



# SECOND QUARTER REVIEW 2015

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President and Chief Executive Officer

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Chief Financial Officer

**July 31, 2015**



# Advancing towards strategic goals

Increased EBITDA margin to 6.0%, with a clear path forward

Grew operating earnings by \$34M; increased EPS to \$0.13

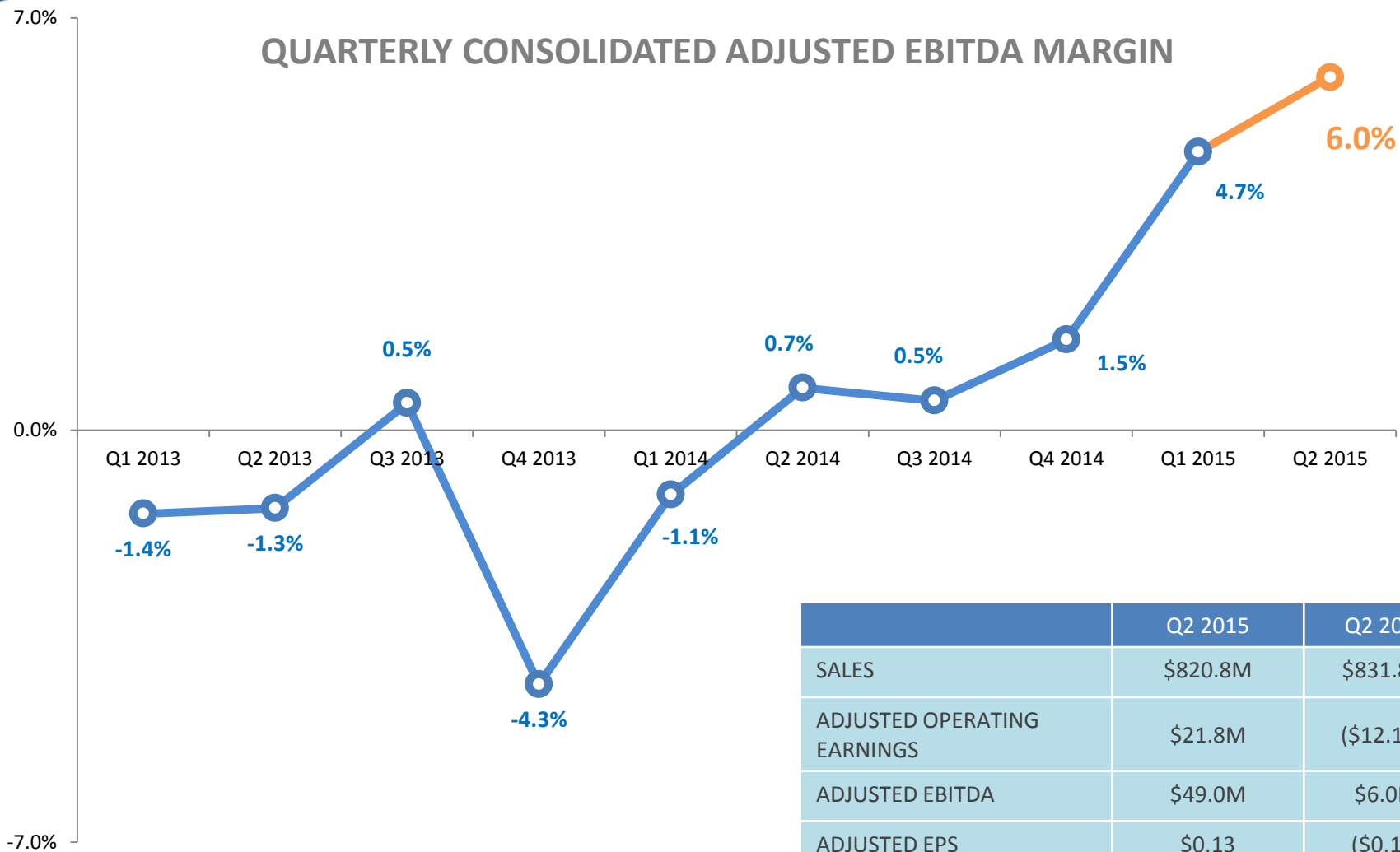
Closed last legacy plant, ending duplicative network

Strong commercial momentum and volume growth

Improved operating performance in new network



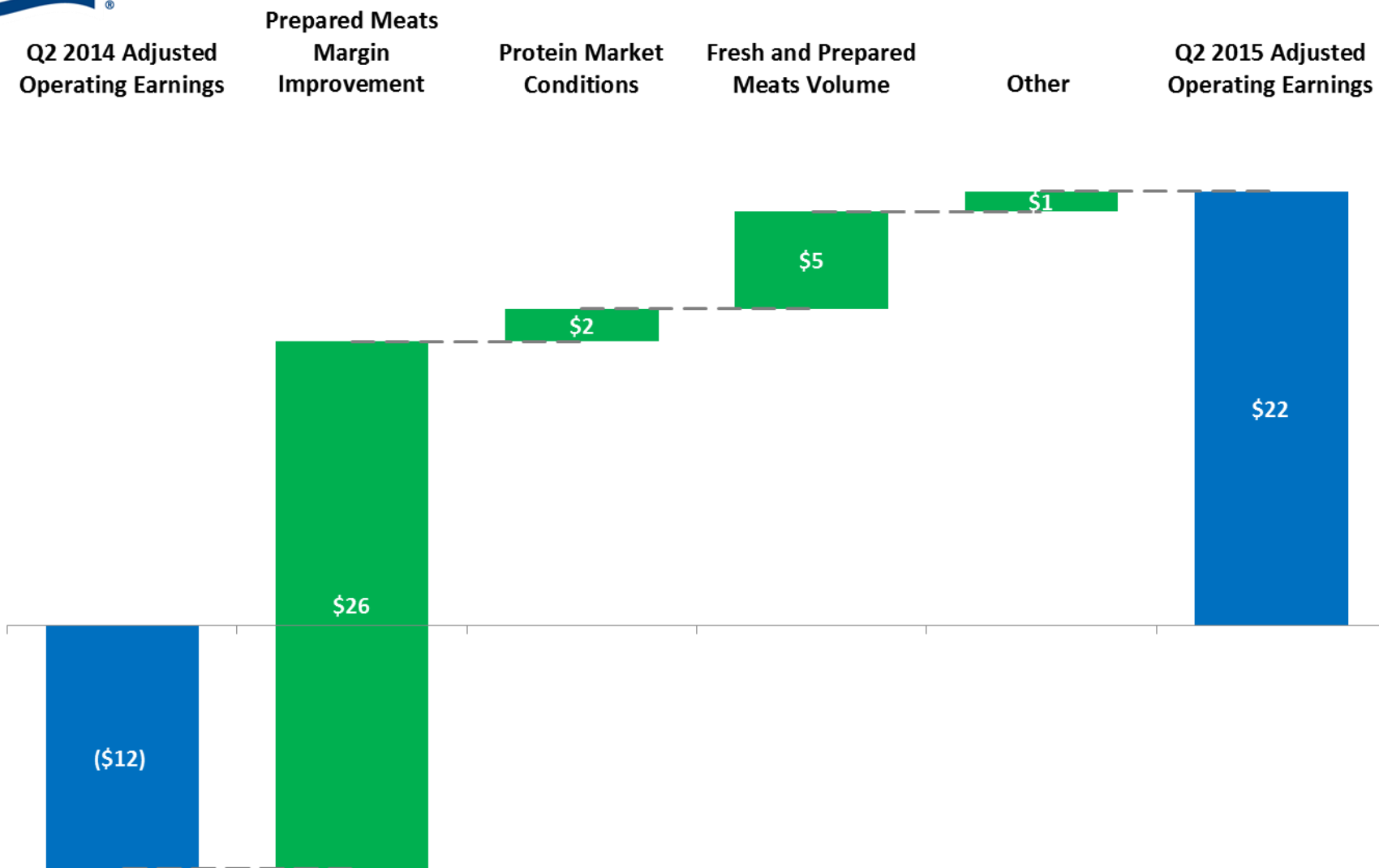
# Excellent progression of EBITDA margin



	Q2 2015	Q2 2014
SALES	\$820.8M	\$831.8M
ADJUSTED OPERATING EARNINGS	\$21.8M	(\$12.1M)
ADJUSTED EBITDA	\$49.0M	\$6.0M
ADJUSTED EPS	\$0.13	(\$0.12)



# Material improvement in adjusted operating earnings



Figures in millions.



# Commercial momentum continues to strengthen

Strong prepared meats volume recovery

Gains in retail branded volume

Improved product sales mix

Strong branded poultry performance

Expanding innovation pipeline



# Clear path to strategic margin targets, 10% and beyond

## Short Term – Optimizing New Plants

Dialing-in equipment performance and training

Achieving OEE targets, including schedule optimization

Optimizing formulations for yield

Reducing overhead required for transformation activity

## 2-5 Years – Building On Foundation

Increasing asset utilization

New business development opportunities

Margin management and innovation pipeline

SG&A cost reduction



# Building a growth framework

Engaged in broad opportunity identification

Building the analytical framework to assess opportunities

Concentrating on growth in ways which offer:

Brand relevance  
Margin accretion

Higher growth segments  
Total shareholder return

Leveraging the strengths in our sustainability platform



# Allocating capital from a strong balance sheet

Free cash flow of \$30M in the quarter

Cash on hand of \$410M at quarter end

Invested \$42M to buyback 1.8M shares of MFI stock

Capital expenditures of \$44M in the quarter





# Summary

Material earnings growth, continued EBITDA margin expansion

Strong commercial performance

Responsible capital allocation

Clear path to achieving strategic financial target



# Non-IFRS Measures

**Adjusted Operating Earnings:** Adjusted Operating Earnings, a non-IFRS measure, is used by Management to evaluate financial operating results. It is defined as earnings before income taxes from continuing operations adjusted for items that are not considered representative of ongoing operational activities of the business, and items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred.

**Adjusted Earnings per Share:** Adjusted Earnings per Share, a non-IFRS measure, is used by Management to evaluate ongoing financial operating results. It is defined as basic earnings per share from continuing operations attributable to common shareholders, and is adjusted for all items that are not considered representative of on-going operational activities of the business, and items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred.

**Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization:** Adjusted EBITDA is calculated as earnings from continuing operations before interest and income taxes plus depreciation and intangible asset amortization, adjusted for items that are not considered representative of ongoing operational activities of the business, and items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred. Adjusted EBITDA for 2010 and thereafter is calculated based on results reported in accordance with IFRS. Adjusted EBITDA for periods before 2010 is calculated based on results previously reported under Canadian GAAP.

Unless otherwise stated, all figures in this presentation have been restated for the presentation of the Bakery Products Group as discontinued operations. Please refer to Note 22 of the Company's 2015 second quarter unaudited condensed consolidated interim financial statements for more information.