



# **Interim Management's Discussion & Analysis**

**Second quarter ended June 28, 2025**

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## 1 Basis of Presentation

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The following Management's Discussion and Analysis ("MD&A") presents the factors that had a significant impact on the results, financial position, and cash flows of Lassonde Industries Inc. ("Lassonde" or the "Corporation"). This MD&A should be read in conjunction with the Corporation's unaudited interim condensed consolidated financial statements ("interim consolidated financial statements") and accompanying notes. It should also be read in conjunction with the Corporation's 2024 annual consolidated financial statements and accompanying notes thereto and with its 2024 annual MD&A. In addition to containing an analysis of the second quarter ended June 28, 2025, this MD&A reports on items deemed significant that have taken place from June 28, 2025 up to and including August 7, 2025, which is the date on which this MD&A was approved by the Corporation's Board of Directors (the "Board"). The financial information in this MD&A has been prepared in accordance with IFRS<sup>®</sup> Accounting Standards ("IFRS"). Unless otherwise indicated, the reporting currency for figures is the Canadian dollar and all dollar amounts are expressed in millions, which may cause calculation discrepancies due to rounding.

The MD&A is available on the Lassonde Industries Inc. website at [www.lassonde.com](http://www.lassonde.com). Readers will also find this MD&A, the Annual Information Form for the fiscal year ended December 31, 2024, additional documents, press releases, certifications of filings, and more information about the Corporation on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). Printed copies of such documents may be obtained by contacting Lassonde's Corporate Secretary's Office. The Class A subordinate voting shares of Lassonde Industries Inc. are listed for trading on the Toronto Stock Exchange under the ticker symbol LAS.A.

**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 MD&A also refers to certain measures or ratios that are not in accordance with IFRS, including the following: Adjusted operating profit; Earnings before interest, taxes, depreciation, and amortization ("EBITDA"); Adjusted EBITDA; Adjusted profit attributable to the Corporation's shareholders; Adjusted basic and diluted earnings per share; Operating working capital; Days operating working capital; Capital employed and sources of capital; Return on capital employed; and Net debt to adjusted EBITDA. These measures may not be comparable to similar measures presented by other issuers. Please refer to *Section 17 – "Financial Measures Not in Accordance With IFRS"* of this MD&A 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 financial performance but not in substitution of IFRS measures. 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.

## 2 Forward-Looking Statements

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This report 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 report, forward-looking statements include, but are not limited to, those set forth in *Section 8 – "Outlook"* 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 report, 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, capital expenditures and impacts of tariffs 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 or socioeconomic conditions, including international conflicts, such as trade conflicts (including tariffs, duties and other trade restrictions), 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, more specifically for the Corporation's key commodities; 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 this MD&A), including the successful execution of its key capital projects along with the materialization of the underlying expected benefits; 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; 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 Corporation's ability to effectively integrate any acquisitions; the potential for work stoppages due to the non-renewal or conclusion of collective bargaining agreements or other reasons; loss of or disputes with key suppliers or supplier concentration; changes made to laws and rules that affect the Corporation's activities, particularly in matters of tax, as well as the interpretation thereof, and new positions adopted by relevant authorities; 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; the scarcity of qualified 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; 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 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; 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.

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 sustainability 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 21 – "Uncertainties and Principal Risk Factors"* of the 2024 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.**

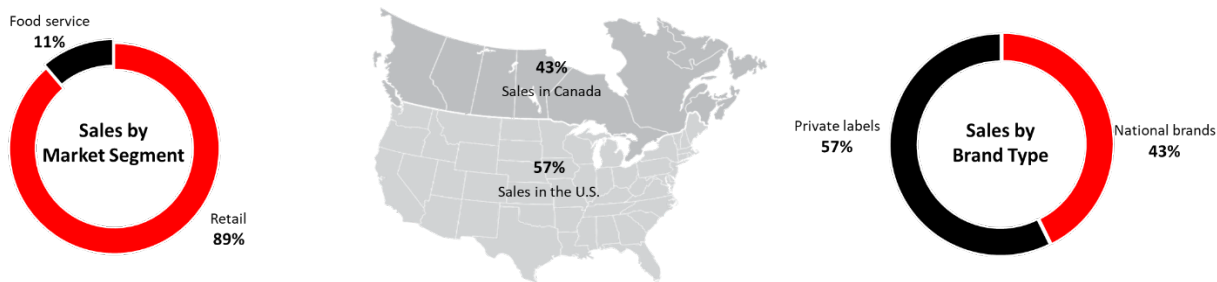
### 3 Corporate Profile

Lassonde Industries Inc. is a leader in the food and beverage industry in North America. The Corporation develops, manufactures, and markets a wide range of national brand and private label products, including fruit juices and drinks, specialty food products, and fruit-based snacks. Lassonde also manufactures and markets cranberry sauces as well as selected wines, ciders and other alcoholic beverages. Altogether, Lassonde distributes over 3,500 unique products in approximately 200 formats across shelf-stable, chilled, and frozen categories.

The Corporation's go-to-market strategy consists of (i) retail sales to food retailers and wholesalers such as supermarket chains, independent grocers, superstores, warehouse clubs, convenience stores, and major pharmacy chains and (ii) food service sales to restaurants, hotels, hospitals, schools, and wholesalers serving these institutions.

Lassonde operates 19 plants located in Canada and the United States ("U.S.") through the expertise of over 2,900 full-time equivalent employees. To learn more, visit [www.lassonde.com](http://www.lassonde.com).

#### Pro Forma Sales Breakdowns<sup>1</sup> (2024)



#### Main Beverage Brands



#### Main Specialty Food Brands



The Corporation's national brands are sold in various packages under several proprietary trademarks as well as under trademarks for which the Corporation is a licensed user. The Corporation also manufactures private label products for the vast majority of major retailers and wholesalers in North America.

<sup>1</sup> The pro forma sales breakdowns are reflecting the annualized sales of Summer Garden Food Manufacturing.

## 4 Multi-Year Strategy

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Lassonde developed a multi-year strategy to enhance clarity and direction in capital allocation decisions, revealing its vision: **To become a stronger, more diversified and leading North American food and beverage player.** This Strategy aims to accelerate sales growth, expand margins, improve overall profitability, and drive long-term value by focusing on three strategic pillars.

- The first pillar, **Building a growth-oriented portfolio**, reinforces the Corporation's commitment to becoming a more diversified food and beverage leader in North America by accelerating the growth of its specialty foods business, strengthening its leadership position in the Canadian beverages market, and fortifying its competitive position in the U.S.
- The second pillar focuses on **Driving sustainable performance** by increasing investments in its manufacturing network, strengthening its supply chain activities, modernizing its revenue management practices, and driving efficiency across all areas of the organization. Moreover, the Corporation's sustainability roadmap is a guide to important investment decisions for the future.
- The third pillar, **Improving its capacity to act**, focuses on modernizing its operating model to accelerate innovation, improve costs and increase productivity. It is also focused on simplifying its operations, investing in new tools and technologies, including upgrading ERP systems, and on fortifying its capabilities in key areas of the business to enable the execution of its growth strategy.

Through the execution of its Strategy, Lassonde set out a goal to achieve a sales run rate of \$3 billion by the end of 2026 supported by a combination of organic growth and investment-driven growth. The Corporation anticipates a contribution from each of these sources, which will provide a certain degree of flexibility depending on inflation and exchange rate assumptions, market conditions, timing and available opportunities. The Corporation has also stated that profitable growth will take precedence over its sales growth objective.

Since the deployment of its Strategy in 2022, Lassonde has made significant strides across each of the above strategic pillars, positioning itself to better navigate the challenges and capture the opportunities of the beverage market while capitalizing on its strong foothold in the specialty food market, ensuring sustained growth and a competitive edge as a stronger, more diversified and leading North American food and beverage player.

For further information on the Corporation's Strategy and its execution, refer to *Section 4 – "Multi-Year Strategy"* of the 2024 annual MD&A.

## 5 U.S. Credit Facilities

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On June 25, 2025, the Corporation entered into an agreement to amend the U.S. credit facilities, incorporating the various amendment requests accepted between January 6, 2023 and June 24, 2025. The agreement also extends the expiry date by three years and six months, increases the authorized amount of the revolving operating credit ("U.S. revolving credit") by US\$90.0 million, and establishes a new US\$250.0 million term loan ("U.S. term loan"). As a result, the U.S. credit facilities now consist of a revolving operating credit committed for a four-year term with an authorized amount of US\$250.0 million and of a US\$250.0 million term loan maturing in June 2029. Financing-related costs totalled \$4.0 million (US\$ 2.9 million). These costs have been capitalized and will be amortized over the term of the agreement. For more information, refer to Note 9 to the interim consolidated financial statements for the second quarter ended June 28, 2025.

## 6 Selected Financial Information

<i>(in millions of dollars, unless otherwise indicated)</i>	Second quarters ended		First six months ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
	\$	\$	\$	\$
<b>Related to operations</b>				
Sales	742.4	624.7	1,442.1	1,194.5
Gross profit	195.7	175.7	378.9	325.3
Operating profit	54.4	50.0	97.1	84.6
Adjusted operating profit <sup>2</sup>	58.7	58.2	105.4	94.6
Adjusted EBITDA <sup>2</sup>	84.4	74.6	155.9	127.1
Profit attributable to the Corporation's shareholders	34.3	33.5	58.9	57.4
Basic and diluted earnings per share ("EPS") <i>(in \$)</i>	5.03	4.91	8.63	8.41
Adjusted EPS <sup>2</sup> <i>(in \$)</i>	5.47	5.73	9.47	9.41
Dividends declared per share for Class A and B shares <i>(in \$)</i>	1.10	1.00	2.20	2.00
Cash flows from operating activities	(3.1)	59.4	(63.2)	70.7

<i>(in millions of dollars, unless otherwise indicated)</i>	As at	As at
	June 28, 2025	Dec. 31, 2024
	\$	\$
<b>Related to financial position</b>		
Total assets	2,324.9	2,277.8
Operating working capital <sup>2</sup>	482.0	309.1
Days operating working capital <sup>2</sup> <i>(in days)</i>	59.1	38.1
Long-term debt, including the current portion	651.1	477.5
Net debt to adjusted EBITDA ratio <sup>2</sup>	2.03:1	1.63:1
Return on capital employed <sup>2</sup> <i>(in %)</i>	12.5	13.9

### Financial information related to Summer Garden

On August 8, 2024, Lassonde completed the acquisition of The Zidian Group, which operates Summer Garden Food Manufacturing and certain of its affiliates (collectively "Summer Garden"). As of that date, Summer Garden has been consolidated into Lassonde's financial results, and the table below outlines its contribution.

<i>(in millions of dollars)</i>	Second quarters ended		First six months ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
	\$	\$	\$	\$
<b>Related to operations</b>				
Sales	49.9	-	105.4	-
Gross profit	20.0	-	43.1	-
Operating profit	4.2	-	11.2	-
Profit before income taxes	4.1	-	11.1	-
Profit	3.1	-	8.4	-
Profit attributable to the Corporation's shareholders	2.8	-	7.6	-
Depreciation of property, plant and equipment and amortization of intangible assets	6.4	-	12.9	-
Cash flows from operating activities	9.9	-	16.3	-

<sup>2</sup> This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to Section 17 – "Financial Measures Not in Accordance With IFRS" of this MD&A 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.

## 7 Financial Highlights

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### Second quarter ended June 28, 2025:

- Sales of \$742.4 million. Excluding a \$4.5 million favourable foreign exchange impact and sales from Summer Garden, sales were up \$63.4 million (10.1%) from the same quarter last year, primarily due to higher sales volumes in Canada, to the favourable impact of selling price adjustments and to a favourable change in the sales mix of private label products.
- Gross profit of \$195.7 million (26.4% of sales). Excluding a \$5.9 million unfavourable foreign exchange impact and gross profit from Summer Garden, gross profit was up \$5.8 million from the same quarter last year. This net increase results mainly from the following items:
  - A favourable impact of an increase in Canadian sales volume;
  - A favourable impact of selling price adjustments; and
  - A favourable impact of a change in the sales mix;partly offset by:
  - Higher cost for certain inputs, some of which had benefited from a temporary procurement advantage last year;
  - Increase in certain U.S. conversion costs, mainly related to the deployment of new assets at the North Carolina plant and the warehousing of raw materials; and
  - Expenses related to business optimization initiatives.
- Operating profit of \$54.4 million. Excluding the contribution from Summer Garden, operating profit was up \$0.2 million from the same quarter last year. This net increase results mainly from the following items:
  - \$7.0 million in costs in 2024 related to the Summer Garden acquisition; and
  - \$2.8 million decrease in performance-related compensation expenses;partly offset by:
  - \$3.3 million increase in certain administrative expenses;
  - \$3.1 million, mainly volume-related, increase in transportation costs incurred to deliver products to clients and in finished goods warehousing costs; and
  - \$2.8 million increase in selling and marketing expenses.
- Excluding items impacting comparability but including Summer Garden, adjusted EBITDA<sup>3</sup> was \$84.4 million (11.4% of sales), up \$9.8 million or 13.1% from the same quarter last year.
- Profit attributable to the Corporation's shareholders of \$34.3 million, resulting in EPS of \$5.03, up 2.4% from the same quarter in 2024. Excluding the contribution from Summer Garden and the impact of additional financial expenses, net of taxes, related to its acquisition, profit attributable to the Corporation's shareholders was up \$0.6 million (or 1.6%) year over year. Excluding items impacting comparability, adjusted EPS<sup>3</sup> was \$5.47, down 4.5% from the same quarter last year.
- Operating activities used \$3.1 million in cash compared to \$59.4 million generated in the same quarter last year. Excluding cash flows from Summer Garden, operating activities used \$72.4 million more than in the second quarter of 2024 on a comparable basis. This increase in cash outflows was essentially due to a change in non-cash operating working capital items, which used \$73.7 million more cash than in the same quarter of 2024.
- Dividend of \$1.10 per share, paid on June 13, 2025.

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<sup>3</sup> This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to Section 17 – "Financial Measures Not in Accordance With IFRS" of this MD&A 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.

### First six months ended June 28, 2025:

- Sales of \$1,442.1 million. Excluding a \$25.7 million favourable foreign exchange impact and sales from Summer Garden, sales were up \$116.4 million (9.7%) year over year, essentially due to higher sales volumes and to the favourable impact of selling price adjustments, mainly in Canada.
- Gross profit of \$378.9 million (26.3% of sales). Excluding a \$3.2 million unfavourable foreign exchange impact and gross profit from Summer Garden, gross profit was up \$13.7 million from the same period last year. This net increase results mainly from the following items:
  - A favourable impact of an increase in Canadian sales volume;
  - A favourable impact of selling price adjustments; and
  - A favourable impact of a change in the sales mix;partly offset by:
  - Higher cost for certain inputs, some of which had benefited from a temporary procurement advantage last year;
  - Increase in certain U.S. conversion costs, mainly related to the deployment of new assets at the North Carolina plant and the warehousing of raw materials; and
  - Expenses related to business optimization initiatives.
- Operating profit of \$97.1 million. Excluding the contribution from Summer Garden, operating profit was up \$1.3 million from the same period last year. This net increase results mainly from the following items:
  - Higher gross profit;
  - \$7.8 million in costs in 2024 related to the Summer Garden acquisition; and
  - \$2.7 million decrease in performance-related compensation expenses;partly offset by:
  - \$8.9 million, mainly volume-related, increase in transportation costs incurred to deliver products to clients and in finished goods warehousing costs;
  - \$4.1 million increase in certain administrative expenses;
  - \$4.0 million unfavourable foreign exchange impact that affected the conversion of the selling and administrative expenses of the U.S. entities into Canadian dollars; and
  - \$3.6 million increase in selling and marketing expenses.
- Excluding items impacting comparability but including Summer Garden, adjusted EBITDA<sup>4</sup> was \$155.9 million (10.8% of sales), up \$28.8 million or 22.7% from the same period last year.
- Profit attributable to the Corporation's shareholders of \$58.9 million, resulting in EPS of \$8.63, up 2.6% from the same period in 2024. Excluding the contribution from Summer Garden and the impact of additional financial expenses, net of taxes, related to its acquisition, profit attributable to the Corporation's shareholders was down \$1.2 million (or 2.1%) year over year. Excluding items impacting comparability, adjusted EPS<sup>4</sup> was \$9.47, up 0.6% from the same period last year.
- As at June 28, 2025, the Corporation had total assets of \$2,324.9 million versus \$2,277.8 million as at December 31, 2024, a 2.1% increase arising mainly from an increase in accounts receivable, inventories and property, plant and equipment, partly offset by a lower foreign exchange conversion rate as at June 28, 2025.

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<sup>4</sup> This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to Section 17 – "Financial Measures Not in Accordance With IFRS" of this MD&A 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.

- As at June 28, 2025, long-term debt, including the current portion, stood at \$651.1 million, representing a net debt to adjusted EBITDA<sup>4</sup> ratio of 2.03:1. This represents a \$173.6 million increase from December 31, 2024, attributable to working capital requirements and capital expenditures.
- Operating activities used \$63.2 million in cash compared to \$70.7 million generated in the same period last year. Excluding cash flows from Summer Garden, operating activities used \$150.1 million more than in the first six months of 2024 on a comparable basis. This increase in cash outflows was essentially due to a change in non-cash operating working capital items, which used \$131.8 million more cash than in the same period of 2024.
- Total dividend of \$2.20 per share, paid in the first six months of 2025.

## 8 Outlook

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Lassonde continues to expect that the largest factors impacting its performance in fiscal 2025 will be the financial health of consumers, the inflationary environment and the reactions of market participants to these factors. Given the highly uncertain scale, breadth, timing, and duration of any trade conflict (including actual or threat of tariffs, duties, and other trade restrictions, including countermeasures, collectively referred to as “Tariffs”), and the constantly evolving situation, this Outlook section has been prepared without considering the anticipated impact of the Tariffs as of the date of this MD&A. Any views on these Tariffs and their potential impact on Lassonde are isolated in a separate subsection below. As a result, the Corporation is currently using the following assumptions for its fiscal year 2025:

### Sales growth rate

- For 2025, barring any significant external shocks and excluding foreign exchange impacts, Lassonde expects a sales growth rate slightly above 10%, mainly driven by:
  - the impact of a full year of Summer Garden results compared to only five months in 2024;
  - the increased volume driven by the “Buy Canadian” sentiment;
  - the run-rate effect of its existing and planned selling price adjustments; and
  - a sequential improvement in U.S. sales volume resulting from the combined impact of the following items: (i) the pace of the U.S. demand build-back strategy for the Corporation’s products; and (ii) additional volume available following the deployment of its single-serve line in North Carolina.
- The Corporation is closely monitoring the evolution of consumer food habits and demand elasticity for its products in a context of ongoing inflation in the cost of some of its key commodities. Additionally, it has recently noted an uptick in competitors’ promotional activities, primarily within the U.S. market.

### Key commodity and input costs

- Although inflation trends have recently abated for certain commodities, the costs of orange juice, orange concentrates, and apple concentrates are expected to remain volatile through 2025. The Corporation is also closely monitoring the availability of pineapple concentrates and the impact on their costs.
- Given that a large portion of the raw material purchases made by Lassonde’s Canadian operations are in U.S. dollars, a strengthening of this currency against the Canadian dollar results in a higher cost for products sold in the Canadian market, after the exercise of existing foreign exchange forward contracts.

### Expenses, including items impacting the comparability between the periods

- The Corporation’s operating expenses in 2025 will continue to reflect targeted investments to reinforce the innovation pipeline, distribution expansion, and strategic trade spending to support growth.
- Lassonde plans to continue deploying its Strategy, optimizing its business and upgrading its key systems and technology infrastructures to improve its efficiency. Planned spending in support of these elements is expected to reach up to \$7.0 million in 2025.

### Depreciation and amortization

- The annual depreciation and amortization expense is estimated to reach up to \$115.0 million. This includes: (i) the run-rate effect of Summer Garden’s purchase price allocation, (ii) the commissioning of various capital projects undertaken in 2024, such as the new single-serve line at the North Carolina plant, and (iii) the accelerated depreciation of certain existing assets at the New Jersey plant, estimated at US\$6.0 million for 2025, along with any new capital expenditures for this plant until its closure.

## Effective tax rate

- Effective tax rate of about 24.5% for 2025.

## Working capital

- At the end of the second quarter, the Corporation's Days Operating Working Capital<sup>5</sup> stood above its historical levels. However, the Corporation remains committed to maintaining it within its historical ranges by the end of 2025. This outlook might be impacted by (i) opportunistic decisions to secure inventory cost ahead of potential additional price increases from suppliers, (ii) the objective of ensuring an adequate service level, (iii) decisions to counter new potential supply chain disruptions, or (iv) support provided to the Corporation's manufacturing network optimization projects, including the timing of cash outflows related to certain capital expenditures.

## Capital expenditures

- The Corporation's overall capital expenditures program for 2025 is estimated to reach up to 7.0% of its sales as it continues to deploy capital in support of its Strategy. This estimate depends on the rate of progress of certain large capital projects and on the evolution of the macroeconomic environment.
- The new capital assets will be financed, to the extent possible, using the Corporation's operating cash flows, although the Corporation may also turn to borrowing if interest rates and conditions prove advantageous.

## Tariffs

- The Corporation sources raw materials globally, including from Brazil and China, and sells finished goods manufactured in Canada to the U.S. market, and, to a lesser extent, finished goods manufactured in the U.S. to the Canadian market. This structure exposes the Corporation to potential tariff risks. In the current environment, the Corporation is continuously evaluating its direct and indirect exposures, competitive positioning, and mitigation strategies, which may include further price adjustments. Given the uncertainty surrounding key variables such as the duration and evolution of Tariffs, related currency fluctuations, interest rate trends, and their combined impact on the broader economy, the timing and effectiveness of mitigation measures remain difficult to predict. While the Corporation believes it is premature to disclose detailed information on its exposure, it anticipates that any significant changes resulting in increased Tariffs will likely have a more pronounced impact in the initial months following their implementation. This reflects the time required to activate mitigation measures.

The forward-looking statements herein are based on key assumptions that reflect the Corporation's best estimates amid heightened uncertainty: (i) The Corporation assumes no material escalation in current geopolitical tensions such as trade conflicts or regional instability, while acknowledging their volatility; (ii) it anticipates that consumer confidence will remain stable, recognizing its sensitivity to inflation, interest rates, and employment trends; (iii) it expects moderate exchange rate fluctuations; (iv) it relies on the continued effectiveness of pricing strategies despite varying demand elasticity; (v) it assumes operational continuity without major disruptions, while remaining alert to risks in global sourcing and logistics; (vi) it expects a stable competitive landscape while monitoring market shifts; and (vii) it foresees reasonable delivery times for equipment and sufficient availability of resources to support its capital investment program, recognizing potential delays due to supply chain constraints, permitting, or labour shortages. These assumptions are inherently subject to change and do not account for extraordinary events beyond the Corporation's control. The Corporation cautions readers that the foregoing list of factors is not exhaustive. It further cautions that actual results may differ materially from those expressed or implied in these forward-looking statements. The Corporation believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. For additional information, refer to *Section 2 – "Forward-Looking Statements"* of this MD&A.

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<sup>5</sup> This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to *Section 17 – "Financial Measures Not in Accordance With IFRS"* of this MD&A 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.

## 9 Analysis of the Consolidated Results

### 9.1 Consolidated Results Data

<i>(in millions of dollars, unless otherwise indicated)</i>	Second quarters ended			First six months ended		
	June 28, 2025	June 29, 2024	Δ	June 28, 2025	June 29, 2024	Δ
	\$	\$	\$	\$	\$	\$
<b>Sales</b>	<b>742.4</b>	624.7	117.8	<b>1,442.1</b>	1,194.5	247.6
Cost of sales	<b>546.7</b>	448.9	97.8	<b>1,063.2</b>	869.2	194.0
Gross profit	<b>195.7</b>	175.7	20.0	<b>378.9</b>	325.3	53.6
Selling and administrative expenses	<b>141.3</b>	125.7	15.6	<b>281.8</b>	240.7	41.1
<b>Operating profit</b>	<b>54.4</b>	50.0	4.4	<b>97.1</b>	84.6	12.5
Financial expenses	<b>10.1</b>	4.6	5.5	<b>18.6</b>	8.5	10.1
Other (gains) losses	<b>(1.9)</b>	(0.1)	(1.8)	<b>(0.2)</b>	(2.0)	1.8
Profit before income taxes	<b>46.2</b>	45.5	0.7	<b>78.7</b>	78.1	0.5
Income tax expense	<b>11.8</b>	12.7	(0.9)	<b>20.5</b>	21.7	(1.2)
<b>Profit</b>	<b>34.4</b>	32.8	1.6	<b>58.2</b>	56.5	1.7
Attributable to:						
Corporation's shareholders	<b>34.3</b>	33.5	0.8	<b>58.9</b>	57.4	1.5
Non-controlling interests	<b>0.1</b>	(0.7)	0.8	<b>(0.7)</b>	(0.9)	0.2
	<b>34.4</b>	32.8	1.6	<b>58.2</b>	56.5	1.7
<b>EPS (in \$)</b>	<b>5.03</b>	4.91	0.12	<b>8.63</b>	8.41	0.22
<b>Weighted average number of shares outstanding (in thousands)</b>	<b>6,822</b>	6,822	-	<b>6,822</b>	6,822	-
<b>Adjusted operating profit<sup>6</sup></b>	<b>58.7</b>	58.2	0.5	<b>105.4</b>	94.6	10.8
<b>Adjusted EBITDA<sup>6</sup></b>	<b>84.4</b>	74.6	9.8	<b>155.9</b>	127.1	28.8
<b>Adjusted EPS<sup>6</sup> (in \$)</b>	<b>5.47</b>	5.73	(0.26)	<b>9.47</b>	9.41	0.06

During the second quarter of 2025 compared to the same quarter in 2024, industry data indicates that the sales volume in the U.S. fruit juice and drink market has seen a relative stabilization, declining by a low-single-digit range, while sales volume in the Canadian market declined by a mid-single-digit range.

During the first six months, the Corporation achieved positive outcomes resulting from its efforts to revitalize its U.S. beverage operations, notably in market share gains and improved operational efficiency. It notes a 10% increase in production volume of its plants compared to the same period of 2024 despite: i) the constraints of its New Jersey plant that will be addressed through the building of a new plant, and ii) the fact that the commissioning of the new single-serve line at the North Carolina plant encountered mechanical issues during the first quarter. These mechanical issues have been addressed and the new line is delivering on its anticipated benefits. This new line is a key component of the Corporation's growth platform, serving more consumer occasions, essential for expanding into new channels, and enhancing both branded and private label offerings.

Additionally, the Corporation decided in 2023 to insource a significant portion of its beverage production needs to ensure a reliable supply at a lower cost. To that effect, in October 2024, the Corporation announced the relocation of certain production assets from a co-packer facility to its North Carolina plant, strengthening its role as a strategic production hub in the U.S. This insourcing is proceeding as planned and is on track to be completed by the end of 2025. It will enhance network efficiency and reliability by optimizing asset utilization and providing greater flexibility to meet increasing demand.

<sup>6</sup> This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to Section 17 – "Financial Measures Not in Accordance With IFRS" of this MD&A 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.

On October 1, 2024, Lassonde also unveiled the details of an investment of approximately US\$200.0 million over an estimated two-year period for the construction of a new facility in New Jersey, on a site adjacent to the Corporation's existing plant. Lassonde incurred capital expenditures of US\$13.0 million in 2024 and US\$23.5 million in the first six months of 2025, out of an estimated total of approximately US\$65.0 million to be spent in 2025, with the remainder to be incurred in 2026 and in early 2027.

During the first six months of 2025, Lassonde continued integrating its specialty food businesses and evaluating its strategic direction. As part of these efforts, the Corporation is considering further expansion of its Ohio plant and could consider other alternatives enabling production to be closer to its U.S. specialty food customers.

As of mid-year, the Corporation has not experienced significant impacts from Tariffs. However, it remains vigilant and continues to actively monitor developments. During short-term periods, certain products faced Tariffs. Also, the Corporation's results were somewhat affected by collateral impacts, such as increased transportation rates as companies rushed to move goods between countries before the Tariffs were implemented. Additionally, mainly during the first quarter, the Corporation incurred additional costs, and management dedicated considerable effort to assess the potential impacts of these Tariffs and develop mitigation strategies. On the positive side, the Canadian beverage business unit performed well, benefiting from the "Buy Canadian" sentiment, resulting in market share increases in certain categories for both branded and private label products, which offset the effect of a decline in the overall market.

Apples and apple concentrates (collectively referred to as "Apples") together with orange juice and orange concentrates (collectively referred to as "Oranges") represent approximately 25% of the Corporation's cost of sales. Inflation and volatility continued to affect both commodities throughout 2024 and so far in 2025. To mitigate the effects of certain input cost fluctuations, the Corporation occasionally secures mid- to long-term supply agreements, buys more than usual for a given period, or contracts derivative instruments (for orange concentrates). In the first six months, the Corporation faced higher-than-expected costs for its Apples in the U.S., due to a sudden and sharp increase in costs of this commodity in late 2024. Although price adjustments were implemented late in the first quarter and additional ones have been deployed late during the second quarter, the gross margin was affected by the impact of a delay between the significant cost increase and the subsequent price adjustments that have now been deployed.

The Corporation remains mindful of the effect of price increases and continues to keep a close eye on evolving trends in consumer food preferences and price sensitivity.

## Sales

<i>(in millions of dollars)</i>	Second quarters			First six months		
	Private labels	National brands	Total	Private labels	National brands	Total
	\$	\$	\$	\$	\$	\$
<b>Sales 2024</b>	<b>362.5</b>	<b>262.2</b>	<b>624.7</b>	<b>684.1</b>	<b>510.4</b>	<b>1,194.5</b>
Selling price adjustments impact	9.0	6.9	15.9	21.9	18.0	39.9
Volume impact	9.9	28.3	38.2	22.8	42.5	65.3
Change in the sales mix impact	11.3	(0.7)	10.5	12.3	0.2	12.5
Other impacts, net	-	(1.2)	(1.2)	-	(1.3)	(1.3)
Growth excluding foreign exchange impact	30.1 8.3%	33.3 12.7%	63.4 10.1%	57.0 8.3%	59.4 11.6%	116.4 9.7%
Foreign exchange impact	3.2	1.3	4.5	17.7	8.0	25.7
<b>Sales 2025 (excluding Summer Garden)</b>	<b>395.7</b>	<b>296.8</b>	<b>692.5</b>	<b>758.9</b>	<b>577.8</b>	<b>1,336.7</b>
Sales from Summer Garden			49.9			105.4
<b>Sales 2025</b>			<b>742.4</b>			<b>1,442.1</b>

The 2025 second-quarter sales rose \$117.8 million (18.9%) compared to the same quarter of 2024. Excluding a \$4.5 million favourable foreign exchange impact and sales from Summer Garden, the Corporation's sales were up \$63.4 million (10.1%) year over year. This increase is primarily driven by higher sales volume in Canada and the favourable impact of selling price adjustments, as well as a beneficial shift in the private label sales mix in both Canada and the U.S.

For the first six months of 2025, sales rose \$247.6 million (20.7%) compared to the same period of 2024. Excluding a \$25.7 million favourable foreign exchange impact and sales from Summer Garden, the Corporation's sales were up \$116.4 million (9.7%) year over year. This increase is mainly attributable to higher sales volume, the favourable impact of selling price adjustments, largely driven by Canada, and, to a lesser extent, a positive shift in the mix of private label sales across both Canada and the U.S.

## Cost of sales

The 2025 second-quarter cost of sales was up \$97.8 million or 21.8% from the same quarter of 2024. Excluding a \$10.3 million unfavourable foreign exchange impact and cost of sales from Summer Garden, cost of sales was up \$57.6 million (12.8%) year over year. This increase in cost of sales essentially reflects:

- (i) the impact of an increase in sales volume;
- (ii) a higher cost for certain inputs, primarily Oranges, which had benefited from a temporary procurement advantage last year, and to a lesser extent, pineapple concentrates and Apples, partly offset by a decrease in the cost of PET resin;
- (iii) an increase in certain U.S. conversion costs, mainly related to the deployment of new assets at the North Carolina plant and the warehousing of raw materials;
- (iv) a \$2.3 million accelerated depreciation expense related to business optimization; and
- (v) \$0.5 million in expenses related to business optimization initiatives.

For the first six months of 2025, cost of sales was up \$194.0 million or 22.3% from the same period of 2024. Excluding a \$29.0 million unfavourable foreign exchange impact and cost of sales from Summer Garden, cost of sales was up \$102.7 million (11.8%) year over year. This increase in cost of sales essentially reflects:

- (i) the impact of an increase in sales volume;
- (ii) a higher cost for certain inputs, primarily Oranges, which had benefited from a temporary procurement advantage last year, and to a lesser extent, pineapple concentrates and Apples, partly offset by a decrease in the cost of PET resin;
- (iii) an increase in certain U.S. conversion costs, mainly related to the deployment of new assets at the North Carolina plant and the warehousing of raw materials;
- (iv) a \$4.8 million accelerated depreciation expense related to business optimization; and
- (v) \$1.0 million in expenses related to business optimization initiatives.

### **Gross profit**

As a result of the aforementioned factors and excluding gross profit from Summer Garden, gross profit amounted to \$175.7 million (25.4% of sales) in the second quarter of 2025, compared to \$175.7 million (28.1% of sales) in the second quarter of 2024. As a result of the aforementioned factors and excluding gross profit from Summer Garden, gross profit amounted to \$335.8 million (25.1% of sales) in the first six months of 2025, up 3.2% from \$325.3 million (27.2% of sales) in the first six months of 2024.

### **Selling and administrative expenses**

The 2025 second-quarter selling and administrative expenses were up \$15.6 million year over year. Excluding selling and administrative expenses from Summer Garden, selling and administrative expenses decreased by \$0.2 million. This decrease was essentially due to:

- (i) \$7.0 million in costs in 2024 related to the Summer Garden acquisition; and
- (ii) a \$2.8 million decrease in performance-related compensation expenses;

partly offset by:

- (i) a \$3.3 million increase in certain administrative expenses;
- (ii) a \$2.8 million increase in selling and marketing expenses;
- (iii) a \$1.8 million net increase in transportation costs incurred to deliver products to clients, coming from Canada and partly due to increased volume;
- (iv) a \$1.3 million increase in finished goods warehousing costs; and
- (v) \$0.5 million in expenses related to business optimization.

For the first six months of 2025, selling and administrative expenses were up \$41.1 million year over year. Excluding selling and administrative expenses from Summer Garden, selling and administrative expenses rose \$9.2 million year over year. This increase was mainly due to:

- (i) a \$4.8 million increase in transportation costs incurred to deliver products to clients, mainly in Canada and essentially due to increased volume;
- (ii) a \$4.1 million increase in finished goods warehousing costs;

- (iii) a \$4.1 million increase in certain administrative expenses;
- (iv) a \$4.0 million unfavourable foreign exchange impact that affected the conversion of the selling and administrative expenses of the U.S. entities into Canadian dollars; and
- (v) a \$3.6 million increase in selling and marketing expenses;

partly offset by:

- (i) \$7.8 million in costs in 2024 related to the Summer Garden acquisition; and
- (ii) a \$2.7 million decrease in performance-related compensation expenses.

### **Operating profit**

As a result of the aforementioned factors and excluding the contribution from Summer Garden, the Corporation's operating profit totalled \$50.2 million in the second quarter of 2025 versus \$50.0 million in the second quarter of 2024. As a result of the aforementioned factors and excluding the contribution from Summer Garden, the Corporation's operating profit totalled \$85.9 million in the first six months of 2025 versus \$84.6 million in the same period of 2024.

### **Financial expenses**

Financial expenses for the second quarter of 2025 were up \$5.5 million year over year. Excluding financial expenses from Summer Garden and \$3.4 million in additional financial expenses related to its acquisition by the Corporation, financial expenses were up \$2.0 million from the same quarter last year. This increase came mainly from an increase in interest expense on long-term debt, explained by a higher debt level in support of additional working capital needs and higher capital expenditures.

For the first six months of 2025, financial expenses were up \$10.1 million year over year. Excluding financial expenses from Summer Garden and \$6.7 million in additional financial expenses related to its acquisition by the Corporation, financial expenses were up \$3.3 million from the same quarter last year. This increase came mainly from an increase in interest expense on long-term debt, explained by a higher debt level in support of additional working capital needs and higher capital expenditures.

### **Other (gains) losses**

The 2025 second-quarter other (gains) losses resulted in a \$1.9 million gain that came essentially from \$1.5 million in foreign exchange gains and a \$0.5 million gain in Diamond Estates Wines & Spirits Inc. ("Diamond"). The 2024 second-quarter gain was mainly due to \$0.3 million in foreign exchange gains, partly offset by a \$0.2 million loss in Diamond.

The other (gains) losses in the first six months of 2025 resulted in a \$0.2 million gain that came essentially from a \$0.7 million gain in Diamond and from \$0.3 million in foreign exchange gains, partly offset by a \$0.7 million loss arising from the accretion of the fair value of contingent considerations payable related to the Summer Garden acquisition. The gain in the first six months of 2024 was mainly due to \$1.6 million in foreign exchange gains and to a \$0.4 million gain in Diamond.

### **Profit before income taxes**

Excluding the contribution from Summer Garden and \$3.4 million in additional financial expenses related to its acquisition, profit before income taxes was \$45.5 million in the second quarter of 2025, unchanged from the same quarter in 2024.

Excluding the contribution from Summer Garden and \$6.7 million in additional financial expenses related to its acquisition, profit before income taxes totalled \$74.3 million in the first six months of 2025, down 4.9% from \$78.1 million in the same period last year.

### **Income taxes**

The 2025 second-quarter effective income tax rate of 25.5% was lower than the 27.9% rate in the same quarter of 2024, essentially explained by a favourable change in the geographic mix of the Corporation's taxable income. The effective income tax rate of 26.1% for the first six months of 2025 was lower than the 27.7% rate in the same period of 2024, essentially explained by a favourable change in the geographic mix of the Corporation's taxable income.

### **Profit**

Excluding the contribution from Summer Garden and the \$2.5 million impact of additional financial expenses, net of tax, related to its acquisition by the Corporation, profit totalled \$33.8 million in the second quarter of 2025, up from \$32.8 million in the same quarter of 2024.

Excluding the contribution from Summer Garden and the \$4.9 million impact of additional financial expenses, net of tax, related to its acquisition by the Corporation, profit totalled \$54.6 million in the first six months of 2025, down from \$56.5 million in the same period last year.

#### Profit attributable to the Corporation's shareholders

Excluding the contribution from Summer Garden and the \$2.5 million impact of additional financial expenses, net of tax, related to its acquisition by the Corporation, profit attributable to the Corporation's shareholders for the second quarter of 2025 totalled \$34.1 million, resulting in EPS of \$4.99, compared to \$33.5 million and \$4.91, respectively, for the same quarter of 2024.

Excluding the contribution from Summer Garden and the \$4.9 million impact of additional financial expenses, net of tax, related to its acquisition by the Corporation, profit attributable to the Corporation's shareholders for the first six months of 2025 totalled \$56.2 million, resulting in EPS of \$8.23, compared to \$57.4 million and \$8.41, respectively, for the same period of 2024.

## 10 Summary of Quarterly Results

(in millions of dollars,  
unless otherwise indicated)

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Sales	742.4	699.7	738.1	668.3	624.7	569.8	604.8	583.4
Operating profit	54.4	42.7	43.0	47.2	50.0	34.6	32.1	35.7
Adjusted EBITDA <sup>7</sup>	84.4	71.5	79.6	69.3	74.6	52.4	52.6	52.9
Profit attributable to the Corporation's shareholders	34.3	24.5	27.1	29.7	33.5	23.8	21.0	24.3
EPS (in \$)	5.03	3.60	3.97	4.35	4.91	3.49	3.08	3.56
Adjusted EPS <sup>7</sup> (in \$)	5.47	4.00	5.13	4.53	5.73	3.68	3.14	3.67

The Corporation's sales typically follow a seasonal pattern, increasing progressively throughout the year. Sales usually mirror consumer spending habits with higher demand in the back-to-school and holiday seasons and lower demand in the early part of the year.

Quarterly sales may also fluctuate due to acquisitions, divestitures, price adjustments, sales mix, and foreign exchange impacts. Profitability behaves relatively similar to sales, but, in addition to the above-mentioned factors, it is also influenced by input costs and transportation costs, the Corporation's operating efficiency as well as government decisions on Tariffs, interest rates, and taxes.

For a more complete explanation and analysis of quarterly results, refer to the Corporation's MD&A for each of the respective quarterly periods, which are filed on the SEDAR+ website and also available on the Corporation's website.

<sup>7</sup> This measure does not constitute a standardized financial measure in accordance with the financial reporting framework used to prepare the Corporation's financial statements. Comparing it to a similar financial measure presented by other issuers may not be possible. Refer to Section 17 – "Financial Measures Not in Accordance With IFRS" of this MD&A 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.

## 11 Analysis of the Consolidated Financial Position

<i>(in millions of dollars)</i>	As at June 28, 2025	As at Dec. 31, 2024	Increase (decrease)	
			Foreign exchange impact <sup>8</sup>	Variance, excluding foreign exchange impact
	\$	\$	\$	\$
<b>Assets</b>				
Current				
Cash and cash equivalents	33.0	28.2	(1.2)	6.0
Accounts receivable	265.9	213.5	(9.0)	61.4
Income tax recoverable	11.0	9.2	(1.3)	3.1
Inventories	506.8	472.2	(13.9)	48.5
Derivative instruments	3.2	11.7	-	(8.5)
Other current assets	33.7	36.6	(0.5)	(2.4)
	<b>853.5</b>	<b>771.5</b>	<b>(25.9)</b>	<b>107.9</b>
Derivative instruments	2.7	0.3	-	2.4
Property, plant and equipment	679.3	657.7	(18.8)	40.4
Intangible assets	303.8	336.3	(13.5)	(19.0)
Net defined benefit asset	4.9	6.2	-	(1.3)
Deferred tax assets	3.8	6.4	(1.6)	(1.0)
Other non-current assets	1.9	0.8	-	1.1
Goodwill	474.9	498.7	(23.8)	-
	<b>2,324.9</b>	<b>2,277.8</b>	<b>(83.6)</b>	<b>130.7</b>
<b>Liabilities</b>				
Current				
Bank overdraft	0.4	1.3	(0.2)	(0.7)
Accounts payable and accrued liabilities	325.7	429.6	(11.9)	(92.0)
Income tax payable	11.5	19.1	(0.9)	(6.7)
Derivative instruments	14.4	1.3	(0.7)	13.8
Other current liabilities	33.2	30.1	(1.2)	4.3
Current portion of long-term debt	25.6	25.1	(7.6)	8.1
	<b>410.7</b>	<b>506.5</b>	<b>(22.5)</b>	<b>(73.3)</b>
Derivative instruments	-	0.0	-	(0.0)
Long-term debt	625.5	452.4	(15.6)	188.7
Long-term incentive plan liabilities	13.7	11.2	-	2.5
Net pension plan liabilities	1.5	1.3	-	0.2
Deferred tax liabilities	102.7	113.7	(4.4)	(6.6)
Other non-current liabilities	21.0	26.9	(1.1)	(4.8)
	<b>1,175.1</b>	<b>1,112.0</b>	<b>(43.6)</b>	<b>106.7</b>
<b>Shareholders' equity</b>	<b>1,149.8</b>	<b>1,165.8</b>	<b>(40.0)</b>	<b>24.0</b>
	<b>2,324.9</b>	<b>2,277.8</b>	<b>(83.6)</b>	<b>130.7</b>

<sup>8</sup> When comparing Consolidated Statement of Financial Position items, readers must consider the conversion rate applicable to closing balances denominated in U.S. dollars, which went from \$1.4389 CAD per USD as at December 31, 2024 to \$1.3676 CAD per USD as at June 28, 2025. The table presents the main Consolidated Statement of Financial Position items that were significantly affected by the movement in exchange rates.

## 11.1 Assets

**Accounts receivable** totalled \$265.9 million as at June 28, 2025 compared to \$213.5 million as at December 31, 2024. Excluding the foreign exchange impact, accounts receivable were up \$61.4 million, essentially explained by a \$60.8 million increase in trade accounts receivable resulting mainly from a longer collection period due, among other things, to the commissioning of the new Canadian ERP system, which had a temporary effect on the timing of collection.

**Inventories** went from \$472.2 million as at December 31, 2024 to \$506.8 million as at June 28, 2025. Excluding the foreign exchange impact, inventories increased by \$48.5 million. This increase came from (i) a \$29.9 million increase in inventories of raw materials and supplies due essentially to advanced purchases of apple concentrate to secure prices and supply and to a higher cost, and from (ii) an \$18.6 million increase in finished goods inventories explained mainly by a higher inventory level, reflecting the seasonality of the production schedule and the timing of certain shipments.

As at June 28, 2025, the fair value of **derivative instruments recorded as current assets** was \$3.2 million compared to \$11.7 million as at December 31, 2024. This Statement of Financial Position item essentially reflects the favourable variances between the rates on the foreign exchange forward contracts held by the Corporation to cover its foreign currency requirements for up to 12 months following its reporting date and the exchange rates on that date.

**Property, plant and equipment** ("PP&E") went from \$657.7 million as at December 31, 2024 to \$679.3 million as at June 28, 2025. Excluding the foreign exchange impact, PP&E increased by \$40.4 million. This increase was mainly due to \$74.0 million in PP&E acquisitions, partly offset by a \$32.6 million depreciation expense.

**Intangible assets** went from \$336.3 million as at December 31, 2024 to \$303.8 million as at June 28, 2025. Excluding the foreign exchange impact, intangible assets decreased by \$19.0 million, as an amortization expense of \$22.8 million was partly offset by intangible asset purchases of \$3.8 million.

During the first six months of 2025, the Corporation invested a total amount of \$77.8 million in capital expenditures, with growth and optimization projects representing \$57.6 million, maintenance and regulatory projects representing \$15.1 million, and technology projects representing \$5.1 million.

## 11.2 Liabilities

**Accounts payable and accrued liabilities** went from \$429.6 million as at December 31, 2024 to \$325.7 million as at June 28, 2025. Excluding the foreign exchange impact, accounts payable and accrued liabilities decreased by \$92.0 million. This decrease was essentially due to (i) a \$95.7 million decrease in trade payables and accrued expenses, explained mainly by the payment in the first quarter of 2025 of capital expenditures unpaid at the end of 2024 and by the timing of supplier payments, and to (ii) a \$14.7 million decrease in the "Salaries and accrued vacation payable" item explained by the payment in April 2025 of the 2024 performance-related compensation expenses, partly offset by a \$16.4 million increase in trade spending resulting from higher sales.

As at June 28, 2025, the fair value of **derivative instruments recorded as current liabilities** was \$14.4 million compared to \$1.3 million as at December 31, 2024. This Statement of Financial Position item essentially reflects the unfavourable changes in fair value of the derivative instruments held by the Corporation to hedge fluctuations in frozen concentrated orange juice prices. It also reflects the unfavourable variances between the rates on the foreign exchange forward contracts held by the Corporation to cover its foreign currency requirements for up to 12 months following its reporting date and the exchange rates on that date.

**Long-term debt**, including the current portion, was \$651.1 million as at June 28, 2025 compared to \$477.5 million as at December 31, 2024. Excluding the foreign exchange impact, long-term debt increased by \$196.8 million. As outlined in Section 5 of this MD&A, on June 25, 2025, the Corporation secured a new U.S. term loan totaling \$343.4 million. This loan was used to repay the outstanding balance of the U.S. revolving credit and a portion of the Canadian revolving operating credit previously drawn to finance the Summer Garden acquisition. Consequently, the Corporation repaid \$126.2 million on its U.S. revolving credit and a net amount of \$14.8 million on the Canadian revolving operating credit. Additionally, \$2.0 million in transaction costs were capitalized. Also, the Corporation's lease liabilities declined by \$3.6 million, primarily due to \$3.0 million in repayments.

**Deferred tax liabilities** went from \$113.7 million as at December 31, 2024 to \$102.7 million as at June 28, 2025. Excluding the foreign exchange impact, deferred tax liabilities decreased by \$6.6 million. This decrease came mainly from the tax impact of recognizing, in comprehensive income, losses on financial instruments designated as cash flow hedges, partly offset by the tax amortization of goodwill.

## 11.3 Shareholders' Equity

**Equity attributable to the Corporation's shareholders** totalled \$1,055.6 million as at June 28, 2025, down \$14.4 million from \$1,070.0 million as at December 31, 2024. **Accumulated other reserves** decreased by \$57.6 million given a \$37.1 million decrease in the foreign currency translation reserve and given a \$20.5 million decrease in the hedging reserve. **Retained earnings** rose \$43.2 million to total \$926.5 million at the end of the second quarter of 2025. This increase essentially reflects \$58.9 million in profit attributable to the Corporation's shareholders for the first six months of 2025, less \$15.0 million in dividends paid. The **non-controlling interests** went from \$95.8 million as at December 31, 2024 to \$94.2 million as at June 28, 2025. On March 28, 2025, the Corporation and a non-controlling

interest made equity investments, in proportion to their respective interests, in the Corporation's U.S. entities. The amount invested by the non-controlling interest was \$3.6 million. The non-controlling interests represent a minority interest's share in the equity of the Corporation's U.S. subsidiaries as well as the share of other minority interests in the equity of Diamond.

Various ratios related to the consolidated financial position, and the details of their calculation, are available in *Section 17 – "Financial Measures Not in Accordance With IFRS"*.

## 12 Analysis of the Consolidated Cash Flows

### 12.1 Summary of Consolidated Cash Flows

<i>(in millions of dollars)</i>	Second quarters ended		First six months ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
	\$	\$	\$	\$
Operating activities	(3.1)	59.4	(63.2)	70.7
Financing activities	50.5	(16.9)	183.9	(18.8)
Investing activities	(35.0)	(30.8)	(114.1)	(57.2)
Change in cash and cash equivalents	12.5	11.7	6.7	(5.4)
Cash and cash equivalents at beginning	21.2	(1.3)	27.0	15.8
Effect of exchange rate changes on cash and cash equivalents	(1.0)	(0.0)	(1.0)	(0.0)
<b>Cash and cash equivalents at end</b>	<b>32.7</b>	<b>10.4</b>	<b>32.7</b>	<b>10.4</b>

#### Cash flows related to operating activities

For the second quarter of 2025, operating activities used \$3.1 million in cash, whereas these activities had generated \$59.4 million in cash during the second quarter of 2024. Excluding cash flows from Summer Garden, operating activities used \$72.4 million more than in the second quarter of 2024 on a comparable basis.

This increase in cash outflows was essentially due to a change in non-cash operating working capital items that used \$71.4 million in cash during the second quarter of 2025 compared to \$2.3 million in cash generated in the same quarter last year, for a \$73.7 million increase in cash outflows. This fluctuation in the change in working capital was due to the combined impact of the following items:

- a) a change in accounts receivable that used \$34.9 million during the second quarter of 2025 compared to \$2.0 million used during the same quarter of 2024;
- b) a change in accounts payable and accrued liabilities that used \$48.1 million during the second quarter of 2025 compared to \$19.0 million used in the second quarter of 2024;
- c) a change in inventories that generated \$3.4 million during the second quarter of 2025 compared to \$15.1 million generated in the same quarter of 2024; and
- d) a change in other current assets and liabilities that generated \$8.1 million during the second quarter of 2025 compared to \$8.2 million generated during the second quarter of 2024.

The following items also contributed to the upward change in cash flows used by operating activities:

- (i) a \$6.1 million increase in net interest paid; and
- (ii) a \$5.5 million increase in net income tax paid.

The upward change in cash flows used by operating activities was limited by the following items:

- (i) a \$7.2 million increase in earnings before interest, taxes, depreciation and amortization (including a \$1.8 million favourable change in other (gains) losses); and
- (ii) a \$6.0 million favourable change in settlements of derivative instruments.

For the first six months of 2025, operating activities used \$63.2 million in cash, whereas these activities had generated \$70.7 million in cash during the first six months of 2024. Excluding cash flows from Summer Garden, operating activities used \$150.1 million more than in the same period last year on a comparable basis.

This increase in cash outflows was essentially due to a change in non-cash operating working capital items that used \$158.1 million in cash during the first six months of 2025 compared to \$26.2 million in cash used in the same period last year, for a \$131.8 million increase in cash outflows. This fluctuation in the change in working capital was due to the combined impact of the following items:

- a) a change in accounts receivable that used \$56.9 million during the first six months of 2025 compared to \$9.4 million used during the same period of 2024;
- b) a change in inventories that used \$45.8 million during the first six months of 2025 compared to \$0.7 million used in the first six months of 2024;
- c) a change in accounts payable and accrued liabilities that used \$61.0 million during the first six months of 2025 compared to \$19.6 million used in the same period of 2024; and
- d) a change in other current assets and liabilities that generated \$5.7 million during the first six months of 2025 compared to \$3.5 million generated in the first six months of 2024.

The following items also contributed to the upward change in cash flows used by operating activities:

- (i) a \$10.5 million unfavourable change in settlements of derivative instruments;
- (ii) a \$9.0 million increase in net income tax paid; and
- (iii) a \$9.0 million increase in net interest paid.

The upward change in cash flows used by operating activities was limited by a \$9.3 million increase in earnings before interest, taxes, depreciation and amortization (including a \$1.8 million unfavourable change in other (gains) losses).

#### **Cash flows related to financing activities**

For the second quarter of 2025, financing activities generated \$50.5 million in cash, whereas these activities had used \$16.9 million in cash during the second quarter of 2024. Excluding cash flows from Summer Garden, financing activities generated \$67.8 million more than in the second quarter of 2024 on a comparable basis. This increase in cash inflows was mainly due to the securing of a \$343.4 million term loan, partly offset by a \$279.9 million repayment on the revolving operating credits during the second quarter of 2025 compared to a \$7.6 million repayment during the second quarter of 2024, and by the payment of \$4.0 million in fees related to the new U.S. credit agreement.

For the first six months of 2025, financing activities generated \$183.9 million in cash, whereas these activities had used \$18.8 million in cash during the first six months of 2024. Excluding cash flows from Summer Garden, financing activities generated \$203.6 million more than in the same period last year on a comparable basis. This increase in cash inflows was mainly due to the securing of a \$343.4 million term loan and a \$3.6 million investment from a non-controlling interest in the Corporation's U.S. entities, partly offset by a \$141.0 million repayment on the revolving operating credits during the first six months of 2025 compared to a \$1.1 million repayment during the first six months of 2024, and by the payment of \$4.0 million in fees related to the new U.S. credit agreement.

#### **Cash flows related to investing activities**

For the second quarter of 2025, investing activities used \$35.0 million in cash compared to \$30.8 million used in the second quarter of 2024. Excluding cash flows from Summer Garden, investing activities used \$2.7 million more than in the second quarter of 2024 on a comparable basis. This upward change came from a \$7.0 million settlement of one of the contingent considerations related to the Summer Garden acquisition, partly offset by a \$4.3 million decrease in cash outflows to acquire PP&E and intangible assets.

For the first six months of 2025, investing activities used \$114.1 million in cash compared to \$57.2 million used in the first six months of 2024. Excluding cash flows from Summer Garden, investing activities used \$54.3 million more than in the same period last year on a comparable basis. This upward change came essentially from a \$48.8 million increase in cash outflows to acquire property, plant and equipment and from a \$7.0 million settlement of one of the contingent considerations related to the Summer Garden acquisition.

### **13 Off-Consolidated-Statement-of-Financial-Position Arrangements**

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As at June 28, 2025, the Corporation had letters of credit outstanding totalling \$0.8 million.

Commitments are presented in Note 29 to the Corporation's audited consolidated financial statements for the year ended December 31, 2024.

### **14 Share Information**

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As at June 28, 2025, the Corporation's issued and outstanding share capital consisted of 3,069,000 Class A subordinate voting shares and 3,752,620 Class B multiple voting shares.

### **15 Dividends**

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In accordance with the Corporation's dividend policy, the Board of Directors declared today a quarterly dividend of \$1.10 per share, payable on September 15, 2025 to all registered holders of Class A and Class B shares on August 19, 2025. This dividend is an eligible dividend for Canadian tax purposes.

### **16 Subsequent Event**

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As of August 7, 2025, there was no subsequent event to report.

### **17 Financial Measures Not in Accordance With IFRS**

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To provide more information for evaluating the Corporation's performance, the financial information in the financial documents contains certain supplementary financial measures and certain data or ratios that are not financial measures defined under IFRS ("non-IFRS measures"), which are also calculated on an adjusted basis to exclude specific items impacting the comparability between periods. The Corporation believes that providing these non-IFRS measures is useful to management, investors, and analysts, as they provide additional information to analyze its performance and financial position.

The following non-IFRS financial measures are used in the Corporation's financial disclosures:

- Adjusted Operating Profit;
- EBITDA and Adjusted EBITDA;
- Adjusted Profit Attributable to the Corporation's Shareholders;
- Operating Working Capital;
- Capital Employed; and
- Sources of Capital.

The following non-IFRS ratios are used in the Corporation's financial disclosures:

- Adjusted Operating Profit margin;
- EBITDA margin and Adjusted EBITDA margin;
- Adjusted EPS;
- Days Operating Working Capital;
- Return on Capital Employed; and
- Net Debt to Adjusted EBITDA.

The following supplementary financial measures are used in the Corporation's financial disclosures:

- Days of Sales Outstanding;
- Days of Inventory Outstanding; and
- Days of Payables Outstanding.

These financial measures or ratios, further described below, do not constitute standardized financial measures or ratios in accordance with the financial reporting framework used to prepare the Corporation's financial statements. These non-IFRS measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with IFRS. Comparing them to similar financial measures or ratios presented by other issuers may not be possible.

## 17.1 Items Impacting the Comparability Between Periods

The following table contains a list, description, and quantification of items impacting the comparability of the financial performance between periods:

<i>(in millions of dollars)</i>	Second quarters ended		First six months ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
	\$	\$	\$	\$
Costs related to the Strategy	0.4	0.9	1.0	1.3
Implementation costs of new key systems	0.5	0.3	0.9	0.5
Business optimization	1.1	-	1.6	0.4
Costs related to the Summer Garden acquisition	-	7.0	-	7.8
Sum of items impacting comparability on EBITDA:	2.0	8.2	3.5	10.0
Accelerated depreciation expense related to business optimization	2.3	-	4.8	-
Sum of items impacting comparability on operating profit:	4.3	8.2	8.3	10.0
Tax impact of previous items	(1.1)	(2.2)	(2.0)	(2.6)
Impact on profit	3.2	6.0	6.3	7.4
Attributable to:				
Corporation's shareholders	2.9	5.6	5.7	6.8
Non-controlling interests	0.3	0.4	0.6	0.6

## 17.2 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.

<i>(in millions of dollars)</i>	Second quarters ended		First six months ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
	\$	\$	\$	\$
Operating profit	54.4	50.0	97.1	84.6
Sum of items impacting comparability	4.3	8.2	8.3	10.0
<b>Adjusted operating profit</b>	<b>58.7</b>	<b>58.2</b>	<b>105.4</b>	<b>94.6</b>

<i>(in millions of dollars)</i>	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Adjusted operating profit	58.7	46.7	54.4	48.8	58.2	36.4	36.0	37.2

## 17.3 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" item, as 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.

<i>(in millions of dollars)</i>	Second quarters ended		First six months ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
	\$	\$	\$	\$
Operating profit	54.4	50.0	97.1	84.6
Depreciation of property, plant and equipment and amortization of intangible assets	28.1	16.4	55.4	32.5
(Gains) losses on capital assets	(0.1)	0.0	(0.1)	(0.0)
<b>EBITDA</b>	<b>82.4</b>	<b>66.4</b>	<b>152.4</b>	<b>117.1</b>
Sum of items impacting comparability	2.0	8.2	3.5	10.0
<b>Adjusted EBITDA</b>	<b>84.4</b>	<b>74.6</b>	<b>155.9</b>	<b>127.1</b>

For the second quarter, the depreciation and amortization ("D&A") expense went from \$16.4 million in 2024 to \$28.1 million in 2025. Excluding a \$0.2 million unfavourable foreign exchange impact and D&A expense from Summer Garden, the D&A expense increased by \$5.1 million, explained mainly by the recognition, in the second quarter of 2025, of a \$2.3 million accelerated depreciation expense related to business optimization and by an increase in the depreciation of PP&E after capital assets were commissioned during 2024, including the new single-serve line in the North Carolina plant.

For the first six months, the D&A expense went from \$32.5 million in 2024 to \$55.4 million in 2025. Excluding a \$1.0 million unfavourable foreign exchange impact and D&A expense from Summer Garden, the D&A expense increased by \$9.0 million, explained mainly by the recognition, in the first six months of 2025, of a \$4.8 million accelerated depreciation expense related to business optimization and by an increase in the depreciation of PP&E after capital assets were commissioned during 2024, including the new single-serve line in the North Carolina plant.

<i>(in millions of dollars)</i>	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	\$	\$	\$	\$	\$	\$	\$	\$
EBITDA	82.4	70.0	70.8	67.7	66.4	50.6	47.7	51.4
Adjusted EBITDA	84.4	71.5	79.6	69.3	74.6	52.4	52.6	52.9

## 17.4 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.

<i>(in millions of dollars, unless otherwise indicated)</i>	Second quarters ended		First six months ended	
	June 28, 2025	June 29, 2024	June 28, 2025	June 29, 2024
	\$	\$	\$	\$
Profit attributable to the Corporation's shareholders	34.3	33.5	58.9	57.4
Sum of items impacting comparability	2.9	5.6	5.7	6.8
Adjusted profit attributable to the Corporation's shareholders	37.2	39.1	64.6	64.2
Weighted average number of shares outstanding <i>(in thousands)</i>	6,822	6,822	6,822	6,822
Adjusted EPS <i>(in \$)</i>	5.47	5.73	9.47	9.41

<i>(in millions of dollars, except adjusted EPS)</i>	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Adjusted profit attributable to the Corporation's shareholders	37.2	27.3	35.0	30.9	39.1	25.1	21.5	25.0
Adjusted EPS <i>(in \$)</i>	5.47	4.00	5.13	4.53	5.73	3.68	3.14	3.67

## 17.5 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 existing debt and define 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.

<i>(in millions of dollars, except the net debt to adjusted EBITDA ratio)</i>	As at	
	June 28, 2025	Dec. 31, 2024
	\$	\$
Current portion of long-term debt	25.6	25.1
Long-term debt	625.5	452.4
Less: Cash and cash equivalents	(33.0)	(28.2)
Net debt	618.1	449.3
Sum of adjusted EBITDA from the last four quarters	304.8	275.8
Net debt to adjusted EBITDA ratio	2.03:1	1.63:1

	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Net debt to adjusted EBITDA ratio	2.03:1	1.99:1	1.63:1	1.83:1	0.86:1	1.01:1	0.92:1	0.98:1

## 17.6 Days Operating Working Capital

Days operating working capital is a financial measure used by the Corporation to represent the number of days 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 9 – "Analysis of the Consolidated Results" of this MD&A, and multiplied by 91 days. Operating working capital consists of the sum of trade accounts receivable, discounts receivable and inventories, less trade payables and accrued expenses and trade spending, as they are presented in the accompanying notes to the Corporation's interim consolidated financial statements.

<i>(in millions of dollars, except days operating working capital)</i>	As at June 28, 2025	As at Dec. 31, 2024
	\$	\$
Trade accounts receivable	256.5	204.3
Discounts receivable	2.7	4.8
Inventories	506.8	472.2
Less: Trade payables and accrued expenses	(218.0)	(321.9)
Less: Trade spending	(66.0)	(50.4)
Operating working capital	482.0	309.1
Divided by: Last quarter's sales	742.4	738.1
	0.65	0.42
Days operating working capital <i>(in days)</i>	59.1	38.1

<i>(in days)</i>	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Days operating working capital	59.1	55.5	38.1	46.3	45.0	48.2	44.2	48.6

While the Corporation uses the "Days Operating Working Capital" financial measure described above to assess its overall working capital position, it also remains attentive to the following working capital indicators:

### 17.6.1 Days of Sales Outstanding

Days of sales outstanding ("DSO") is a financial measure used by the Corporation to represent the average number of days that it takes the Corporation to collect payment for a sale. This financial measure is obtained by dividing trade accounts receivable less trade spending, as they are presented in the accompanying notes to the Corporation's interim consolidated financial statements, by the last quarter's sales, as they are presented in Section 9 – "Analysis of the Consolidated Results" of this MD&A, and multiplied by 91 days.

<i>(in millions of dollars, except DSO)</i>	As at June 28, 2025	As at Dec. 31, 2024
	\$	\$
Trade accounts receivable	256.5	204.3
Less: Trade spending	(66.0)	(50.4)
	190.5	154.0
Divided by: Last quarter's sales	742.4	738.1
	0.26	0.21
DSO <i>(in days)</i>	23.3	19.0

<i>(in days)</i>	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
DSO	23.3	23.1	19.0	20.9	17.9	20.1	18.3	18.4

### 17.6.2 Days of Inventory Outstanding

Days of inventory outstanding (“DIO”) is a financial 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 9 – “Analysis of the Consolidated Results”* of this MD&A, and multiplied by 91 days.

<i>(in millions of dollars, except DIO)</i>	<b>As at June 28, 2025</b>	<b>As at Dec. 31, 2024</b>
	\$	\$
Inventories	506.8	472.2
Divided by: Last quarter’s cost of sales	546.7	545.2
	<b>0.93</b>	0.87
DIO <i>(in days)</i>	<b>84.4</b>	78.8

<i>(in days)</i>	<b>Q2 2025</b>	<b>Q1 2025</b>	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q4 2023</b>	<b>Q3 2023</b>
DIO	<b>84.4</b>	91.6	78.8	77.2	79.7	88.1	77.8	79.5

### 17.6.3 Days of Payables Outstanding

Days of payables outstanding (“DPO”) is a financial measure used by the Corporation to represent the average number of days the Corporation takes to pay its accounts payable and accrued liabilities. This financial measure is obtained by dividing trade payables and accrued expenses less discounts receivable, as they are presented in the accompanying notes to the Corporation’s interim consolidated financial statements by the last quarter’s cost of sales, as it is presented in *Section 9 – “Analysis of the Consolidated Results”* of this MD&A, and multiplied by 91 days.

<i>(in millions of dollars, except DPO)</i>	<b>As at June 28, 2025</b>	<b>As at Dec. 31, 2024</b>
	\$	\$
Trade payables and accrued expenses	218.0	321.9
Less: Discounts receivable	(2.7)	(4.8)
	<b>215.2</b>	317.1
Divided by: Last quarter’s cost of sales	546.7	545.2
	<b>0.39</b>	0.58
DPO <i>(in days)</i>	<b>35.8</b>	52.9

<i>(in days)</i>	<b>Q2 2025</b>	<b>Q1 2025</b>	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q4 2023</b>	<b>Q3 2023</b>
DPO	<b>35.8</b>	47.7	52.9	42.4	42.0	49.9	43.2	39.2

## 17.7 Capital Employed and Sources of Capital

The Corporation uses the capital employed and sources of capital financial measures to measure, on one hand, the level of capital deployed to operate its business and, on the other hand, the source of financing for this utilization of capital. Capital employed is the sum of all assets (except cash and cash equivalents), less all liabilities (except bank overdraft as well as the long-term debt and its current portion), as they are presented in the Corporation's Consolidated Statement of Financial Position or in the accompanying notes to the Corporation's interim consolidated financial statements. The sources of capital measure is the sum of bank overdraft, long-term debt, including the current portion, and shareholders' equity, less cash and cash equivalents, as they are presented in the Corporation's Consolidated Statement of Financial Position.

<i>(in millions of dollars)</i>	As at June 28, 2025	As at Dec. 31, 2024
	\$	\$
<b>Capital employed</b>		
Trade accounts receivable	256.5	204.3
Discounts receivable	2.7	4.8
Inventories	506.8	472.2
Less: Trade payables and accrued expenses	(218.0)	(321.9)
Less: Trade spending	(66.0)	(50.4)
Operating working capital	482.0	309.1
Other receivables	6.6	4.4
Income tax recoverable	11.0	9.2
Other current assets	33.7	36.6
Derivative instruments asset, including the current portion	5.9	12.0
Property, plant and equipment	679.3	657.7
Intangible assets	303.8	336.3
Net defined benefit asset	4.9	6.2
Deferred tax assets	3.8	6.4
Other non-current assets	1.9	0.8
Goodwill	474.9	498.7
Less: Other accounts payable and accrued liabilities	(41.8)	(57.3)
Less: Income tax payable	(11.5)	(19.1)
Less: Other current liabilities	(33.2)	(30.1)
Less: Derivative instruments liability, including the current portion	(14.4)	(1.4)
Less: Long-term incentive plan liabilities	(13.7)	(11.2)
Less: Net pension plan liabilities	(1.5)	(1.3)
Less: Deferred tax liabilities	(102.7)	(113.7)
Less: Other non-current liabilities	(21.0)	(26.9)
	<b>1,768.2</b>	<b>1,616.3</b>
<b>Sources of capital</b>		
Bank overdraft	0.4	1.3
Long-term debt, including the current portion	651.1	477.5
Shareholders' equity	1,149.8	1,165.8
Less: Cash and cash equivalents	(33.0)	(28.2)
	<b>1,768.2</b>	<b>1,616.3</b>

## 17.8 Return on Capital Employed

The Corporation uses return on capital employed (“ROCE”), a profitability ratio, to measure how efficiently it is using its capital to generate profits. To calculate ROCE, the sum of adjusted operating profit from the last four quarters is divided by the average capital employed from the last four quarters.

<i>(in millions of dollars, unless otherwise indicated)</i>	<b>As at June 28, 2025</b>	<b>As at Dec. 31, 2024</b>
	\$	\$
Sum of adjusted operating profit from the last four quarters	<b>208.6</b>	197.7
Average capital employed from the last four quarters	<b>1,670.8</b>	1,421.0
Return on capital employed ratio <i>(in %)</i>	<b>12.5</b>	13.9

<i>(in %)</i>	<b>Q2 2025</b>	<b>Q1 2025</b>	<b>Q4 2024</b>	<b>Q3 2024</b>	<b>Q2 2024</b>	<b>Q1 2024</b>	<b>Q4 2023</b>	<b>Q3 2023</b>
ROCE	<b>12.5</b>	13.5	13.9	13.7	13.7	12.7	12.1	11.0

## 18 Accounting Policies and Future Accounting Changes

The interim consolidated financial statements were prepared using the same accounting policies as those described in Note 2 to the consolidated financial statements for the year ended December 31, 2024. The future accounting changes are presented in Note 5 to the consolidated financial statements for the year ended December 31, 2024. The interim consolidated financial statements do not include all of the notes required in the annual consolidated financial statements.

## 19 Disclosure Controls and Procedures (“DC&P”)

The Corporation’s Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) are responsible for setting and maintaining disclosure controls and procedures, as set out in National Instrument 52-109 issued by the Canadian Securities Administrators. Assisting them in this responsibility is the Disclosure Committee, which consists of the Corporation’s key management personnel. The Disclosure Committee must be kept fully informed of any significant information relating to the Corporation so that it can evaluate said information, determine its importance, and decide on timely disclosure of a press release, where applicable. Management regularly reviews disclosure controls and procedures; however, it cannot provide an absolute level of assurance because of the inherent limitations in control systems to prevent or detect all misstatements due to error or fraud.

The CEO and the CFO have concluded that the design of the disclosure controls and procedures as at June 28, 2025 provides reasonable assurance that important information about the Corporation is evaluated, processed, and reported to them in a timely manner during the preparation of disclosure documentation.

## 20 Internal Control Over Financial Reporting (“ICFR”)

Management is responsible for establishing and maintaining adequate internal control over financial reporting in order to provide reasonable assurance as to the reliability of the financial information and reasonable assurance that the financial statements were prepared, for financial reporting purposes, in accordance with IFRS. All internal control systems have inherent limitations and therefore internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements resulting from error or fraud.

Under the supervision of the CEO and the CFO, management evaluated the design of the Corporation’s internal control over financial reporting as at June 28, 2025, based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

During the second quarter of 2025, there have been no changes to the internal control over financial reporting that would have significantly affected or been likely to have significantly affected the Corporation’s internal control over financial reporting.

## 21 Limitations on Scope of Design

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Management's assessments of and conclusions on the design of DC&P and ICFR exclude the controls, policies and procedures of Summer Garden, which was acquired on August 8, 2024. The Corporation will not benefit from this exclusion for purposes of the certificates required for the quarters ended after August 8, 2025. The following table provides meaningful summary financial information about Summer Garden.

<i>(in millions of dollars)</i>	<b>First six months ended June 28, 2025</b>
	<b>\$</b>
Sales	105.4
Profit	8.4
	<b>As at June 28, 2025</b>
	<b>\$</b>
Current assets	53.4
Non-current assets	319.1
Current liabilities	16.0
Non-current liabilities	4.4

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August 7, 2025