

Introduction to Lassonde

December 2024



Lassonde

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

This presentation 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 Canadian securities law. These forward-looking statements include, but are not limited to, statements on the Corporation’s objectives and goals and are based on current expectations, projections, beliefs, judgments, and assumptions based on 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.

Forward-looking statements are typically identified by words such as “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “could”, “would”, “believe”, “plan”, “intend”, “design”, “target”, “objective”, “strategy”, “likely”, “potential”, “outlook”, “aim”, “goal”, and similar expressions suggesting future events or future performance in addition to the negative forms of these terms or any variations thereof. All statements other than statements of historical fact included in this report may constitute a forward-looking statement.

In this document, forward-looking statements include, but are not limited to, those set forth in the Outlook section of the MD&A for the third quarter ended September 28, 2024, hereafter, which also presents some (but not all) of the key assumptions used in determining the forward-looking statements. Some of the forward-looking statements in this document, such as statements concerning sales volume and sales growth rate, key commodity and input costs, expenses, including items impacting the comparability between the periods, effective tax rate, working capital, and capital expenditures may be considered financial outlooks for the purposes of applicable Canadian securities regulations. 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.

Various factors or assumptions are applied by the Corporation in elaborating 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 parties. **Readers are cautioned that the assumptions considered by the Corporation to support these forward-looking statements may prove to be incorrect in whole or in part.**

The significant factors that could cause actual results to differ materially from the conclusions, forecasts, or projections reflected in the forward-looking statements contained herein include, among other things, risks associated with the following: deterioration of general macroeconomic conditions, including international conflicts, which can lead to negative impacts on the Corporation’s suppliers, customers, and operating costs; the availability of raw materials and packaging and related price variations (including the prices of orange juice and orange concentrates, key commodities for the Corporation, which have continued to trade above historical highs for the past several months and show no sign of favourable change); loss of key suppliers or supplier concentration; changes made to laws and rules that affect the Corporation’s activities, particularly in matters of tax, tariffs and customs duties, as well as the interpretation thereof, and new positions adopted by relevant authorities; disruptions in or failures of the Corporation’s information technology systems, as well as the development and performance of technology; cyber threats and other information-technology-related risks leading to business disruptions, confidentiality, data integrity, and business email compromise-related fraud; the successful deployment of the Corporation’s multi-year strategy (the “Strategy”, defined in *Section 4 – “Multi Year Strategy”* of the MD&A for the third quarter ended September 28, 2024) including the successful execution of its key capital projects along with the materialization of the underlying expected benefits, and the Corporation’s ability to effectively integrate any acquisitions; the Corporation’s ability to maintain strong sourcing and manufacturing platforms and efficient distribution channels; 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 customers in competitive market conditions and considering demand elasticity; climate change and disasters causing higher operating costs and capital expenditures and reduced production output, or impacting the availability, quality or price volatility of key commodities sourced by the Corporation; the scarcity of labour and the related impact on the hiring, training, developing, retaining and reliance of personnel together with their productivity, employment matters, compliance with employment laws across multiple jurisdictions, and the potential for work stoppages due to the 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; disputes with significant suppliers; the increasing concentration of customers in the food industry, providing them with significant bargaining power, particularly on the Corporation’s selling prices; the implementation, cost, and impact of environmental sustainability initiatives as well as the cost of remediating environmental liabilities; the ability to adapt to changes and developments affecting the Corporation’s industry, including customer preferences, tastes, and buying patterns, market conditions and the activities of competitors and customers; 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; risks related to fluctuations in interest rates, currency exchange rates, liquidity and credit, stock price and pension obligations; the incurrence of restructuring, disposal, or other related charges together with the recognition of impairment charges on goodwill or long-lived assets; the sufficiency of insurance coverage; and the implications and outcome of potential legal actions, litigation or regulatory proceedings to which the Corporation may be a party. The Corporation cautions readers that the foregoing list of factors is not exhaustive.



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

The Corporation's ability to achieve its sustainability targets and goals is further subject to, among other factors, its ability to access and implement all technology necessary to achieve them as well as the development, deployment, and performance of technology and environmental regulation. The Corporation's ability to achieve its environmental, social and governance ("ESG") risk commitments is further subject to, among other factors, its ability to leverage its supplier relationships.

The assumptions, expectations, and estimates involved in preparing forward-looking statements and risks and uncertainties that could cause actual results to differ materially from forward-looking statements are discussed in the Corporation's materials filed with the Canadian securities regulatory authorities, including information about risk factors that can be found in *Section 19 – "Uncertainties and Principal Risk Factors"* of the 2023 annual MD&A. 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 are wholly and expressly qualified by this cautionary statement.**

This document contains financial measures not in accordance with IFRS. Lassonde reports its financial results in accordance with IFRS and generally assesses its financial performance using financial measures or ratios that are prepared using IFRS. However, this document also refers to certain measures or ratios that are not in accordance with IFRS, including the following: Earnings before interest, taxes, depreciation, and amortization ("EBITDA"); Adjusted EBITDA; Adjusted EBITDA margin; Adjusted profit attributable to the Corporation's shareholders; Adjusted basic and diluted earnings per share; and Net debt to adjusted EBITDA. These measures may not be comparable to similar measures presented by other issuers. Please refer to *Section "Financial Measures Not in Accordance With IFRS"* of this document for more information, including the definition and composition of the measure or ratio. 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 financial performance but not in substitution of IFRS results. In addition, measures that are not in accordance with IFRS should not be viewed as a substitute to the related financial information prepared in accordance with IFRS.





Content

1. Lasseonde 101

2. Financial Review

3. Acquisition of Summer Garden

4. U.S. Capital Expenditure Program

Lassonde Industries – Who We Are

A leader in the North American food and beverage industry

- Deep roots in the community with a proud 100+ year history
- Broad portfolio across multiple categories
- Exceptional capabilities with a North American network of 19 plants and over 2,900 full-time equivalent employees

Well established strength and reputation in beverages

#1 in Canada - Fruit juices and drinks

#2 in the U.S. - Store brand shelf-stable fruit juices and drinks

Leading positions in food categories

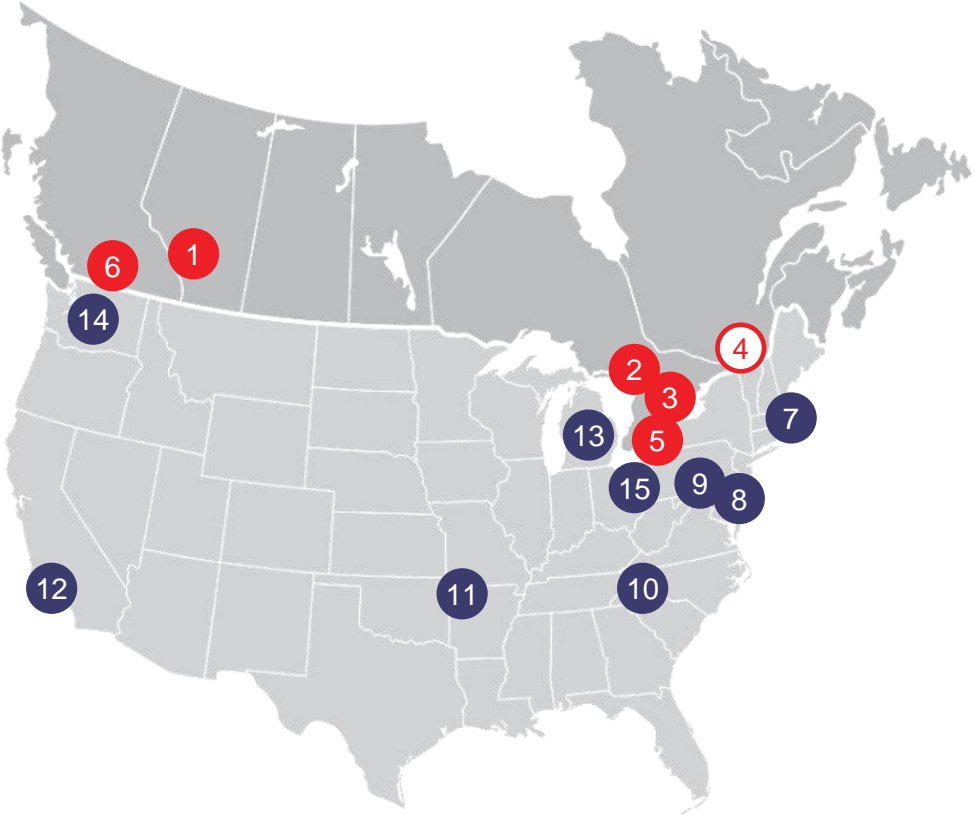
Leading North American manufacturer of specialty food products

#2 Manufacturer of branded fruit snacks in Canada

Leading Producer of store brand cranberry sauces in the U.S.



Lassonde Today



- 1** Calgary (AB)
- 2** Thornbury (ON)
- 3** Toronto (ON)
- 4** Rougemont, Saint-Damase, Boisbriand (QC)
Head office and multiple facilities
- 5** Niagara-on-the-Lake (ON)
Diamond Estates Wines and Spirits («Diamond») head office
- 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)
- 15** Boardman (OH)

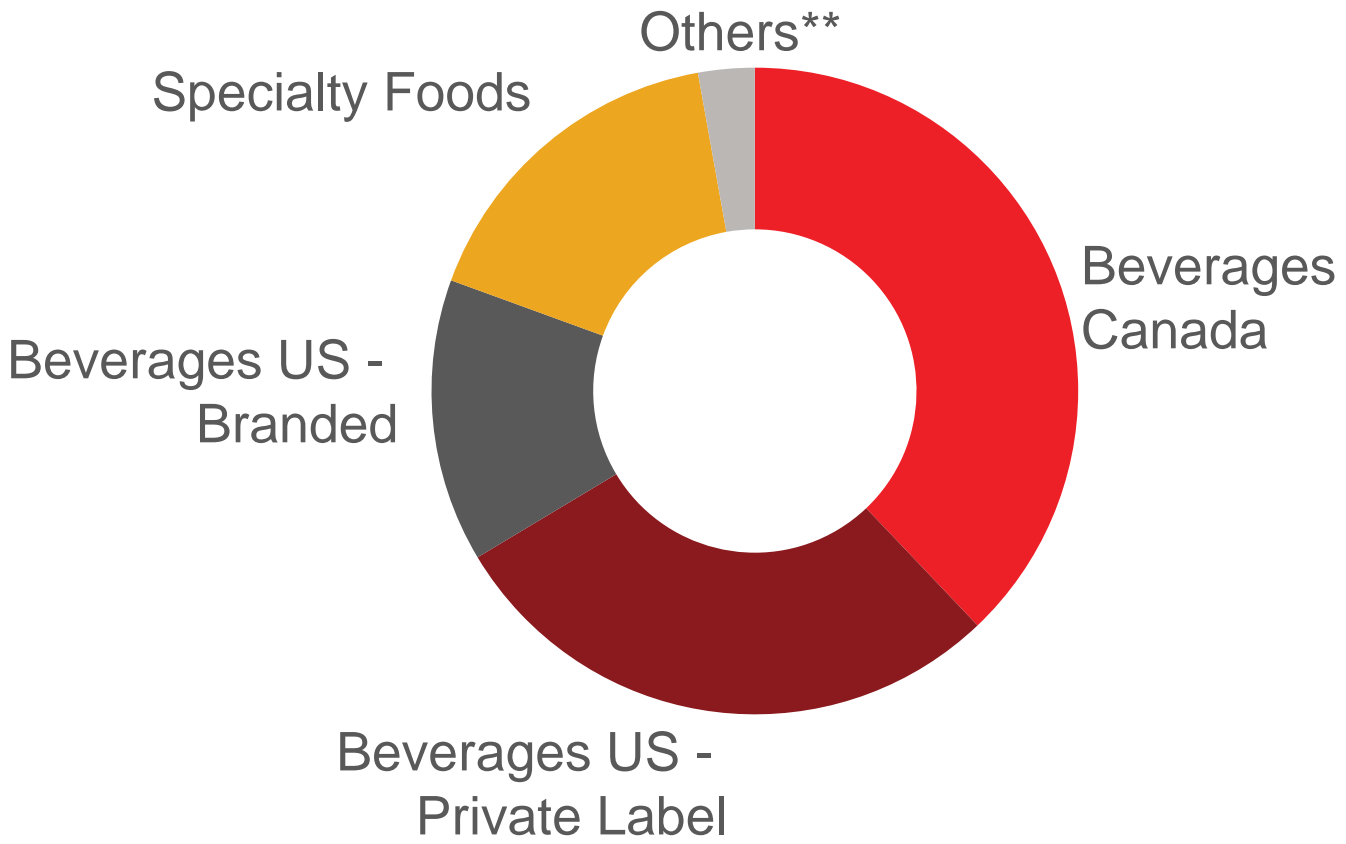


Breadth and Depth of Product Offering

Over 3,500 Unique Products and 200 Formats across Shelf-stable, Chilled and Frozen categories



Pro Forma Sales Distribution*



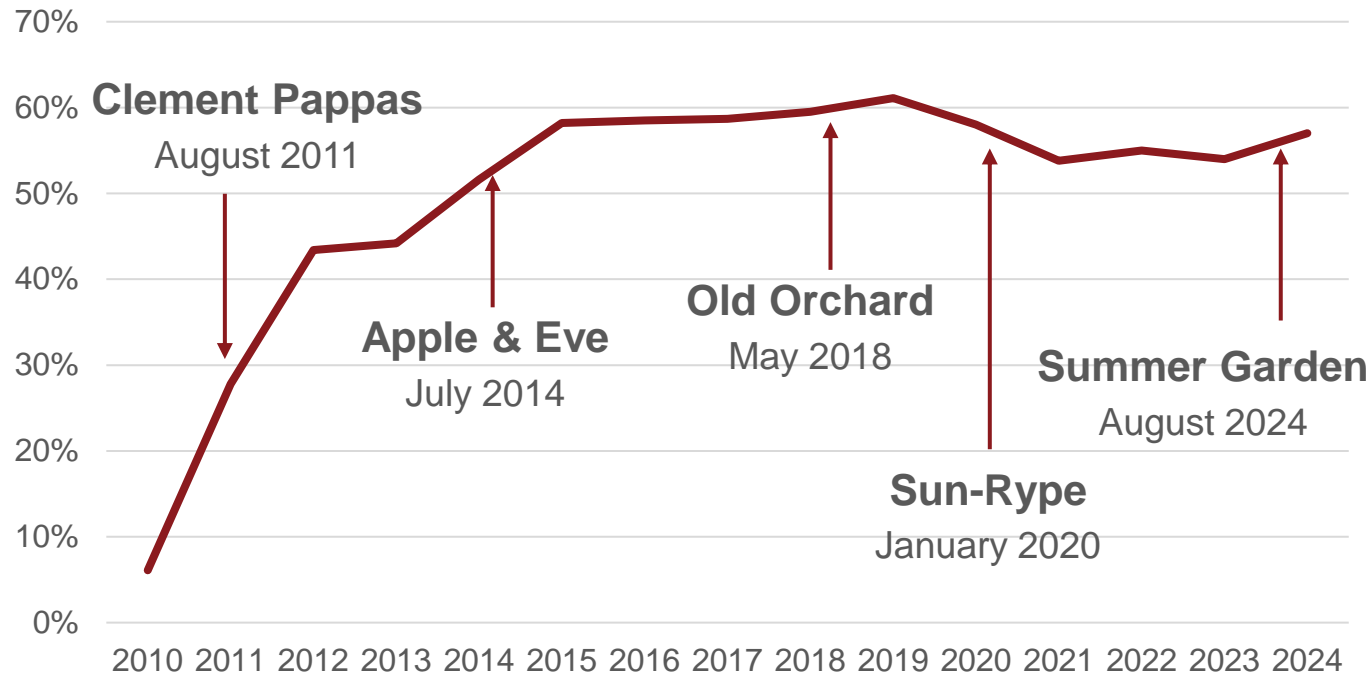
* Industries Lassonde pro forma sales for the 12-month period ended September 28, 2024
 ** Includes Snacks and Diamond



Sales by Country

2024 Pro Forma*

% of Sales from the U.S.



* Industries Lassonde pro forma sales for the 12-month period ended September 28, 2024



Sales by Brand Type

National Brands*

Canada



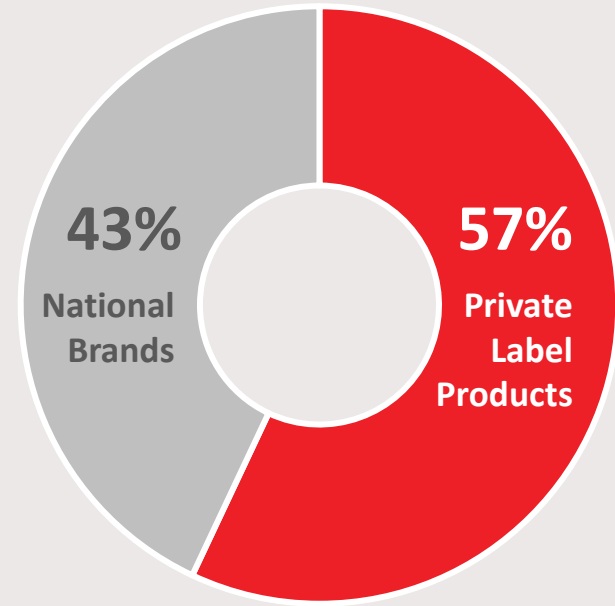
Partner Brands



United States



Sales by Brand Type – Pro Forma 2024**



* Non exhaustive

** Industries Lassonde pro forma sales for the 12-month period ended September 28, 2024



Extensive Customer List*



















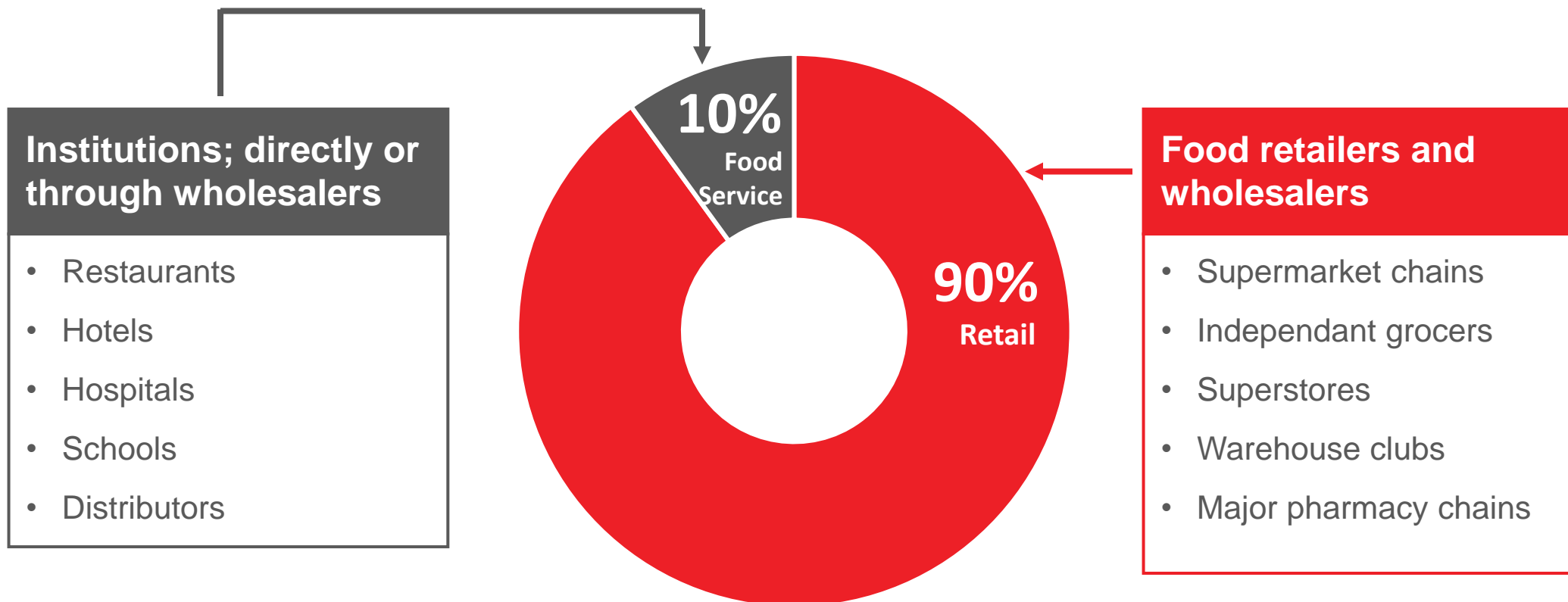





* Only a sample of Lasonde's customers are represented on this page



Sales by Market Segment – 2024 Pro Forma*



* Industries Lassonde pro forma sales for the 12-month period ended September 28, 2024



**A stronger,
more diversified
and leading NA
agri-food and
beverage player**

**Our great tasting products in more hands,
serving more needs, across more occasions,
every day.**



Our Multi-Year Strategic Plan

OBJECTIVES

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



PRIORITIES

- Build a growth-oriented portfolio
- Drive sustainable performance
- Improve capacity to act



Multi-year Strategy – Build a Growth-Oriented Portfolio

Unlock the full potential of our U.S. operations

- Reset and optimize private label activities
- Build stronger branded operations to capture growth and improve profitability

Sustain profitable growth in Canada

- Invest in our brands
- Strengthen customer relationships, by serving as a trusted partner and deliver reliable service
- Grow through innovation and channel expansion
- Focus on revenue and cost productivity

Accelerate growth in specialty food business

- Explore growth opportunities in segments like premium sauces and soups



Multi-year Strategy – Drive Sustainable Performance

Increase investment in our manufacturing network

- New single-serve line in the U.S.
- Higher speed juice box lines in Canada
- New facility in New Jersey

Continue to focus on our NA supply Chain

- Network optimization
- Best in class purchasing and logistics
- Efficient delivery of our products
- Insourcing of co-pack volume

Strengthen revenue management practices

- Surgical-like approach to portfolio management

Implement new processes and systems

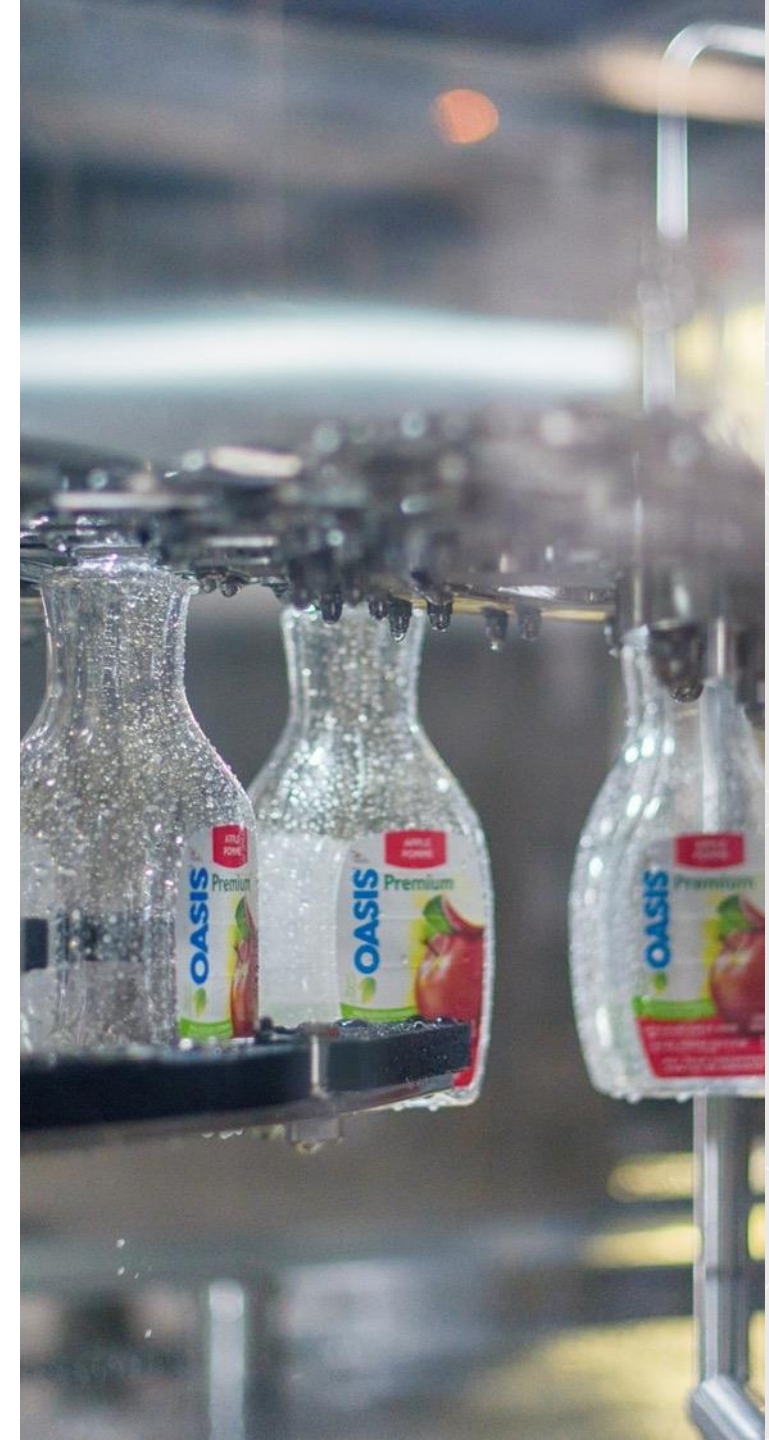
- Better leverage data to improve decision speed and quality
- Optimize resource utilization and capture efficiencies
- Deliver on our ESG commitments to build a sustainable supply chain



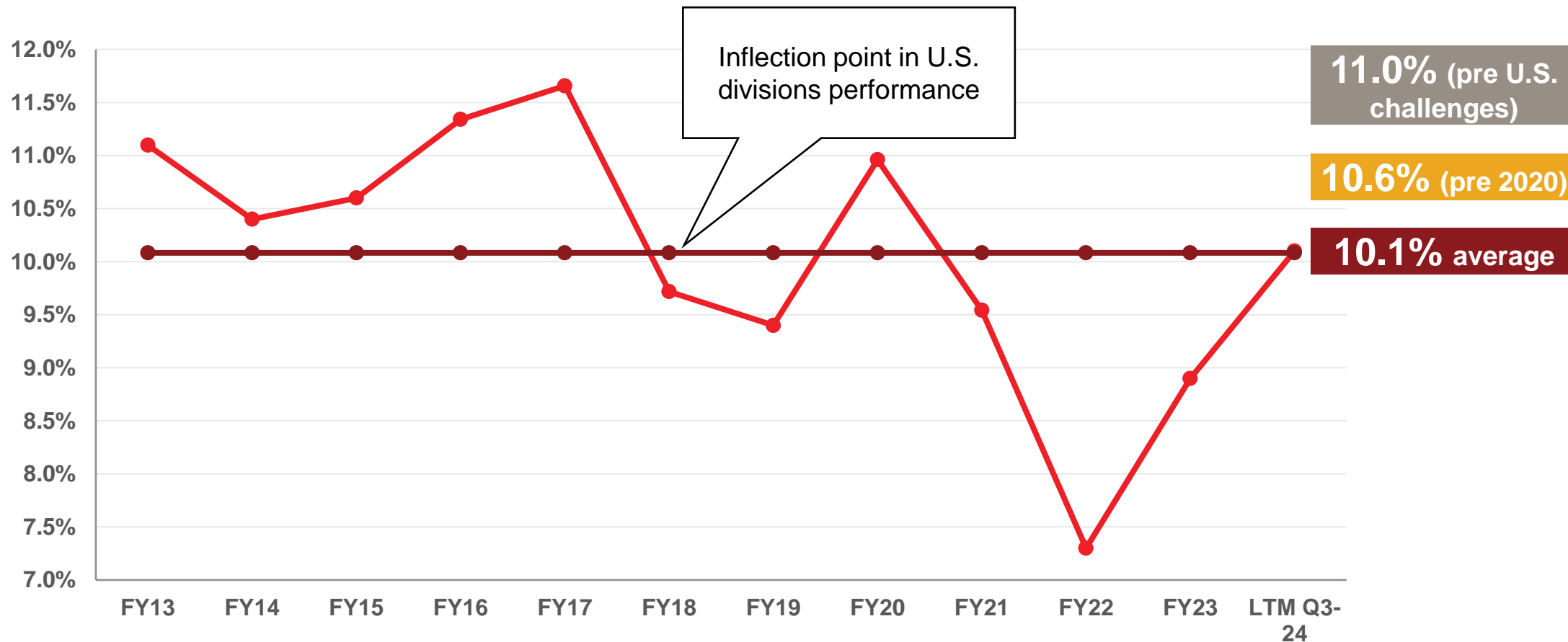
Multi-year Strategy – Improve Capacity to Act

Implement a new operating model: The power of global at the speed of local

- Operate in a manner that is close and responsive to the market
- Leverage scale and common capabilities to capture synergies
- Establish common best practices to enable service excellence, at the lowest cost possible
- Three Centers of Excellence:
 - Innovation
 - Manufacturing
 - Supply Chain



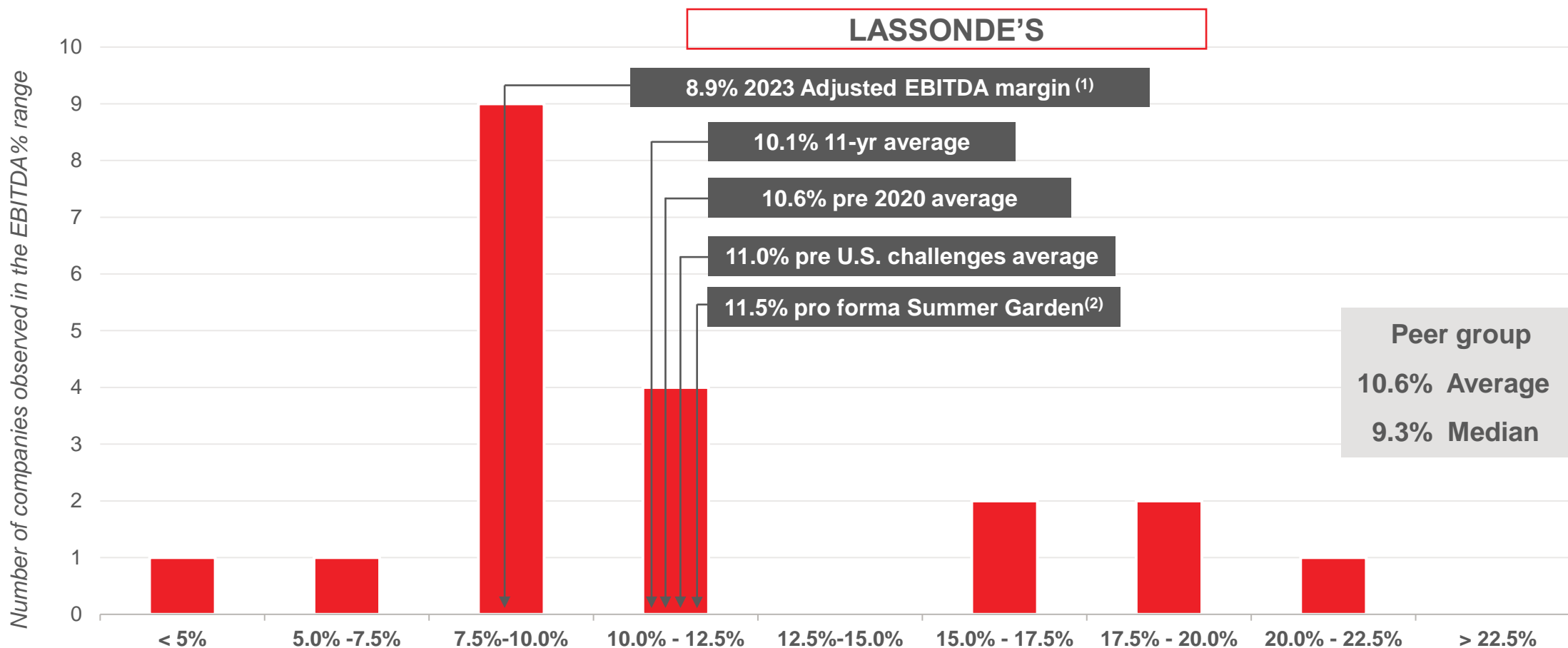
Adjusted EBITDA Margin⁽¹⁾ – Past 11 Years



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



Adjusted EBITDA Margin⁽¹⁾ of NA Selected Peers – Last 5 Years Average



Source: Capital IQ – August 2023 | n=20

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

(2) Nine-month period ended September 28, 2024



Improving our Margin from Current Level

Key factors driving progressive margin improvement

1. Building back volume at our U.S. operations
2. Run rate effect of previously implemented selling price adjustments
3. Deploying growth investments in higher margin markets
4. Managing our COGS
5. Leveraging significant investments in information management systems
6. Achieving overall productivity gains

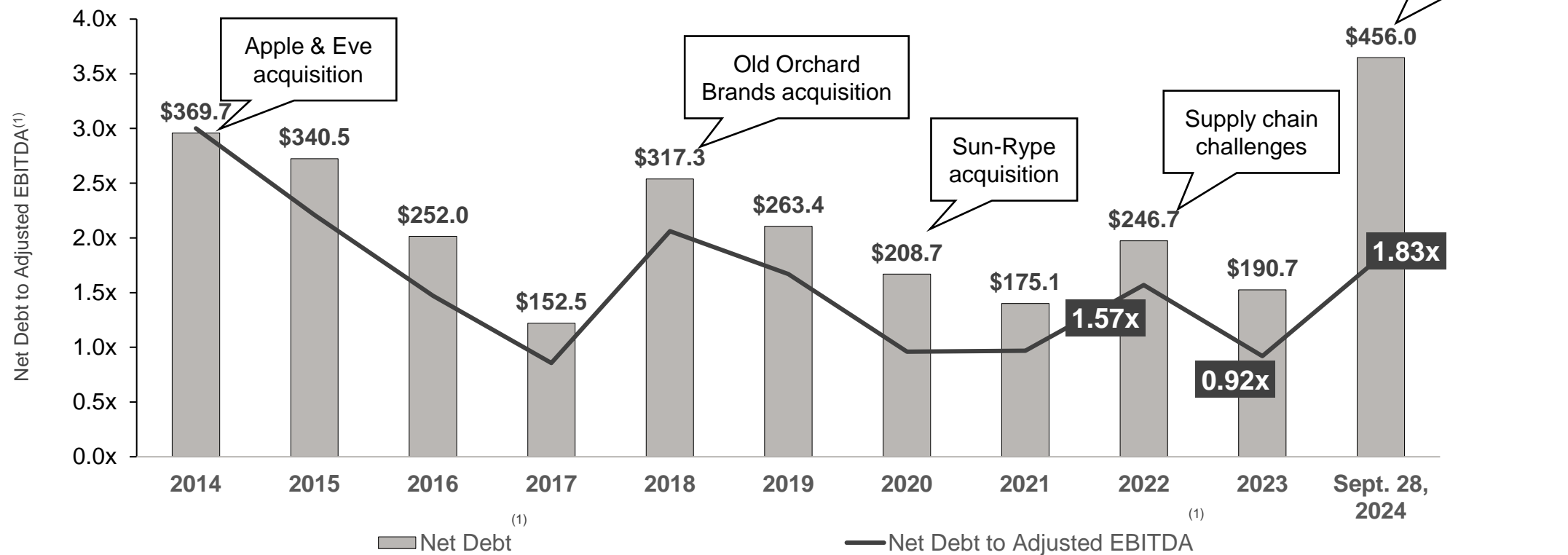
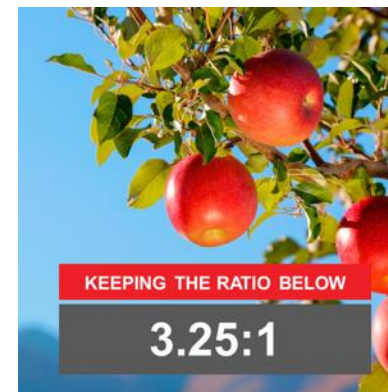
Material Risks

- The occurrence of widespread economic restrictions, such as tariffs, supply chain delays or shocks due to, among other events, a global pandemic resurgence, climate and/or any other type of significant external shocks.
- Decline in economic growth, consumer confidence, household spending and other market disruptions.
- Pricing pressure driven by growing competition from new and/or existing market players.
- Evolution of key commodities.
- Inflation.
- Foreign exchange.



Solid Financial Position to Finance Expansion Projects

Net Debt⁽¹⁾ (\$M)



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



Key Takeaways

- 1 Target of \$3bn in sales by 2026 supported by clear growth platforms**
- 2 Beyond top line expansion, opportunities to expand margins**
- 3 Solid balance sheet to finance expansion**
- 4 100+ year history with solid track record of performance**
- 5 Strong foundation to win in our markets: portfolio, network, capabilities, people**





Content

1. Lasseonde 101

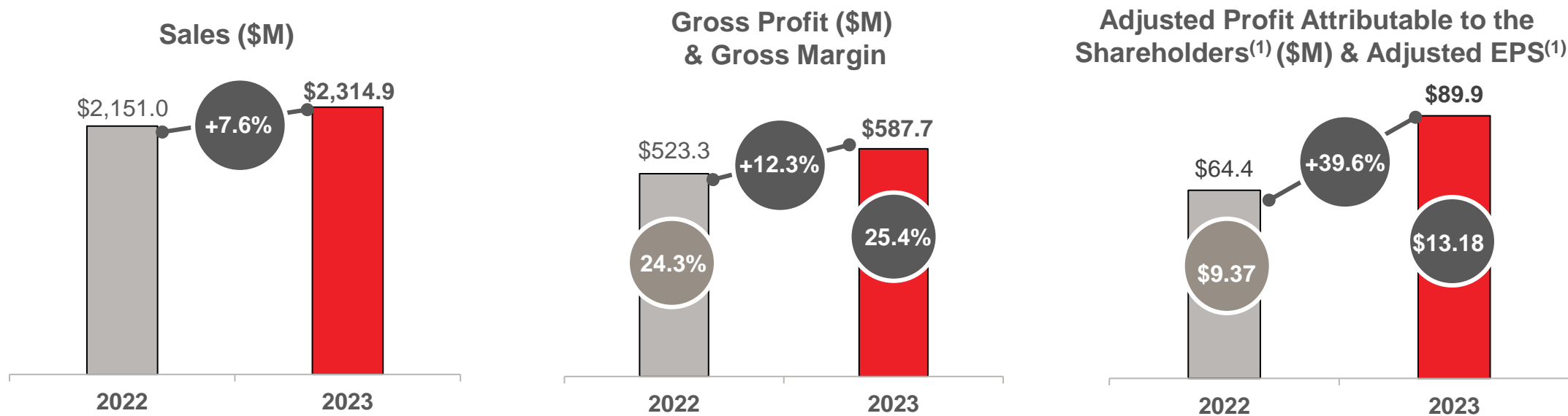
2. Financial Review

3. Acquisition of Summer Garden

4. U.S. Capital Expenditure Program

Fiscal 2023

Profitability Improvement



Key Highlights

Excluding a favourable FX impact, and sales from Diamond⁽²⁾, sales were up 5.4%

- (+) Selling price adjustments in Canada and the U.S.
- (+) Favourable change in private label sales mix
- (-) Lower sales volume, reflecting market trends and the U.S. portfolio simplification process

Higher gross profit:

- ✓ Selling price increases
- ✓ Better efficiency
- ✓ New Jersey production stoppage in 2022

Partially offset by

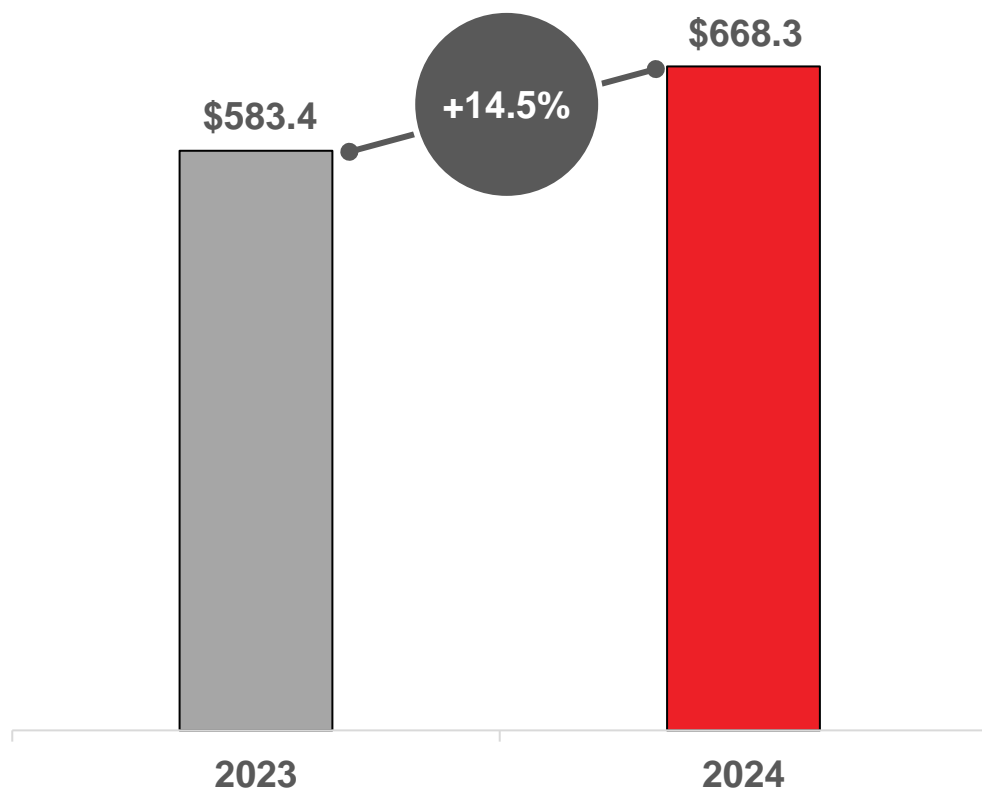
- ✓ Higher input costs for apple and orange concentrates

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

⁽²⁾ Lassonde has an economic interest of 52.9% in Diamond since November 14, 2023, and exercises control over this entity. The 2023 consolidated financial statements include the results of Diamond since that date.



Q3 2024 Sales Increase (\$M)



Key Highlights

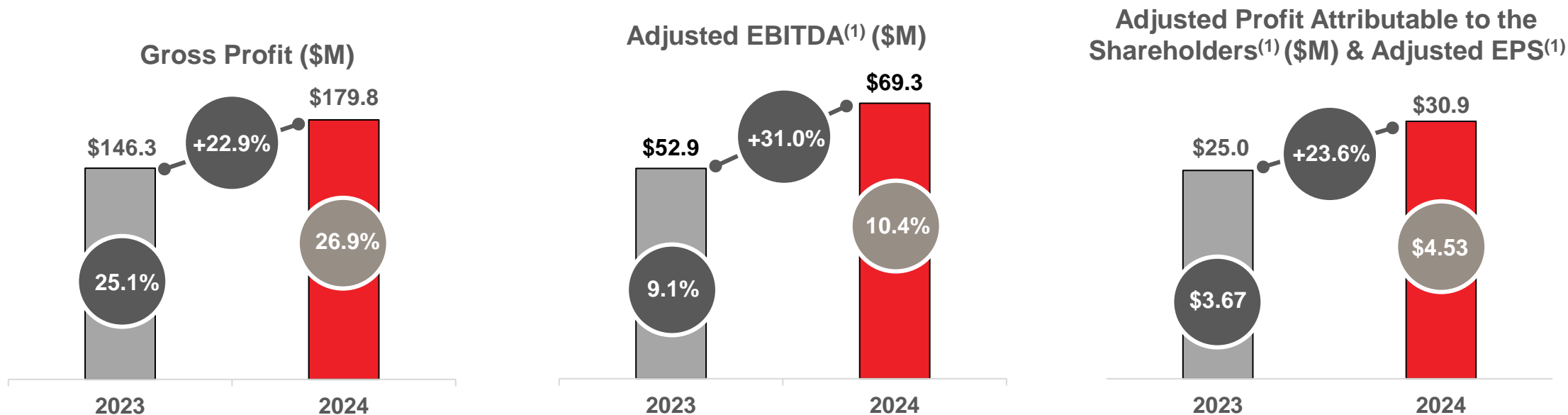
- ✓ Sales from Acquired Entities⁽¹⁾:
 - ▲ \$26.7M Summer Garden
 - ▲ \$4.7M Diamond
- ✓ FX impact: ▲ \$5.6M
- ✓ Effect of sales volume (U.S. driven):
 - ▲ \$24.3M private labels
 - ▲ \$11.4M national brands
- ✓ Selling price adjustments:
 - ▲ \$12.6M private labels
 - ▲ \$10.0M national brands
- ✓ Changes in sales mix: ▼ \$10.3M

⁽¹⁾ Lassonde acquired control of Diamond on November 14, 2023, and completed the acquisition of Summer Garden on August 8, 2024 (collectively referred to as the “Acquired Entities”). Consequently, these entities have been consolidated in Lassonde since these dates.



Q3 2024

Improved Profitability



Key Highlights

Net of Acquired Entities⁽²⁾, gross profit rose 16.9%

- ✓ Higher sales volume
- ✓ Run rate effect of pricing adjustments
- ✓ Lower conversion costs

Partly offset by:

- ✓ Higher input costs, mainly orange
- ✓ Slightly less favourable U.S. sales mix

Net of Acquired Entities, SG&A expenses rose 8.4%

- ✓ Higher transportation and warehousing costs
- ✓ Increase in other selling and administrative expenses

Partly offset by:

- ✓ Lower performance-related compensation expenses

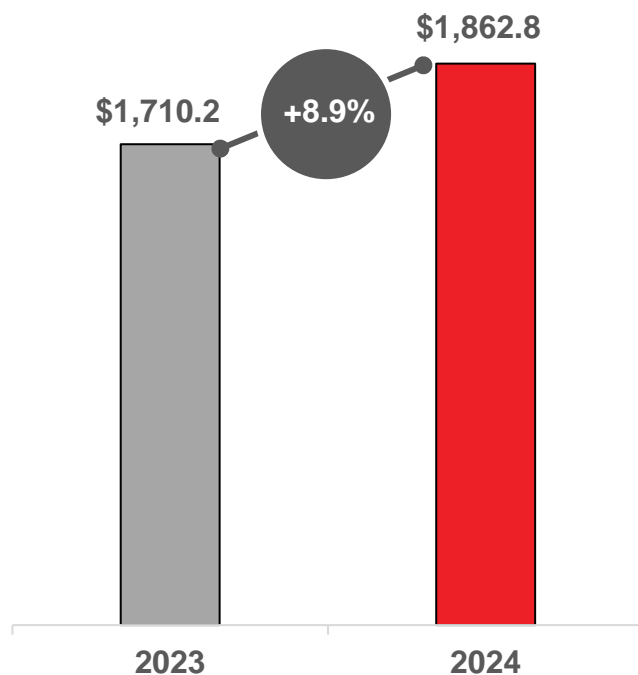
⁽¹⁾ Financial measure not in accordance with IFRS. Please refer to section on Financial Measures Not in Accordance with IFRS.

⁽²⁾ Lassonde acquired control of Diamond on November 14, 2023, and completed the acquisition of Summer Garden on August 8, 2024 (collectively referred to as the "Acquired Entities"). Consequently, these entities have been consolidated in Lassonde since these dates.

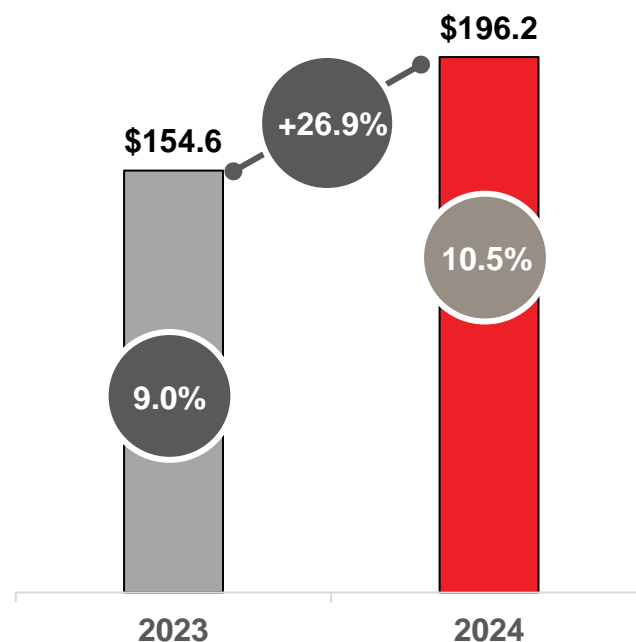


First nine months of 2024 Financial Highlights

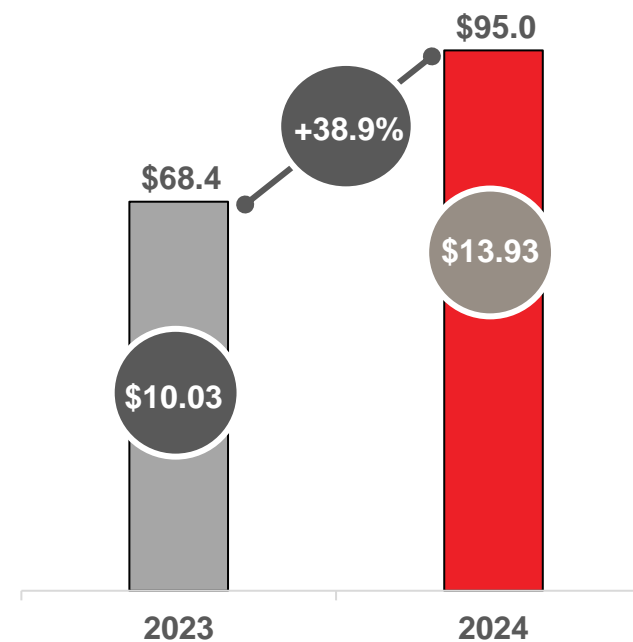
Sales (\$M)



Adjusted EBITDA⁽¹⁾ (\$M)



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



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





Content

1. Lasseonde 101

2. Financial Review

3. Acquisition of Summer Garden

4. U.S. Capital Expenditure Program

Transaction Overview

Ohio-based manufacturer and distributor of specialty food products

Portfolio focused on premium pasta sauces and a range of sugar-free sauces and condiments

- Early entrant and leader in the growing sugar-free segment of the BBQ sauces
- Branded portfolio of approximately 250 products sold in over 20,000 locations in the U.S.
- Brands: *G Hughes*, *Gia Russa*, *Little Italy in the Bronx*
- Co-packer for well-known and growing brands

Supports our ambition to become a larger and more diversified North American food and beverage player

Nearly doubles our position in specialty food and expands our reach in the U.S. market

Aligned with our financial objectives of reaching \$3 billion in sales by the end of 2026, while further improving margins





Transaction Rationale

Enhances our position as a manufacturer of choice for retort-based products

- Specialty food core capability
- Better serve customers and remain competitive in a growing market

Further growth potential by expanding retort capacity, financed through cash flows from current activities

Access to diversified growth platforms through brands

- Further develop in the U.S. premium tomato-based sauce market
- Access to categories that are natural adjacencies to our current specialty food offering

Immediate path to growth at attractive margins



Operations Overview

Production facility in Boardman, Ohio

- Adjacent facilities for warehousing, R&D, offices
- Already identified opportunities to add capacity and expand footprint

High-acid manufacturing: tomato-based and BBQ sauces

Low-acid manufacturing: dairy and egg-based sauces

- Includes retort capabilities

Leverage our expertise to improve efficiency and productivity



Financial Overview

Financial Metrics

For the 12-month period ended May 2024:

- Sales of ~ US\$148 M
- Adjusted EBITDA⁽¹⁾ of ~ US\$27.9 M
- Healthy 18.9% adjusted EBITDA margin⁽¹⁾
- Solid sales growth in recent years
 - Expansion into new categories
 - Increased retort capacity

Transaction Metrics

- US\$237.2 M at closing
 - Including US\$2.2 M in preliminary working capital adjustments
 - Subject to further adjustments once the final value is established
- Earnouts of up to US\$45 M over the next three years
- ~ US\$30 M benefit related to the deductibility of the investment for tax purposes
- Excluding adjustments, 8.4x LTM adjusted EBITDA⁽¹⁾ – 7.3x reflecting the tax benefit

Other Considerations

- US\$241.0 M paid at closing financed through:
 - US\$224.5 M from Canadian revolving operating credit facility
 - US\$6.0 M from cash and cash equivalents
 - US\$10.5 M in equity from an entity controlled by Mr. Pierre Paul Lassonde
- Pro forma consolidated adjusted EBITDA⁽¹⁾ of ~ C\$255 M, representing a margin of 10.0%
 - Future cross-selling and operating synergies to be captured not reflected
- Margin and earnings accretive
- Net debt to adjusted EBITDA ratio⁽¹⁾ of 1.83x as at September 28, 2024
 - Headroom to continue deploying our strategy, including U.S. capital expenditure program

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



Implication of Purchase Price Allocation on Financial Results

Inventory step-up

- US\$3.2M expensed in cost of sales in Q3-2024

Fair value of property, plant and equipment

- Annual depreciation expense currently estimated at US\$3.9M

Intangible assets

- Annual amortization expense currently estimated at US\$14.0M

Revisions of contingent considerations

- Up to US\$45.0M over two years, currently estimated at US\$32.9M
- Present value effect and changes in estimates to be recognized in statement of income under “Other (gains) losses”





Content

1. Lasseonde 101

2. Financial Review

3. Acquisition of Summer Garden

4. U.S. Capital Expenditure Program

U.S. Capital Expenditure Program

Enhance the competitiveness of our manufacturing network

US\$200 million investment for a new facility in New Jersey

- Replace the current plant
- Construction should begin in early 2025
- Production activities progressively transferred in 2026-27
- Will play a key role in fortifying our competitive position in the Northeast
 - Lower cost structure through a more efficient production flow and improved yields

US\$20 million to strengthen the North Carolina strategic hub

- Bring in house certain owned production assets deployed at a co-packer
- Completion expected in late 2025

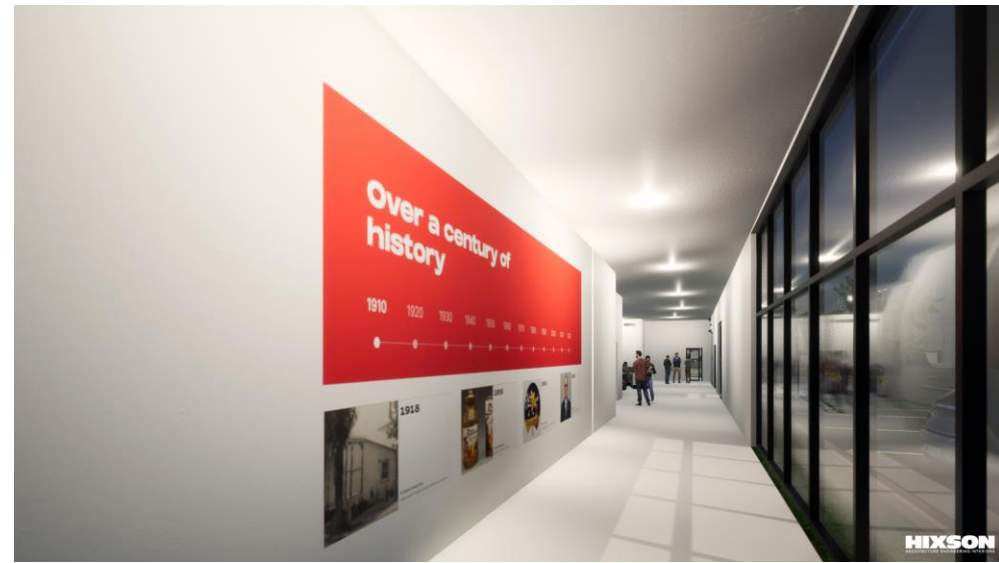
Accelerated depreciation of certain U.S. existing assets

- Additional quarterly expense of approximately US\$1.5M for 10 quarters, beginning in Q4-2024

Net debt to adjusted EBITDA ratio to range between 2.0x and 2.5x until the end of 2026 reflecting this program



New Facility in New Jersey





Financial Measures Not in Accordance with IFRS

Financial Measures Not in Accordance with IFRS*

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 and of the "depreciation of property, plant and equipment and amortization of intangible assets" item and "(Gains) losses on capital assets," items, shown in the Consolidated Statement of Cash Flows. Adjusted EBITDA is calculated by adjusting the EBITDA with items considered by management as impacting the comparability between periods.

Adjusted EBITDA margin

Adjusted EBITDA margin is a financial measure used by the Corporation and investors to measure its profitability from operations. To calculate this financial measure, adjusted EBITDA is divided by sales, as they are presented in the Statement of Income.

Adjusted Operating Profit

Adjusted operating profit is a financial measure used by the Corporation to compare operating profit between periods by excluding items impacting comparability. Adjusted operating profit is calculated by adjusting the operating profit with items considered by management as impacting the comparability between periods.

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.

Net Debt to Adjusted 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.

* Please refer to the section "Financial Measures Not in Accordance with IFRS" of the Corporation's MD&A for reconciliations to the most comparable measure in the financial statements.





Lassonde

lassonde.com