NEWS RELEASE

For immediate release

SAPUTO REPORTS FINANCIAL RESULTS FOR THE FIRST QUARTER OF FISCAL 2026 ENDED JUNE 30, 2025

(*Montréal, August 7, 2025*) – Saputo Inc. (TSX: SAP) (we, Saputo or the Company) reported today its financial results for the first quarter of fiscal 2026, which ended on June 30, 2025. All amounts in this news release are in millions of Canadian dollars (CDN), except per share amounts, unless otherwise indicated, and are presented according to International Financial Reporting Standards (IFRS).

"We're pleased to begin fiscal 2026 with solid momentum. Our first quarter performance reflected the strength of our global operations and the effectiveness of our strategy," said Carl Colizza, President and CEO. "Our strong results were driven by our Canada Sector exceeding expectations on the back of strong commercial execution, improved overall performance in our USA Sector despite commodity headwinds, and solid year-over-year gains across our International and Europe Sectors. Our disciplined execution, operational efficiencies, and capital deployment efforts are driving both earnings growth and returns. With robust operating cash flow and a strong balance sheet, we remain confident in our ability to invest for scalable growth, return capital to shareholders, and create long-term value."

(unaudited)	**For the three-month periods ended June 30**	
	2025	2024
Revenues	**4,631**	4,606
Adjusted EBITDA[1]	**426**	383
Adjusted EBITDA margin[1]	***9.2 %***	*8.3 %*
Net earnings	**165**	142
Earnings per share (EPS)		
Basic and Diluted	**0.40**	0.33
Adjusted net earnings[1]	**184**	167
Adjusted EPS[1]		
Basic and Diluted	**0.44**	0.39
Net Cash from Operating Activities	**317**	191
Capital Expenditures	**65**	98

FINANCIAL HIGHLIGHTS

We delivered a record first quarter adjusted EBITDA[1] performance, supported by strong results across all our Sectors. We realized the benefits of strong execution related to operational improvements, commercial initiatives, and our continued efforts toward our sustained cost optimization measures.

- Revenues of $4.631 billion, up $25 million or 0.5%, driven by higher selling prices in both domestic and international cheese and dairy ingredient markets, while US dairy commodity market pricing[3] was lower. Sales volumes were higher, on a relative basis, given the impact of the divestitures in our Dairy Division (Australia).

- Adjusted EBITDA[1] of $426 million, up $43 million or 11.2%, with a margin[1] of 9.2%, up from 8.3%.
  - Operational improvements, primarily driven by ongoing efficiency initiatives stemming from our recent capital investments, disciplined execution on customer fulfillment, and proactive cost management, supported margin enhancement;
  - In our domestic markets, higher selling prices implemented across key product categories to mitigate inflationary pressures preserved margin performance;
  - In our export markets, the favourable relation between the international cheese and dairy ingredient market prices and the cost of milk as raw material had a positive impact on our results;
  - Sales volumes and favourable product mix were significant drivers;
  - Unfavourable US dairy commodity market conditions[3] compared to the same quarter last fiscal year; and
  - Lower selling, general, and administrative costs.

- Net earnings totalled $165 million or $0.40 per share (basic and diluted), up $23 million or $0.07 per share, respectively. The increase in net earnings was mainly due to higher adjusted EBITDA[1] and a gain on hyperinflation (Argentina net monetary position)[3] as compared to a loss for the same quarter last fiscal year, partially offset by higher financial charges, restructuring costs, and depreciation and amortization. The increase in EPS also reflects common shares purchased under our normal course issuer bid (NCIB).

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of the Management's Discussion and Analysis.

- Adjusted net earnings[1] totalled $184 million or $0.44 per share[1] (basic and diluted), up $17 million or $0.05 per share, respectively. The increase in adjusted EPS[1] is mainly due to higher net earnings and reflects common shares purchased under our NCIB.

- Net cash from operating activities totalled $317 million, up $126 million or 66%. The increase is mainly due to higher adjusted EBITDA[1] and lower working capital usage.

- The Company returned capital to shareholders through the purchase of approximately 4.7 million common shares for a total purchase price of $123 million and the payment of dividends totalling $79 million.

- Capital expenditures totalled $65 million and the balance of operating cash was directed primarily toward the reduction of net debt[2].

KEY EVENTS:

- The Board of Directors reviewed the dividend policy and increased the quarterly dividend from $0.19 per share to $0.20 per share, representing a 5.3% increase. The quarterly dividend will be payable on September 12, 2025, to shareholders of record on September 2, 2025.

- On June 1, 2025, the new milk pricing formula approved for all federal milk marketing orders in which we operate in the US became effective. The new milk pricing formula did not materially impact results in the first quarter.

- In June 2025, we announced our environmental objectives through to 2030, including our science-based targets, which have been validated by the Science-Based Targets initiative (SBTi). On August 7, 2025, we published our Climate Roadmap, which provides additional details on our action plan to achieve our science-based targets, and is available in the "Our Promise" section of the Company's website at www.saputo.com.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the "Non-GAAP Measures" section of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.
[2] Refer to the ''Glossary'' section of the Management's Discussion and Analysis.
[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of the Management's Discussion and Analysis.

Additional Information

For more information, reference is made to the condensed interim consolidated financial statements, the notes thereto and to the Management's Discussion and Analysis for the first quarter of fiscal 2026. These documents can be obtained on SEDAR+ under the Company's profile at www.sedarplus.ca and in the "Investors" section of the Company's website, at www.saputo.com.

Webcast and Conference Call

A webcast and conference call will be held on Friday, August 8, 2025, at 8:30 a.m. (Eastern Time).

The webcast will begin with a short presentation followed by a question and answer period. The speakers will be Carl Colizza, President and CEO, and Maxime Therrien, CFO and Secretary.

To participate:

- **Webcast**: A live webcast of the event can be accessed using this **link**.
  Presentation slides will be included in the webcast and can also be accessed in the "Investors" section of Saputo's website (www.saputo.com), under "Calendar of Events".

- **Conference line**: 1-888-596-4144; Conference ID: 8145823
  Please dial-in five minutes prior to the start time.

Replay of the conference call and webcast presentation
For those unable to join, the webcast presentation will be archived on Saputo's website (www.saputo.com) in the "Investors" section, under "Calendar of Events".

About Saputo

Saputo, one of the top ten dairy processors in the world, produces, markets, and distributes a wide array of dairy products of the utmost quality, including cheese, fluid milk, extended shelf-life milk and cream products, cultured products, and dairy ingredients. Saputo is a leading cheese manufacturer and fluid milk and cream processor in Canada, a leading dairy processor in Australia and the top dairy processor in Argentina. In the USA, Saputo ranks among the top three cheese producers and is one of the top producers of extended shelf-life and cultured dairy products. In the United Kingdom, Saputo is the leading manufacturer of branded cheese and dairy spreads. In addition to its dairy portfolio, Saputo produces, markets, and distributes a range of dairy alternative products. Saputo products are sold in several countries under market-leading brands, as well as private label brands. Saputo Inc. is a publicly traded company and its shares are listed on the Toronto Stock Exchange under the symbol "SAP". Follow Saputo's activities at www.saputo.com or via Facebook, Instagram, and LinkedIn.

- 30 -

Investor Inquiries
Nicholas Estrela
Senior Director, Investor Relations
1-514-328-3117

Media Inquiries
1-514-328-3141 / 1-866-648-5902
media@saputo.com

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This news release contains statements which are forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to our objectives, outlook, business projects, strategies, beliefs, expectations, targets, commitments, goals, ambitions and strategic plans including our ability to achieve these targets, commitments, goals, ambitions and strategic plans, and statements other than historical facts. The words "may", "could", "should", "will", "would", "believe", "plan", "expect", "intend", "anticipate", "estimate", "foresee", "objective", "continue", "propose", "aim", "commit", "assume", "forecast", "predict", "seek", "project", "potential", "goal", "target", or "pledge", or the negative of these terms or variations of them, the use of conditional or future tense or words and expressions of similar nature, are intended to identify forward-looking statements. All statements other than statements of historical fact included in this news release may constitute forward-looking statements within the meaning of applicable securities laws.

By their nature, forward-looking statements are subject to inherent risks and uncertainties. Actual results could significantly differ from those stated, implied, or projected in such forward-looking statements. As a result, we cannot guarantee that any forward-looking statements will materialize, and we warn readers that these forward-looking statements are not statements of historical fact or guarantees of future performance in any way. Assumptions, expectations, and estimates made in the preparation of forward-looking statements and risks and uncertainties that could cause actual results to significantly differ from current expectations are discussed in our materials filed with the Canadian securities regulatory authorities from time to time, including the "Risks and Uncertainties" section of the Management's Discussion and Analysis dated June 5, 2025, available on SEDAR+ under the Company's profile at www.sedarplus.ca.

Such risks and uncertainties include the following: product liability; the availability and price variations of milk and other dairy ingredients, our ability to transfer input costs increases, if any, to our customers in competitive market conditions; supply chain strain and supplier concentration; the price fluctuation of dairy products in the countries in which we operate, as well as in international markets; continuing economic and geopolitical uncertainties; changes in international trade agreements and policies, including those that may result from tariffs, quotas, trade barriers and other similar restrictions; actual or perceived changes in the condition of the economy or economic slowdowns or recessions; changes in consumer trends; our ability to identify, attract, and retain qualified individuals; the increased competitive environment in our industry; consolidation of clientele; cyber threats and other information technology-related risks relating to business disruptions, confidentiality, data integrity business and email compromise-related fraud; changes to or removal of tariff protection on dairy; unanticipated business disruption; changes in environmental laws and regulations; the potential effects of climate change; increased focus on environmental sustainability matters; public health threats; the failure to execute our growth strategy as expected or to adequately integrate acquired businesses in a timely and efficient manner; the failure to complete capital expenditures as planned; changes in interest rates and access to capital and credit markets. There may be other risks and uncertainties that we are not aware of at present, or that we consider to be insignificant, that could still have a harmful impact on our business, financial state, liquidity, results, or reputation.

Forward-looking statements are based on Management's current estimates, expectations and assumptions regarding, among other things; the projected revenues and expenses; the economic, industry, competitive, and regulatory environments in which we operate or which could affect our activities; international trade policies; our ability to identify, attract, and retain qualified and diverse individuals; our ability to attract and retain customers and consumers; the results of our sustainability efforts; the effectiveness of our environmental and sustainability initiatives; our operating costs; the pricing of our finished products on the various markets in which we carry on business; the successful execution of our growth strategy; our ability to deploy capital expenditure projects as planned; reliance on third parties; our ability to gain efficiencies and cost optimization from strategic initiatives; our ability to correctly predict, identify, and interpret changes in consumer preferences and demand, to offer new products to meet those changes, and to respond to competitive innovation; our ability to leverage our brand value; our ability to drive revenue growth in our key product categories or platforms or add products that are in faster-growing and more profitable categories; the market supply and demand levels for our products; our warehousing, logistics, and transportation costs; our effective income tax rate; the exchange rate of the Canadian dollar to the currencies of cheese and dairy ingredients. Our financial performance goals and ambitions are set using assumptions regarding, among others: the absence of significant deterioration in macroeconomic conditions; tariffs, quotas, trade barriers and other similar restrictions; our ability to mitigate inflationary cost pressure; ingredient markets, commodity prices, foreign exchange; labour market conditions; the impact of price elasticity; our ability to increase the production capacity and productivity in our facilities; the efficiency of our network and cost optimization initiatives, and the demand growth for our products. Our ability to achieve our environmental targets, pledges, commitments, and goals (together, our "environmental targets") is further subject to, among others: the development, effectiveness and costs of solutions to reduce emissions in dairy production systems; the ability of the Company and our industry to develop sustainable incentive models to reduce emissions; the availability of and our ability to access and implement the technology necessary to achieve our environmental targets at reasonable and sustainable costs; the development and performance of technology, innovation and the future use and deployment of technology and associated expected future results; the accessibility at sustainable costs of carbon and renewable energy instruments for which a market is still developing and which are subject to risk of invalidation or reversal; environmental regulation, and our ability to leverage our supplier relationships and our sustainability advocacy efforts.

Management believes that these estimates, expectations, and assumptions are reasonable as of the date hereof, and are inherently subject to significant business, economic, competitive, and other uncertainties and contingencies regarding future events, and are accordingly subject to changes after such date. Forward-looking statements are intended to provide shareholders with information regarding Saputo, including our assessment of future financial plans, and may not be appropriate for other purposes. Undue importance should not be placed on forward-looking statements, and the information contained in such forward-looking statements should not be relied upon as of any other date.

Unless otherwise indicated by Saputo, forward-looking statements in this news release describe our estimates, expectations, and assumptions as of the date hereof, and, accordingly, are subject to change after that date. Except as required under applicable securities legislation, Saputo does not undertake to update or revise forward-looking statements, whether written or verbal, that may be made from time to time by itself or on our behalf, whether as a result of new information, future events, or otherwise. All forward-looking statements contained herein are expressly qualified by this cautionary statement.

SECTOR OPERATING REVIEW

CANADA SECTOR

(in millions of CDN dollars)

	For the three-month periods ended June 30	
	2025	2024
Revenues	**1,321**	1,253
Adjusted EBITDA	**170**	153
Adjusted EBITDA margin	***12.9 %***	*12.2 %*
Depreciation and amortization	**29**	29

Revenues

Revenues for the **first quarter of fiscal 2026** totalled $1.321 billion, up $68 million or 5.4%, as compared to $1.253 billion for the same quarter last fiscal year.

Revenues increased due to higher sales volumes in all our market segments: retail, foodservice, and industrial. The increase was mainly driven by our milk, cheese, and dairy foods categories. We also benefited from favourable product mix due to growth in value-added milk, cultured products, and specialty cheese, which had a positive impact on revenues. In our everyday cheese category, *Armstrong* became the national category leader, reflecting strong brand momentum and effective commercial execution.

Revenues also increased due to higher selling prices implemented to mitigate inflationary pressures and the higher cost of milk as raw material.

Adjusted EBITDA

Adjusted EBITDA for the **first quarter of fiscal 2026** totalled $170 million, up $17 million or 11.1%, as compared to $153 million for the same quarter last fiscal year. Adjusted EBITDA margin was 12.9%, up from 12.2%.

Commercial initiatives driving higher sales volumes, favourable product mix, and higher pricing, as described above, positively impacted results.

Selling, general, and administrative cost efficiencies contributed to the adjusted EBITDA increase, primarily due to cost optimization measures.

Other elements

Depreciation and amortization for the **first quarter of fiscal 2026** totalled $29 million, flat, as compared to the same quarter last fiscal year.

USA SECTOR

(in millions of CDN dollars)

	For the three-month periods ended June 30	
	2025	2024
Revenues	**2,128**	2,085
Adjusted EBITDA	**171**	162
Adjusted EBITDA margin	***8.0 %***	*7.8 %*
Depreciation and amortization	**67**	63

Revenues

Revenues for the **first quarter of fiscal 2026** totalled $2.128 billion, up $43 million or 2.1%, as compared to $2.085 billion for the same quarter last fiscal year.

Revenues increased due to higher sales volumes in both our retail and foodservice market segments. We benefited from favourable product mix, driven by increased sales volumes of dairy foods and value-added categories. Volume growth was supported by stronger demand from several of our largest customers, reflecting the strength of our commercial relationships, the continued relevance of our offering, and our ability to serve their evolving needs.

Revenues were negatively impacted by lower US dairy commodity market pricing[3], primarily driven by the lower average butter market price[2] and partially offset by the fluctuation of the average block market price[2]. However, higher selling prices implemented to mitigate inflationary pressures contributed positively to revenues.

The conversion of the US dollar to the Canadian dollar had a favourable impact.

Adjusted EBITDA

Adjusted EBITDA for the **first quarter of fiscal 2026** totalled $171 million, up $9 million or 5.6%, as compared to $162 million for the same quarter last fiscal year. Adjusted EBITDA margin was 8.0%, up from 7.8%.

The increase in adjusted EBITDA reflects operational improvements, primarily driven by ongoing efficiency initiatives stemming from our recent capital investments. These initiatives contributed to a reduction in duplicate operating costs. In addition, disciplined execution on customer fulfillment and proactive cost management, reflecting our commitment to operational excellence, supported margin enhancement.

Higher sales volumes and favourable product mix, driven by our commercial initiatives, positively impacted results.

Selling, general, and administrative cost efficiencies contributed to the adjusted EBITDA increase, primarily due to cost optimization measures.

Compared to the same quarter last fiscal year, US dairy commodity market conditions[3] were unfavourable. This was due to more stable US dairy commodity market prices[3] this fiscal year in comparison to the favourable fluctuations of those market prices last fiscal year. The new milk pricing formula, effective for one month of the quarter, did not materially impact results.

The conversion of the US dollar versus the Canadian dollar had a favourable impact.

Other elements

Depreciation and amortization for the **first quarter of fiscal 2026** totalled $67 million, up $4 million, as compared to $63 million for the same quarter last fiscal year.

This increase was mainly attributable to the net effect of the commissioning and decommissioning of assets in connection with our strategic capital projects.

[2] Refer to the ''Glossary'' section of the Management's Discussion and Analysis.
[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of the Management's Discussion and Analysis.

INTERNATIONAL AND EUROPE SECTORS

(in millions of CDN dollars)

	For the three-month periods ended June 30	
	2025	2024
Revenues International Sector	**865**	1,004
Revenues Europe Sector	**317**	264
Revenues International Sector and Europe Sector[1]	**1,182**	1,268
Adjusted EBITDA International Sector	**55**	45
Adjusted EBITDA margin International Sector	***6.4 %***	*4.5 %*
Adjusted EBITDA Europe Sector	**30**	23
Adjusted EBITDA margin Europe Sector	***9.5 %***	*8.7 %*
Adjusted EBITDA International Sector and Europe Sector[1]	**85**	68
Adjusted EBITDA margin International Sector and Europe Sector[1]	***7.2 %***	*5.4 %*
Depreciation and amortization International Sector	**30**	29
Depreciation and amortization Europe Sector	**27**	27
Depreciation and amortization International Sector and Europe Sector[1]	**57**	56

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. See the “Non-GAAP Measures” section below of this news release for more information, including the definition and composition of the measure or ratio as well as the reconciliation to the most comparable measure in the primary financial statements, as applicable.

INTERNATIONAL SECTOR

Revenues

Revenues for the **first quarter of fiscal 2026** totalled $865 million, down $139 million or 13.8%, as compared to $1.004 billion for the same quarter last fiscal year.

Our sales volumes were lower compared to the same quarter last fiscal year, in both our domestic and export markets. The decrease in domestic sales volumes is mainly due to the divestitures of our two fresh milk plants and the King Island Dairy business in our Dairy Division (Australia). Our export sales volumes decreased in line with our strategy to reposition sales volumes toward our domestic markets.

Higher international cheese and dairy ingredient market prices for our products in our export markets had a favourable impact.

The non-cash negative impact due to the application of hyperinflation accounting[2,3] to the revenues of the Dairy Division (Argentina) was unfavorable by $17 million as compared to the same quarter last fiscal year.

The conversion of Australian dollars to Canadian dollars had an unfavourable impact.

Adjusted EBITDA

Adjusted EBITDA for the **first quarter of fiscal 2026** totalled $55 million, up $10 million or 22.2%, as compared to $45 million for the same quarter last fiscal year. Adjusted EBITDA margin was 6.4%, up from 4.5%.

The favourable relation between the international cheese and dairy ingredient market prices and the cost of milk as raw material had a positive impact on our results. In Australia, we benefited from lower milk costs. In Argentina, milk costs were higher, however results reflected a more favourable alignment between inflation and the devaluation of the Argentine peso.

Reduced milk availability in Australia, due mostly to ongoing drought conditions in key milk-producing regions, negatively impacted efficiencies and the absorption of fixed costs. This impact was mitigated by our product mix optimization strategy.

[2] Refer to the ‘‘Glossary’’ section of the Management's Discussion and Analysis.
[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of the Management's Discussion and Analysis.

The non-cash negative impact due to the application of hyperinflation accounting[2,3] to the results of the Dairy Division (Argentina) was unfavorable by $5 million as compared to the same quarter last fiscal year.

Other elements

Depreciation and amortization for the **first quarter of fiscal 2026** totalled $30 million, up $1 million, as compared to $29 million for the comparative quarter last fiscal year.

Gain on hyperinflation (Argentina net monetary position)[3] for the **first quarter of fiscal 2026** totalled $1 million ($10 million loss in the first quarter of fiscal 2025).

EUROPE SECTOR

Revenues

Revenues for the **first quarter of fiscal 2026** totalled $317 million, up $53 million or 20.1%, as compared to $264 million for the same quarter last fiscal year.

Revenues increased due to higher selling prices implemented to mitigate inflationary pressures and the higher cost of milk and other input costs.

Revenues also increased due to higher sales volumes. Bulk cheese sales volumes increased, as a result of higher milk intake, at higher selling prices. Dairy ingredients sales volumes also increased at higher selling prices. These increases were partially offset by lower retail market segment sales volumes in non-cheese categories.

The conversion of the British pound sterling to the Canadian dollar had a favourable impact.

Adjusted EBITDA

Adjusted EBITDA for the **first quarter of fiscal 2026** totalled $30 million, up $7 million or 30.4%, as compared to $23 million for the same quarter last fiscal year. Adjusted EBITDA margin was 9.5%, up from 8.7%.

The improved performance was mainly driven by the more favourable relation between selling prices and input costs, which supported overall margin recovery, partially offsetting the impact of an unfavourable product mix.

The conversion of the British pound sterling to the Canadian dollar had a favourable impact.

Other elements

Depreciation and amortization for the **first quarter of fiscal 2026** totalled $27 million, flat, as compared to the same quarter last fiscal year.

Restructuring costs for the **first quarter of fiscal 2026** totalled $6 million and comprised severance costs in connection to our previously announced decision to stop manufacturing certain functional dairy ingredient products by mid-fiscal 2026 as well as in relation to the optimization of selling, general, and administrative costs. There were no restructuring costs during the first quarter of fiscal 2025.

[2] Refer to the ''Glossary'' section of the Management's Discussion and Analysis.
[3] Refer to the section "Discussion of factors impacting the Company's operations and results" of the Management's Discussion and Analysis.

FY26 OUTLOOK

- We remain confident in the long-term outlook for the business and its ability to navigate current macroeconomic challenges.

- The direct impact of trade-related tariffs on our business is expected to be limited and manageable at this time. However, we anticipate that the evolving global trade landscape and consumer sentiment may impact consumer spending patterns in the short term.

- We expect organic sales growth, notably in our USA Sector, with a more balanced contribution of volumes and price, supported by growth in key retail categories, expansion with major food distributors, the phased ramp-up of our Franklin, Wisconsin, facility, higher brand support, and innovation.

- We expect further contribution from optimization and capacity expansion initiatives, notably in our USA Sector, which is expected to drive operating margin expansion. The previously announced closure of the Green Bay, Wisconsin, facility is expected to occur by the end of the third quarter.

- We expect US dairy markets to be driven by milk supply and dairy demand, with continued volatility in the short to medium term.

- On June 1, 2025, the new milk pricing formula approved for all federal milk marketing orders in which we operate in the US became effective. This change is expected to positively impact our USA Sector results.

- We anticipate continued strong performance in the Canada Sector, supported by ongoing operational efficiencies, favourable volume and mix trends, targeted commercial initiatives, and disciplined cost reduction efforts.

- The International Sector is expected to benefit from product mix optimization and cost reductions in Australia, despite higher milk costs driven by competitive market dynamics, while Argentina is expected to see increased milk availability, lower milk costs, a stronger export business, and a more stable relationship between currency and inflation.

- The Europe Sector is expected to see an improved performance supported by margin recovery initiatives, including disciplined pricing and volume acceleration, the maturation of previously launched initiatives, and continued focus on cost efficiency.

- We expect to benefit from the recent improvements in global dairy ingredient market prices, including firmer pricing across key commodity categories in the first half of the fiscal year.

- We anticipate our selling, general, and administrative expenses to be impacted by higher labour costs, including wage increases, and higher planned advertising and promotional spending. We expect to partially mitigate these higher costs through the ongoing optimization of our selling, general, and administrative costs and structural simplifications.

- We will continue to focus on improving our working capital and generating strong cash flow from operations. We expect capital expenditures totalling approximately $360 million in fiscal 2026.

- We expect to continue repurchasing shares under our NCIB program given the strength of our balance sheet and our expected strong cash flow from operations.

NON-GAAP MEASURES

We report our financial results in accordance with GAAP and generally assess our financial performance using financial measures that are prepared using GAAP. However, this news release also refers to certain non-GAAP and other financial measures which do not have a standardized meaning under GAAP, and are described in this section.

We use non-GAAP measures and ratios to provide investors with supplemental metrics to assess and measure our operating performance and financial position from one period to the next. We believe that those measures are important supplemental metrics because they eliminate items that are less indicative of our core business performance and could potentially distort the analysis of trends in our operating performance and financial position. We also use non-GAAP measures to facilitate operating and financial performance comparisons from period to period, to prepare annual budgets and forecasts, and to determine components of management compensation. We believe these non-GAAP measures, in addition to the financial measures prepared in accordance with GAAP, enable investors to evaluate the Company's operating results, underlying performance, and future prospects in a manner similar to management. These metrics are presented as a complement to enhance the understanding of operating results but not in substitution of GAAP results.

These non-GAAP measures have no standardized meaning under GAAP and are unlikely to be comparable to similar measures presented by other issuers. Our method of calculating these measures may differ from the methods used by others, and, accordingly, our definition of these non-GAAP financial measures may not be comparable to similar measures presented by other issuers. In addition, non-GAAP financial measures should not be viewed as a substitute for the related financial information prepared in accordance with GAAP. This section provides a description of the components of each non-GAAP measure used in this news release and the classification thereof.

NON-GAAP FINANCIAL MEASURES AND RATIOS

A non-GAAP financial measure is a financial measure that depicts the Company's financial performance, financial position, or cash flow and either excludes an amount that is included in or includes an amount that is excluded from the composition of the most directly comparable financial measures disclosed in the Company's financial statements. A non-GAAP ratio is a financial measure disclosed in the form of a ratio, fraction, percentage, or similar representation and that has a non-GAAP financial measure as one or more of its components.

Below are descriptions of the non-GAAP financial measures and ratios that we use as well as reconciliations to the most comparable GAAP financial measures, as applicable.

Adjusted net earnings

Adjusted net earnings is defined as net earnings before the following items (when they occur): restructuring costs, amortization of intangible assets related to business acquisitions, (gain) on disposal of assets, goodwill and intangible assets impairment charge, and loss (gain) on hyperinflation (Argentina net monetary position), net of applicable income taxes. We believe that adjusted net earnings provides useful information to investors because this financial measure provides precision with regards to our ongoing operations by eliminating the impact of non-operational or non-cash items. We believe that in the context of our history of business acquisitions, adjusted net earnings provides a more effective measure to assess performance against the Company's peer group, including due to the application of various accounting policies in relation to the amortization of acquired intangible assets.

We also believe adjusted net earnings is useful to investors because it helps identify underlying trends in our business that could otherwise be masked by certain write-offs, charges, income, or recoveries that can vary from period to period. We believe that securities analysts, investors, and other interested parties also use adjusted net earnings to evaluate the performance of issuers. Excluding these items does not imply they are non-recurring. This measure does not have any standardized meanings under GAAP and is therefore unlikely to be comparable to similar measures presented by other companies.

The following table provides a reconciliation, net of applicable income taxes, of net earnings to adjusted net earnings:

	For the three-month periods ended June 30	
	2025	2024
Net earnings	**165**	142
Amortization of intangible assets related to business acquisitions[1]	**15**	15
Restructuring costs[2]	**5**	—
Loss (gain) on hyperinflation (Argentina net monetary position)[2]	**(1)**	10
Adjusted net earnings	**184**	**167**
Revenues	**4,631**	4,606

[1]Amortization of intangible assets related to business acquisitions is included in Depreciation and amortization, as presented on the condensed interim consolidated income statements.
[2] Items presented on the condensed interim consolidated income statements.

Adjusted EPS basic and adjusted EPS diluted

Adjusted EPS basic (adjusted net earnings per basic common share) and adjusted EPS diluted (adjusted net earnings per diluted common share) are non-GAAP ratios and do not have any standardized meaning under GAAP. Therefore, these measures are unlikely to be comparable to similar measures presented by other issuers. We define adjusted EPS basic and adjusted EPS diluted as adjusted net earnings divided by the basic and diluted weighted average number of common shares outstanding for the period. Adjusted net earnings is a non-GAAP financial measure. For more details on adjusted net earnings, refer to the discussion above in the adjusted net earnings section.

We use adjusted EPS basic and adjusted EPS diluted, and we believe that certain securities analysts, investors, and other interested parties use these measures, among other ones, to assess the performance of our business without the effect of restructuring costs, amortization of intangible assets related to business acquisitions, (gain) on disposal of assets, goodwill and intangible assets impairment charge, and loss (gain) on hyperinflation (Argentina net monetary position). We exclude these items because they affect the comparability of our financial results and could potentially distort the analysis of trends in business performance. Adjusted EPS is also a component in the determination of long-term incentive compensation for management.

TOTAL OF SEGMENTS MEASURES

A total of segments measure is a financial measure that is a subtotal or total of two or more reportable segments and is disclosed within the notes to Saputo's condensed interim consolidated financial statements, but not in its primary financial statements. Consolidated adjusted EBITDA is a total of segments measure.

Consolidated adjusted EBITDA is the total of the adjusted EBITDA of our four geographic sectors. We report our business under four sectors: Canada, USA, International, and Europe. The Canada Sector consists of the Dairy Division (Canada), the USA Sector consists of the Dairy Division (USA), the International Sector consists of the Dairy Division (Australia) and the Dairy Division (Argentina), and the Europe Sector consists of the Dairy Division (UK). We sell our products in three different market segments: retail, foodservice, and industrial.

Adjusted EBITDA and adjusted EBITDA margin

Adjusted EBITDA is defined as net earnings (loss) before the following items (when they occur): income taxes, financial charges, loss (gain) on hyperinflation (Argentina net monetary position), restructuring costs, (gain) on disposal of assets, goodwill and intangible assets impairment charge, and depreciation and amortization. Net earnings (loss) before income taxes, financial charges, loss (gain) on hyperinflation, restructuring costs, (gain) on disposal of assets, goodwill and intangible assets impairment charge, and depreciation and amortization is a measure which is presented on the consolidated income statements. Adjusted EBITDA margin consists of adjusted EBITDA expressed as a percentage of revenues.

We believe that adjusted EBITDA and adjusted EBITDA margin provide investors with useful information because they are common industry measures. These measures are also key metrics of the Company's operational and financial performance without the variation caused by the impacts of the elements itemized below and provide an indication of the Company's ability to seize growth opportunities in a cost-effective manner, finance its ongoing operations, and service its long-term debt. Adjusted EBITDA is the key measure of profit used by management for the purpose of assessing the performance of each sector and of the Company as a whole, and to make decisions about the allocation of resources. We believe that securities analysts, investors, and other interested parties also use adjusted EBITDA to evaluate the performance of issuers. Adjusted EBITDA is also a component in the determination of short-term incentive compensation for management.

The following table provides a reconciliation of net earnings to adjusted EBITDA on a consolidated basis.

	For the three-month periods ended June 30	
	2025	2024
Net earnings	**165**	142
Income taxes[1]	**57**	45
Financial charges[1]	**46**	38
Loss (gain) on hyperinflation (Argentina net monetary position)[1]	**(1)**	**10**
Restructuring costs[1]	**6**	—
Depreciation and amortization[1]	**153**	148
Adjusted EBITDA	**426**	383
Revenues	**4,631**	4,606
Adjusted EBITDA margin	***9.2 %***	*8.3 %*

[1] Items presented on the consolidated income statements.

Revenues, adjusted EBITDA, and depreciation and amortization of International Sector and Europe Sector Total are total of segments measures, as reconciled to total consolidated measures in the below tables.

					For the three-month periods ended June 30, 2025	
	Canada	**USA**	***International***	***Europe***	**International and Europe Total**	**Total Consolidated**
Revenues	**$ 1,321**	**$ 2,128**	***$ 865***	***$ 317***	**$ 1,182**	**$ 4,631**
Adjusted EBITDA	**$ 170**	**$ 171**	***$ 55***	***$ 30***	**$ 85**	**$ 426**
Depreciation and amortization	**$ 29**	**$ 67**	***$ 30***	***$ 27***	**$ 57**	**$ 153**

					For the three-month periods ended June 30, 2024	
	Canada	USA	*International*	*Europe*	International and Europe Total	Total Consolidated
Revenues	$ 1,253	$ 2,085	*$ 1,004*	*$ 264*	$ 1,268	$ 4,606
Adjusted EBITDA	$ 153	$ 162	*$ 45*	*$ 23*	$ 68	$ 383
Depreciation and amortization	$ 29	$ 63	*$ 29*	*$ 27*	$ 56	$ 148