



Second Quarter 2018

Advancing our vision to be the most sustainable protein company on earth



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, 2017 for additional detail.

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

Adjusted Operating Earnings: Defined as earnings before income taxes 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 adjusted for all 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 Before Interest, Taxes, Depreciation and Amortization: Defined as earnings 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 operations, less additions to long-term assets.

Net (Debt) Cash: Defined as cash and cash equivalents, less long-term debt and bank indebtedness.

Refer to slides 12-14 for the reconciliation of non-IFRS financial measures



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SECOND QUARTER 2018
ADJUSTED EBITDA MARGIN

10.1%

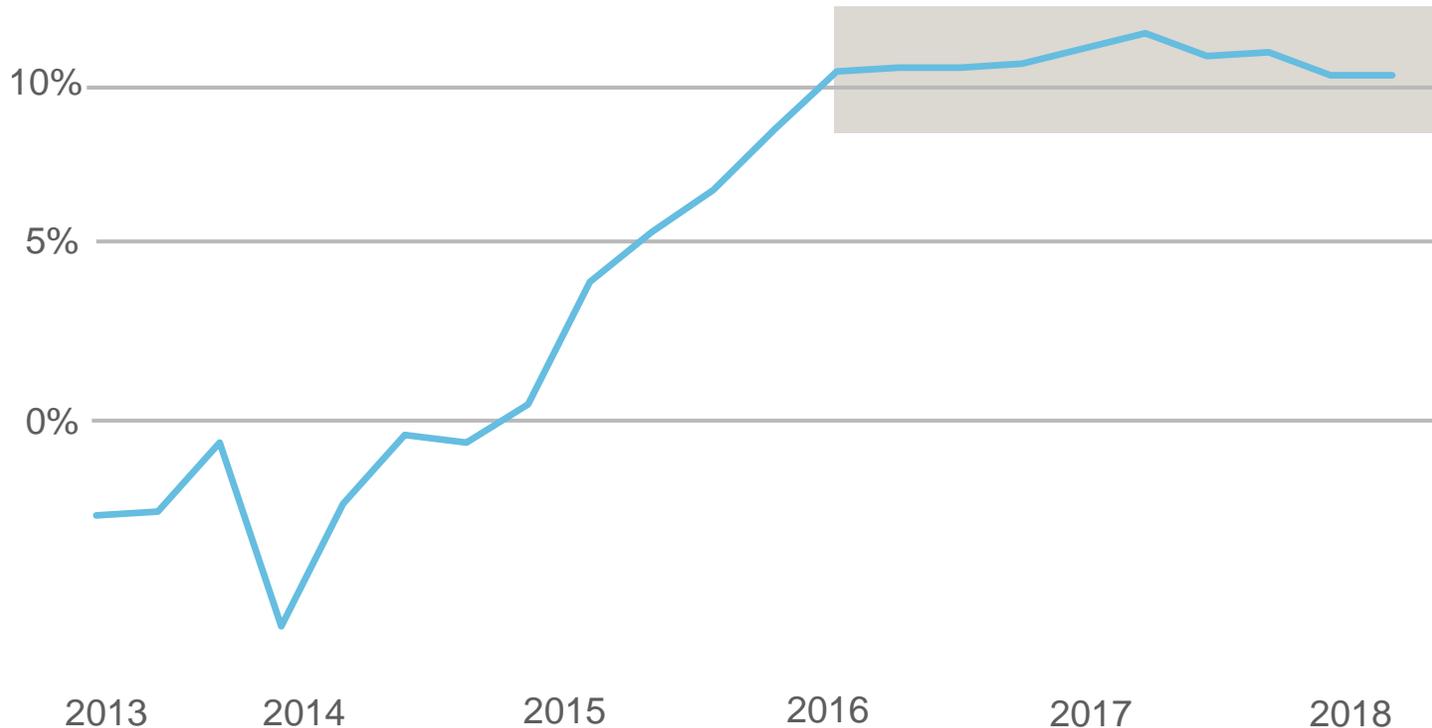
Headline: Food renovation, challenging markets & margins above strategic target

- ☑ **Sales up 1.1% adjusted for IFRS 15, FX & acquisitions**
- ☑ **Adjusted EBITDA margin of 10.1%, adjusted EPS of \$0.34 per share**
- ☑ **Launched Maple Leaf food and brand renovation**
- ☑ **Volatile market environment in hog production**
- ☑ **High growth in our U.S. and plant-based protein platforms**
- ☑ **Advancing sustainability agenda**
- ☑ **Agreement to acquire assets from Cericola Farms**



Margins operating in a narrow bandwidth

Adjusted EBITDA Margin – Historical Performance



- ✓ **10 consecutive quarters of above 10% adjusted EBITDA margin**
- ✓ **High value-added portfolio mix is more stable and balanced**
- ✓ **Natural bandwidth of +/- 100 basis points**
- ✓ **Identified path to achieve 14% to 16% adjusted EBITDA margin**



Second quarter financial metrics

\$909.2

Sales in Millions

10.1%

Adjusted EBITDA
margin

\$0.34

Adjusted EPS
per share

\$(21.1)

Net (debt) cash



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Growth in the United States, in plant protein, and in value-added fresh.

Improved operating and commercial performance

- ✓ **Material improvements in supply chain performance**
- ✓ **Improvement in prepared meats commercial performance**
- ✓ **Higher volumes in fresh pork and value-added poultry**
- ✓ **Continued growth in the U.S. market**
- ✓ **Lightlife and Field Roast realizing strong double-digit sales growth**
- ✓ **Commercial gains offset by weaker pork markets and food renovation execution**



MAPLE LEAF **Raise the Good in Food**

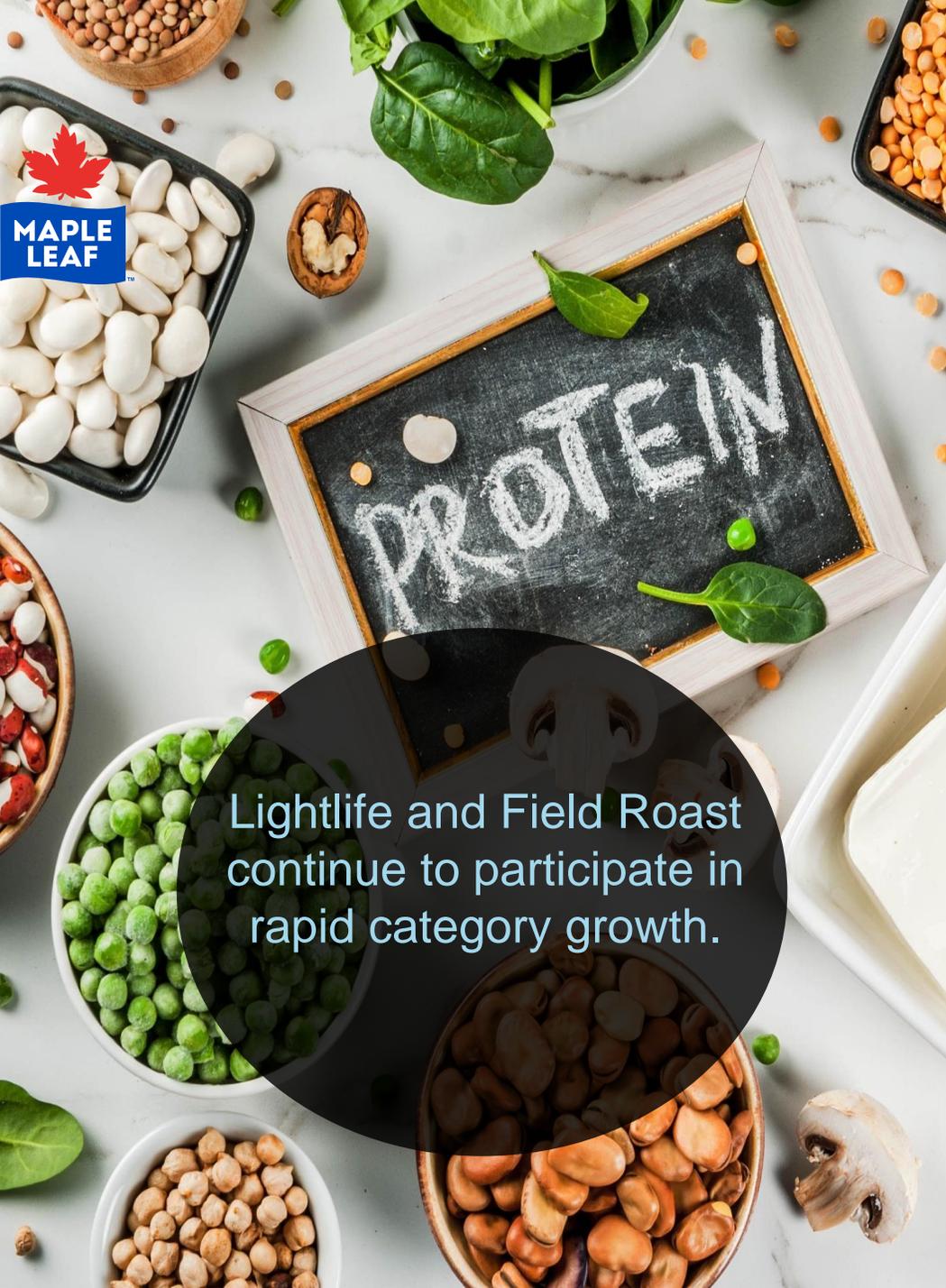
The real food movement!



- ✓ **Launch of sweeping food and brand renovation**
- ✓ **66% of skus converted at quarter-end**
- ✓ **Massive introductory campaign: >75M impressions**
- ✓ **Significant start-up investment**
- ✓ **Tremendous qualitative feedback; too early to calibrate**

Views from the starting line:

Maple Leaf: Significant message of change
Schneiders: Immediate product success
Swift: Building distribution



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PROTEIN

Lightlife and Field Roast continue to participate in rapid category growth.

Managing rapid growth in plant protein

- ✓ **Double-digit category growth**
- ✓ **Building supply chain capabilities to meet demand**
- ✓ **Expanding into Canadian market**
- ✓ **Continued investment in people, innovation and brands**



天然素鮮



Expanding leadership in value-added sustainable poultry

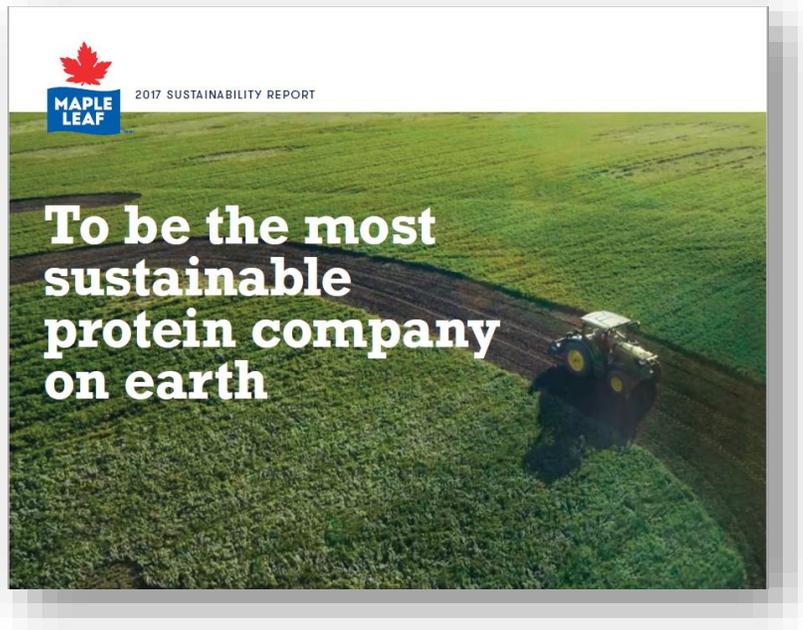


- Agreement to acquire assets of Cericola Farms**
- Leader in fresh air-chilled, value-added retail ready product**
- Expanded RWA portfolio**
- New capabilities in organic poultry**
- Capacity in value-added processing capabilities, complementing existing capacity**



MAPLE LEAF **Raise the Good in Food**

Advancing our vision to be the most sustainable protein company on earth



- ☑ **Released 2017 Sustainability report in line with global best practice**
- ☑ **Ahead of target on environmental footprint reduction goals**
- ☑ **Investment in LED lighting, more to come**
- ☑ **Now more than 38,000 sows in enhanced open housing**
- ☑ **Microsoft partnership developing digital livestock transport management system**
- ☑ **New member of World Economic Forum Climate Action Alliance**



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Inspiring strategies to
create shared value.

Five things that will create material shareholder value

- 1 **Our leadership in sustainability**
- 2 **Investing in our poultry assets**
- 3 **Our food renovation**
- 4 **Substantial growth in plant proteins**
- 5 **Our cost culture**

Reconciliation of non IFRS measures

Adjusted Operating Earnings (\$ millions)	Q2 2018	Q2 2017	2018	2017
Net earnings	34.9	37.3	62.8	67.4
Income taxes	13.1	14.1	24.6	26.1
Earnings before income taxes⁽ⁱ⁾	48.0	51.5	87.4	93.5
Interest expense and other financing costs	1.9	1.3	3.5	2.6
Other (income) expense	(1.8)	1.1	1.1	3.8
Restructuring and other related costs	1.9	5.0	4.0	11.5
Earnings from operations⁽ⁱ⁾	50.0	58.9	96.0	111.4
Decrease in fair value of biological assets	20.3	8.5	27.4	5.7
Unrealized (gain) loss on derivative contracts	(12.4)	7.6	(12.8)	16.9
Adjusted Operating Earnings⁽ⁱ⁾	57.8	75.0	110.6	134.0

(i) May not down-add due to rounding

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Items in other expense (income) not considered representative of ongoing operations	1.6	0.4	4.3	3.8
Restructuring and other related costs	1.9	5.0	4.0	11.5
Change in the fair value of biological assets and unrealized (gain) losses on derivative contracts	7.8	16.1	14.6	22.6
Depreciation and amortization	30.4	29.1	60.3	57.1
Adjusted EBITDA⁽ⁱ⁾	91.6	103.3	174.1	191.2
(i) May not down-add due to rounding				

Reconciliation of non IFRS measures

Adjusted EPS (\$ per share)	Q2 2018	Q2 2017	2018	2017
Basic earnings per share	0.28	0.29	0.50	0.52
Restructuring and other related costs	0.01	0.03	0.02	0.07
Items included in other expense (income) not considered representative of ongoing operations	0.00	0.00	0.03	0.03
Change in the fair value of biological assets	0.12	0.05	0.16	0.03
Change in the fair value of unrealized (gain) loss on derivative contracts	(0.07)	0.04	(0.07)	0.10
Adjusted EPS⁽ⁱ⁾	0.34	0.41	0.64	0.74

(i) May not down-add due to rounding