



Maple Leaf Foods

Q4 2020 Business & Financial Review

All dollar amounts are presented in
CAD dollars unless otherwise noted.





Forward-looking Statements and non-IFRS Measures

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. The COVID-19 pandemic creates a very fluid situation with many uncertainties. Based on its experience to date, the Company has made certain assumptions about the implications of COVID-19 for its business, including: shifting demand balance between retail and foodservice channels, product mix, productivity, supply chain disruptions, operating cost pressures and business continuity.

The Company's expectations with respect to future sales and returns associated with the anticipated growth of its plant protein business are based on a number of assumptions, estimates and projections, including but not limited to: the impact of COVID-19, market growth assumptions, market share assumptions, new product and commercialization, results of brand renovation initiatives, foreign exchange rates and competition.

The Company's expectations with respect to the growth of its meat protein business, such as anticipated growth in sales, adjusted EBITDA margin and gross margin, are based on a number of assumptions, estimates and projections, including but not limited to: the impact of COVID-19, hog and pork processor margins, the strength of pork demand in Asia, access to markets, poultry markets and supply management foreign exchange rates, and growth in demand for sustainable meats.

The Company's assumptions about capital project expenditures and timing are based on a number of assumptions, including but not limited to: impact and duration of work stoppages and slowdowns associated with COVID-19, availability and cost of materials, labour, productivity levels, quality of estimating, weather conditions, and project scope.

These statements are not guarantees of future performance and involve assumptions, 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, 2020 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 Adjusted Operating Earnings plus depreciation and intangible asset amortization, adjusted for items included in other expense that are not considered representative of ongoing operational activities of the business.

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

Construction Capital: Defined as investments and related financing charges in projects over \$50.0 million that are related to longer-term strategic initiatives, with no returns expected for at least 12 months in the future and the asset will be re-categorized from Construction Capital once operational.

Please refer to the Company's Management and Discussion and Analysis for the year ended December 31, 2020 for additional information on non-IFRS financial measures



Built for Growth





Enroute to Becoming the Most Sustainable Protein Company on Earth



13,500 employees



31 manufacturing facilities*
prepared meats, fresh pork,
fresh poultry and plant protein



4M hogs processed annually,
40% of which are raised in
~200 company-operated barns
with best-in-class animal
welfare practices (GCF)



Largest producer of RWA
pork in North America and
poultry in Canada



Leading presence in North
American plant-based protein



Total Sales \$4,304 million

Meat Protein Group

12.4% 2020 Adj.
EBITDA
Margin

Plant Protein Group

19.5% 2020
Sales
Growth

**Iconic
National &
Regional
Brand
Portfolio**



**WORLD'S FIRST
MAJOR CARBON
NEUTRAL
FOOD COMPANY**

Blueprint for our Purpose and Vision





We Built a Profitable Base; Now We're Focused on Profitable Growth

2010

Transformation

2014

2015

Brand-led Growth

Today

☑ **Exited non-core businesses**

- Rothsay (2013)
- Olivieri (2013)
- Canada Bread (2014)

☑ **Transformed our supply chain**

- Established scale prepared meats network, consolidating fragmented supply chain
- Delivered significant efficiency and margin improvements

☑ **Invested in technology**

- Deployed SAP

☑ **Expanding sustainable meats platform**



☑ **Renovated core brands**



☑ **Established leadership in plant protein**





Well-defined Strategies and the Leading Brands to Support Them

Two businesses, with two distinct strategies

Meat Protein Group

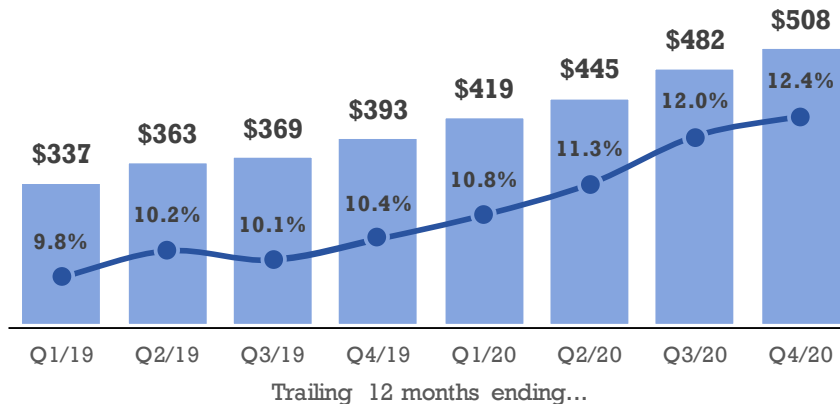
Strategy: Drive profitable growth

Our
Brands



Adjusted EBITDA Dollars & Margin

Financial
Track
Record

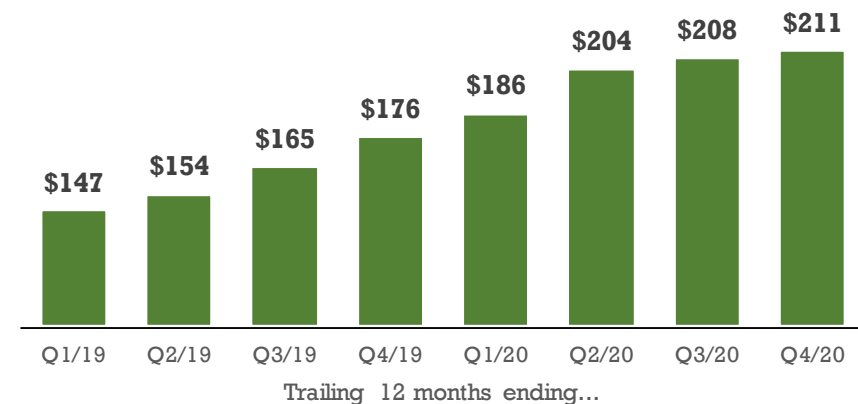


Plant Protein Group

Strategy: Invest for growth



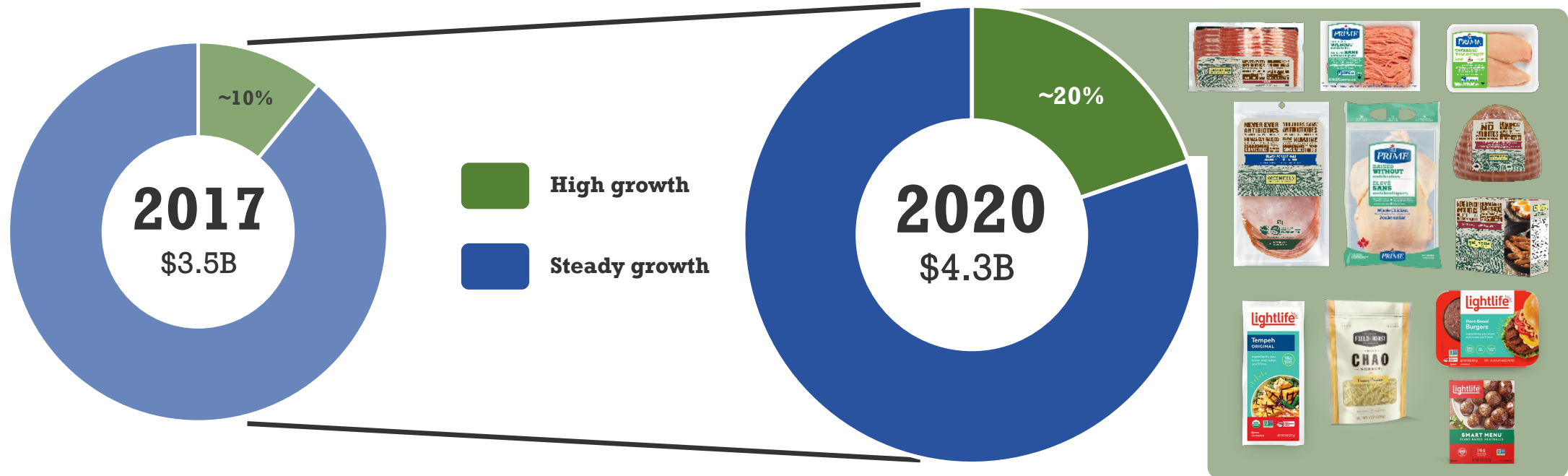
Sales





Built for Growth: 20% of Portfolio now Growing at 3-yr CAGR* >25%

Percentage of Total Company Sales in Sustainable Meats and Plant-based Protein



Unprecedented repositioning of portfolio towards two high-growth categories, now generating a compounded growth rate in excess of 25% in the last 3 years

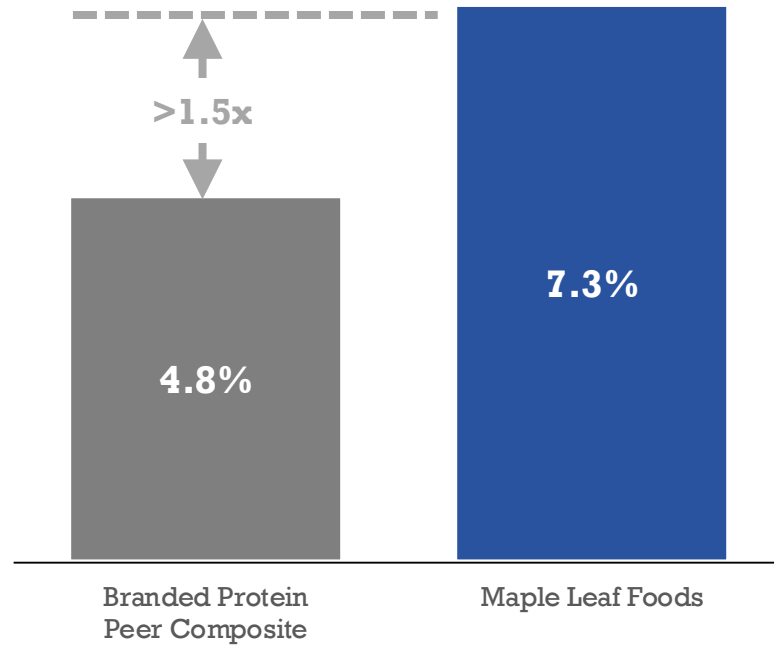
*CAGR = Compound annual growth rate

Note: Sustainable meats includes RWA and organic sales in prepared meats, fresh poultry and fresh pork.



Maple Leaf Continues to Deliver Compelling Growth

Average Sales Growth, Last 12 Months
excluding acquisitions/divestments



1 Meat Protein Growth Vectors:

- Building leadership in sustainable meats
- Rapidly growing U.S. market reach
- Fueling growth through brand renovation
- Constructing new scale poultry facility
- Expanding capacity in dry cured meats & protein kits

2 Plant Protein Growth Vectors:

- Leveraging strength of established brands
- Broadening brand awareness through strategic investment
- Accelerating innovation pipeline
- Optimizing network to support profitable growth

Notes: Figures represent equal-weighted average of sales growth in the last four reported quarters as of February 25, 2021; Quarterly sales growth figures exclude acquisitions and divestments, and are calculated on a comparable 13-wk basis; Branded Protein Peer Composite includes Hormel, Tyson, Kraft Heinz, ConAgra and Premium Brands.

Q4 2020 Results





Key Highlights from Q4 2020

- **Exhibited supply chain resilience & safety through second wave of COVID-19**
 - Ensured the health and safety of our team members through adherence to our COVID-19 playbook
 - All facilities remained fully operational, despite rising community transmission
- **Executed our strategic blueprint across the business**
 - Meat Protein: sustainable meats +25%, expanded branded market share and continued growth in the U.S.
 - Plant Protein: continued brand renovation with relaunch of Field Roast brand and packaging; expanded Walmart U.S. distribution of Lightlife tempeh and Chao cheese
- **Another quarter of strong financial and operating results in Meat Protein**
 - Sales of \$1.1 billion (+11.3%); Adj. EBITDA margin of 12.6% (+120 bps vs. LY; 5th consecutive quarter of expansion)
 - Improved operating efficiencies across the network
- **Near-term financial volatility in Plant Protein**
 - Sales of \$52.5M (+5.5%) as continued momentum in core product line (POS +19%¹) was offset by soft demand in fresh product line and lower foodservice activity
 - Gross margin of 0.5%, below recent run-rate due to heightened start-up inefficiencies and other costs associated with high growth



Meat Protein Group – Q4 2020 Strategic & Operational Highlights

Drive Profitable Growth by...

- ✓ Investing in our brands to build demand & loyalty
- ✓ Leveraging our leadership in sustainable meats
- ✓ Broadening reach into new geographies & channels
- ✓ Delivering operational excellence

Q4 2020 Highlights

- Double-digit growth and market share expansion across renovated Maple Leaf & Schneiders brands¹
- Continued double-digit growth within sustainable meats portfolio
- Sustained strong double-digit momentum in the U.S. market, including expansion of our Greenfield brand with new strategic customers
- Continued growth of value-added fresh pork & poultry portfolio
- Maple Leaf Prepped & Ready & Schneiders Protein Kits innovations both named Best New Products in Canada²
- Improved operating efficiencies and production output across network



¹ Nielsen Canada Nat+Nfld GB+DR+MM, 12 weeks ended 12/26/2020.

² 2021 Best New Products Award for Prepared Meat (Maple Leaf Prepped & Ready) and Protein Snack Kit (Schneiders Protein Kits).



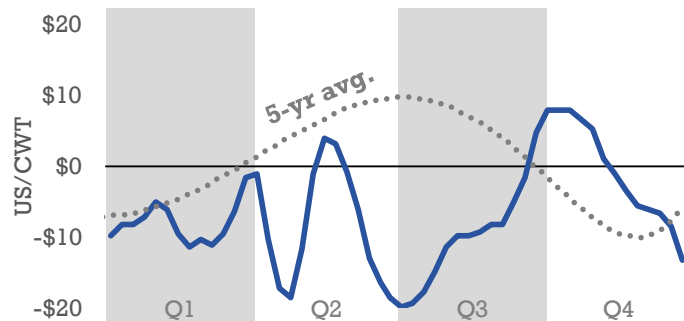
Meat Protein Group – Q4 2020 Key Financial Metrics

	Q4 2020	vs. LY	Drivers
Sales	\$1,080.3	11.3%	<ul style="list-style-type: none"> • Favourable mix-shift towards sustainable meats and branded products, as well as annual pricing action • Extra week in Q4 2020 also contributed
Gross Profit	\$185.7	+23.4%	<ul style="list-style-type: none"> • Favourable product and channel mix from growth in sustainable meats and strong operational performance
Gross Margin	17.2%	+170 bps	<ul style="list-style-type: none"> • Partially offset by incremental COVID-19 costs
SG&A Expenses	\$94.2	12.2%	<ul style="list-style-type: none"> • Despite an increase in variable compensation, SG&A as a percentage of sales remained flat vs. last year
SG&A (as a % of sales)	8.7%	---	
Adj. Operating Earnings	\$91.5	+37.6%	
Adj. EBITDA	\$136.5	+23.9%	<ul style="list-style-type: none"> • Strong commercial & operating performance more than offsetting COVID-19 costs
Adj. EBITDA Margin	12.6%	+120 bps	

Strategic initiatives continue to deliver top-line growth and structural margin expansion

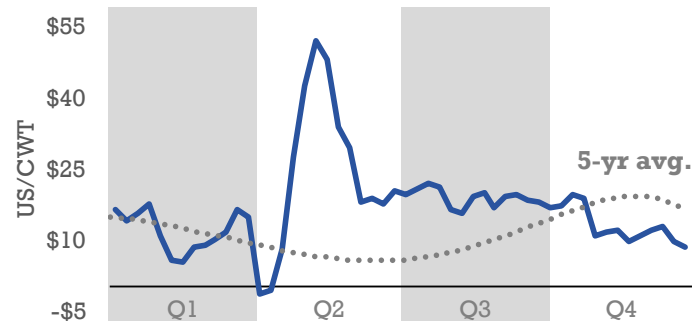
Meat Protein Group – Putting the Q4 Pork Complex in Context

Hog Production Margins



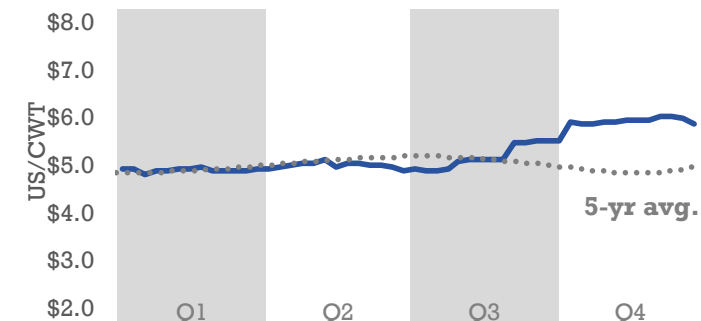
- Hog production margins benefitted from seasonally high hog prices, offsetting rising feed costs late in Q4

Pork Processor Margins



- Packer margins trended below seasonal levels as recovering industry hog processing capacity limited cut-out upside while hog prices rose

Pork By-Product Markets



- Pork by-product markets strengthened in Q4 due to sustained strong US exports.

Seasonally softer packer margins more than offset stronger hog production margins and by-product markets, resulting in a cumulative 30 bps market headwind to Meat Protein Adj. EBITDA margin



Plant Protein Group – Q4 2020 Strategic & Operational Highlights

Invest for Growth by...

- ☒ **Entrenching prominent market share position**
- ☒ **Fostering & growing a powerful portfolio of brands**
- ☒ **Relentlessly pursuing innovation**
- ☒ **Leveraging the full suite of Maple Leaf capabilities**
- ☐ **Driving efficiencies & scale**

Q4 2020 Highlights

- **Disappointing performance (+5.5%) trailing full year growth (+19.5%), influenced by three components**
 - Strong, continued momentum in core retail brands (POS +19%¹)
 - Weak demand for fresh products located in the meat department (Lightlife burgers, sausages and grounds)
 - Foodservice results heavily impacted by COVID-19 restrictions
- **Significant progress in optimizing supply chain & advancing supply chain strategy**
 - Stabilized variable supply chain costs in Q4 with implementation of recent freight and sourcing strategies
 - Advanced plans to increase tempeh production through facility acquisition
- **Confident in long-term playbook; focused on elevating brands to bring consumer-centric strategic to life**
 - Activated Field Roast's brand renovation, unveiling new logo with same brand promise of bold and adventurous taste; supported by multi-year marketing partnership with chef Roy Choi
 - Lightlife brand renovation continuing, with new packaging rolling out to core product line throughout quarter



Three components of Greenleaf performance in Q4



Strong momentum in core branded retail products



- Consists of 40+ Lightlife & Field Roast products typically found in produce aisle (tempeh, deli, dogs, roasts, cheese, etc.)

+19%¹ U.S. Retail Growth

...led by
over 30%¹
growth in...



Chao
Cheese

&



Lightlife
Tempeh



Foodservice activity impacted by COVID-19



- Second wave of COVID-19 hindered rebound of foodservice activity in Q4
- Slowed pace of onboarding new business
- Continued investments in building talent and product innovation pipeline
- Early wins heading into 2021:
 - Field Roast plant-based Pepperoni launched at Pizza Nova
 - Field Roast Signature Stadium Dog launched at Wiener Schnitzel



Soft demand for fresh meat department items



- Consists of Lightlife burgers, grounds, sausages and breakfast patties & links
- Performance disrupted by easing fresh category growth, new entrant into retail, and COVID impacts delaying innovation
- Still early days for recent brand renovation & marketing campaign
- Refreshed marketing campaign in Q2 2021 expected to drive improved distribution and higher growth



Building a Foundation for Long-Term Sustained Growth

Renovating and Amplifying our Brands



- Rollout of reformulated recipes, new brand and packaging to be complete by Q1 2021
- Refreshed marketing coming in Q2 2021



- Rollout of new brand and packaging to be completed by Q2 2021
- New “Make Taste Happen” campaign in Q1

Accelerating Product Innovation Pipeline



Lightlife
Buffalo Tempeh
Q1 2020



Field Roast
Classic Nuggets
Q1 2020



Lightlife
Burger 2.0
Q2 2020

Lightlife & Field Roast
Breakfast Patties & links
Q1 2020



5 new forms of
Chao Cheese
Q4 2020

Expanding Existing & Onboarding New Relationships



Building an Efficient Supply Chain

- Optimizing existing plant protein asset base to increase output
- Leveraging Maple Leaf network to support profitable growth & scaling up of innovation pipeline
- Announced acquisition and build-out of Indianapolis food processing facility to meet high demand and growth in tempeh



Plant Protein Group – Q4 2020 Key Financial Metrics

	Q4 2020	vs. LY	Drivers
Sales	\$52.5	5.5% (+6.7% ex-FX)	<ul style="list-style-type: none"> • Impact of extra week in Q4 2020 and annual pricing action • Strong growth in core product line partially offset by softer demand in fresh line and foodservice activity
Gross Profit	\$0.3	(96.3%)	<ul style="list-style-type: none"> • Inefficiencies associated with start-up production and other costs related to supporting growth
Gross Margin	0.5%	(1390 bps)	
SG&A Expenses	\$32.5	(28.3%)	<ul style="list-style-type: none"> • Lapping of heightened investment in advertising and promotional expense incurred in Q4 2019 • Partially offset by increased organizational expenses
SG&A (as a % of sales)	61.9%	(2920 bps)	
Adj. Operating Earnings	(\$32.3)	nm	
Adj. EBITDA	(\$28.7)	nm	

Continued momentum in core offset by softer demand in fresh and foodservice



Total Company – Q4 2020 Key Financial Metrics

	Q4 2020	vs. LY	Drivers
Sales	\$1,129.2	+11.1%	<ul style="list-style-type: none"> • Solid growth in both Meat and Plant Protein Groups • Extra week in Q4 2020 also contributed
Adj. Operating Earnings	\$59.2	+108.9%	
Adj. EBITDA	\$109.1	+44.9%	<ul style="list-style-type: none"> • Continued structural margin expansion in Meat Protein, and lapping of heightened investment in Plant Protein
Adj. EBITDA Margin	9.7%	+230 bps	<ul style="list-style-type: none"> • Incremental COVID-19 costs, net of SG&A savings of \$13M
Net earnings	\$25.4	+45.2%	
Adj. EPS	\$0.30	+250.0%	
Net Debt ¹	\$645.1	+\$203.1	
Debt related to Construction Capital	\$431.7	+\$326.5	<ul style="list-style-type: none"> • Increase in construction capital primarily related to the London poultry facility
Capital Expenditure (YTD)	\$490.7	+\$220.0	
Construction Capital CapEx (YTD)	\$333.8	+\$249.4	

Strong consolidated results, while maintaining financial flexibility for future growth

¹Excludes \$240.2 million in lease obligations.

Notes: All figures in millions, except per share amounts.

Update on Key Large-Scale Capital Projects

London Poultry Facility



Strategic Rationale

- Increases processing capacity for value-added, higher margin poultry products
- Gains operating efficiencies through lower costs and consolidation of 3 sub-scale plants

Update

- Completed construction of precast structure
- Commencing paneling, mechanical, plumbing and electrical work
- No change to budget (\$720M) or completion timing (mid-2022)

Indianapolis Tempeh Facility



Strategic Rationale

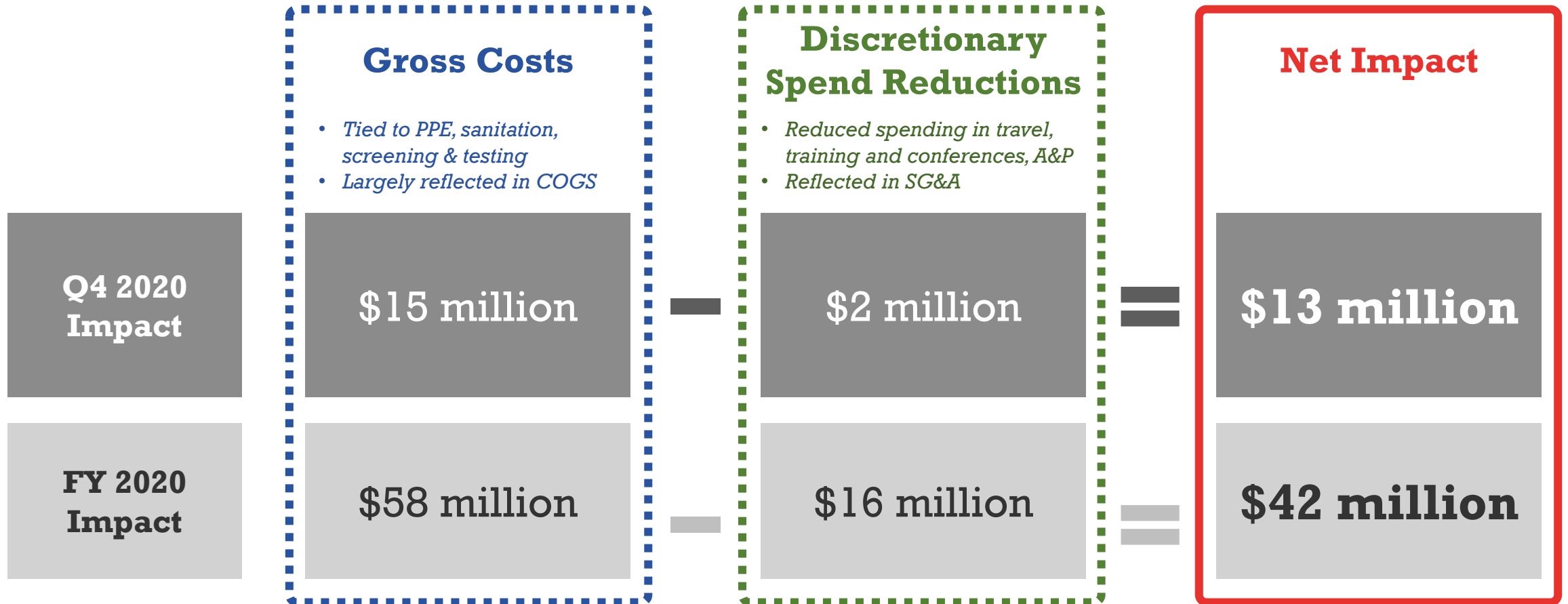
- Cost effective and scalable approach to meet burgeoning consumer demand for high-growth, high-margin tempeh products

Details

- Existing 118K sq. ft. food facility
- US\$100M for acquisition* & build-out of initial capacity (4.5M kg/yr of tempeh production beginning in H1/2022)
- Additional space for future growth opportunities



Q4 COVID-19 Cost Headwinds Materialized as Expected



2021 & Long-Term Outlook



Uncertainty Related to COVID-19 Expected to Continue into 2021

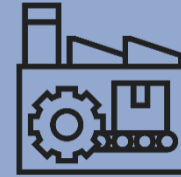
Unknown Factors for 2021:



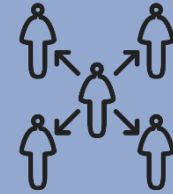
Volatility in pork & poultry commodity and foreign exchange markets



Balance between retail and foodservice demand



Potential production disruptions or shutdowns



Duration of gov't measures, including social distancing

Despite the challenging environment, we continue to execute against our strategic, financial and operational goals



2021 Financial Priorities – Progress Towards Long-Term Targets

Meat Protein Group

Mid-to-high single digit sales growth on a 52-week comparable basis, driven by continued momentum in sustainable meats, leveraging brand renovation and growth into the U.S. market.

Adj. EBITDA margin expansion, progressing towards the 2022 target of 14-16%, driven by mix-shift benefits in prepared meats resulting from growth in sustainable meats and brand renovation, as well as operating efficiencies, assuming pork complex conditions in-line with the 5-year average.

Sales growth for the year broadly in-line with the strategic target of 30%, excluding FX. Growth is expected to be driven by continued momentum in the core product line, improved velocities and distribution in the fresh line and resurgence in foodservice activity following the abatement of COVID-19 restrictions.

Gross margin volatility in the near-term, as benefits from structural improvements in the supply chain may be impacted by investment opportunities to drive sales growth in a rapidly evolving market, as well as COVID-19 effects.

SG&A expenses will be broadly in-line with 2020 levels, excluding FX, while declining as a percentage of sales as the company leverages investments in advertising, promotion and marketing to elevate the Lightlife and Field Roast brand renovations, drive innovation and build scale in the business.

Plant Protein Group

Capital expenditures in the range of \$550 million to \$650 million, with Construction Capital comprising approximately 75% of the spend. A significant portion of the Construction Capital is related to the London, Ontario poultry facility, projects to add further capacity and efficiency improvements in our prepared meats business and the intended acquisition and build-out of a plant protein facility in Indianapolis, Indiana.

Capital Expenditure



Reconfirming our Long-Term Outlook

Meat Protein Group

2022 Adjusted EBITDA margin target of 14-16%, driven by:

- *Growth in sustainable meats*
- *Cost and operational efficiencies*
- *Mix-shift benefits from our brand and food renovation work*

Plant Protein Group

2029 ambitious goals for high-growth business:

- *Reach \$3B in sales, in a \$25B market*
- *Deliver approx. 30% gross margin*
- *Grow into low double-digit SG&A rate*
- *Adj. EBITDA margin above Meat Protein*

Stakeholder Value Creation

Creating impactful points of difference in the market & society:

- *Leverage carbon neutral position, while making progress towards our Science-Based Targets*
- *World-leading animal welfare standards*
- *Advancing social impact through the Maple Leaf Centre for Action on Food Security*
- *Strengthening sustainable meats leadership*

Appendix

The background of the advertisement is a close-up photograph of a wooden cutting board. On the board, there is a small white bowl containing yellow mustard, a knife with a black handle and a metal blade that has mustard on it, and a piece of raw salmon. The text is overlaid on this image.

IT'S TIME FOR **BETTER.**
FOR MEAT THAT TASTES THE WAY IT SHOULD
LIKE MEAT.

MADE FROM ANIMALS THAT ARE **RAISED**, NOT PRODUCED.
IT'S TIME FOR MORE **FARM** AND LESS PHARM.
BECAUSE ANTIBIOTICS ARE FOR THE SICK, NOT THE HUNGRY.

IT'S TIME TO LET NATURE DO ITS THING.

**IT'S TIME FOR BETTER MEAT
FOR BETTER LIVING.**

IT'S TIME FOR THE GREENFIELD NATURAL MEAT CO.

GREENFIELD
NATURAL MEAT CO.



Reconciliation of Non-IFRS Metrics – Adjusted EBITDA Margin

(\$ millions) ⁽¹⁾ (Unaudited)	Three months ended December 31, 2020				Three months ended December 31, 2019			
	Meat Protein Group	Plant Protein Group	Non-allocated ⁽²⁾	Total	Meat Protein Group	Plant Protein Group	Non-allocated ⁽²⁾	Total
Earnings (loss) before income taxes	\$89.4	(32.3)	(21.7)	\$35.4	\$62.1	(38.2)	(0.2)	\$23.6
Interest expense and other financing costs	—	—	8.0	8.0	—	—	7.4	7.4
Other expense (income)	0.9	—	8.0	8.9	(0.6)	0.1	(4.1)	(4.6)
Restructuring and other related costs	1.2	—	—	1.2	5.0	—	—	5.0
Earnings (loss) from operations	\$91.5	(32.3)	(5.7)	\$53.5	\$66.5	(38.1)	3.0	\$31.4
Decrease (increase) in FV of biological assets	—	—	(1.8)	(1.8)	—	—	(7.8)	(7.8)
Unrealized loss (gain) on derivative contracts	—	—	7.6	7.6	—	—	4.7	4.7
Adjusted Operating Earnings	\$91.5	(32.3)	—	\$59.2	\$66.5	(38.1)	—	\$28.4
Depreciation and amortization	46.5	3.6	—	50.0	43.1	3.3	—	46.4
Items included in other income (expense) representative of ongoing operations ⁽³⁾	(1.4)	—	1.3	(0.2)	0.6	(0.1)	—	0.5
Adjusted EBITDA	\$136.5	(28.7)	1.3	\$109.1	\$110.2	(34.9)	—	\$75.3
Adjusted EBITDA margin	12.6%	(54.7)%	N/A	9.7%	11.4%	(70.3)%	N/A	7.4%

¹ Totals may not add due to rounding.

² Non-Allocated includes eliminations of inter-segment sales and associated costs of goods sold, and non-allocated costs which are comprised of expenses not separately identifiable to reportable segments and are not part of the measures used by the Company when assessing a segment's operating results.

³ Primarily includes insurance settlements, gain/loss on sale of long-term assets and asset impairment.



Reconciliation of Non-IFRS Metrics – Adjusted Earnings per Share

(\$ per share) (Unaudited)	Three months ended December 31,	
	2020	2019
Basic earnings per share	\$0.20	0.14
Restructuring and other related costs ⁽¹⁾	0.01	0.03
Items included in other expense (income) not considered representative of ongoing operations ⁽²⁾	0.06	(0.03)
Change in the fair value of biological assets	(0.01)	(0.05)
Unrealized loss (gain) on derivative contracts	0.05	0.03
Adjusted Earnings per Share⁽³⁾	\$0.30	\$0.12

¹ Includes per share impact of restructuring and other related costs, net of tax.

² Primarily includes legal fees and provisions and transaction related costs, net of tax.

³ Totals may not add due to rounding.



Capital Allocation Priorities

- | | | | |
|----------|---------------------------------|---|---|
| 1 | Reinvest in the Business | ➔ | Growth capacity and efficiency initiatives with a focus on returns metrics & timing |
| 2 | Accretive Acquisitions | ➔ | Capitalize on inorganic opportunities with financial and strategic appeal |
| 3 | Dividend Appreciation | ➔ | Deliver consistent predictable growth |
| 4 | Share Repurchases | ➔ | Opportunistic buybacks when return metrics exceed other alternatives |

While maintaining a strong balance sheet with ample liquidity