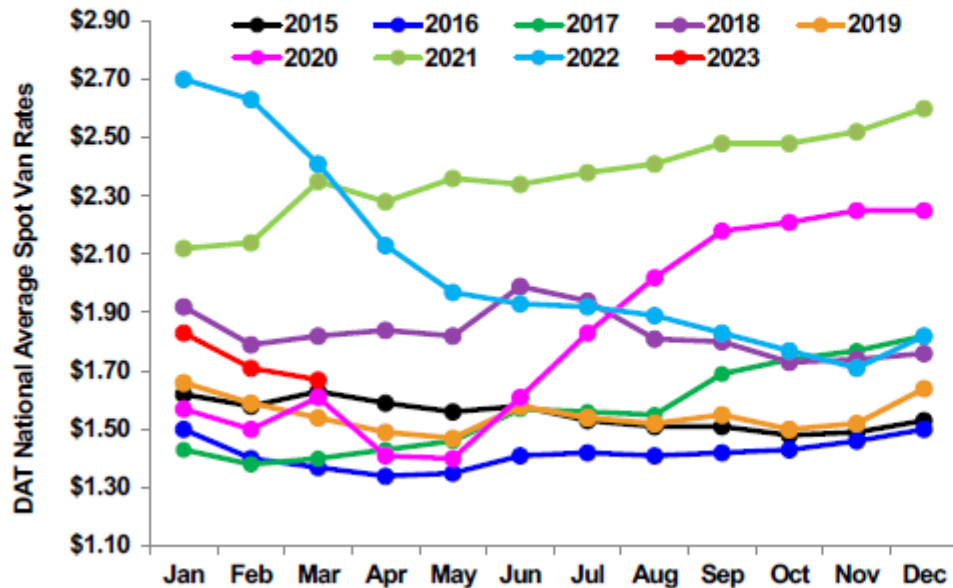
Source: Drewry's composite World Container Index



Evolution – Fuel Surcharge – USA market

DAT Trendline Rates

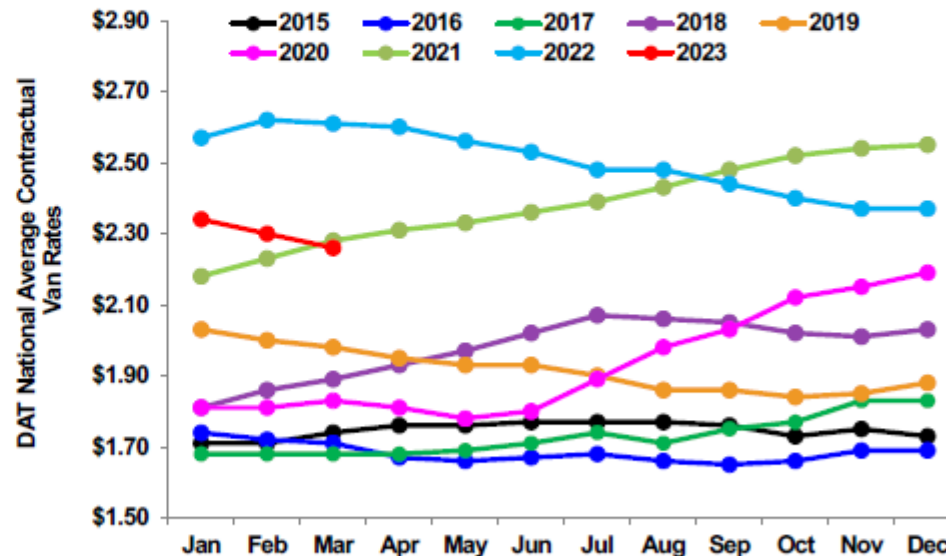
Exhibit 27: National Average Spot Van Rates ex. Fuel Surcharge



Source: Morgan Stanley Research, DAT Solutions (www.dat.com/resources/trendlines); Note: DAT sources from over \$24 B in transactions and 65k lanes.

Source Exhibit 27: Morgan Stanley Research
 Source Exhibit 28: DAT Solutions

Exhibit 28: National Average Contract Van Rates ex. Fuel Surcharge



Source: DAT Solutions, Morgan Stanley Research





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