



## REMARKS

Michael H. McCain  
President & Chief Executive Officer  
Maple Leaf Foods

and



Curtis Frank  
President & Chief Operating Officer  
Maple Leaf Foods

**2023 Annual Meeting of Shareholders**

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## MICHAEL MCCAIN REMARKS

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For the past 23 of my 28 years with Maple Leaf Foods, I have written a weekly personal letter to my team. It was in my own voice, speaking from the heart, called “What’s Happening at Maple Leaf.’ I even used a few four-letter words from time to time, which I’ve been known to do.

This morning I wrote my final one. It began with a quote from Pericles, which said:

*“What you leave behind is not what is engraved in stone monuments, but what is woven into the lives of others.”*

I will come back a few times to what I said to my team on reflection, as today I cede my role as Chief Executive Officer to an incredible person in Curtis Frank. Being my last address to shareholders as CEO, I will try to practice something I have been coached to do for over 25 years and failed: be brief.

First, I would like to comment on our recent financial performance throughout the post-pandemic economy, which we all know has been excruciatingly challenging for us and our industry. The phrase “*it is always darkest before the dawn*” is commonly true. The effects of supply chain disruption, hyper-inflation, and extreme dislocation in global pork markets have had significant short-term effects. Yet, as these conditions persist, our understanding of them, how we navigate the challenges they present, and our confidence they won’t be with us for long, grows by the day.

As we have shared in our annual results and earlier today in our Q1 release, through 2022 and into the first quarter of 2023, these same transitory but significant forces continued to define our financial performance. Our Adjusted EBITDA margin last year came in at 8.2%. Oddly, I have been here long enough to remember vividly when 8% EBITDA margins would have been more than double our structural norms!

On a healthier note, our revenue grew by 5.2%, highlighted by encouraging accomplishments. Things like the continued momentum in our U.S. business, where prepared meats sales grew by over 10%, the resilience of our brands in Canada, and our stand-out achievement in our sustainable meats business, where we had another year with robust growth. I’m proud to say that at the end of 2022, we delivered an impressive seven consecutive years of quarter-over-quarter growth in this segment.

We have also made excellent progress since announcing the pivot in our Plant Protein investment thesis and are well on our way to executing our plan to achieve “profitable growth” - starting with reaching our Adjusted EBITDA neutral or better milestone in the latter half of 2023. By the end of last year, we were already 50% of the way there and our plan is on track as we focus on key initiatives to make this a profitably growing category.

You’ve heard me talk a lot about our London Poultry plant. It’s the largest food industry investment in Canada’s history and one of the most sophisticated plants in the world. Words simply do not do it justice! As we continue to ramp up operations, we will see the benefits from

a more profitable product mix, increased operating efficiency from technology and scale, and additional capacity to meet consumer demand for higher margin, value-added poultry for years to come.

Our Bacon Centre of Excellence in Winnipeg is another example of making a sound investment to deliver sustained margin expansion in a high growth market. It adds in-house capacity for pre-cooked, microwavable bacon, and is an incredible example of our innovation agenda driving growth opportunities.

Bringing these two landmark projects on-line, in one of the most difficult construction environments I can recall, is no small feat and a testament to the resilience that defines Maple Leaf Foods.

Finally, and importantly, we have never waived in meeting our commitment to excellence in food safety and people safety. I am so proud that last year we hit a new workplace safety performance milestone from already world class results.

So, as I see it, here is where we stand right now:

- 1) The post-pandemic supply chain disruption, while still a factor coming into 2023, is behind us now. Our people complement is at normal levels, and this stability is showing up in the normalization of factory performance and customer service into the second quarter.
- 2) We are executing this quarter what we hope and believe will be our last “hyper-inflation” pricing initiative. The performance of our brand stable throughout has been exceptional, which is an outstanding long-term health indicator. This is a green light.
- 3) While the persistence of the pork market dislocation is rather obvious, we are now seeing substantial green shoots of change occurring almost weekly. Agricultural markets will correct; they always do.
- 4) The shift to profitability in our plant protein business is on track, and
- 5) Finally, our new plant start-ups are going exceptionally well, which will add much anticipated \$130M of new EBITDA annually.

It is clear to us that when pork markets normalize and our new plants complete start-up, we will be structurally performing with EBITDA margin levels at the high end or above the 14-16% goal we established several years ago. I believe we have provided all the facts, insights, and data for our shareholders to arrive at that conclusion, also.

While our balance sheet in this pivotal moment appears on the surface to be under a bit of stress, I would highlight there is a short-term mathematical illusion taking place. We have over \$1 billion of construction capital financed which we are carrying yet is simply at a stage of start-up,

pending the expected return on capital just months away. If you reasonably pull that out of the math, our position is materially more comfortable.

So, 2023 is our year of inflection and confidence is growing by the day.

Now, as I stand here with you today and reflect on almost three decades, I am incredibly proud of what we do, how we do it, and what we will do next.

It was April 1995 when my father Wallace, my brother Scott and I first walked into the doors of the Maple Leaf Foods on St. Clair Avenue. What a transformational journey it has been from then to now, for our company and for me as well, both as a leader and personally.

We have taken Maple Leaf from an underperforming collection of diverse businesses, into a focused, world leader in sustainable food production. Grounded in our deeply embedded Leadership Values, and our commitment to creating shared value, we are constantly striving to deliver on our purpose to Raise the Good in Food and our vision to be the Most Sustainable Protein Company on Earth.

In reflections with my team described in this morning's letter, I said that nowhere on this path of decades, did meaning become more relevant than when we galvanized this journey around a clear purpose...Raising the Good in Food.

Maple Leaf Foods is far more than a company to me. We have created a culture and an ethos that I believe is second to none. The work we have done over the years to build a foundation, reshape our business portfolio, rebuild our supply chains, invigorate our brands, and deliver on a value proposition that reflects the interest of all our stakeholders, is something that will forever make me proud.

Yet, I am even more proud of how we have brought our sustainability vision to life. At Maple Leaf, we have always gravitated to bold things!

Becoming the first large scale food company in the world to be carbon neutral NOW, beginning in 2019, was an enormous pivot point. The global climate crisis has never been more real, and our industry's role more clear. But also, the leadership we have shown in sustainable food production, in animal welfare, and in the critical work we do in social justice, specifically targeting the plight of Canadians who are food insecure through the Maple Leaf Center for Food Security, has distinguished us globally.

Every Maple Leaf team member is proud of this!

Looking at the longer term, this year marks an inflection point. After years of investing in major capital projects and optimizing our network, we will turn our attention to accelerating and elevating our vision, while also digesting the significant investments we have made to deliver an attractive return.

In 1998, my first annual report as Chief Executive Officer had on its front cover, a single word: Leadership. The essence of my time as CEO at Maple Leaf Foods has been rooted in nurturing Leadership, enabling Direct Personal Leadership to show up at every level in the organization, demonstrated by each person on the team. That is why I signed my notes just like I did this morning, “Leadership Edge,” representing a team of thousands of exceptional people who gain competitive edge through the power of personal leadership. My note always centered on the real heroes of Maple Leaf whom I encountered that week. These are the people who accomplished so much, giving of themselves to others, with passion, incredible skill, and the conviction for our journey only a hero exhibits. These people have been my inspiration for 28 years, they are the success behind this multi-decade transformation, and nourish our powerful culture described by our Leadership Values. This is the secret sauce for generations ahead.

Being surrounded by talent better than myself has always motivated me. I pushed them. They pushed me harder! At this moment, I reflect on those people. People like Richard Lan, Michael Vels, Scott McCain. People like Gary Maksymetz. As colleagues left over this time, new talent joined, and I feel I am now leaving the best leadership team I have ever worked with in my 40+ year career. They are all exceptional, and none more than the incoming CEO, Curtis Frank. Here is how I described him to my team in this morning’s letter, although they already knew it all:

*“Curtis Frank is a remarkable leader. He stands out in every dimension of our Leadership Values and has a track record of success delivered through his extraordinary skill in connecting with people. He has the unwavering commitment of my entire family, who will continue to be deeply connected to Maple Leaf Foods as owner/operator shareholders for at least another generation. Curtis and I have executed a meticulous transition, and he knows every inch of this company. He has earned this role and will carry forward our purpose with passion. I know that Curtis Frank’s extensive tenure at the helm of Maple Leaf Foods will be astonishing in its achievements.”*

So, now it is time to hear from your next Chief Executive Officer!

Curtis...

## **CURTIS FRANK REMARKS**

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Thank you, Michael for the kind words and good morning, everyone.

Michael, you once told me that when you first took the helm at Maple Leaf Foods you set a single personal goal – to make an impact. And that you intended to do it through people and culture. You have done just that and so much more. You have inspired many with your bold vision and under your leadership, Maple Leaf Foods has established itself as an iconic Canadian food company that is admired on the global stage.

You are a visionary CEO, a passionate leader, a respected mentor, a compassionate philanthropist, and a cherished friend who has never wavered in putting his family first. The impact you have made in leading Maple Leaf Foods has been nothing short of

extraordinary. And, knowing you as I do, I've no doubt that the impact you'll make in your next chapter will be even more remarkable. The road has not been easy, but you have built something special, and I fully intend to honor your legacy.

Standing here today, it is hard for me to describe the emotions I am feeling... proud, nervous, excited, ... but most of all I am grateful.

When I joined this company 23 years ago, I could have never imagined the opportunity it would provide for me and for my family. And through my career, Michael, you have given me the ultimate gift of sharing a lifetime of experiences, reflections, stories and knowledge. In return, please know that you, and all of the Maple Leaf Stakeholders, have my commitment that I will do my very best to make my own mark, carrying on what I've come to learn matters the most – the best people, working together in an amazing culture, with the courage to set big, bold goals and the passion to deliver on them.

It is an axiom that the culture of a company determines its success, regardless of how effective its strategies might be. Having built my career at Maple Leaf Foods, I believe in this truth -- and, I can say that to work in this kind of environment, and to lead this team of people, is without question the privilege of a lifetime.

In some respects, I've been preparing for this role most of my life. Growing up on a mixed family farm in Saskatchewan provided me with a real hands-on understanding of the food and agriculture business. After more than two decades of learning our business through progressive roles within the company, including working alongside Michael in this transition, I feel as prepared and ready as I can possibly be, while acknowledging I have much yet to learn.

A few things you should know about me...

- I am, in my bones, attuned to the details of the business. I'm a roll-up my sleeves leader and I pride myself on being authentic. What you see is me!
- I am a big believer in servant leadership, this includes developing and elevating the teams and talent around me.
- I spent a good chunk of my career in sales – I covet understanding the market, our customers and our consumers -- and I am committed to channeling this understanding into delivering profitable growth.
- I love solving complex problems and see opportunity in finding solutions that can deliver immense value, not only for Maple Leaf Foods, but for all our stakeholders.
- And lastly, I am fiercely results driven, and I plan to set the full weight of my energy behind delivering on the enormous potential that exists within this company.

As you can probably tell, I am energized and excited to step into this role, and to lead us into our next chapter. With iconic brands, world class assets, a culture rooted in people and values, and a

purpose that is creating both business and social value, we are taking the best of Maple Leaf Foods with us into the future.

And while our Purpose, Vision and Values will be constants, like all things in life, we too will evolve.

Throughout the balance of 2023, our focus will be set squarely on **stabilizing** the financial performance of the business in a post-pandemic economy. This includes restoring the health of our supply chain, which is nearing completion; pricing for inflation, which is now on track; and positioning ourselves to maximize the benefits that will materialize following a return to more normal pork market conditions.

By the time we turn the calendar to 2024, we will be in a position to fully **realize** the benefits of the major capital investments we've made at our London Poultry and Pre-Cooked Bacon facilities. We know that our investors have been patient, and we are set to reward that patience. Concurrently, we are also on track to pivot our plant protein business back to profitability as we turn to next year.

As we put these large-scale start-ups behind us, and as our investments are fully contributing, we will be entering at an incredible inflection point leaving the foundation building, transformation, and fixing chapters behind us and turning our attention to **capitalizing** on the platform that we've built together.

In the quarters and years ahead, we will further adapt our Blueprint strategies, as we accelerate our innovation agenda and elevate our deliverables to customers and consumers. We will drive growth not only within, but also beyond our borders, accelerating organic growth, while also demonstrating discipline in contemplating strategic acquisitions that deliver concrete synergies. We will entrench operational excellence throughout our network leveraging our supply chain as a source of competitive advantage while at the same time strengthening our connection to our front-line team members. This will also involve expanding our capabilities through digital technologies, including manufacturing automation. And, perhaps most importantly we will leverage our point of difference in sustainability, as we create shared value for all of our stakeholders.

Thank you to Michael, the McCain family, our entire Board, and my colleagues, for your confidence in me and our shared conviction in becoming the most sustainable protein company on earth. We, and the thousands of people behind us, have set the stage for great things to come.

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*Question and Answer Session*

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## MICHAEL MCCAIN CONCLUDING REMARKS

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People ask me often these days, how I am feeling? Well, here you go!

As I step out of the CEO role to focus on my role as Executive Chair, I feel proud of our company and the people who power it. I feel anxious about change and aging, of course. You will have to grant me this, as change and aging always seems to have that effect. And I feel at peace. It is time.

I am now embracing my role of Executive Chair. As the largest shareholder, my family and I are fully committed to the future of Maple Leaf continuing as owner/operators.

I wouldn't have reached this point, and this wouldn't be the company it is today, without the contributions of those who came before us. My father, Wallace, lent his experience and his legacy, and he was my constant, most vocal champion – while also keeping me grounded. I believe he would be as proud and content as I am today.

Everyone who knows me, knows that the only thing more important to me than Maple Leaf is my family. And to my family, I don't know where to begin. My mother is an inspiration – strong, collaborative, and visionary are just a few words I'd use to describe her. She has joined us today by video. And, my children, who sacrificed so much for us to do what we do, I say THANK YOU, I LOVE YOU and I know you will also continue to support this journey as shareholders or Board Members. I am proud of each of you. And, to my partner Jill who has been by my side at some of life's most vulnerable moments. Thank you. We have much life to live.

I may well be the most fortunate man in Canada to be surrounded by this family, and I am grateful. And, to all of you joining us today, on behalf of Curtis and I, your newly elected Board of Directors, and the entire team here at Maple Leaf Foods, thank you for your support as we continue to Raise the Good in Food.

This morning I signed off as CEO in my last note written to my team. But I am not signing out of Maple Leaf Foods. We have too much left to do, under Curtis' leadership and with my family's unwavering support, we continue on the journey.

Thank you.

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