News Release
For immediate release

Saputo

SAPUTO REPORTS FOURTH QUARTER AND FISCAL 2020 RESULTS

(Montréal, June 4, 2020) – Saputo Inc. (TSX: SAP) (Saputo or the Company) reported today its financial results for the fourth quarter and fiscal year ended on March 31, 2020. All amounts in this news release are in Canadian dollars (CDN), unless otherwise indicated, and are presented according to International Financial Reporting Standards (IFRS).

FINANCIAL RESULTS FOR FISCAL 2020 FOURTH QUARTER ENDED MARCH 31, 2020

Revenues at $3.719 billion, up 14.9%
Adjusted EBITDA at 298.4 million, up 8.5%
Net earnings at $88.7 million, down 28.6%
Adjusted net earnings at $98.8 million, down 21.5%

FINANCIAL INFORMATION
(in millions of CDN dollars, except per share amounts)

(unaudited)	For the three-month periods ended March 31	
	2020	2019
Revenues	**3,718.7**	3,236.5
Adjusted EBITDA*	**298.4**	275.1
Net earnings	**88.7**	124.2
Adjusted net earnings*	**98.8**	125.8
Adjusted net earnings excluding amortization of intangible assets related to business acquisitions*	**116.5**	133.8
Net earnings per share		
Basic	**0.22**	0.32
Diluted	**0.22**	0.32
Adjusted net earnings per share*		
Basic	**0.24**	0.32
Diluted	**0.24**	0.32
Adjusted net earnings per share excluding amortization of intangible assets related to business acquisitions*		
Basic	**0.29**	0.34
Diluted	**0.28**	0.34

* Non-IFRS measures are described in the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.

- Revenues amounted to $3.719 billion, an increase of $482.2 million or 14.9%.
- Adjusted EBITDA* amounted to $298.4 million, up $23.3 million or 8.5%.
- Net earnings totalled $88.7 million and EPS** (basic and diluted) were $0.22, as compared to $124.2 million and EPS (basic and diluted) of $0.32.
- Adjusted net earnings* totalled $98.8 million and adjusted EPS* (basic and diluted) were $0.24, as compared to $125.8 million and adjusted EPS (basic and diluted) of $0.32. Adjusted EPS excluding amortization of intangible assets related to business acquisitions* (basic and diluted) were $0.29 and $0.28, as compared to $0.34 (basic and diluted).
- Net cash generated from operations amounted to $295.2 million, up $67.0 million or 29.4%.
- The shift in consumer demand relative to the COVID-19 pandemic did not significantly affect revenues, while there was a negative impact on adjusted EBITDA, which includes an amount of $44.8 million comprised of a loss from unsellable inventory and an inventory write-down resulting from the decrease in certain market selling prices in North America.
- USA Market Factors** negatively impacted adjusted EBITDA by approximately $8 million.
- The Europe Sector, consisting of the activities of Dairy Crest Group plc acquired on April 15, 2019 (Dairy Crest Acquisition), increased revenues and adjusted EBITDA by $231.4 million and $46.6 million, respectively.
- Higher international selling prices of cheese and dairy ingredients positively impacted adjusted EBITDA.
- The specialty cheese business of Lion Dairy & Drinks Pty Ltd (Specialty Cheese Business Acquisition) in Australia, acquired on October 28, 2019, contributed positively to revenues and adjusted EBITDA.
- The adoption of IFRS 16, *Leases* positively impacted adjusted EBITDA by approximately $15 million. The impact on net earnings was minimal.
- The fluctuation of foreign currencies versus the Canadian dollar had a negative impact on adjusted EBITDA of approximately $3 million.

* Non-IFRS measures are described in the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.
** Refer to the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.

FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED MARCH 31, 2020

Revenues at $14.944 billion, up 10.7%
Adjusted EBITDA at 1.468 billion, up 20.2%
Net earnings at $582.8 million, down 22.8%
Adjusted net earnings at $653.7 million, up 4.8%

FINANCIAL INFORMATION
(in millions of Canadian (CDN) dollars, except per share amounts)

(audited)	For the years ended March 31	
	2020	2019
Revenues	**14,943.5**	13,501.9
Adjusted EBITDA*	**1,467.8**	1,221.3
Net earnings	**582.8**	755.3
Adjusted net earnings*	**653.7**	623.6
Adjusted net earnings excluding amortization of intangible assets related to business acquisitions*	**723.6**	655.1
Net earnings per share		
Basic	**1.46**	1.94
Diluted	**1.45**	1.93
Adjusted net earnings per share*		
Basic	**1.63**	1.60
Diluted	**1.62**	1.59
Adjusted net earnings per share excluding amortization of intangible assets related to business acquisitions*		
Basic	**1.81**	1.69
Diluted	**1.80**	1.67

* Non-IFRS measures described in the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.

- Revenues amounted to $14.944 billion, an increase of $1.442 billion or 10.7%.
- Adjusted EBITDA amounted to $1.468 billion, up $246.5 million or 20.2%.
- Net earnings totalled $582.8 million and EPS (basic and diluted) were $1.46 and $1.45, as compared to $755.3 million and EPS (basic and diluted) of $1.94 and $1.93.
- Adjusted net earnings totalled $653.7 million and adjusted EPS (basic and diluted) were $1.63 and $1.62, as compared to $623.6 million and adjusted EPS (basic and diluted) of $1.60 and $1.59. Adjusted EPS excluding amortization of intangible assets related to business acquisitions (basic and diluted) were $1.81 and $1.80, as compared to $1.69 and $1.67 (basic and diluted).
- Net cash generated from operations totalled $1,036.9 million, up $152.4 million or 17.2%.
- The shift in consumer demand relative to the COVID-19 pandemic negatively affected adjusted EBITDA late in the fourth quarter.
- USA Sector revenues increased by $585.9 million and adjusted EBITDA increased by $70.7 million, including approximately $8 million attributable to the positive impact of USA Market Factors.
- The Europe Sector, consisting of the Dairy Crest Acquisition, increased revenues and adjusted EBITDA by approximately $766 million and $143 million, respectively. The Specialty Cheese Business Acquisition in the International Sector also contributed positively to revenues and adjusted EBITDA.
- Higher international selling prices of cheese and dairy ingredients positively impacted adjusted EBITDA.
- The adoption of IFRS 16, *Leases* positively impacted adjusted EBITDA by approximately $62 million. The impact on net earnings was minimal.
- The fluctuation of foreign currencies versus the Canadian dollar had a negative impact on adjusted EBITDA of approximately $36 million.
- Effective May 28, 2020, the Company implemented a dividend reinvestment plan allowing eligible shareholders to have all or a portion of their cash dividends automatically reinvested into additional common shares.
- The Board of Directors approved a dividend of $0.17 per share payable on July 9, 2020, to common shareholders of record on June 30, 2020.

Additional Information

For more information on the fourth quarter and year-end results for fiscal 2020, reference is made to the audited consolidated financial statements, the notes thereto and to the Management's Discussion and Analysis for the fiscal year ended March 31, 2020. These documents can be obtained on SEDAR at www.sedar.com and in the "Investors" section of the Company's website, at www.saputo.com.

Conference Call

A conference call to discuss the fourth quarter and year-end results for fiscal 2020 will be held on Thursday, June 4, 2020, at 2:30 p.m. Eastern Time. To participate in the conference call, dial 1-800-926-9908. To ensure your participation, please dial in approximately 10 minutes before the call.

To listen to this call on the Web, please enter http://www.gowebcasting.com/10644 in your Web browser.

For those unable to participate, a replay of the conference will be available until 11:59 p.m., Thursday, June 11, 2020. To access the replay, dial 1-800-558-5253, ID number 21962021. A webcast will also be archived on www.saputo.com, in the "Investors" section, under "Calendar of Events".

About Saputo

Saputo 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 one of the top ten dairy processors in the world, a leading cheese manufacturer and fluid milk and cream processor in Canada, the top dairy processor in Australia, and the second largest in Argentina. In the USA, Saputo ranks among the top three cheese producers and is one of the largest producers of extended shelf-life and cultured dairy products. In the United Kingdom, Saputo is the largest manufacturer of branded cheese and a top manufacturer of dairy spreads. 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".

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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 the Company's objectives, outlook, business projects, strategies, beliefs, plans, expectations, targets, commitments and goals, including the Company's ability to achieve these targets, commitments and goals, 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", "seek", "project", "potential" or "target", 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 facts included in this news release may constitute forward-looking statements within the meaning of applicable securities laws.

These statements are based, among other things, on Saputo's assumptions, expectations, estimates, objectives, plans, business strategy and intentions as of the date hereof, as well as other factors it believes are appropriate under these circumstances, regarding the projected revenues and expenses, the economic, industry, competitive and regulatory environments in which the Company operates or which could affect its activities, its ability to attract and retain customers and consumers, its environmental performance, its sustainability efforts, the effectiveness of its environmental and sustainability initiatives, the availability and cost of milk and other raw materials and energy supplies, its operating costs, the pricing of its finished products on the various markets in which it carries on business, and the effects of the COVID-19 pandemic. Such forward-looking statements are intended to provide shareholders with information regarding the Company, including its assessment of future financial plans, and may not be appropriate for other purposes.

By their nature, forward-looking statements are subject to a number of inherent risks and uncertainties. Actual results could differ materially from those stated, implied or projected in such forward-looking statements. As a result, the Company cannot guarantee that any forward-looking statements will materialize, and the Company warns readers that these forward-looking statements are not 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 differ materially from current expectations are discussed in the Company's 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 4, 2020, available on SEDAR under the Company's profile at www.sedar.com.

Such risks and uncertainties include the following: product liability; the COVID-19 pandemic; the availability of raw materials (including as a result of climate change or extreme weather) and related price variations, along with the ability for the Company to transfer those increases, if any, to its customers in competitive market conditions; the price fluctuation of its products in the countries in which it operates, as well as in international markets, which are based on supply and demand levels for dairy products; the increased competitive environment in the dairy industry; consolidation of clientele; supplier concentration; unanticipated business disruption; the economic environment; changes in environmental laws and regulations; cyber threats and other Information Technology-related risks relating to business disruptions, confidentiality, and data integrity; the Company's ability to identify, attract and retain qualified individuals; the failure to adequately integrate acquired businesses in a timely and efficient manner; changes in consumer trends. The Company's ability to achieve its environmental targets, commitments and goals is further subject to, among others, the Company's ability to access and implement all technology necessary to achieve its targets, commitments and goals, as well as the development and performance of technology and technological innovations and the future use and development of technology and associated expected future results, and environmental regulation.

Forward-looking statements are based on Management's current estimates, expectations and assumptions, which Management believes are reasonable as of the date hereof, and are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events, including the duration and severity of the COVID-19 pandemic, and are accordingly subject to changes after such date. 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.

All forward-looking statements included herein speak only as of the date hereof or as of the specific date of such forward-looking statements. 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 its 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.

CONSOLIDATED RESULTS

The Company reports its business under the Canada Sector, the USA Sector, the International Sector, and the Europe Sector. The Canada Sector consists of the Dairy Division (Canada), the USA Sector consists of the Cheese Division (USA) and the Dairy Foods 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).

Consolidated revenues for the three-month period ended March 31, 2020, totalled $3.719 billion, an increase of $482.2 million or 14.9%, as compared to $3.237 billion for the same quarter last fiscal year. The inclusion of both the Dairy Crest Acquisition and the Specialty Cheese Business Acquisition contributed positively to revenues. The combined effect of a higher average block market** per pound of cheese and a lower average butter market** per pound increased revenues by approximately $74 million despite the sharp market downward pressure which occurred in the last two weeks of the quarter. The devaluation of the Argentine peso and the Australian dollar versus the US dollar in the export market had a positive impact on revenues. Additionally, higher international selling prices of cheese and dairy ingredients, as well as higher domestic selling prices in the Canada and International Sectors, due to the increased cost of milk as raw material, positively impacted revenues. These increases were partially offset by lower sales volumes as a result of competitive market conditions in the cheese category in the USA and the decline of raw milk availability in Australia. Also, the fluctuation of foreign currencies versus the Canadian dollar decreased revenues by approximately $10 million, mainly in the International Sector. The COVID-19 pandemic was declared late in the quarter and did not affect revenues significantly.

In fiscal 2020, revenues totalled $14.944 billion, an increase of $1.442 billion or 10.7%, as compared to $13.502 billion last fiscal year. Revenues increased due to the contribution of recent acquisitions, including $765.9 million generated by the Dairy Crest Acquisition for the 50-week period ended March 31, 2020. The combined effect of a higher average block market per pound of cheese and a lower average butter market per pound increased revenues by approximately $351 million. The devaluation of the Argentine peso and the Australian dollar versus the US dollar in the export market had a positive impact on revenues. Additionally, higher international selling prices of cheese and dairy ingredients, a favourable product mix, as well as higher domestic selling prices in the Canada and International Sectors, due to the increased cost of milk as raw material, positively impacted revenues. These increases were partially offset by lower sales volumes as a result of competitive market conditions, mainly in the fluid milk category in Canada and the cheese category in the USA, and the decline of raw milk availability in Australia. Finally, the fluctuation of foreign currencies versus the Canadian dollar decreased revenues by approximately $231 million, mainly in the International Sector and partially offset by the USA Sector.

Selected factors positively (negatively) affecting financial performance

(in millions of CDN dollars)

	For the three-month periods ended March 31		**For the years ended March 31**	
	2020	2019	**2020**	2019
USA Market Factors*[,1]	**(8)**	4	8	(20)
Inventory write-down	**(18)**	(2)	**(18)**	(3)
Foreign currency exchange[1,2]	**(3)**	2	**(36)**	(5)

∗ Refer to the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.
[1] As compared to same quarter last fiscal year for the three-month periods; as compared to last fiscal year for the years ended March 31.
[2] Foreign currency exchange includes effect on adjusted EBITDA of conversion of US dollars, Australian dollars, British pounds sterling and Argentine pesos to Canadian dollars.

** Refer to the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.

Consolidated adjusted EBITDA* for the three-month period ended March 31, 2020, totalled $298.4 million, an increase of $23.3 million or 8.5%, as compared to $275.1 million for the same quarter last fiscal year. The contribution of the Dairy Crest Acquisition increased adjusted EBITDA by $46.6 million, and the Specialty Cheese Business Acquisition also contributed positively to adjusted EBITDA. The COVID-19 pandemic had a negative impact on adjusted EBITDA caused by the shift in consumer demand, mainly in North America, during the last two weeks of the quarter. This includes an amount of $26.9 million, which comprises a loss from unsellable inventory destined to foodservice customers and other expenses in the Canada and USA Sectors, and an inventory write-down of $17.9 million as a result of the decrease in certain market selling prices in the USA Sector. Pricing initiatives in the USA Sector positively affected adjusted EBITDA through a better alignment of selling prices with costs related to warehousing, delivery, and logistics. Higher international dairy ingredient and cheese market prices also positively impacted adjusted EBITDA. However, USA Market Factors decreased adjusted EBITDA by approximately $8 million. Lower cheese sales volumes in the USA resulting from competitive market conditions, combined with lower sales volumes following the decline of raw milk availability in Australia, negatively affected adjusted EBITDA and consequentially operational efficiencies. The adoption of IFRS 16, *Leases* positively impacted adjusted EBITDA by approximately $15 million. The fluctuation of foreign currencies versus the Canadian dollar had a negative impact on adjusted EBITDA of approximately $3 million.

In fiscal 2020, consolidated adjusted EBITDA totalled $1.468 billion, an increase of $246.5 million or 20.2%, as compared to $1.221 billion last fiscal year. The contribution of the Dairy Crest Acquisition for the 50-week period ended March 31, 2020, increased adjusted EBITDA by $143.1 million. Also, adjusted EBITDA increased due to the contribution of recent acquisitions for the full year, as compared to partial contributions last fiscal year, and the contribution of the Specialty Cheese Business Acquisition for 22 weeks this fiscal year. As described above, the COVID-19 pandemic negatively affected adjusted EBITDA late in the fourth quarter of the fiscal year. Pricing initiatives in the USA Sector positively affected adjusted EBITDA through a better alignment of selling prices with costs related to warehousing, delivery, and logistics. Higher international dairy ingredient and cheese market prices positively impacted adjusted EBITDA. However, lower sales volumes as a result of competitive market conditions, mainly in the fluid milk category in Canada and the cheese category in the USA, and the decline of raw milk availability in Australia negatively affected adjusted EBITDA and consequentially operational efficiencies. Also, USA Market Factors had a favourable impact of approximately $8 million. The adoption of IFRS 16, *Leases* increased adjusted EBITDA by approximately $62 million. Lastly, the fluctuation of foreign currencies versus the Canadian dollar had an unfavourable impact on adjusted EBITDA of approximately $36 million, mainly in the International Sector.

The consolidated adjusted EBITDA margin increased to 9.8% in fiscal 2020, as compared to 9.0% in fiscal 2019, reflecting higher adjusted EBITDA margins in the International Sector and the new contribution of the Europe Sector.

Depreciation and amortization for the three-month period ended March 31, 2020, totalled $127.8 million, an increase of $46.7 million, as compared to $81.1 million for the same quarter last fiscal year. In fiscal 2020, depreciation and amortization expenses amounted to $467.2 million, an increase of $154.2 million, as compared to $313.0 million for fiscal 2019. These increases were mainly attributable to additional depreciation and amortization related to recent acquisitions and to additions to property, plant and equipment, which increased the depreciable base. Also, as a result of the adoption of IFRS 16, *Leases*, depreciation of right-of-use assets represented an increase of approximately $12 million and $50 million for the three-month period and fiscal year ended March 31, 2020, respectively.

Inventory revaluation resulting from a business acquisition for the three-month period and fiscal year ended March 31, 2020, amounted to nil and $40.1 million, respectively. These revaluations were mainly related to the Dairy Crest Acquisition, stemming from added value attributed to the acquired inventory as part of the purchase price allocation.

Acquisition and restructuring costs for the three-month period and fiscal year ended March 31, 2020, amounted to $13.8 million and $46.0 million, respectively. For the three-month period ended March 31, 2020, the Company incurred severance and closure costs, and impairment charges for property, plant and equipment relating to the previously announced plant closures in Trenton, Ontario, and Saint-John, New Brunswick. In fiscal 2020, acquisition costs were incurred for the Dairy Crest Acquisition and the Specialty Cheese Business Acquisition, which included approximately $18 million of stamp duty taxes.

* Non-IFRS measures are described in the ''Glossary'' section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.

Net interest expense for the three-month period and fiscal year ended March 31, 2020, increased by $14.8 million and $58.7 million, respectively, as compared to the same periods last fiscal year. These increases were mainly attributable to new debt related to the Dairy Crest Acquisition and the Specialty Cheese Business Acquisition, as well as higher bank loans denominated in Argentine peso, which bear higher interest rates. Also, as a result of the adoption of IFRS 16, *Leases*, interest expenses on lease liabilities pertaining to right-of-use assets represented an increase of approximately $3 million and $15 million, respectively.

In accordance with IAS 29, Financial Reporting in Hyperinflationary Economies, Argentina is considered a hyperinflationary economy since July 1, 2018. For the three-month period and fiscal year ended March 31, 2020, the gain on hyperinflation totalled $10.9 million and $27.8 million, respectively. These gains were derived from the indexation of non-monetary assets and liabilities.

Income tax expense for the three-month period ended March 31, 2020, totalled $42.7 million, reflecting an effective tax rate of 32.5% as compared to 26.7% for the same quarter last fiscal year. This 5.8% increase was mainly attributable to the increase of deferred tax liabilities resulting from the effect of the 2% increase in the corporate income tax rate in the United Kingdom, which was enacted on March 17, 2020, and, it also reflects the offsetting impacts from hyperinflation in Argentina and from the decrease in provincial taxes in Canada.

Income tax expense for fiscal 2020 totalled $216.5 million, reflecting an effective tax rate of 27.1% as compared to 23.4% for fiscal 2019. The increase in the effective tax rate in fiscal 2020 was mainly attributable to an income tax expense of $17.3 million due to the increase in the corporate income tax rate in the United Kingdom. The effective tax rate for fiscal 2020 also reflected the income tax benefits of $6.7 million and $3.5 million related to a tax inflation adjustment pursuant to Argentine tax legislation and the decrease in provincial income taxes in Canada, respectively. In fiscal year 2019, the effective tax rate was positively impacted as a portion of a gain on the disposition of assets was not taxable. Excluding the effects of these factors, the effective tax rates for the fiscal years 2020 and 2019 would have been 26.2% and 26.0%, respectively. The effective tax rate varies and could increase or decrease based on the amount and source of taxable income, amendments to tax legislations and income tax rates, changes in assumptions, as well as estimates used by the Company and its affiliates for the computation of current and deferred tax assets and liabilities.

Net earnings for the three-month period ended March 31, 2020, totalled $88.7 million, a decrease of $35.5 million or 28.6%, as compared to $124.2 million for the same quarter last fiscal year. In fiscal 2020, net earnings totalled $582.8 million, a decrease of $172.5 million or 22.8%, as compared to $755.3 million last fiscal year. These decreases were due to the above-mentioned factors, as well as to the non-recurring after-tax gain of $167.8 million from the sale of the Burnaby, British Columbia facility, recorded in fiscal 2019.

Adjusted net earnings* for the three-month period ended March 31, 2020, totalled $98.8 million, a decrease of $27.0 million or 21.5%, as compared to $125.8 million for the same quarter last fiscal year. Adjusted net earnings excluding amortization of intangible assets related to business acquisitions* totalled $116.5 million, a decrease of $17.3 million or 12.9%, as compared to $133.8 million for the same quarter last fiscal year. These decreases were due to the above-mentioned factors.

In fiscal 2020, adjusted net earnings totalled $653.7 million, an increase of $30.1 million or 4.8%, as compared to $623.6 million last fiscal year. Adjusted net earnings excluding amortization of intangible assets related to business acquisitions totalled $723.6 million, an increase of $68.5 million or 10.5%, as compared to $655.1 million last fiscal year. These increases were due to the above-mentioned factors.

* Non-IFRS measures are described in the ''Glossary'' section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.

INFORMATION BY SECTOR

CANADA SECTOR

(in millions of CDN dollars)

	For the three-month periods ended March 31		For the years ended March 31	
	2020	2019	**2020**	2019
Revenues	**960.1**	924.8	**4,007.3**	4,043.1
Adjusted EBITDA*	**91.0**	90.0	**404.4**	413.7

* Non-IFRS measures are described in the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.

The Canada Sector consists of the Dairy Division (Canada).

USA SECTOR

(in millions of CDN dollars)

	For the three-month periods ended March 31		For the years ended March 31	
	2020	2019	**2020**	2019
Revenues	**1,694.8**	1,616.6	**7,093.6**	6,507.7
Adjusted EBITDA*	**94.3**	134.2	**615.4**	544.7

* Non-IFRS measures are described in the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.

Selected factors positively (negatively) affecting financial performance

(in millions of CDN dollars)

	For the three-month periods ended March 31		For the years ended March 31	
	2020	2019	**2020**	2019
USA Market Factors*[,1]	**(8)**	4	**8**	(20)
Inventory write-down	**(18)**	-	**(18)**	-
US currency exchange[1]	**1**	7	**8**	12

* Refer to the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.
[1] As compared to same quarter last fiscal year for the three-month periods; as compared to last fiscal year for the years ended March 31.

Other pertinent information

(in US dollars, except for average exchange rate)

	For the three-month periods ended March 31		For the years ended March 31	
	2020	2019	**2020**	2019
Block market price*				
Opening	**1.910**	1.430	**1.645**	1.530
Closing	**1.330**	1.645	**1.330**	1.645
Average	**1.835**	1.520	**1.857**	1.545
Butter market price*				
Opening	**1.950**	2.218	**2.255**	2.215
Closing	**1.335**	2.255	**1.335**	2.255
Average	**1.799**	2.264	**2.114**	2.276
Average whey powder market price*	**0.353**	0.443	**0.350**	0.392
Spread*	**0.113**	0.054	**0.046**	0.076
US average exchange rate to Canadian dollar[1]	**1.330**	1.330	**1.327**	1.311

* Refer to the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.
[1] Based on Bloomberg published information.

The USA Sector consists of the Cheese Division (USA) and the Dairy Foods Division (USA).

INTERNATIONAL SECTOR

(in millions of CDN dollars)

	For the three-month periods ended March 31		For the years ended March 31	
	2020	2019	**2020**	2019
Revenues	**832.4**	695.1	**3,076.7**	2,951.1
Adjusted EBITDA*	**66.5**	50.9	**304.9**	262.9

* Non-IFRS measures are described in the ''Glossary'' section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.

Selected factors positively (negatively) affecting financial performance

(in millions of CDN dollars)

	For the three-month periods ended March 31		For the years ended March 31	
	2020	2019	**2020**	2019
Foreign currency exchange[1]	**(5)**	(3)	**(45)**	(15)

[1] As compared to same quarter last fiscal year for the three-month periods; as compared to last fiscal year for the years ended March 31.

The International Sector consists of the Dairy Division (Australia) and the Dairy Division (Argentina).

EUROPE SECTOR

(in millions of CDN dollars)

	For the three-month periods ended March 31		For the years ended March 31	
	2020	2019	**2020**	2019
Revenues	**231.4**	-	**765.9**	-
Adjusted EBITDA*	**46.6**	-	**143.1**	-

* Non-IFRS measures are described in the ''Glossary'' section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.

The Europe Sector consists of the Dairy Division (UK) following the Dairy Crest Acquisition.

RECENT DEVELOPMENTS RELATED TO COVID-19 AND OUTLOOK

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The related confinement measures and government-imposed closures significantly impacted consumer demand. In the last two weeks of fiscal 2020, the Company witnessed a shift in consumer demand on a global scale for its products. Orders from customers in the foodservice and industrial segments began to decrease while an increase was felt in the retail segment. The Company also started to face a decrease in export sales as a result of local lockdowns in some of its export markets.

The Company expects sustained retail sales in all its geographic markets but is unable to predict how long or how significant the increased demand levels will remain. The positive impact on EBITDA resulting from increased retail sales volumes will not offset decreased sales volumes in the foodservice and industrial market segments. Efforts dedicated to the foodservice and industrial channels will be aligned and deployed with the objective of responding to customer demand from those segments when such demand begins to recover, although the timing and magnitude of such a recovery of volume are hard to predict. As at the date hereof, all divisions continued to experience sustained retail market segment demand and began to observe signs of a slight recovery of demand in the foodservice and industrial segments, which represented approximately 51% of the Company's consolidated revenues in fiscal 2020. Also, several countries where export customers are located slowly began easing COVID-19 lockdown measures since the beginning of May 2020. The return to the financial performance levels of fiscal 2020 will likely take more than twelve months and will be gradual and dependent on the recovery of volume in the foodservice and industrial market segments.

In response to the COVID-19 outbreak and business disruption, Saputo has the following priorities:

- ensure the health and safety of employees;
- adapt commercial initiatives, production and supply chain to consumer demand; and,
- help communities where it operates with food donations and financial support.

As an essential service provider, the Company's operations have carried on in all regions in which it operates. Saputo has assembled a global task force to actively monitor the COVID-19 crisis in the countries where it operates. Under this global task force's leadership, and with the support of all divisional teams, the Company has:

- despite lower sales and production volumes in North-America and sales into export markets, guaranteed no lay-offs related to the COVID-19 crisis throughout the Company until further notice;
- offered its employees additional tools and services to mitigate the physical and mental health impacts caused by this stressful situation;
- implemented mandatory remote working, where possible;
- implemented enhanced sanitation protocols, physical distancing and ensured the availability of personal protective equipment in certain circumstances;
- dedicated resources to ensure excess inventory is either donated or repurposed to minimize food waste;
- adjusted the production of certain products and formats to satisfy orders along with enhanced monitoring of demand planning and of milk utilization to maximize throughput;
- enhanced daily monitoring of supply of key materials and secured backup supply of raw materials and packaging from current and secondary suppliers to meet the surge in retail sales;
- contributed additional services and resources to its patron farmers; and,
- as part of its ongoing continuous improvement program, reviewed capital expenditure projects and limited non-critical expenditures.

While the Company is actively responding to and monitoring the COVID-19 crisis, it is undeniable that it has had a material negative impact on the economy and global markets and will continue to have a negative effect, which will likely be material, on the Company's business and financial results.

Despite the current unprecedented COVID-19 environment, Saputo aims to continue to achieve profitable long-term growth and manages its business accordingly. The Company benefits from a solid financial position and capital structure, supplemented by a high level of cash generated by operations. The Company is well positioned to continue to grow through targeted acquisitions and organically through strategic capital investments, innovation and product portfolio diversification. Profitability enhancement and shareholder value creation remain the cornerstones of its objectives. Saputo has a long-standing commitment to manufacture quality products and will remain focused on operational efficiencies.

The Company intends to seize future acquisition opportunities which it believes constitute the right fit, with the goal to further strengthen its existing business.

The Company will continue to seek opportunities to improve its performance across each of the seven Pillars of the Saputo Promise and to execute its three-year plan, which is currently in its second year. Building on its progress, Saputo intends to maintain its focus on Food Quality and Safety, as well as on employee initiatives related to Health and Safety, and Diversity and Inclusion. As part of its goal to safeguard the environment while pursuing further growth, the Company has begun ramping up efforts to achieve its newly announced climate, water, and waste targets by 2025. Saputo has completed the first year of its three-year capital allocation commitment to pursue initiatives and has implemented processes and accountability systems to track and measure its performance against the set targets.

Saputo is also committed to diversifying its product portfolio by pursuing plant-based opportunities. The Company aims to capitalize on the growing consumer demand, and to leverage commonalities in customer base, technology, manufacturing expertise, assets, and supply chain. Under the leadership of its recently-appointed Senior Vice-President, Business Development, Plant-Based Food, Saputo will continue to look to increase its presence in this category through a series of investments in manufacturing, sales and distribution. Such initiatives should not signal a lack of confidence in the dairy industry. The Company remains very bullish about dairy products and believes that there are vast opportunities for the Company to grow in the dairy space.

In the current COVID-19 environment, each of the Company's Sectors will continue to actively manage its operations in consideration of the evolution of the COVID-19 crisis and related impact on its activities. This will require the Sectors to continue adapting manufacturing operations to local realities and to changes in consumer demands as they evolve while continuing to maximize operational efficiencies.

The Canada Sector will seek further opportunities to strengthen its customer and consumer relationships and increase loyalty. In an effort to pursue additional efficiencies and right-size both its manufacturing footprint and sales force, Saputo will follow through with the previously announced closures of its Trenton, Ontario, and Saint John, New Brunswick, facilities in Canada. These closures are scheduled to occur during fiscal 2021 and the production of both these sites will be integrated into other Saputo facilities across Canada.

The USA Sector's long-term objectives have not changed, and it will remain focused on growing its specialty and value-added products business and pursuing operational efficiencies. The recently experienced volatility in the USA dairy commodity markets is expected to continue in fiscal 2021.

After the COVID-19 pandemic was declared, the International Sector experienced relative stability within the domestic markets in Australia and in Argentina, but expects to continue to face a reduction in its export sales volumes as customers continue to experience the effects of local lockdowns. The Company expects the volatility in international ingredient and cheese prices to continue during fiscal 2021. However, it is difficult to predict the impact related to the tariff policies that different countries may put in place on dairy ingredient prices globally.

In fiscal 2021, the Dairy Division (Australia) will continue the integration of the Specialty Cheese Business Acquisition. The Division expects competition in the sourcing of raw milk to persist and to continue to put pressure on margins. The Company aims to further capture opportunities derived from the combination of all its operating activities under a single platform and to leverage the vast portfolio of Australian brands inherited through the Specialty Cheese Business Acquisition.

The Company will continue its integration of the Dairy Division (UK) and focus on aligning processes, systems, and sharing best practices. The Division will pursue capital investments in its manufacturing facilities with the objective of increasing its cheesemaking capabilities and driving overall growth through new product development as well as expanding sales overseas.

Although it is impossible to predict with certainty, given over 80% of Dairy Division (UK) sales are derived from the retail segment, the surge in demand stemming from the COVID-19 pandemic is expected to have a positive impact on the Europe Sector's revenues and EBITDA in fiscal 2021.

Considering the COVID-19 pandemic and related travel restrictions, the Company has re-planned the deployment of the Enterprise Resource Planning (ERP) program, which includes postponing the rollout within the remainder of the Dairy Division (Australia) to fiscal 2022. Having completed the first phase of the implementation within the Cheese Division (USA), the Company plans to continue with subsequent phases up until the end of fiscal 2022. The Company's plan will evolve with COVID-19 developments. The Dairy Division (Canada) is expected to begin its ERP rollout during the third quarter of fiscal 2021. The Dairy Division (UK) remains out of the scope of Saputo's global ERP program and will continue to operate under its existing ERP system.

Finally, in these challenging times, the goal remains to continue to improve overall efficiencies in all sectors, pursue growth organically and through acquisitions, and always strive to be a stronger and better operator.

QUARTERLY FINANCIAL INFORMATION

(in millions of Canadian (CDN) dollars, except per share amounts)

Fiscal years	**2020**				2019			
(unaudited)	**Q4**	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenues	**3,718.7**	**3,890.8**	**3,665.6**	**3,668.4**	3,236.5	3,577.2	3,420.4	3,267.8
Adjusted EBITDA*	**298.4**	**417.0**	**394.4**	**358.0**	275.1	321.2	317.5	307.5
Net earnings	**88.7**	**197.8**	**174.9**	**121.4**	124.2	342.0	163.1	126.0
Inventory revaluation resulting from a business acquisition[1]	**-**	**-**	**10.5**	**22.0**	-	-	-	-
Acquisition and restructuring costs[1]	**10.1**	**6.4**	**0.4**	**21.5**	1.6	0.2	-	34.3
Gain on disposal of assets[1]	**-**	**-**	**-**	**-**	-	(167.8)	-	-
Adjusted net earnings*	**98.8**	**204.2**	**185.8**	**164.9**	125.8	174.4	163.1	160.3
Amortization of intangible assets related to business acquisitions[1]	**17.7**	**24.9**	**12.5**	**14.8**	8.0	7.9	7.8	7.8
Adjusted net earnings excluding amortization of intangible assets related to business acquisitions*	**116.5**	**229.1**	**198.3**	**179.7**	133.8	182.3	170.9	168.1
Per Share								
Net earnings								
Basic	**0.22**	**0.49**	**0.44**	**0.31**	0.32	0.88	0.42	0.32
Diluted	**0.22**	**0.48**	**0.44**	**0.31**	0.32	0.87	0.42	0.32
Adjusted net earnings*								
Basic	**0.24**	**0.50**	**0.47**	**0.42**	0.32	0.45	0.42	0.41
Diluted	**0.24**	**0.50**	**0.47**	**0.42**	0.32	0.44	0.42	0.41
Adjusted net earnings excluding amortization of intangible assets related to business acquisitions*								
Basic	**0.29**	**0.56**	**0.50**	**0.46**	0.34	0.47	0.44	0.43
Diluted	**0.28**	**0.56**	**0.50**	**0.46**	0.34	0.47	0.44	0.43
Earnings coverage ratio**	**6.59**	**7.53**	**9.77**	**10.76**	12.69	14.20	12.57	15.37

* Non-IFRS measure described in the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.
** Refer to the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.
[1] Net of income taxes.

Selected factors positively (negatively) affecting financial performance

(in millions of CDN dollars)

Fiscal year	**2020**			
	Q4	**Q3**	**Q2**	**Q1**
USA Market Factors*[,1]	**(8)**	**14**	**10**	**(8)**
Inventory write-down	**(18)**	**-**	**-**	**-**
Foreign currency exchange[1,2]	**(3)**	**(15)**	**(14)**	**(4)**

* Refer to the "Glossary" section of the Management's Discussion and Analysis on page 42 of the 2020 Annual Report.
[1] As compared to same quarter last fiscal year.
[2] Foreign currency exchange includes effect on adjusted EBITDA of conversion of US dollars, Australian dollars, British pounds sterling and Argentine pesos to Canadian dollars.

CONSOLIDATED INCOME STATEMENTS
(in millions of CDN dollars, except per share amounts)

	For the three-month periods ended March 31 (unaudited) 2020	2019	For the years ended March 31 (audited) 2020	2019
Revenues	**$ 3,718.7**	$ 3,236.5	**$ 14,943.5**	$ 13,501.9
Operating costs excluding depreciation and amortization	**3,420.3**	2,961.4	**13,475.7**	12,280.6
Earnings before interest, income taxes, depreciation, amortization, gain on disposal of assets, inventory revaluation resulting from a business acquisition, acquisition and restructuring costs, and gain on hyperinflation	**298.4**	275.1	**1,467.8**	1,221.3
Depreciation and amortization	**127.8**	81.1	**467.2**	313.0
Gain on disposal of assets	**-**	-	**-**	(194.5)
Inventory revaluation resulting from a business acquisition	**-**	-	**40.1**	-
Acquisition and restructuring costs	**13.8**	2.2	**46.0**	51.4
(Gain) loss on hyperinflation	**(10.9)**	0.9	**(27.8)**	(18.5)
Interest on long-term debt	**21.8**	16.7	**95.6**	66.6
Other financial charges	**14.5**	4.8	**47.4**	17.7
Earnings before income taxes	**131.4**	169.4	**799.3**	985.6
Income taxes	**42.7**	45.2	**216.5**	230.3
Net earnings	**$ 88.7**	$ 124.2	**$ 582.8**	$ 755.3
Net earnings per share				
Basic	**$ 0.22**	$ 0.32	**$ 1.46**	$ 1.94
Diluted	**$ 0.22**	$ 0.32	**$ 1.45**	$ 1.93

Note: These financial statements should be read in conjunction with the Company's audited consolidated financial statements, the notes thereto and with the Management's Discussion and Analysis for the fiscal year ended March 31, 2020, included in the Company's 2020 Annual Report. These documents can be obtained on SEDAR at www.sedar.com and in the "Investors" section of the Company's website, at www.saputo.com.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of CDN dollars)
(audited)

As at	March 31, 2020	March 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	**$ 319.4**	$ 112.7
Receivables	**1,371.8**	1,248.2
Inventories	**2,220.9**	1,681.0
Income taxes receivable	**50.3**	34.1
Prepaid expenses and other assets	**106.6**	57.8
	4,069.0	3,133.8
Property, plant and equipment	**3,850.0**	3,095.4
Right-of-use assets	**417.9**	-
Goodwill	**3,219.5**	2,597.6
Intangible assets	**1,640.7**	876.2
Other assets	**545.3**	131.6
Deferred income taxes	**50.7**	51.0
Total assets	**$ 13,793.1**	$ 9,885.6
LIABILITIES		
Current liabilities		
Bank loans	**$ 528.5**	$ 130.4
Accounts payable and accrued liabilities	**1,838.9**	1,442.2
Income taxes payable	**51.4**	36.5
Current portion of long-term debt	**-**	323.4
Current portion of lease liabilities	**74.7**	-
	2,493.5	1,932.5
Long-term debt	**3,542.3**	1,943.9
Lease liabilities	**340.1**	-
Other liabilities	**98.5**	86.4
Deferred income taxes	**759.6**	502.3
Total liabilities	**$ 7,234.0**	$ 4,465.1
EQUITY		
Share capital	**1,685.7**	991.7
Reserves	**778.4**	713.8
Retained earnings	**4,095.0**	3,715.0
Total equity	**$ 6,559.1**	$ 5,420.5
Total liabilities and equity	**$ 13,793.1**	$ 9,885.6

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions of CDN dollars)

	For the three-month periods ended March 31 (unaudited)		For the years ended March 31 (audited)	
	2020	2019	**2020**	2019
Cash flows related to the following activities:				
Operating				
Net earnings	**$ 88.7**	$ 124.2	**$ 582.8**	$ 755.3
Adjustments for:				
Stock-based compensation	**8.2**	9.1	**33.5**	41.0
Interest and other financial charges	**36.3**	21.5	**143.0**	84.3
Income tax expense	**42.7**	45.2	**216.5**	230.3
Depreciation and amortization	**127.8**	81.1	**467.2**	313.0
(Gain) loss on disposal of property, plant and equipment and asset held for sale	**(1.1)**	0.4	**(2.0)**	(195.1)
Impairment charges related to plant closure	**12.9**	0.2	**12.9**	0.2
Inventory revaluation resulting from a business acquisition	**-**	-	**40.1**	-
Foreign exchange gain on debt	**(18.2)**	(7.6)	**(47.2)**	(16.0)
Share of joint venture earnings, net of dividends received	**(1.0)**	(2.0)	**11.5**	1.0
(Gain) loss on hyperinflation	**(10.9)**	0.9	**(27.8)**	(18.5)
Difference between funding of employee plans and costs	**1.7**	(1.5)	**(8.3)**	0.3
Changes in non-cash operating working capital items	**44.8**	0.7	**(106.7)**	(83.2)
Cash generated from operating activities	**331.9**	272.2	**1,315.5**	1,112.6
Interest and other financial charges paid	**(29.9)**	(16.2)	**(139.0)**	(83.1)
Income taxes paid	**(6.8)**	(27.8)	**(139.6)**	(145.0)
Net cash generated from operating activities	**$ 295.2**	$ 228.2	**$ 1,036.9**	$ 884.5
Investing				
Business acquisitions, net of cash acquired	**-**	-	**(1,929.6)**	(1,471.7)
Proceeds on divestiture	**-**	-	**-**	239.7
Additions to property, plant and equipment	**(187.9)**	(128.4)	**(509.9)**	(370.5)
Additions to intangible assets	**(16.0)**	(13.9)	**(66.4)**	(65.5)
Proceeds from disposal of asset held for sale	**-**	-	**-**	157.3
Proceeds from disposal of property, plant and equipment	**2.5**	0.6	**11.0**	4.5
Other	**-**	(0.1)	**-**	(0.4)
Net cash used for investing activities	**$ (201.4)**	$ (141.8)	**$ (2,494.9)**	$ (1,506.6)
Financing				
Bank loans	**66.9**	(63.6)	**404.3**	(45.6)
Proceeds from issuance of long-term debt	**-**	-	**2,461.5**	1,633.6
Repayment of long-term debt	**(0.9)**	(32.7)	**(1,546.5)**	(787.7)
Repayment of lease liabilities	**(35.0)**	-	**(90.7)**	-
Net proceeds from issuance of share capital	**14.7**	27.0	**684.9**	60.4
Dividends	**(69.4)**	(64.3)	**(269.7)**	(254.6)
Net cash generated from financing activities	**$ (23.7)**	$ (133.6)	**$ 1,643.8**	**$** 606.1
Increase (Decrease) in cash and cash equivalents	**70.1**	(47.2)	**185.8**	(16.0)
Cash and cash equivalents, beginning of period	**243.3**	145.9	**112.7**	122.2
Effect of inflation	**4.2**	15.8	**25.4**	15.8
Effect of exchange rate changes	**1.8**	(1.8)	**(4.5)**	(9.3)
Cash and cash equivalents, end of period	**$ 319.4**	$ 112.7	**$ 319.4**	$ 112.7