



Delivering Results; Building a Sustainable Future

**Q3 2016 REVIEW
November 2, 2016**

Michael McCain, President and Chief Executive Officer

Debbie Simpson, Chief Financial Officer



Q3 summary highlights

Financial

Adjusted EPS⁽¹⁾
of \$0.32

Adjusted EBITDA
margin⁽¹⁾ of
10.3%

Commercial

Commercial
performance
driving solid
results

Operations

Continued
progress in
improving
supply chain
cost efficiencies
in new network

Innovation

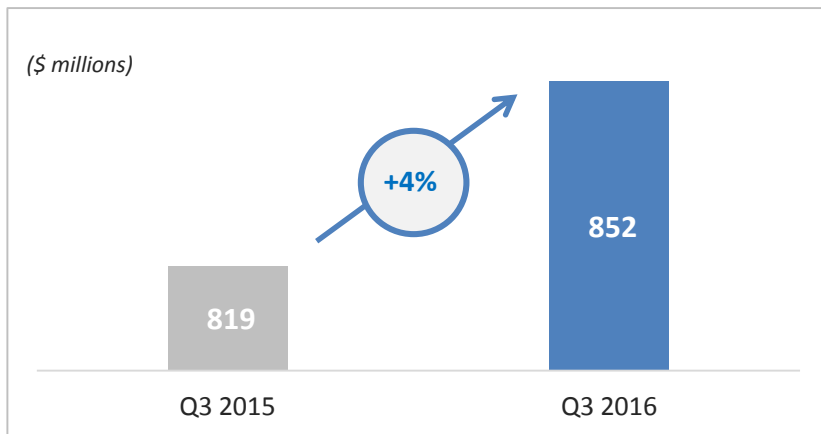
Building our
innovation and
growth pipeline

⁽¹⁾ Refer to slides 12-15 for the reconciliation of non-IFRS financial measures

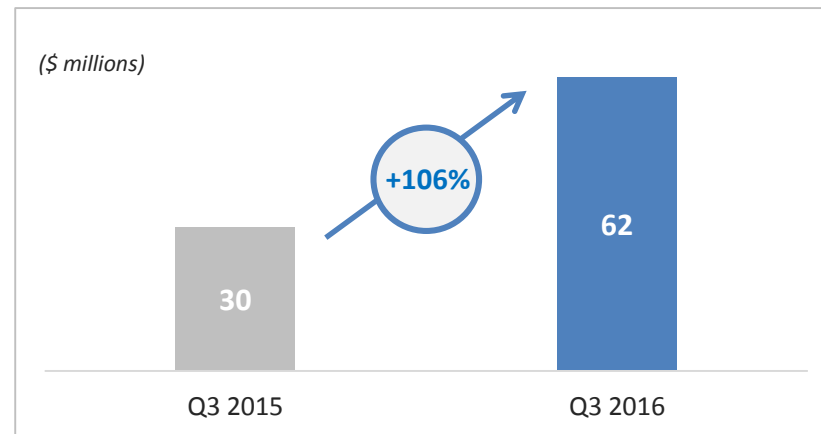


Strong results vs. last year

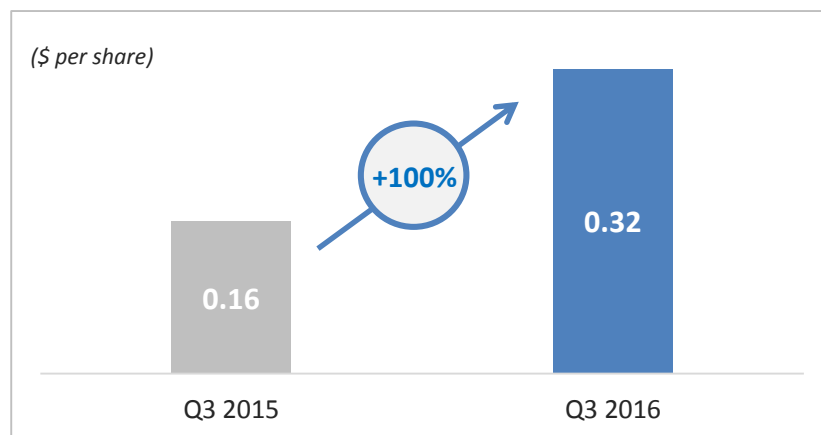
Sales



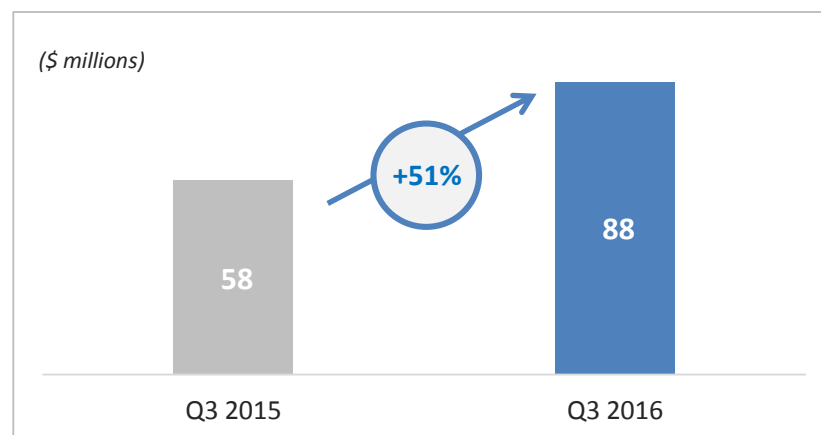
Adjusted Operating Earnings⁽¹⁾



Adjusted Earnings per Share⁽¹⁾



Adjusted EBITDA⁽¹⁾

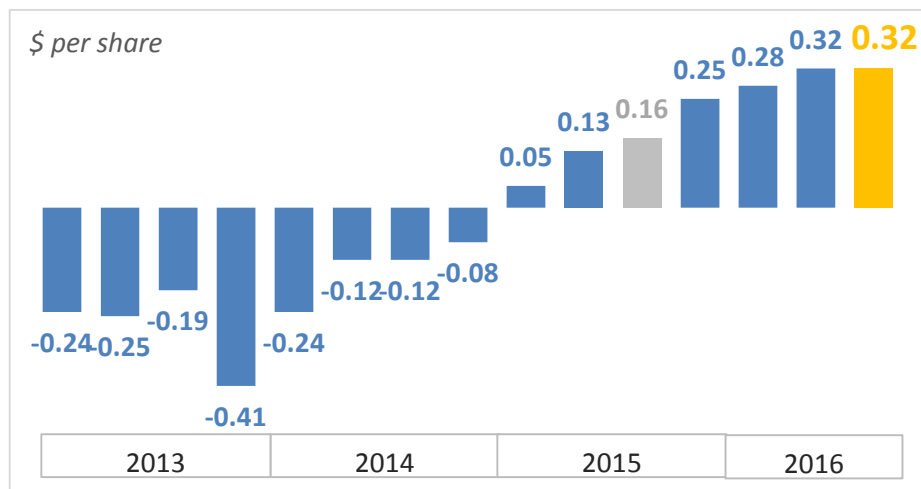


⁽¹⁾ Refer to slides 12-15 for the reconciliation of non-IFRS financial measures

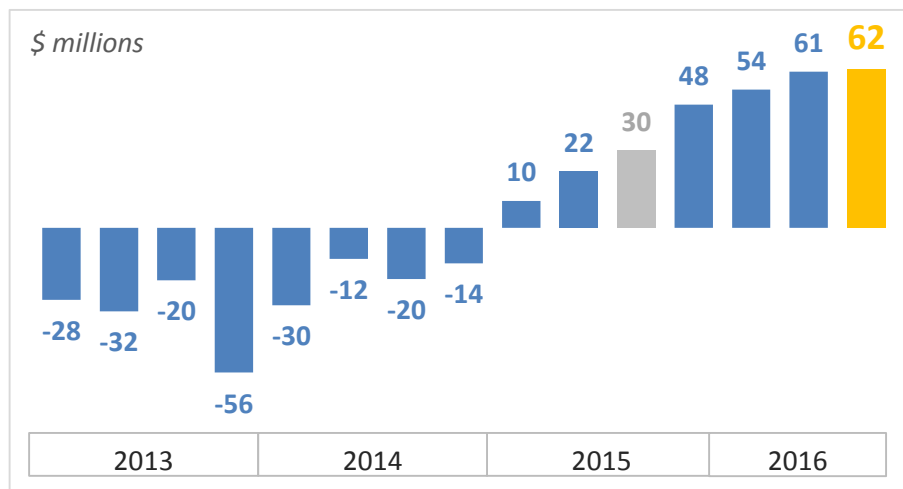


Continued strong earnings performance

Adjusted Earnings per Share⁽¹⁾



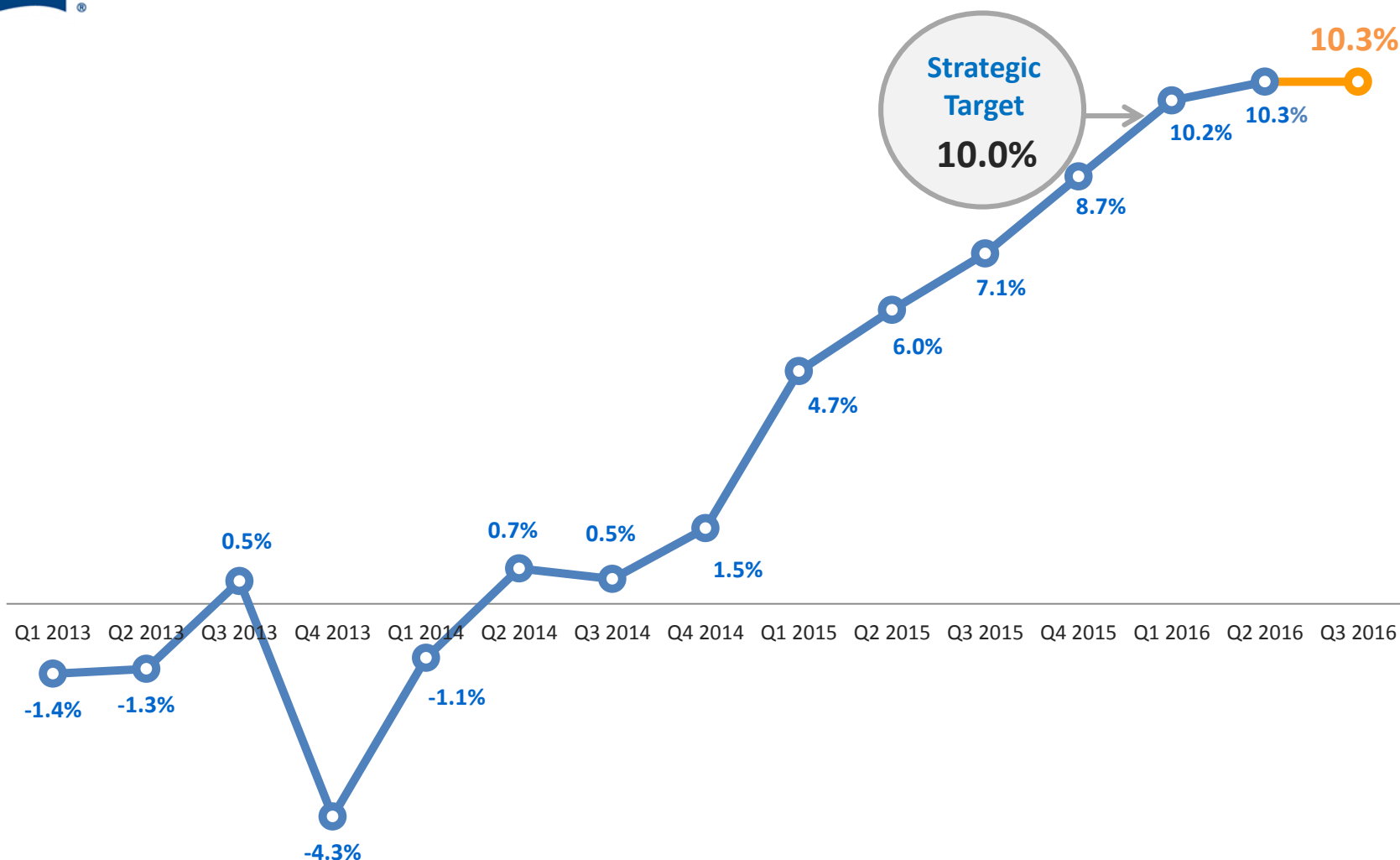
Adjusted Operating Earnings⁽¹⁾



⁽¹⁾ Refer to slides 12-15 for the reconciliation of non-IFRS financial measures



Exceeding strategic adjusted EBITDA margin⁽¹⁾ target



⁽¹⁾ Refer to slides 12-15 for the reconciliation of non-IFRS financial measures



Strong execution across our business

Commercial

Improved margins
driven by lower
operating costs

Strong performance
in value-added pork
and poultry

Operations

Substantial YOY
efficiency gains at
Heritage

Material supply
chain cost
improvements

Successful bacon
capacity expansion

Innovation & Growth

Actively building
our portfolio
pipeline

Launch of Devour
Jerky brand

Greenfield brand –
focused on
distribution growth

Pursue M&A
opportunities



Advancing sustainability as a differentiator

Unique advantages

Maple Leaf is uniquely positioned in the space of sustainability – and sustainable meat – by leveraging and building upon our existing platform advantages and taking a bold, holistic approach to drive meaningful change



Five Elements of Sustainable Meat



Sustainable protein is nutritious, healthy and safe



Accessible and affordable, and eaten in moderation as part of a balanced diet



Produced adhering to high environmental standards, reducing CO₂, waste, water



From animals raised with care respecting Five Freedoms, with minimal use of antibiotics



Produced through a resilient and efficient system that makes optimal use of land



Q3 launch of new Devour Jerky



Fundamentally different taste experience in texture, flavour and quality in the fast growing Snacking category .



Structural margin improvement

(\$ millions)	Q3 2016	% of sales	Q3 2015	% of sales
Sales	852.1		818.8	
Adjusted Cost of Goods Sold ⁽²⁾	712.0		720.1	
Adjusted Gross Margin	140.1	16.4%	98.7	12.0%
SG&A	78.6	9.2%	68.9	8.4%
Adjusted Operating Earnings⁽¹⁾	61.5	7.2%	29.8	3.6%
Adjusted EBITDA⁽¹⁾	87.8	10.3%	58.2	7.1%
Adjusted EPS⁽¹⁾	0.32		0.16	

⁽¹⁾ Refer to slides 12-15 for the reconciliation of non-IFRS financial measures

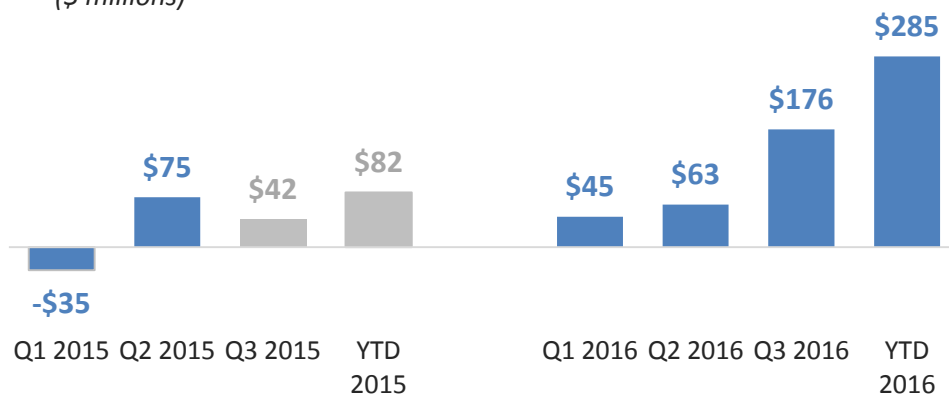
⁽²⁾ Adjusted cost of goods sold excludes unrealized gains/losses related to the change in fair value of futures contracts and biological assets



Significant increase in free cash flow

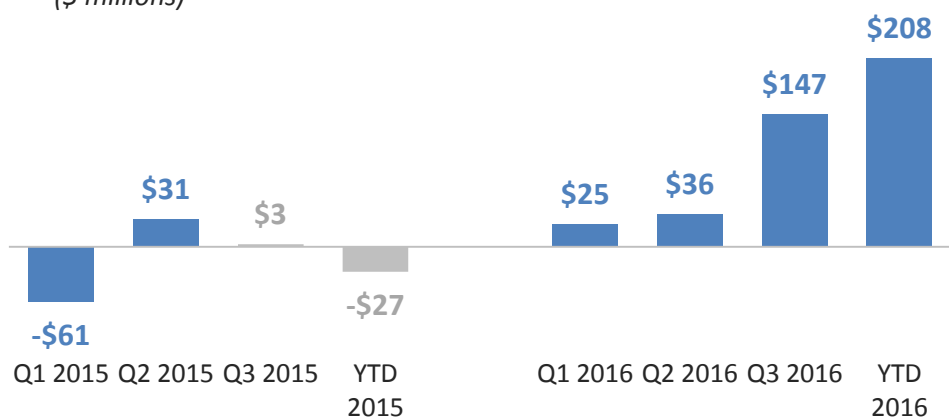
Cash Flow From Operations

(\$ millions)



Free Cash Flow⁽¹⁾

(\$ millions)



⁽¹⁾ Refer to slides 12-15 for the reconciliation of non-IFRS financial measures

- Generated \$147 million in free cash flow⁽¹⁾ in the quarter, \$208 million YTD
- Cash on hand of \$444 million at the end of the third quarter
- Capital spend \$30M in Q3 2016
- Capital spending forecast for 2016 revised to \$125 million



Summary

- Delivered third consecutive quarter of double-digit EBITDA margin performance
 - Improved margins, reduced operating costs
 - Strong commercial performance in fresh value-added pork and poultry, prepared meat volume trend line improving
 - Substantial YOY efficiency gains and cost improvements across our supply chain
 - Building on our strategic foundation: leading in sustainability, continued cost reductions, investing in brands and people and growing our presence in the U.S.



Forward-looking and non-IFRS information

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

These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. These assumptions have been derived from information currently available to the Company, including information obtained by the Company from third-party sources. These assumptions may prove to be incorrect in whole or in part. In addition, actual results may differ materially from those expressed, implied, or forecasted in such forward-looking information, which reflect the Company’s expectations only as of the date hereof. Please refer to the sections entitled “Risk Factors” and “Forward-Looking Statements” in the Company’s Management Discussion and Analysis for the fiscal year ended December 31, 2015 for additional detail.

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

Adjusted Operating Earnings: 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: 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: Defined 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.

Free Cash Flow: Defined as cash provided by (used in) operations, less additions to long-term assets.



Reconciliation of non-IFRS financial measures

Adjusted Operating Earnings (\$ millions)	Q3 2016	Q3 2015
Net earnings	31.8	18.7
Income taxes	11.8	6.0
Earnings before income taxes	43.6	24.7
Interest expense and other financing costs	2.8	1.2
Other (income) expense	(4.6)	1.1
Restructuring and other related costs	0.5	3.4
Earnings from operations	42.3	30.4
Decrease (increase) in fair value of biological assets	41.6	(4.3)
Unrealized (gain) loss on futures contracts	(22.4)	3.7
Adjusted Operating Earnings	61.5	29.8



Reconciliation of non-IFRS financial measures continued

Adjusted EBITDA (\$ millions)	Q3 2016	Q3 2015
Net earnings	31.8	18.7
Income taxes	11.8	6.0
Earnings before income taxes	43.6	24.7
Interest expense and other financing costs	2.8	1.2
Items in other income not considered representative of ongoing operations	(5.4)	2.2
Restructuring and other related costs	0.5	3.4
Change in the fair value of biological assets and unrealized (gains) losses on futures contracts	19.2	(0.6)
Depreciation and amortization	27.0	27.3
Adjusted EBITDA	87.8	58.2



Reconciliation of non-IFRS financial measures continued

Adjusted EPS (\$ per share)	Q3 2016	Q3 2015
Basic earnings per share	0.24	0.13
Restructuring and other related costs	0.01	0.02
Items in other income not considered representative of ongoing operations	(0.03)	0.01
Change in the fair value of unrealized (gains) losses on futures contracts	(0.12)	0.02
Change in the fair value of biological assets	0.23	(0.02)
Adjusted EPS	0.32	0.16