



# First Quarter 2017 Review

Driving sustainable growth and profitability



# 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, 2016 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 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 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.

Refer to slides 13-15 for the reconciliation of non-IFRS financial measures



# Continued progress in our operating results

## Strong Margins

Delivered Adjusted  
EBITDA Margin of  
10.8%

+60 bps

## Continued Earnings Growth

Increased Adjusted  
EPS to \$0.33 per share

+18%

## Increased Free Cash Flow

Performance  
contributing to higher  
Free Cash Flow

\$34.8M

**Strategic foundation and balanced business portfolio  
delivering consistent performance**



# Closed the Lightlife acquisition during the quarter

- Advances our strategic **GROWTH AGENDA**
- In the U.S. plant protein category **COMMANDS 38% MARKET SHARE**
- Plant protein is high growth and **OUTPACING PACKAGED FOODS**
- Well positioned with a strong **U.S. PLATFORM TO BUILD ON**





# Strong operating earnings driving free cash flow

(\$ millions)			
Earnings	Q1 2017	Q1 2016	% Change
Sales	811.2	796.9	1.8%
Adjusted Operating Earnings	59.0	53.6	10.2%
Adjusted EBITDA	87.9	81.5	7.9%
Adjusted EBITDA Margin	10.8%	10.2%	
Adjusted EPS	0.33	0.28	17.9%

(\$ millions)		
Balance Sheet and Cash Flow	Q1 2017	Q1 2016
Cash on Hand	143.6	290.9
Free Cash Flow	34.8	25.2
CAPEX	20.3	20.3

LIGHTLIFE	BUYBACKS
<b>\$191M</b>	<b>\$142M</b>
<b>Cash on Hand ~\$477M</b>	
<b>before Lightlife and buybacks</b>	



# Solid commercial and operating performance

- Delivered sales and earnings **GROWTH**
- Continued progression in **PREPARED MEATS VOLUMES**
- Strong performance in **FRESH VALUE-ADDED PORK RESULTS**
- Turbulent markets offset by **BALANCED PORTFOLIO**





# Becoming the sustainable protein leader



## Creating Shared Value: The intersection of societal needs and commercial opportunities

- Leading in food safety, nutrition and taste
- Treating our animals with care
- Reducing our environmental footprint
- Advancing sustainable food security

Maple Leaf is uniquely positioned to differentiate ourselves and create market advantage.



Our strategies to realize our vision

## Building the path to profitable growth



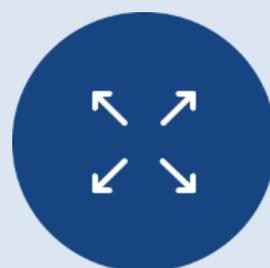
**LEAD IN  
SUSTAINABILITY**



**INVEST IN  
OUR PEOPLE**



**MAKE GREAT  
FOOD**



**BROADEN  
OUR REACH**



**BUILD A DIGITAL  
FUTURE**



**ELIMINATE  
WASTE**



# Industry leading sustainability commitments and progress



## Advance nutrition and health

- Building our leadership in raised without antibiotics (RWA) pork and poultry
- Removing artificial colours and flavours; simpler, natural ingredients



## Value our People and communities

- Launched Maple Leaf Centre for Action on Food Security
- Advancing innovation, learning and collaboration to reduce food insecurity



## Treat Animals Well

- Implementing broad three-year strategy to build leadership
- A North American leader in transitioning sows to open housing



## Eliminate Waste

- Aggressive goal to reduce our environmental footprint by 50% by 2025
- Reduced our energy and water usage and emissions by >15% in 2016



# Our strategies will show up in many ways commercially

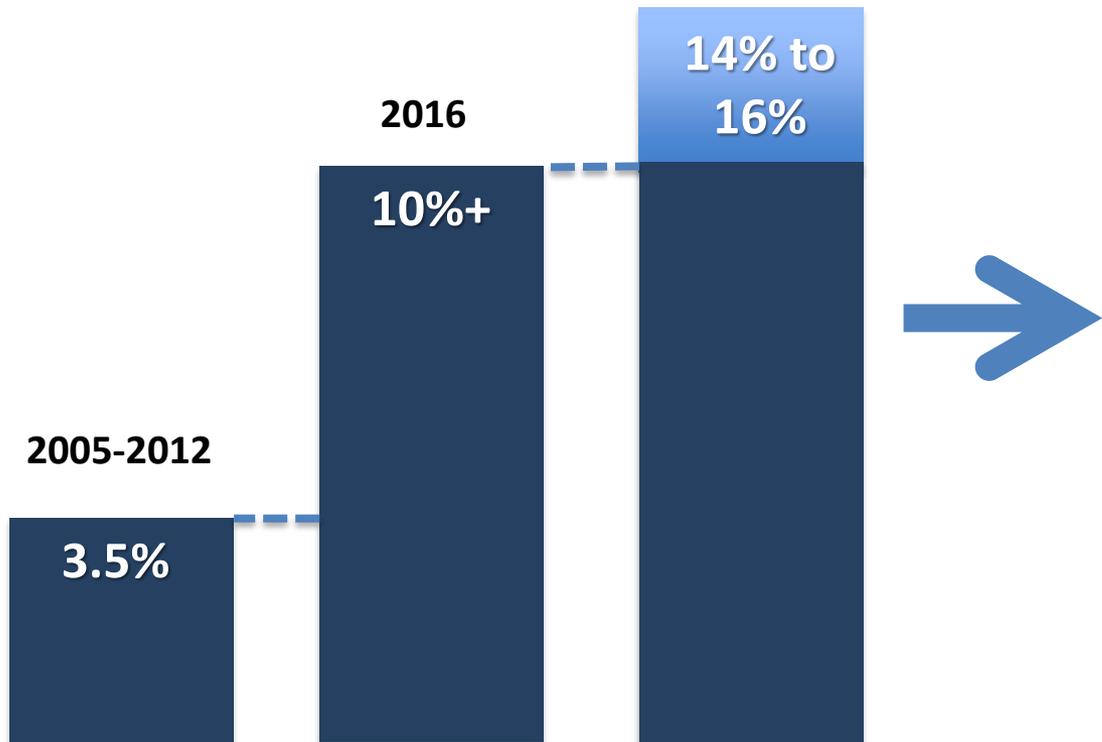
- **Leadership in sustainable meat**
  - **RAISED WITHOUT ANTIBIOTICS**
  - **NEW GREENFIELD BRAND PLATFORM**
- **Investing in HIGH GROWTH PLANT-BASED PROTEIN**
- **Leveraging sustainable meat TO BUILD U.S. MARKET PENETRATION**
- **Reducing costs and improving margins BY AGGRESSIVE WASTE ELIMINATION**





Our goal is to deliver 14-16% adjusted EBITDA margins in five years

### Five Year Goal



### Building blocks to get there:

- ✓ Cost reduction from investing in poultry assets
- ✓ Ongoing cost reduction in supply chain and SG&A
- ✓ Enhanced margins from sustainable meat and alternative protein
- ✓ Margin enhancement from growth categories
- ✓ Core brand renovation



# Recapping a successful journey and exciting vision

- **Another strong quarter**  
**SALES, EARNINGS & MARGIN GROWTH**
- **Excellent returns to**  
**REWARD OUR SHAREHOLDERS**
- **An exciting vision to be the**  
**MOST SUSTAINABLE PROTEIN COMPANY**  
**ON EARTH**
- **Our plans to achieve this are**  
**WELL ADVANCED**
- **We expect the rewards to be**  
**EQUALLY PROSPEROUS**





## Reconciliation of non-IFRS financial measures

Adjusted Operating Earnings (\$ millions)	Q1 2017	Q1 2016
Net earnings	30.1	42.3
Income taxes	12.0	15.8
<b>Earnings before income taxes</b>	<b>42.1</b>	<b>58.1</b>
Interest expense and other financing costs	1.2	1.1
Other expense (income)	2.7	0.6
Restructuring and other related costs	6.5	1.2
<b>Earnings from operations</b>	<b>52.5</b>	<b>61.0</b>
Increase in fair value of biological assets	(2.8)	(16.8)
Unrealized loss on futures contracts	9.3	9.4
<b>Adjusted Operating Earnings</b>	<b>59.0</b>	<b>53.6</b>



## Reconciliation of non-IFRS financial measures continued

Adjusted EBITDA (\$ millions)	Q1 2017	Q1 2016
Net earnings	30.1	42.3
Income taxes	12.0	15.8
<b>Earnings before income taxes</b>	<b>42.1</b>	<b>58.1</b>
Interest expense and other financing costs	1.2	1.1
Items in other expense (income) not considered representative of ongoing operations	3.5	0.4
Restructuring and other related costs	6.5	1.2
Change in the fair value of biological assets and unrealized loss on futures contracts	6.5	(7.4)
Depreciation and amortization	28.1	28.0
<b>Adjusted EBITDA<sup>1</sup></b>	<b>87.9</b>	<b>81.5</b>

<sup>1</sup>. May not add due to rounding



## Reconciliation of non-IFRS financial measures continued

Adjusted EPS (\$ per share)	Q1 2017	Q1 2016
Basic earnings per share	0.23	0.31
Restructuring and other related costs	0.04	0.01
Items in other expense (income) not considered representative of ongoing operations	0.02	0.00
Change in the fair value of unrealized loss on futures contracts	0.05	0.05
Change in the fair value of biological assets	(0.02)	(0.09)
<b>Adjusted EPS<sup>1</sup></b>	<b>0.33</b>	<b>0.28</b>

<sup>1</sup> May not add due to rounding