TSX: MFI

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Maple Leaf Foods Reports Fourth Quarter and Full Year 2024 Financial Results

Maple Leaf Foods lays the foundation for a transformative year in 2025, delivers fourth quarter Adjusted EBITDA of $155 million and Adjusted EBITDA Margin of 12.5%

Records Earnings of $97 million for fiscal 2024

Mississauga, Ontario, February 25, 2025 - Maple Leaf Foods Inc. ("Maple Leaf Foods" or "the Company") (TSX: MFI) today reported its financial results for the fourth quarter and full year ended December 31, 2024.

“I am incredibly proud of our team’s outstanding performance in closing out the year,” said Curtis Frank, President and Chief Executive Officer of Maple Leaf Foods. “In the fourth quarter, sales grew by 4.3% year over year, Adjusted EBITDA rose to $155 million, and our Adjusted EBITDA Margin expanded by 240 basis points to 12.5%.”

"With our CPG growth strategies proving resilient, our large-scale capital projects now behind us, and pork markets stabilizing at more normal levels, 2024 delivered the significant financial progress we anticipated,” continued Mr. Frank. “Free Cash Flow grew by $296 million in the year, allowing us to rapidly deleverage our balance sheet and improve our Net Debt to Adjusted EBITDA ratio to 2.7x by year end. All to say we are entering 2025 with strong momentum, setting the stage for a transformational year ahead.”

“As we look to 2025, we have a clear path to drive mid-single-digit sales growth, achieve Adjusted EBITDA that meets or exceeds $634 million, and complete the spin-off of our pork business. More than ever Maple Leaf Foods is positioned for long-term success,” concluded Mr. Frank.

Fourth Quarter 2024 Highlights

- Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")[(i)] grew to $155 million, a 29.0% increase from the fourth quarter of last year, with Adjusted EBITDA Margin increasing from 10.1% to 12.5% for the same period.
- The London poultry facility and Bacon Centre of Excellence capital projects both achieved their full expected benefits.
- Sales were $1,237 million for the fourth quarter, compared to $1,186 million for the same period last year, an increase of 4.3%. Sales in Prepared Foods increased 4.6%. Within Prepared Foods, prepared meats and poultry increased by 6.5% and 1.8% respectively. Sales in the Pork operating unit increased by 3.5%.
- Earnings for the fourth quarter of 2024 were $54 million ($0.43 per basic share) compared to a loss of $9 million ($0.08 loss per basic share) last year.
- Net Debt[(i)] was $1,516 million, with Net Debt to Adjusted EBITDA[(i)] of 2.7x, decreasing from 3.1x at the end of the third quarter and 4.1x at the same time a year ago, consistent with the Company's focus on deleveraging the balance sheet.
- Free Cash Flow[(i)] improved to $130 million, an increase of $66 million from the same quarter last year.

2024 Highlights

- Adjusted EBITDA[(i)] grew to $553 million, a 29.4% increase compared to last year, with Adjusted EBITDA Margin increasing from 8.8% to 11.3% for the same period.
- Sales were $4,895 million compared to $4,841 million last year, an increase of 1.1%. Sales in Prepared Foods increased 1.8%. Within Prepared Foods, prepared meats increased by 3.9% which was partially offset by declines in poultry and plant protein of 2.6% and 4.3% respectively. Sales in the Pork operating unit decreased by 0.9%.
- Earnings for 2024 were $97 million ($0.79 per basic share) compared to a loss of $125 million ($1.03 loss per basic share) last year.
- Capital expenditures were $94 million compared to $197 million last year, consistent with the Company's focus of disciplined capital management, and reflecting the completion of its large capital projects.
- Free Cash Flow[(i)] improved to $385 million, an increase of $296 million from last year.

Laying Groundwork for a Transformational Year Ahead

- In early January 2025, the Company announced its priorities and expectations for the year, as well as provided important updates on the spin-off of Canada Packers Inc. ("Canada Packers"), and capital allocation strategies.

- These priorities and expectations are reflected in the Company's outlook, but also include specific strategies to consistently drive organic growth, including capitalizing on the growing consumer demand for protein and leveraging its leadership in sustainable meats.
- Focus remains on maintaining an investment-grade balance sheet, supported by strong Free Cash Flow generation and disciplined capital management, facilitating more choice for investor-friendly capital allocation in the future.

Advancing the Creation of Two Independent Public Companies

- On July 9, 2024, Maple Leaf Foods announced the planned separation of its pork business as a standalone public company to be called Canada Packers Inc., and work on the separation of the two companies is well underway.
- Recently, the Company shared that it was advancing the transaction as a tax-free butterfly reorganization and is seeking an advance tax ruling from the Canada Revenue Agency.
- The Company is scheduling a meeting of shareholders in June 2025 to approve the transaction, which would allow closing to occur as soon as the closing conditions are satisfied, putting the transaction on pace to close in the second half of 2025 as expected.
- The current plan for the initial dividends of Maple Leaf Foods and Canada Packers is anticipated to not be less than Maple Leaf Foods' annual dividend immediately prior to the completion of the spin-off. Future dividends will be at the discretion of each company's board of directors.
- The capital structure for the two companies is also being evaluated, with current planning being based on Canada Packers having an initial leverage ratio in the range of 2.5x to 3.0x Net Debt to Adjusted EBITDA. Full details will be included in the Management Information Circular that is expected to be filed in May of this year in advance of the shareholder meeting to approve the transaction.

Outlook

- For the full year 2025, the Company expects:
  - Revenue growth in the mid-single-digit range;
  - Adjusted EBITDA[(i)] growth over 2024, expected to meet or exceed $634 million;
  - To remain focused on maintaining an investment-grade balance sheet[(ii)]; and
  - Capital expenditures to be within a range of $175 million to $200 million, largely focused on maintenance capital.

[(i)] *Refer to the section titled Non-IFRS Financial Measures in this news release.*

[(ii)] *Maple Leaf defines investment grade leverage as typically operating below 3.0x Net Debt to Trailing Twelve Months Adjusted EBITDA.*

Financial and Operating Highlights

Measure[(i)] *(Unaudited)*	Three months ended December 31,			As at or for the Twelve months ended December 31,		
	2024	2023	Change	**2024**	2023	Change
Sales[(ii)]	**$1,237.1**	$1,186.0	4.3 %	**$ 4,895.0**	$ 4,841.2	1.1 %
Gross profit	**$ 236.3**	$ 135.5	74.4 %	**$ 780.0**	$ 451.4	72.8 %
Selling, general and administrative expenses	**$ 101.9**	$ 101.3	0.6 %	**$ 437.1**	$ 405.1	7.9 %
Earnings (Loss)	**$ 53.5**	$ (9.3)	nm[(iv)]	**$ 96.6**	$ (125.0)	nm[(iv)]
Basic Earnings (Loss) per Share	**$ 0.43**	$ (0.08)	nm[(iv)]	**$ 0.79**	$ (1.03)	nm[(iv)]
Adjusted Operating Earnings[(iii)]	**$ 88.7**	$ 57.5	54.3 %	**$ 293.4**	$ 193.2	51.8 %
Adjusted EBITDA[(iii)]	**$ 155.1**	$ 120.2	29.0 %	**$ 553.2**	$ 427.6	29.4 %
Adjusted EBITDA Margin[(ii)(iii)]	**12.5 %**	10.1 %	240 bps	**11.3%**	8.8%	250 bps
Adjusted EBT[(iii)]	**$ 60.7**	$ 16.4	270.1 %	**$ 137.6**	$ 34.2	302.3 %
Adjusted Earnings per Share[(iii)]	**$ 0.38**	$ 0.08	nm[(iv)]	**$ 0.78**	$ 0.09	nm[(iv)]
Free Cash Flow[(iii)]	**$ 129.8**	$ 63.4	104.7 %	**$ 385.3**	$ 89.0	332.9 %
Net Debt[(iii)]				**$ 1,516.0**	$ 1,747.5	(13.2)%

[(i)] *All financial measures in millions of dollars except Basic and Adjusted Earnings per Share.*

[(ii)] *Amounts for 2023 have been adjusted to eliminate sales agreements that contained an expectation of repurchase, which had previously been reported as external sales.*

[(iii)] *Refer to the section titled Non-IFRS Financial Measures in this news release.*

[(iv)] *Not meaningful.*

During the year ended December 31, 2024, the Company announced an update to its strategic blueprint (the “Blueprint”) that reflects the progress it has made toward achieving its Purpose and Vision and establishes the roadmap for the next chapter of how Maple Leaf Foods intends to deliver on these objectives.

As part of delivering on these objectives, the Company combined its Meat and Plant Protein businesses and aligned its organizational structure to focus on growth potential in key markets and drive operational efficiencies. As a result, in the first quarter of 2024, Maple Leaf Foods began to report its business and operational results as a consolidated protein company, and updated its strategic Adjusted EBITDA Margin target of 14% - 16% to include Plant Protein.

As a consolidated protein company, Maple Leaf Foods has two operating units: Prepared Foods and Pork, which represent on average approximately 75% and 25% of total Company revenue respectively. Prepared Foods combines the operations of prepared meats, plant protein, and poultry, which represent on average approximately 50%, 5% and 20% of total Company revenue respectively.

On July 9, 2024, Maple Leaf Foods announced its intention to separate into two independent public companies through a spin-off of Maple Leaf Foods' Pork Business. This separation is expected to be completed in the second half of 2025. Please refer to the Outlook section for further information.

Fourth Quarter 2024

Sales for the fourth quarter increased 4.3% to $1,237.1 million compared to $1,186.0 million last year. Prepared Foods sales increased by 4.6%, with prepared meats and poultry increasing 6.5% and 1.8% respectively which was partially offset by a decline in plant protein of 10.3%. The increase in prepared meats sales was driven by improved category mix and retail and foodservice volume growth, which was partially offset by increased trade promotions. The increase in poultry sales was driven by improved channel mix tied to retail volume growth and reduced industrial sales. Plant protein sales were negatively impacted by volume declines which remain largely in line with the overall plant protein category. Sales in the Pork operating unit increased 3.5% driven by volume growth related to an increase in the number of hogs processed, and favourable foreign exchange impacts.

Gross profit for the fourth quarter of 2024 was $236.3 million (gross margin of 19.1%) compared to $135.5 million (gross margin of 11.4%) last year. The improvement in gross profit was driven by realization of the remaining London poultry facility and Bacon Centre of Excellence project benefits and related reduction in start-up expenses, increase in mark to market valuation of biological assets, improved pork market conditions, volume growth in prepared meats, and realization of operational efficiencies, all of which were partially offset by the impact of increased trade promotions in the quarter.

Selling, General and Administrative ("SG&A") expenses for the fourth quarter of 2024 were $101.9 million consistent with $101.3 million last year.

Earnings for the fourth quarter of 2024 were $53.5 million ($0.43 earnings per basic share) compared to a loss of $9.3 million ($0.08 loss per basic share) last year. The increase was driven by improvements in gross profit as described above as well as lower interest expense all partly offset by income taxes on increased earnings. Earnings were also negatively impacted by increased restructuring charges related to organizational changes executed in the fourth quarter, fair value adjustments on investment properties, and transaction costs associated with the anticipated spin-off of the Pork Business, all of which are recorded outside of Adjusted Operating Earnings

Adjusted Operating Earnings for the fourth quarter of 2024 were $88.7 million compared to $57.5 million last year. The increase was driven by factors consistent with those noted above and also excluding the impact of unrealized mark to market valuation adjustments and start-up expenses.

Adjusted EBITDA for the fourth quarter was $155.1 million, compared to $120.2 million last year, driven by factors consistent with those noted above and also excluding the impact of unrealized mark to market valuation adjustments and start-up expenses.

Adjusted EBT for the fourth quarter of 2024 were $60.7 million compared to $16.4 million last year, driven by factors noted above.

Free Cash Flow for the fourth quarter of 2024 was $129.8 million compared to Free Cash Flow of $63.4 million in the prior year. Free Cash Flow increased significantly due to: improved earnings after the removal of non-cash items; income tax refunds; and lower restructuring payments.

Full Year 2024

Sales for 2024 were $4,895.0 million compared to $4,841.2 million last year, an increase of 1.1%. Prepared Foods sales increased by 1.8%, with an increase in prepared meats sales of 3.9% partially offset by declines in poultry and plant protein of 2.6% and 4.3% respectively. The increase in prepared meats sales was driven by volume growth and category mix in retail and foodservice supported by increases in trade promotions. The decrease in poultry sales was driven by the repatriation of production to the London poultry facility and higher internalization of poultry supply into prepared meats, partially offset by improved channel mix tied to retail volume growth. Plant protein sales were negatively impacted by volume declines which were in line with the overall plant protein category. Sales in the pork operating unit declined by 0.9% due to lower resale activity and unfavourable product mix, which were partially offset by favourable market pricing.

Gross profit for 2024 increased to $780.0 million (gross margin of 15.9%) compared to $451.4 million (gross margin of 9.3%) last year. The increase in gross profit was driven by improved pork market conditions, realization of the London poultry facility and Bacon Centre of Excellence project benefits and reductions in related start-up expenses, increase in mark to market valuation of biological assets, volume growth in prepared meats, and operational efficiencies, all of which were partially offset by the impact of increased trade promotions in the year. Gross profit for 2024 included start-up expenses of $20.6 million (2023: $122.3 million associated with Construction Capital projects, which are excluded from the calculation of Adjusted Operating Earnings.

SG&A expenses for 2024 were $437.1 million compared to $405.1 million last year. The increase in SG&A expenses was primarily driven by higher variable compensation.

Adjusted Operating Earnings for 2024 were $293.4 million compared to $193.2 million last year, and Adjusted Earnings per Share for 2024 was $0.78 compared to $0.09 last year. The increase was driven by factors consistent with those noted above and also excluding the impact of unrealized mark to market valuation adjustments and start-up expenses.

Earnings for 2024 were $96.6 million ($0.79 earnings per basic share) compared to a loss of $125.0 million ($1.03 loss per basic share) last year. The increase in Earnings was driven by improvements in gross profit noted above, partly offset by variable compensation, income taxes on higher earnings, increased interest expense, as well as costs associated with the anticipated spin-off of the Pork Business. Costs associated with the anticipated spin-off are recorded outside of Adjusted EBITDA.

Adjusted EBITDA for 2024 were $553.2 million compared to $427.6 million last year, driven by factors consistent with those noted above. Adjusted EBITDA Margin for 2024 was 11.3% compared to 8.8% last year, also driven by factors consistent with those noted above.

Adjusted Earnings Before Taxes ("Adjusted EBT") for 2024 were $137.6 million compared to $34.2 million last year due to similar factors as noted above.

Free Cash Flow for 2024 was $385.3 million compared to Free Cash Flow of $89.0 million in the prior year. Free Cash Flow increased significantly due to: improved earnings after the removal of non-cash items; income tax refunds; and lower restructuring payments.

Net Debt as at December 31, 2024 was $1,516.0 million, a decrease of $231.4 million compared to the prior year. For discussion of changes in Net Debt see section 11. Cash Flow and Financing of the Company's Management's Discussion and Analysis for the year ended December 31, 2024 as filed on SEDAR+.

Note: Several items are excluded from the discussions of underlying earnings performance as they are not representative of ongoing operational activities. Refer to the section entitled Non-IFRS Financial Measures at the end of this news release for a description and reconciliation of all non-IFRS financial measures.

Other Matters

On January 9, 2025, the Board of Directors approved an increase in the quarterly dividend from $0.22 per share to $0.24 per share, or $0.96 per share on an annual basis. With this increase, the dividend payment for the first quarter of 2025 will be $0.24 per common share, payable on March 31, 2025, to shareholders of record at the close of business on March 7, 2025. Unless indicated otherwise by the Company at or before the time the dividend is paid, the dividend will be considered an eligible dividend for the purposes of the “Enhanced Dividend Tax Credit System". The Company’s Dividend Reinvestment Plan (“DRIP”) permits eligible shareholders to direct their cash dividends to be reinvested in additional common shares of the Company. The Company is eliminating the 2% discount on the treasury shares issued under the DRIP starting with this 2025 first quarter dividend. Therefore, for shareholders who wish to reinvest their dividends under the DRIP, Maple Leaf Foods intends to issue common shares from treasury at a price equal to 100% of the weighted average closing price of the shares for the five trading days preceding the dividend payment date. Full details of the DRIP, including how to enroll in the program, are available at https://www.mapleleaffoods.com/.

Conference Call

A conference call will be held at 8:00 a.m. ET on February 25, 2025, to review Maple Leaf Foods’ fourth quarter financial results. To participate in the call, please dial 416-945-7677 or 1-888-699-1199. For those unable to participate, playback will be made available an hour after the event at 289-819-1450 or 1-888-660-6345 (Passcode: 11841#).

A webcast of the fourth quarter conference call will also be available at: https://www.mapleleaffoods.com/investors/events-and-presentations/.

The Company’s full audited consolidated financial statements ("Consolidated Financial Statements") and related Management’s Discussion and Analysis are available on the Company’s website and on SEDAR+ at www.sedarplus.ca.

An investor presentation related to the Company’s fourth quarter financial results is available at www.mapleleaffoods.com under Presentations and Webcasts on the Investors page.

Outlook

Maple Leaf Foods is a leading protein company built on a powerful portfolio of brands, with a leading voice in sustainability and food security. The Company continues to execute against its strategic Blueprint, which defines how it intends to advance its vision to be the Most Sustainable Protein Company on Earth and deliver on its commercial and financial objectives. A key deliverable in 2025 is the execution of the previously announced spin-off of the Pork Business, unlocking value for all stakeholders by creating two robust, independent public companies: Maple Leaf Foods as a protein focused consumer packaged goods company, and Canada Packers as a leading global pork company. Until the spin-off is completed, the Company continues to look at its business on a holistic basis.

For the full year 2025, the Company expects:

- Mid-single-digit revenue growth.
- Significant improvement from 2024 in Adjusted EBITDA, which is expected to meet or exceed $634 million, supported by:
    - a full year of benefits related to the London poultry and Bacon Centre of Excellence large capital projects, as well as benefits from the further processed poultry expansion at the Walker Road plant;
    - continuing to adapt to the consumer environment, supported by brand and revenue management plans to optimize volume and mix and capitalize on growing consumer demand for protein;
    - a return to more normal levels of profitability in the Pork operating unit; and
    - the Company's *Fuel for Growth* initiative which will accelerate Maple Leaf's cost reduction focus and competitive edge through supply chain savings, SG&A reductions, and completion of a strategic manufacturing review.
- Continued focus on using Free Cash Flow to further strengthen the balance sheet, facilitating more choice for capital allocation in the future:
    - focus remains on maintaining an investment-grade balance sheet(i);
    - capital expenditures will remain disciplined and within a range of $175 million to $200 million, with approximately $130 million comprised of maintenance capital, and the remainder being growth capital; and
    - initiatives to create value for shareholders including; executing the spin-off of Canada Packers, recent announcement of a nine per cent increase in the annual dividend and the elimination of the discount on the Company's dividend reinvestment plan, as well as evaluating future capital allocation alternatives.

Maple Leaf Foods recognizes that macro-economic factors continue to strongly influence the current operating environment, creating uncertainty and potential volatility. This has a number of implications for the Company’s business, including the influence these dynamics have on consumer sentiment, supply chain activity, access to markets, barriers to trade, and foreign exchange rates. The Company leverages its data-driven insights to stay close to these evolving circumstances and is confident in the resilience of its brands, business model and strategy to manage through prevailing economic conditions. At the same time, it recognizes that its ability to deliver its 2025 guidance could be impacted by these conditions, including the impact of tariffs between Canada and the U.S. The Company is deploying additional resources to identify mitigation strategies, near-term potential executional opportunities to manage risk, and identify and capitalize on opportunities from shifting consumer sentiment in Canada to U.S. products and competitiveness of U.S. products given the relative exchange rate between the U.S. and Canada. Refer to section 23. Risk Factors in the Company's Management's Discussion and Analysis for the year ended December 31, 2024 as filed on SEDAR+.

(i)Maple Leaf defines investment grade leverage as typically operating below 3.0x Net Debt to Trailing Twelve Months Adjusted EBITDA

Non-IFRS Financial Measures

The Company uses the following non-IFRS measures: Adjusted Operating Earnings, Adjusted Earnings per Share, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBT, Construction Capital, Net Debt, Net Debt to Trailing Four Quarters Adjusted EBITDA, Free Cash Flow and Return on Net Assets. Management believes that these non-IFRS measures provide useful information to investors in measuring the financial performance of the Company for the reasons outlined below. These measures do not have a standardized meaning prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

Adjusted Operating Earnings, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBT

Adjusted Operating Earnings, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBT are non-IFRS measures used by Management to evaluate financial operating results. Adjusted Operating Earnings is defined as earnings before income taxes adjusted for items that are not considered representative of ongoing operational activities of the business and certain 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 EBITDA is defined as Adjusted Operating Earnings plus depreciation and intangible asset amortization, adjusted for items included in other expense that are considered representative of ongoing operational activities of the business. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by sales. Adjusted EBT is used annually by the Company to evaluate its performance and is a component of calculating bonus entitlements under the Company's short term incentive plan. It is defined as Adjusted EBITDA plus interest income, less depreciation and amortization, and interest expense and other financing costs.

The tables below provide a reconciliation of earnings (loss) before income taxes as reported under IFRS in the Consolidated Financial Statements to Adjusted Operating Earnings, Adjusted EBITDA and Adjusted EBT for the year ended December 31, as indicated below. Management believes that these non-IFRS measures are useful in assessing the performance of the Company's ongoing operations and its ability to generate cash flows to fund its cash requirements, including the Company's capital investment program.

	Three months ended December 31, 2024	Three months ended December 31, 2023
($ millions)[(i)] *(Unaudited)*	**Total**	Total
Earnings (loss) before income taxes	**$ 74.4**	$ (8.7)
Interest expense and other financing costs	**35.8**	41.2
Other expense (income)	**11.9**	0.9
Restructuring and other related costs	**12.4**	0.8
Earnings from operations	**$ 134.4**	$ 34.2
Start-up expenses from Construction Capital[(ii)]	**0.9**	29.7
(Increase) decrease in fair value of biological assets	**(43.2)**	(8.9)
(Increase) decrease in derivative contracts	**(3.3)**	2.5
Adjusted Operating Earnings	**$ 88.7**	$ 57.5
Depreciation and amortization[(iii)]	**63.5**	63.6
Items included in other income (expense) representative of ongoing operations[(iv)]	**2.9**	(0.9)
Adjusted EBITDA	**$ 155.1**	$ 120.2
Adjusted EBITDA Margin[(v)]	**12.5%**	10.1%
Interest expense and other financing costs	**(35.8)**	(41.2)
Interest income	**4.8**	1.1
Depreciation and amortization	**(63.5)**	(63.6)
Adjusted EBT	**$ 60.7**	$ 16.4

(i) *Totals may not add due to rounding.*

(ii) *Start-up expenses are temporary costs as a result of operating new facilities that are or were previously classified as Construction Capital. These costs can include training, product testing, yield and labour efficiency variances, duplicative overheads including depreciation and other temporary expenses required to ramp-up production.*

(iii) *Depreciation included in start-up expenses and restructuring and other related costs are excluded from this line.*

(iv) *Primarily includes certain costs associated with sustainability projects, gains and losses on the sale of long-term assets, legal settlements, and other miscellaneous expenses.*

(v) *Amounts for 2023 have been adjusted to eliminate sales agreements that contained an expectation of repurchase, which had previously been reported as external sales.*

($ millions)[i] (Unaudited)		Twelve months ended December 31, 2024 Total		Twelve months ended December 31, 2023 Total
Earnings (loss) before income taxes	**$**	**140.9**	$	(142.6)
Interest expense and other financing costs		**162.6**		150.9
Other expense		**19.5**		14.4
Restructuring and other related costs		**19.9**		23.7
Earnings from operations	**$**	**342.9**	$	46.3
Start-up expenses from Construction Capital[ii]		**20.6**		122.3
(Increase) decrease in fair value of biological assets		**(63.6)**		19.6
(Increase) decrease in derivative contracts		**(6.4)**		5.0
Adjusted Operating Earnings	**$**	**293.4**	$	193.2
Depreciation and amortization[iii]		**260.7**		246.7
Items included in other income (expense) representative of ongoing operations[iv]		**(0.9)**		(12.4)
Adjusted EBITDA	**$**	**553.2**	$	427.6
Adjusted EBITDA Margin[v]		**11.3%**		8.8%
Interest expense and other financing costs		**(162.6)**		(150.9)
Interest income		**7.6**		4.2
Depreciation and amortization		**(260.7)**		(246.7)
Adjusted EBT	**$**	**137.6**	$	34.2

(i) *Totals may not add due to rounding.*

(ii) *Start-up expenses are temporary costs as a result of operating new facilities that are or were previously classified as Construction Capital. These costs can include training, product testing, yield and labour efficiency variances, duplicative overheads including depreciation and other temporary expenses required to ramp-up production.*

(iii) *Depreciation included in start-up expenses and restructuring and other related costs are excluded from this line.*

(iv) *Primarily includes certain costs associated with sustainability projects, gains and losses on the sale of long-term assets, legal settlements, and other miscellaneous expenses.*

(v) *Amounts for 2023 have been adjusted to eliminate sales agreements that contained an expectation of repurchase, which had previously been reported as external sales.*

Adjusted Earnings per Share

Adjusted Earnings per Share, a non-IFRS measure, is used by Management to evaluate financial operating results. It is defined as basic earnings per share and is adjusted on the same basis as Adjusted Operating Earnings. The table below provides a reconciliation of basic earnings per share as reported under IFRS in the Consolidated Financial Statements to Adjusted Earnings per Share for the three months and the years ended December 31, as indicated below. Management believes this basis is the most appropriate on which to evaluate financial results as they are representative of the ongoing operations of the Company.

($ per share) *(Unaudited)*	**Three months ended December 31,**		**Twelve months ended December 31,**	
	2024	2023	**2024**	2023
Basic earnings (loss) per share	**$ 0.43**	$ (0.08)	**$ 0.79**	$ (1.03)
Restructuring and other related costs[i]	**0.08**	—	**0.12**	0.18
Items included in other income (expense) not considered representative of ongoing operations[ii]	**0.13**	0.01	**0.17**	0.04
Start-up expenses from Construction Capital[iii]	**0.01**	0.18	**0.12**	0.75
Change in fair value of biological assets	**(0.24)**	(0.05)	**(0.38)**	0.12
(Increase) decrease on derivative contracts	**(0.02)**	0.02	**(0.04)**	0.03
Adjusted Earnings per Share[iv]	**$ 0.38**	$ 0.08	**$ 0.78**	$ 0.09

[i] *Includes per share impact of restructuring and other related costs, net of tax.*

[ii] *Primarily includes legal fees and settlements, gains or losses on investment property, and transaction related costs, net of tax.*

[iii] *Start-up expenses are temporary costs as a result of operating new facilities that are or were previously classified as Construction Capital. These costs can include training, product testing, yield and labour efficiency variances, duplicative overheads and other temporary expenses required to ramp-up production, net of tax.*

[iv] *Totals may not add due to rounding.*

Construction Capital

Construction Capital, a non-IFRS measure, is used by Management to evaluate the amount of capital resources invested in specific strategic development projects that are not yet operational. It is 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 from commencement of construction and the asset is re-categorized from Construction Capital once operational. There were no Construction Capital projects during 2024 as all projects had been completed.

($ thousands)	2023
Property and equipment and intangibles at January 1	$ 2,663,985
Other capital and intangible assets at January 1[i]	2,654,419
Construction Capital at January 1	$ 9,566
Additions	41,931
Transfers from Construction Capital	(51,497)
Construction Capital at December 31	$ —
Other capital and intangible assets at December 31[i]	2,596,839
Property and equipment and intangibles at December 31	$ 2,596,839
Construction Capital debt financing[ii]	$ —

[i] *Other capital and intangible assets consists of property and equipment and intangibles that do not meet the definition of Construction Capital.*

[ii] *December 31, 2023 does not include $1,091.0 million in capital that had been transferred out but was still in the start-up stage.*

Net Debt

The following table reconciles Net Debt to amounts reported under IFRS in the Company's Consolidated Financial Statements and calculates the Net Debt to Adjusted EBITDA ratio as at December 31, as indicated below. The Company calculates Net Debt as cash and cash equivalents, less long-term debt and bank indebtedness, and calculates Net Debt to Adjusted EBITDA as the absolute value of Net Debt divided by Adjusted EBITDA. Management believes these measures are useful in assessing the amount of financial leverage employed.

	As at December 31,	
($ thousands)	**2024**	2023
Cash and cash equivalents	**$ 175,908**	$ 203,363
Current portion of long-term debt	**$ (301,478)**	$ (400,735)
Long-term debt	**(1,390,479)**	(1,550,080)
Total debt	**$ (1,691,957)**	$ (1,950,815)
Net Debt	**$ (1,516,049)**	$ (1,747,452)
Adjusted EBITDA	**553,224**	427,588
Net Debt to Adjusted EBITDA	**2.7**	4.1

Free Cash Flow

Free Cash Flow, a non-IFRS measure, is used by Management to evaluate cash flow after investing in the maintenance of the Company's asset base. It is defined as cash provided by operations, less Maintenance Capital[(i)] and associated interest paid and capitalized. The following table calculates Free Cash Flow for the periods indicated below:

($ thousands)	Three months ended December 31,		Twelve months ended December 31,	
(Unaudited)	**2024**	2023	**2024**	2023
Cash provided by operating activities	**$ 155,904**	$ 83,012	**$ 464,920**	$ 176,883
Maintenance Capital[(i)]	**(25,862)**	(19,235)	**(78,571)**	(86,602)
Interest paid and capitalized related to Maintenance Capital	**(260)**	(377)	**(1,007)**	(1,267)
Free Cash Flow	**$ 129,782**	$ 63,400	**$ 385,342**	$ 89,014

[(i)] *Maintenance Capital is defined as non-discretionary investment required to maintain the Company's existing operations and competitive position. For the twelve months ended December 31, total capital spending of $95.5 million (2023: $198.2 million) shown on the Consolidated Statements of Cash Flows is made up of Maintenance Capital of $78.6 million (2023: $86.6 million), and Growth Capital of $16.9 million (2023: $111.6 million). For the three months ended December 31, total capital spending of $29.2 million (2023: $41.8 million) is made up of Maintenance Capital of $25.9 million (2023: $19.2 million), and Growth Capital of $3.3 million (2023: $22.6 million).*

Return on Net Assets ("RONA")

RONA is calculated by dividing tax effected earnings from operations (adjusted for items which are not considered representative of the underlying operations of the business) by average monthly net assets. Net assets are defined as total assets (excluding cash and deferred tax assets) less non-interest bearing liabilities (excluding deferred tax liabilities). Management believes that RONA is an appropriate basis upon which to evaluate long-term financial performance.

Forward-Looking Statements

This document contains, and the Company’s oral and written public communications often contain, “forward-looking information” within the meaning of applicable securities law. These statements are based on current expectations, estimates, projections, beliefs, judgements and assumptions based on information available at the time the applicable forward-looking statement was made and in light of the Company’s experience combined with its perception of historical trends. Such statements include, but are not limited to, statements with respect to objectives and goals, in addition to statements with respect to beliefs, plans, targets, goals, objectives, expectations, anticipations, estimates, and intentions. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "could", "would", "believe", "plan", "intend", "design", "target", "undertake", "view", "indicate", "maintain", "explore", "entail", "schedule", "objective", "strategy", "likely", "potential", "outlook", "aim", "propose", "goal", and similar expressions suggesting future events or future performance. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in the forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Specific forward-looking information in this document may include, but is not limited to, statements with respect to:

- the terms, timing, receipt of all approvals, expected structure, expected benefits, risks, costs, dis-synergies and tax implications associated with the spin-off including the timely receipt of an advance tax ruling from the CRA in form and substance satisfactory to the Company;
- the anticipated future financial performance of the businesses following the spin-off, including post separation business structure, the operationalization of the proposed agreements to be entered into between the companies, and the ability of each company to execute their respective business and sustainability strategies;
- the entry into the tax matters agreement with Messrs. M H McCain, J McCain and McCain Capital Inc. (the "McCain Parties") and the satisfaction of the conditions of such agreement and future voting support for the spin-off;
- assumptions about the economic environment, including the implications of tariffs, inflationary pressures on customer and consumer behaviour, supply chains, global conflicts and competitive dynamics;
- expected future cash flows and the sufficiency thereof, sources of capital at attractive rates, future contractual obligations, future financing options, renewal of credit facilities, compliance with credit facility covenants, and availability of capital to fund growth plans, operating obligations and dividends;
- future performance, including future financial objectives, goals and targets, category growth analysis, expected capital spend and expected SG&A expenditures, global pork market dynamics, Japan export market margin outlook, labour markets, and inflationary pressures (including the ability to price for inflation);
- potential for a recurrence of a cybersecurity incident on the Company's systems, business and operations, as well as the ability to mitigate the financial and operational impacts, the success of remediation and recovery efforts, the implications of data breaches, and other ongoing risks associated with cybersecurity;
- the execution of the Company's business strategy, including the development and expected timing of business initiatives, brand expansion and repositioning, plant protein category investment and performance, market access in China and Japan, capital allocation decisions (including investment in share repurchases under a NCIB) and investment in potential growth opportunities and the expected returns associated therewith;
- the impact of international trade conditions, tariffs and markets on the Company's business, including access to markets, global conflict and other social, economic and political factors that affect trade;
- implications associated with the spread of foreign animal disease (such as African Swine Fever ("ASF")) and other animal diseases such as Avian Influenza;
- competitive conditions and the Company's ability to position itself competitively in the markets in which it competes;
- capital projects, including planning, construction, estimated expenditures, schedules, approvals, expected capacity, in-service dates and anticipated benefits of construction of new facilities and expansions of existing facilities;
- the Company's dividend policy, including future levels and sustainability of cash dividends, the tax treatment thereof and future dividend payment dates;
- the impact of commodity prices and foreign exchange impacts on the Company's operations and financial performance, including the use and effectiveness of hedging instruments;
- operating risks, including the execution, monitoring and continuous improvement of the Company's food safety programs, animal health initiatives, cost reduction initiatives, and service levels (including service level penalties);
- the implementation, cost and impact of environmental sustainability initiatives, the ability of the Company to achieve its sustainability objectives, changing climate and sustainability laws and regulation, changes in customer and consumer expectations related to sustainability matters, as well as the anticipated future cost of remediating environmental liabilities;
- the adoption of new accounting standards and the impact of such adoption on the financial position of the Company;
- expectations regarding pension plan performance, including future pension plan assets, liabilities and contributions; and
- developments and implications of actual or potential legal actions.

Various factors or assumptions are typically applied by the Company in drawing conclusions or making the forecasts, projections, predictions or estimations set out in the forward-looking statements. These factors and assumptions are based on information currently available to the Company, including information obtained by the Company from third-party sources and include but are not limited to the following:

- expectations and assumptions concerning the timing and completion of the spin-off, including securing all necessary shareholder, court, and other third party approvals; receipt of an updated favourable fairness opinion; future voting support for the spin-off; implications of the risks, benefits, costs, dis-synergies, tax structure, future business performance of each company; the impact of the operationalization of the proposed agreements to be entered into between the companies; and ability of each company to execute their respective business and sustainability strategies to generate returns;
- expectations and assumptions as to the timely receipt of an advance tax ruling from the CRA in form and substance satisfactory to the Company which is not altered or withdrawn; settling acceptable final terms of a tax matters agreement with the McCain Parties; satisfaction of the conditions necessary to proceed with tax matters agreement; compliance by

Maple Leaf Foods, Canada Packers and “specified shareholders”, as defined in the Income Tax Act ("ITA"), with the rules related to butterfly transactions under the ITA both before and after the completion of the spin-off;

- expectations regarding the adaptations in operations, supply chain, customer and consumer behaviour, economic patterns (including but not limited to global pork markets), foreign exchange rates, tariffs and other international trade dynamics, access to capital, and potential structural changes in global economic patterns;
- the competitive environment, associated market conditions (including tariffs) and market share metrics, category growth or contraction, the expected behaviour of competitors and customers and trends in consumer preferences;
- the success of the Company's business strategy and the relationship between pricing, inflation, volume and sales of the Company's products;
- prevailing commodity prices (especially in pork and feed markets), implications of tariffs, interest rates, tax rates and exchange rates;
- potential impacts related to cybersecurity matters, including security costs, the potential for a future incident, the risks associated with data breaches, the availability of insurance, the effectiveness of remediation and prevention activities, third party activities, ongoing impacts, customer, consumer and supplier responses and regulatory considerations;
- the economic condition of and the sociopolitical dynamics between Canada, the U.S., Japan and China, and the ability of the Company to access markets and source ingredients and other inputs in light of global sociopolitical disruption, and the ongoing impact of global conflicts on inflation, trade and markets;
- the spread of foreign animal disease (including ASF and Avian Influenza), preparedness strategies to manage such spread, and implications for all protein markets;
- the availability of and access to capital to fund future capital requirements and ongoing operations;
- expectations regarding participation in and funding of the Company's pension plans;
- the availability of insurance coverage to manage certain liability exposures;
- the extent of future liabilities and recoveries related to legal claims;
- prevailing regulatory, tax and environmental laws; and
- future operating costs and performance, including the Company's ability to achieve operating efficiencies and maintain sales volumes, turnover of inventories and turnover of accounts receivable.

Readers are cautioned that these assumptions may prove to be incorrect in whole or in part. The Company's actual results may differ materially from those anticipated in any forward-looking statements.

Factors that could cause actual results or outcomes to differ materially from the results expressed, implied, or projected in the forward-looking statements contained in this document include, among other things, risks associated with the following:

- the spin-off not proceeding as expected (within the expected timeline or at all), including as a result of the conditions of the transaction, including receipt of all third-party consents and approvals, not being satisfied;
- the spin-off not delivering the intended benefits, including the ability of the separated companies to each succeed as a standalone publicly trading company;
- unanticipated effects of the announcement of the spin-off, and/or changes in transaction structure, on the market price for the Company's securities or the financial performance of the Company;
- the results of each of the separated companies' execution of their respective business plans, the degree to which benefits are realized or not and the timing to realize those benefits, including the implications on the financial results of each;
- failure to agree on the final terms of a tax matters agreement with the McCain Parties or failure to satisfy the conditions of the tax matters agreement;
- failure to receive an advance tax ruling from the CRA on terms acceptable to the Company in form and substance satisfactory to the Company, that is not altered or withdrawn;
- failure of the Company, Canada Packers or a “specified shareholder,” as defined in the ITA, to comply with the rules related to butterfly transactions under the ITA which could result in significant tax becoming payable by the Company and/or Canada Packers;
- failure to satisfy the conditions to secure voting support for the spin-off;
- potential structural changes in global economic patterns which may have implications for the operations and financial performance of the Company, as well the ongoing implications for macro socio-economic trends, trade action and global conflict;
- macro economic trends, including inflation, consumer behaviour, recessionary indicators, labour availability and labour market dynamics and international trade trends, including tariffs, duties and global pork markets;
- the results of the Company's execution of its business plans, the degree to which benefits are realized or not, and the timing associated with realizing those benefits, including the implications on cash flow;

- competition, market conditions, and the activities of competitors and customers, including the expansion or contraction of key categories, inflationary pressures, pork market dynamics and Japan export margins;
- cybersecurity and maintenance and operation of the Company's information systems, processes and data, recovery, restoration and long term impacts of the cybersecurity event, the risk of future cybersecurity events, actions of third parties, risks of data breaches, effectiveness of business continuity planning and execution, and availability of insurance;
- the health status of livestock, including the impact of potential pandemics;
- international trade and access to markets and supplies, as well as social, political and economic dynamics, including global conflicts;
- operating performance, including manufacturing operating levels, fill rates and penalties;
- availability of and access to capital, and compliance with credit facility covenants;
- decisions respecting the return of capital to shareholders;
- the execution of capital projects and investment in maintenance capital;
- food safety, consumer liability and product recalls;
- climate change, climate regulation and the Company's sustainability performance;
- strategic risk management;
- acquisitions and divestitures;
- fluctuations in the debt and equity markets;
- fluctuations in interest rates and currency exchange rates;
- pension assets and liabilities;
- cyclical nature of the cost and supply of hogs and the competitive nature of the pork market generally;
- the effectiveness of commodity and interest rate hedging strategies;
- impact of changes in the market value of the biological assets and hedging instruments;
- the supply management system for poultry in Canada;
- availability of plant protein ingredients;
- intellectual property, including product innovation, product development, brand strategy and trademark protection;
- consolidation of operations and focus on protein;
- the use of contract manufacturers;
- reputation;
- weather;
- compliance with government regulation and adapting to changes in laws;
- actual and threatened legal claims;
- consumer trends and changes in consumer tastes and buying patterns;
- environmental regulation and potential environmental liabilities;
- consolidation in the retail environment;
- employment matters, including complying with employment laws across multiple jurisdictions, the potential for work stoppages due to non-renewal of collective agreements, recruiting and retaining qualified personnel, reliance on key personnel and succession planning;
- pricing of products;
- managing the Company’s supply chain;
- changes in International Financial Reporting Standards and other accounting standards that the Company is required to adhere to for regulatory purposes; and
- other factors as set out under the heading "Risk Factors" in the Company's Management Discussion and Analysis for the year ended December 31, 2024.

The Company cautions readers that the foregoing list of factors is not exhaustive.

Readers are further cautioned that some of the forward-looking information, such as statements concerning future capital expenditures, Adjusted EBITDA expectations, Adjusted EBITDA Margin expansion, and the Company's ability to achieve its financial targets or projections may be considered to be financial outlooks for purposes of applicable securities legislation. These financial outlooks are presented to evaluate potential future earnings and anticipated future uses of cash flows and may not be appropriate for other purposes. Readers should not assume these financial outlooks will be achieved.

More information about risk factors can be found under the heading “Risk Factors” in the Company's Annual Management's Discussion and Analysis for the year ended December 31, 2024, that is available on SEDAR+ at www.sedarplus.ca. The reader should review such section in detail.

All forward-looking statements included herein speak only as of the date hereof. Unless required by law, the Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements contained herein are expressly qualified by this cautionary statement.

Management's Estimates on the Pork Business spin-off, and related Non-IFRS measures

The following table presents Management’s preliminary estimates of certain financial information regarding Canada Packers and the business that will be retained after the separation by Maple Leaf Foods. These preliminary estimates have not been audited or reviewed by any third party, have been derived from internal management reporting, and reflect sales, cost and expense allocations, including with respect to corporate expenses, as well as other estimates and adjustments, each of which is preliminary in nature and subject to change.

Management believes that these preliminary estimates are useful in providing an indication of the relative size of the businesses upon separation. Each of these figures is expected to be refined prior to the separation, with full financial details to be presented in the management information circular to be filed in connection with the transaction.

	Last twelve months ended December 31, 2024			
(in millions of Canadian dollars) (unaudited)	**Canada Packers**	**Maple Leaf Foods**[(i)]	**Eliminations**	**Consolidated Maple Leaf Foods Inc.**
Sales (IFRS)	**$ 1,658** [(ii)]	**$ 3,621** [(iii)]	**$ (384)** [(iv)]	**$ 4,895** [(v)]
Adjusted EBITDA	**$ 153** [(vi)]	**$ 400** [(vii)]	**—**	**$ 553** [(v),(viii)]
Adjusted EBITDA Margin[(ix)]	*9.3%*	*11.0%*	*—%*	*11.3%*
Estimate of potential impact of separation[(x)]	**~ $(6) - (7)**	**~$(4) - (5)**		
Pro Forma Adjusted EBITDA[(xi)]	**~$145**	**~$395**		
Pro Forma Adjusted EBITDA margin[(xii)]	*~9%*	*~11%*		
Estimate of potential market normalization impact[(xiii)]	**~$45 - 55**			
Pro Forma normalized Adjusted EBITDA[(xiv)]	**~$200**			
Pro Forma normalized Adjusted EBITDA Margin[(xv)]	*~12%*			

Note:

(i) Refers to the business that will be retained after the separation by Maple Leaf Foods Inc.

(ii) Represents management’s preliminary estimate of sales (both to Maple Leaf Foods and to external third parties) attributable to the business that will be transferred to Canada Packers in the separation for the period presented.

(iii) Represents management’s preliminary estimate of sales attributable to the business that will be retained by Maple Leaf Foods after the separation for the period presented.

(iv) Primarily represents management’s preliminary estimate of sales from Canada Packers to Maple Leaf Foods for the period presented.

(v) The results reported are for the year ended December 31, 2024.

(vi) Represents management’s preliminary estimate of the portion of consolidated Adjusted EBITDA attributable to Canada Packers for the period presented. As noted above, this estimate is subject to change and is expected to be refined prior to the separation.

(vii) Represents management’s preliminary estimate of the portion of consolidated Adjusted EBITDA attributable to Maple Leaf Foods (as defined in note (i) above) for the period presented. As noted above, this estimate is subject to change and is expected to be refined prior to the separation.

(viii) For a definition of Adjusted EBITDA (consolidated), and a reconciliation of Adjusted EBITDA (consolidated) for the periods described in note (v) above to consolidated net income for such periods, see the Company’s MD&A filed on SEDAR and SEDAR+ for the year ended December 31, 2024.

(ix) Defined as Adjusted EBITDA divided by Sales. This metric is subject to change and is expected to be refined prior to the separation in the same manner as the metrics from which this metric is derived, as noted above.

(x) Represents management’s preliminary estimate of the potential impact on Adjusted EBITDA of Canada Packers and Maple Leaf Foods (as defined in note (i) above), respectively, if the separation had occurred on January 1, 2024. Primarily relates to management’s preliminary estimate of (1) a change in Adjusted EBITDA of Canada Packers and an offsetting change in Adjusted EBITDA of Maple Leaf Foods as a result of the anticipated impact of the supply agreement and other contractual arrangements expected to be entered into in connection with the separation, (2) public company costs that would have been incurred by Canada

Packers, and (3) a reallocation of certain SG&A expenses from Canada Packers to Maple Leaf Foods. As noted above, this estimate is subject to change and is expected to be refined prior to the separation.

(xi) *Defined as Adjusted EBITDA plus management's preliminary estimate of the potential impact of the separation described in, and subject to the qualifications described in, note (x) above.*

(xii) *Defined as Pro Forma Adjusted EBITDA, as described in note (xi) above divided by Sales. This metric is subject to change and is expected to be refined prior to the separation in the same manner as the metrics from which this metric is derived, as noted above.*

(xiii) *Presented for illustrative purposes only, based on management estimates and assumptions, to indicate what the potential impact on Pro Forma Adjusted EBITDA may have been if market conditions during the period presented had reflected normal market conditions, defined as the 5-year pre-pandemic (2015 – 2019) average ("Normal Market Conditions"). Actual market conditions during the period presented were materially different from Normal Market Conditions, and there can be no assurance that actual Pro Forma Adjusted EBITDA would have been impacted in the manner shown if Normal Market Conditions had existed during the period presented, or that actual future market conditions will reflect Normal Market Conditions. This metric is not intended to be indicative of potential financial results for any future period.*

(xiv) *Defined as Pro Forma Adjusted EBITDA, as described in note (xi) above, plus management's preliminary estimate of the potential impact if market conditions during the period presented had reflected Normal Market Conditions, subject to the qualifications described in note (xiii) above. This metric is presented for illustrative purposes only and is not intended to be indicative of potential financial results for any future period.*

(xv) *Defined as Pro Forma normalized Adjusted EBITDA, as described in note (xiv) above, divided by Sales. This metric is presented for illustrative purposes only and is based on management estimates and assumptions. This metric is subject to change and is expected to be refined prior to the separation in the same manner as the metrics from which this metric is derived, as noted above. Actual market conditions during the period presented were materially different from Normal Market Conditions, and there can be no assurance that actual Pro Forma Adjusted EBITDA Margin would have been impacted in the manner shown if Normal Market Conditions had existed during the period presented, or that actual future market conditions will reflect Normal Market Conditions. This metric is not intended to be indicative of potential financial results for any future period.*

Adjusted EBITDA, Pro Forma Adjusted EBITDA, and Pro Forma normalized Adjusted EBITDA, and related margins, as presented in the table above, are non-IFRS metrics and do not have a standardized meaning prescribed by IFRS. Consequently, they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

About Maple Leaf Foods Inc.

Maple Leaf Foods is a leading protein company responsibly producing food products under leading brands including Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Mina®, Greenfield Natural Meat Co.®, Lightlife® and Field Roast™. The Company employs approximately 13,500 people and does business primarily in Canada, the U.S. and Asia. The Company is headquartered in Mississauga, Ontario and its shares trade on the Toronto Stock Exchange (MFI).

Consolidated Balance Sheets

(In thousands of Canadian dollars) *(Audited)*	**As at December 31, 2024**	As at December 31, 2023
ASSETS		
Cash and cash equivalents	**$ 175,908**	$ 203,363
Accounts receivable	**170,919**	183,798
Notes receivable	**37,978**	33,220
Inventories	**553,398**	542,392
Biological assets	**169,399**	114,917
Income and other taxes recoverable	**7,551**	88,896
Prepaid expenses and other assets	**42,342**	44,865
Assets held for sale	**22,769**	—
Total current assets	**$ 1,180,264**	$ 1,211,451
Property and equipment	**2,123,167**	2,251,710
Right-of-use assets	**160,922**	154,610
Investments	**12,763**	15,749
Investment property	**42,588**	57,144
Employee benefits	**22,429**	26,785
Other long-term assets	**24,918**	22,336
Deferred tax asset	**46,588**	40,854
Goodwill	**477,353**	477,353
Intangible assets	**339,526**	345,129
Total long-term assets	**$ 3,250,254**	$ 3,391,670
Total assets	**$ 4,430,518**	$ 4,603,121
LIABILITIES AND EQUITY		
Accounts payable and accruals	**$ 561,179**	$ 548,444
Current portion of provisions	**14,482**	9,846
Current portion of long-term debt	**301,478**	400,735
Current portion of lease obligations	**39,900**	38,031
Income taxes payable	**2,595**	2,382
Other current liabilities	**37,587**	32,974
Total current liabilities	**$ 957,221**	$ 1,032,412
Long-term debt	**1,390,479**	1,550,080
Lease obligations	**147,892**	142,286
Employee benefits	**62,395**	64,196
Provisions	**3,912**	2,041
Other long-term liabilities	**5,205**	1,124
Deferred tax liability	**325,137**	296,203
Total long-term liabilities	**$ 1,935,020**	$ 2,055,930
Total liabilities	**$ 2,892,241**	$ 3,088,342
Shareholders' equity		
Share capital	**$ 897,839**	$ 873,477
Retained earnings	**587,393**	597,429
Contributed surplus	**12,482**	3,227
Accumulated other comprehensive income	**43,994**	47,829
Treasury shares	**(3,431)**	(7,183)
Total shareholders' equity	**$ 1,538,277**	$ 1,514,779
Total liabilities and equity	**$ 4,430,518**	$ 4,603,121

Consolidated Statements of Earnings (Loss)

(In thousands of Canadian dollars, except share amounts)	Three months ended December 31, 2024	Three months ended December 31, 2023	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
	(Unaudited)	*(Unaudited)*	*(Audited)*	*(Audited)*
Sales[i]	**$ 1,237,065**	$ 1,186,021	**$ 4,895,046**	$ 4,841,213
Cost of goods sold	**1,000,766**	1,050,545	**4,115,040**	4,389,839
Gross profit	**$ 236,299**	$ 135,475	**$ 780,006**	$ 451,374
Selling, general and administrative expenses	**101,911**	101,262	**437,133**	405,067
Earnings before the following:	**$ 134,388**	$ 34,213	**$ 342,873**	$ 46,307
Restructuring and other related costs	**12,356**	819	**19,922**	23,729
Other expense (income)	**11,868**	885	**19,482**	14,352
Earnings before interest and income taxes	**$ 110,164**	$ 32,509	**$ 303,469**	$ 8,226
Interest expense and other financing costs	**35,793**	41,227	**162,600**	150,851
Earnings (loss) before income taxes	**$ 74,371**	$ (8,718)	**$ 140,869**	$ (142,625)
Income tax expense (recovery)	**20,835**	602	**44,270**	(17,649)
Earnings (loss)	**$ 53,536**	$ (9,320)	**$ 96,599**	$ (124,976)
Earnings (loss) per share attributable to common shareholders:				
Basic (loss) earnings per share	**$ 0.43**	$ (0.08)	**$ 0.79**	$ (1.03)
Diluted (loss) earnings per share	**$ 0.43**	$ (0.08)	**$ 0.78**	$ (1.03)
Weighted average number of shares (millions):				
Basic	**123.5**	122.3	**123.0**	121.8
Diluted	**124.6**	122.3	**124.3**	121.8

[i] *Amounts for 2023 have been adjusted to eliminate sales agreements that contained an expectation of repurchase, which had previously been reported as external sales.*

Consolidated Statements of Other Comprehensive Income (Loss)

	Three months ended December 31,		Twelve months ended December 31,	
(In thousands of Canadian dollars)	**2024**	2023	**2024**	2023
	(Unaudited)	*(Unaudited)*	*(Audited)*	*(Audited)*
Earnings (loss)	**$ 53,536**	$ (9,320)	**$ 96,599**	$ (124,976)
Other comprehensive income (loss)				
Actuarial (losses) gains that will not be reclassified to profit or loss (Net of tax of $0.0 million and $0.6 million; 2023: $6.6 million and $4.4 million)	**$ (6,885)**	$ (19,580)	**$ 1,908**	$ 12,313
Change in revaluation surplus (Net of tax of $0.0 and $0.0 million; 2023: $6.4 million and $10.6 million)	**—**	22,782	**—**	40,815
Total items that will not be reclassified to profit or loss	**$ (6,885)**	$ 3,202	**$ 1,908**	$ 53,128
Items that are or may be reclassified subsequently to profit or loss:				
Change in fair value of investments (Net of tax of $0.0 million and $0.0 million; 2023: $0.0 million and $0.0 million)	**(4,082)**	(5,504)	**(4,082)**	(5,504)
Change in accumulated foreign currency translation adjustment (Net of tax of $0.0 million and $0.0 million; 2023: $0.0 million and $0.0 million)	**22,727**	(8,759)	**30,157**	(8,939)
Change in foreign exchange on long-term debt designated as a net investment hedge (Net of tax of $0.0 million and $4.5 million; 2023: $1.3 million and $1.2 million)	**(17,885)**	7,194	**(24,237)**	6,592
Change in cash flow hedges (Net of tax of $0.0 million and $0.9 million; 2023: $1.3 million and $3.9 million)	**(1,293)**	(2,091)	**(5,673)**	(8,469)
Total items that are or may be reclassified subsequently to profit or loss	**$ (533)**	$ (9,160)	**$ (3,835)**	$ (16,320)
Total other comprehensive (loss) income	**$ (7,418)**	$ (5,958)	**$ (1,927)**	$ 36,808
Comprehensive income (loss)	**$ 46,118**	$ (15,278)	**$ 94,672**	$ (88,168)

Consolidated Statements of Changes in Total Equity

				Accumulated other comprehensive income (loss)					
(In thousands of Canadian dollars)	Share capital	Retained earnings	Contributed surplus	Foreign currency translation adjustment[i]	Unrealized gains and losses on cash flow hedges[i]	Unrealized gains on fair value of investments[i]	Revaluation surplus	Treasury stock	Total equity
Balance at December 31, 2023	$ 873,477	597,429	3,227	8,625	4,416	(2,559)	37,347	(7,183)	$ 1,514,779
Earnings	—	96,599	—	—	—	—	—	—	96,599
Other comprehensive income (loss)[ii]	—	1,908	—	5,920	(5,673)	(4,082)	—	—	(1,927)
Dividends declared ($0.88 per share)	21,864	(108,543)	—	—	—	—	—	—	(86,679)
Share-based compensation expense	—	—	21,910	—	—	—	—	—	21,910
Deferred taxes on share-based compensation	—	—	(1,325)	—	—	—	—	—	(1,325)
Exercise of stock options	2,498	—	—	—	—	—	—	—	2,498
Settlement of share-based compensation	—	—	(11,330)	—	—	—	—	3,752	(7,578)
Balance at December 31, 2024	$ 897,839	587,393	12,482	14,545	(1,257)	(6,641)	37,347	(3,431)	$ 1,538,277

				Accumulated other comprehensive income (loss)					
(In thousands of Canadian dollars)	Share capital	Retained earnings	Contributed surplus	Foreign currency translation adjustment[i]	Unrealized gains and losses on cash flow hedges[i]	Unrealized gains on fair value of investments[i]	Revaluation surplus	Treasury stock	Total equity
Balance at December 31, 2022	$ 850,086	809,616	—	10,972	12,885	2,945	2,745	(25,916)	$ 1,663,333
Loss	—	(124,976)	—	—	—	—	—	—	(124,976)
Other comprehensive income (loss)[ii]	—	12,313	—	(2,347)	(8,469)	(5,504)	40,815	—	36,808
Dividends declared ($0.84 per share)	10,178	(102,722)	—	—	—	—	—	—	(92,544)
Share-based compensation expense	—	—	11,979	—	—	—	—	—	11,979
Deferred taxes on share-based compensation	—	—	1,100	—	—	—	—	—	1,100
Exercise of stock options	7,395	—	(1,363)	—	—	—	—	—	6,032
Shares re-purchased	(4,498)	—	(11,595)	—	—	—	—	—	(16,093)
Sale of investment property	—	6,213	—	—	—	—	(6,213)	—	—
Sale of treasury stock	—	—	—	—	—	—	—	9,841	9,841
Settlement of share-based compensation	1,305	(3,015)	(17,883)	—	—	—	—	8,892	(10,701)
Change in obligation for repurchase of shares	9,011	—	20,989	—	—	—	—	—	30,000
Balance at December 31, 2023	$ 873,477	597,429	3,227	8,625	4,416	(2,559)	37,347	(7,183)	$ 1,514,779

(i) *Items that are or may be subsequently reclassified to profit or loss.*

(ii) *Included in other comprehensive income (loss) is the change in actuarial gains and losses that will not be reclassified to profit or loss and has been reclassified to retained earnings.*

Consolidated Statements of Cash Flows

	Three months ended December 31,		Twelve months ended December 31,	
(In thousands of Canadian dollars)	**2024**	2023	**2024**	2023
CASH PROVIDED BY (USED IN):	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
Operating activities				
Earnings	**$ 53,536**	$ (9,320)	**$ 96,599**	$ (124,976)
Add (deduct) items not affecting cash:				
Change in fair value of biological assets	**(43,210)**	(8,852)	**(63,582)**	19,556
Depreciation and amortization	**64,883**	67,394	**265,173**	271,394
Share-based compensation	**4,296**	4,246	**21,910**	11,979
Deferred income tax expense	**17,738**	75,126	**30,651**	86,959
Current income tax expense (recovery)	**3,097**	(74,524)	**13,619**	(104,608)
Interest expense and other financing costs	**35,793**	41,227	**162,600**	150,851
Gain on sale of long-term assets	**(6,466)**	(2,451)	**(9,299)**	(516)
Impairment of property and equipment and right-of-use assets	**538**	15	**667**	9,011
Impairment of investments	**—**	1,953	**—**	1,953
Change in fair value of long-term assets	**10,707**	—	**5,669**	—
Change in fair value of non-designated derivatives	**(257)**	2,160	**(3,334)**	(4,632)
Change in net pension obligation	**1,953**	168	**5,063**	2,400
Net income taxes refunded	**31,197**	42,039	**75,712**	39,028
Interest paid, net of capitalized interest	**(34,926)**	(41,614)	**(148,925)**	(150,425)
Change in provision for restructuring and other related costs	**8,025**	(4,590)	**6,570**	(33,542)
Change in derivatives margin	**(2,764)**	(2,425)	**2,235**	(6,409)
Cash settlement of derivatives	**2,878**	(2,036)	**—**	3,361
Other	**(10,255)**	275	**(3,165)**	(5,617)
Change in non-cash operating working capital	**19,141**	(5,779)	**6,757**	11,116
Cash provided by operating activities	**$ 155,904**	$ 83,012	**$ 464,920**	$ 176,883
Investing activities				
Additions to long-term assets	**$ (29,205)**	$ (41,786)	**$ (95,489)**	$ (198,181)
Interest paid and capitalized	**(289)**	(485)	**(1,128)**	(2,969)
Proceeds from sale of long-term assets	**8,433**	7,515	**14,081**	18,039
Purchase of investments	**—**	—	**—**	(200)
Payment of legal settlement	**—**	(5,256)	**—**	(5,256)
Cash used in investing activities	**$ (21,061)**	$ (40,012)	**$ (82,536)**	$ (188,567)
Financing activities				
Dividends paid	**$ (21,803)**	$ (20,632)	**$ (86,679)**	$ (92,544)
Net (decrease) increase in long-term debt	**(110,893)**	(15,937)	**(290,981)**	253,064
Payment of lease obligation	**(8,026)**	(8,223)	**(32,353)**	(32,951)
Exercise of stock options	**—**	603	**2,498**	6,032
Repurchase of shares	**—**	—	**—**	(16,093)
Payment of financing fees	**—**	(46)	**(2,324)**	(3,378)
Sale of treasury shares	**—**	—	**—**	9,841
Cash (used in) provided by financing activities	**$ (140,722)**	$ (44,235)	**$ (409,839)**	$ 123,971
(Decrease) increase in cash and cash equivalents	**(5,879)**	(1,235)	**(27,455)**	112,287
Cash and cash equivalents, beginning of period	**181,787**	204,598	**203,363**	91,076
Cash and cash equivalents, end of period	**$ 175,908**	$ 203,363	**$ 175,908**	$ 203,363