NEWS RELEASE

For immediate release

SAPUTO REPORTS FINANCIAL RESULTS FOR THE THIRD QUARTER OF FISCAL 2024 ENDED DECEMBER 31, 2023

(*Montréal, February 8, 2024*) – Saputo Inc. (TSX: SAP) (we, Saputo or the Company) reported today its financial results for the third quarter of fiscal 2024, which ended on December 31, 2023. 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).

"In the third quarter, we continued to execute with discipline and advance our long-term strategy in a dynamic macroeconomic environment, characterized by volatile commodity markets and a resilient but cautious consumer. Importantly, our continued focus on managing the factors within our control resulted in strong operating cash flow," said Lino A. Saputo, Chair of the Board, President, and CEO. "We are making tangible progress with our Global Strategic Plan. I am pleased with how our capital projects are advancing and the impact of many of the actions and initiatives completed to date."

Fiscal 2024 Third Quarter Financial Highlights

- Revenues amounted to $4.267 billion, down $320 million or 7.0%.
- Net loss totalled $124 million, compared to net earnings of $179 million. Net loss per share was $0.29, compared to net earnings per share (EPS) of $0.43.
- Adjusted EBITDA[1] amounted to $370 million, down $75 million or 16.9%.
- Adjusted net earnings[1] totalled $163 million, down from $221 million, and adjusted EPS[1] (basic and diluted) were $0.38, down from $0.53.
- Net cash generated from operating activities amounted to $388 million, up from $134 million.
- A non-cash goodwill impairment charge of $265 million was recorded in relation to the Dairy Division (Australia).

(unaudited)	For the three-month periods ended December 31		For the nine-month periods ended December 31	
	2023	2022	**2023**	2022
Revenues	**4,267**	4,587	**12,797**	13,375
Adjusted EBITDA[1]	**370**	445	**1,130**	1,161
Net earnings (loss)	**(124)**	179	**173**	463
Adjusted net earnings[1]	**163**	221	**498**	515
Earnings (loss) per share				
Basic and Diluted	**(0.29)**	0.43	**0.41**	1.11
Adjusted EPS[1]				
Basic and Diluted	**0.38**	0.53	**1.18**	1.34

- The macroeconomic environment was not favourable to Saputo's results. Under volatile market conditions, commodity prices dropped, negatively impacting both the USA Sector and the International Sector. The deep devaluation of the Argentine peso late in the quarter had a non-cash negative impact on the results of the International Sector, due to the application of hyperinflation accounting to the Dairy Division (Argentina) results. Despite these market headwinds, Saputo delivered higher sales volumes and increased cash flows from operations with its continued focus on strategic priorities and progression of major capital projects.
- Adjusted EBITDA[1] reflected the following:
    - Solid performance in the Canada Sector;
    - Continued improvement on operational controllables in the USA Sector, although results were affected by negative USA Market Factors[2];
    - Higher sales volumes in both domestic and export markets;
    - In the International Sector, lower international cheese and dairy ingredient market prices; and
    - In the Europe Sector, the selling of inventory produced at higher milk prices.
- The Board of Directors approved a dividend of $0.185 per share payable on March 15, 2024, to shareholders of record on March 5, 2024.

DRIP SUSPENSION

Saputo announces that it suspends its Dividend Reinvestment Plan ("DRIP"), effective February 8, 2024. Until further notice, shareholders who were enrolled in the DRIP will automatically receive dividend payments in the form of cash, including the dividend declared today and payable on March 15, 2024. If Saputo elects to reinstate the DRIP in the future, shareholders that were enrolled in the DRIP at suspension and remained enrolled at reinstatement will automatically resume participation in the DRIP.

[1] This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. These measures and ratios do not have a standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers. 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. Adjusted net earnings and adjusted EPS for comparative periods were aligned to meet the current presentation.

[2] Refer to the "Glossary" section of the Management's Discussion and Analysis.

FY24 OUTLOOK

- We expect to benefit from additional capacity and capabilities, cost containment and efficiency initiatives, new product innovations, and investments in our brands and advertising.

- We will continue to manage the current inflationary environment through our pricing protocols and cost containment measures.

- A more stabilized workforce and fewer supply chain constraints are expected to further enhance our ability to service customers, particularly in the USA Sector.

- As we approach the completion of our major capital projects, we expect to increase our operational efficiencies while further improving our cost structure, particularly in the USA Sector.

- Global demand for dairy products is expected to remain moderate due to macroeconomic conditions and the impact of pricing elasticity.

- The outlook for USA Market Factors[2] remains mixed. Management believes that the long-term environment is likely to be relatively supportive for commodity prices but with continued volatility in the short to medium-term.

- Cheese and dairy ingredient market prices are expected to remain low.

- The Europe Sector is expected to continue to be impacted, although to a lesser extent than in the third quarter of fiscal 2024, by the selling of inventory produced at higher milk prices.

- Capital expenditures are expected to remain at similar levels versus last fiscal year, driven by Global Strategic Plan optimization and capacity expansion initiatives, as well as continued investments in automation.

- We expect strong operating cash flow to continue to support a balanced capital allocation strategy and provide the financial flexibility to consider value-enhancing opportunities, with priority given to: (i) organic growth initiatives through capital expenditures, (ii) shareholder dividends, and (iii) debt repayments.

[2] Refer to the "Glossary" section of the Management's Discussion and Analysis.

GLOBAL STRATEGIC PLAN HIGHLIGHTS

- In the Canada Sector, we continued the roll-out of our automation projects, which included the completion of several cheese slicing, shredding, and packing automation projects, to take advantage of new business opportunities and to continue to grow with some of our national retail customers.

- In the USA Sector, (i) our new cheese shred lines are in start-up mode at our Tulare Paige, California, plant and are currently meeting customer demand; the planned closure of our Big Stone, South Dakota, Green Bay, Wisconsin, and South Gate, California, facilities by the end of fiscal 2025 should further support network optimization plans, (ii) benefits from the recently converted Reedsburg, Wisconsin, goat cheese manufacturing plant should begin in the first quarter of fiscal 2025 once our Lancaster facility is closed, and (iii) the new automated cut-and-wrap facility in Franklin, Wisconsin, is running with benefits expected to begin by the end of fiscal 2024.

- In the Europe Sector, efficiency benefits from the expanded Nuneaton packing facility are expected to accelerate once the closure of the Frome facility is completed in the first quarter of fiscal 2025. Shipments of new private label contracts began in the fourth quarter of fiscal 2024.

- In the International Sector, previously announced network optimization activities in Australia will result in eleven plants being consolidated into six. Some of these benefits began to be realized in fiscal 2024. We are in the process of also divesting two fresh milk processing facilities and we commenced a review of strategic alternatives related to our King Island facility in Tasmania.

THE SAPUTO PROMISE

The Saputo Promise is our approach to social, environmental, and economic performance which guides our everyday actions and consists of seven Pillars: Food Quality and Safety, Our People, Business Ethics, Responsible Sourcing, Environment, Nutrition, and Community. It is an integral part of our business and a key component of our growth. As we seek to create shared value for all our stakeholders, it provides a framework that ensures we manage ESG risks and opportunities successfully across our operations globally.

Anchored in the most pressing ESG issues for our business, our three-year plan (FY23-FY25) builds on the momentum of the past few years and continues to drive, enable, and sustain our growth.

In the third quarter of fiscal 2024, we continued our efforts across our seven Pillars to progress on our three-year goals. Additional details will be shared with our Q4 results in June with the release of our annual Promise Report.

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 third quarter of fiscal 2024. 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, February 9, 2024, 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 Lino A. Saputo, Chair of the Board, President and CEO, and Maxime Therrien, Chief Financial Officer and Secretary.

To participate:

- **Webcast** : https://www.gowebcasting.com/13127
  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** *(audio only)*: 1-800-945-5981
  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". A replay of the conference call will also be available until Friday, February 16, 2024, 11:59 p.m. (ET) by dialling 1-800-558-5253 (ID number: 22028964).

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 cheeses and beverages. 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.

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Investor Inquiries
Nicholas Estrela
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 differ materially 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 differ materially 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 8, 2023, available on SEDAR+ under Saputo's profile at www.sedarplus.ca.

Such risks and uncertainties include the following: product liability; the availability and price variations of milk and other inputs, 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; 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; unanticipated business disruption; continuing economic and political uncertainties, resulting from actual or perceived changes in the condition of the economy or economic slowdowns or recessions; the ongoing military conflict in Ukraine; public health threats, such as the recent global COVID-19 pandemic, changes in consumer trends; changes in environmental laws and regulations; the potential effects of climate change; increased focus on environmental sustainability matters; the failure to execute our Global Strategic Plan 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; our ability to identify, attract, and retain qualified and diverse individuals; our ability to attract and retain customers and consumers; our environmental performance; 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 Global Strategic Plan; 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 successful execution of our M&A strategy; 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. To set our financial performance targets, we have made assumptions regarding, among others: the absence of significant deterioration in macroeconomic conditions; our ability to mitigate inflationary cost pressure; the USA commodity market conditions; labour market conditions and staffing levels in our facilities; the impact of price elasticity; our ability to increase the production capacity and productivity in our facilities; and the demand growth for our products. Our ability to achieve our environmental targets, commitments, and goals is further subject to, among others: our ability to access and implement all technology necessary to achieve our targets, commitments, and goals; the development and performance of technology, innovation and the future use and deployment of technology and associated expected future results; the accessibility of carbon and renewable energy instruments for which a market is still developing and which are subject to risk of invalidation or reversal; and environmental regulation. Our ability to achieve our 2025 Supply Chain Pledges is further subject to, among others, 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.

SELECTED QUARTERLY FINANCIAL INFORMATION

Fiscal years	2024			2023				2022
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	**4,267**	4,323	4,207	4,468	4,587	4,461	4,327	3,957
Adjusted EBITDA[1]	**370**	398	362	392	445	369	347	260
Adjusted EBITDA margin[1]	**8.7 %**	9.2 %	8.6 %	8.8 %	9.7 %	8.3 %	8.0 %	6.6 %
Net earnings (loss)	**(124)**	156	141	159	179	145	139	37
Acquisition and restructuring costs[2]	**4**	—	—	21	27	16	6	51
Goodwill impairment charge	**265**	—	—	—	—	—	—	—
Loss (gain) on hyperinflation	**3**	9	(2)	—	—	(26)	(18)	(15)
Amortization of intangible assets related to business acquisitions[2]	**15**	16	15	16	15	16	16	20
Adjusted net earnings[1]	**163**	181	154	196	221	151	143	93
Adjusted net earnings margin[1]	**3.8 %**	4.2 %	3.7 %	4.4 %	4.8 %	3.4 %	3.3 %	2.4 %
Earnings (loss) per share (basic and diluted)	**(0.29)**	0.37	0.33	0.38	0.43	0.35	0.33	0.09
Adjusted EPS basic[1]	**0.38**	0.43	0.37	0.47	0.53	0.36	0.34	0.22
Adjusted EPS diluted[1]	**0.38**	0.43	0.36	0.46	0.53	0.36	0.34	0.22

Selected factor(s) positively (negatively) impacting Adjusted EBITDA[1]

Fiscal years	2024			2023				2022
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
USA Market Factors[3,4]	**(27)**	32	(14)	29	(6)	(27)	(7)	(19)
Inventory write-down	**(14)**	(7)	(10)	—	—	—	—	—
Foreign currency exchange[4,5]	**(33)**	(3)	4	(12)	(7)	(12)	(7)	(12)

1 This is a total of segments measure, a non-GAAP financial measure, or a non-GAAP ratio. These measures and ratios do not have a standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers. 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. Adjusted net earnings and adjusted EPS for comparative periods were aligned to meet the current presentation.
2 Net of applicable income taxes.
3 Refer to the ''Glossary'' section of the Management's Discussion and Analysis.
4 As compared to the same quarter of the previous fiscal year.
5 Foreign currency exchange includes the effect of conversion of US dollars, Australian dollars, British pounds sterling, and Argentine pesos to Canadian dollars.

CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND FISCAL PERIOD ENDED DECEMBER 31, 2023

Revenues

Revenues for the **third quarter of fiscal 2024** totalled $4.267 billion, down $320 million or 7.0%, as compared to $4.587 billion for the same quarter last fiscal year. For the **nine months of fiscal 2024**, revenues totalled $12.797 billion, down $578 million or 4.3%, as compared to $13.375 billion for last fiscal year.

In the third quarter of fiscal 2024, the conversion of foreign currencies to the Canadian dollar had an unfavourable impact of approximately $280 million, mainly due to the devaluation of the Argentine peso. In the nine months of fiscal 2024, the conversion of foreign currencies to the Canadian dollar had an unfavourable impact of approximately $179 million, mainly due to the devaluation of the Argentine peso.

The combined effect of the lower average block market price[2] and of the lower average butter market price[2] in our USA Sector had a negative impact of $167 million and $587 million, in the third quarter of fiscal 2024 and for the nine months of fiscal 2024, respectively. Lower international cheese and dairy ingredient market prices had a negative impact in all our sectors.

Higher domestic selling prices in line with the higher cost of milk as raw material had a favourable impact.

The effects of currency fluctuations on export sales denominated in US dollars were favourable.

Both domestic and export sales volumes were higher in the third quarter of fiscal 2024, despite continued softening of global demand for dairy products. For the nine months of fiscal 2024, export sales volumes were lower due to the softening global demand for dairy products and competitive market conditions, while domestic sales volumes were stable.

Operating costs excluding depreciation, amortization, and restructuring costs

Operating costs excluding depreciation, amortization, and restructuring costs for the **third quarter of fiscal 2024** totalled $3.897 billion, down $245 million or 5.9%, as compared to $4.142 billion for the same quarter last fiscal year. These decreases were in line with lower commodity market prices, which reduced the cost of raw materials and consumables used.

For the **nine months of fiscal 2024**, operating costs excluding depreciation, amortization, and restructuring costs totalled $11.667 billion, down $547 million or 4.5%, as compared to $12.214 billion for the same period last fiscal year. These decreases were in line with lower commodity market prices, which reduced the cost of raw materials and consumables used.

Also contributing to these decreases were lower logistics costs and the favourable impacts from our cost containment measures and from our Global Strategic Plan initiatives. The decreases were partially offset by the negative impacts of ongoing inflation on costs, as well as higher employee salary and benefit expenses, which include the effect of wage increases, as well as costs incurred to implement previously announced network optimization initiatives.

Net earnings (loss)

Net loss for the **third quarter of fiscal 2024** totalled $124 million , as compared to net earnings of $179 million for the same quarter last fiscal year. The net loss is primarily due to a non-cash goodwill impairment charge of $265 million, lower adjusted EBITDA[1], as described below, a loss on hyperinflation, and higher financial charges, offset by lower acquisition and restructuring costs, and lower income tax expense.

For the **nine months of fiscal 2024**, net earnings totalled $173 million, down $290 million or 62.6%, as compared to $463 million for the same period last fiscal year. The decrease is primarily due to a non-cash goodwill impairment charge, lower adjusted EBITDA[1], as described below, a loss on hyperinflation compared to a gain for the same period last fiscal year, and higher financial charges, offset by lower acquisition and restructuring costs, and lower income tax expense.

[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.

Adjusted EBITDA[1]

Adjusted EBITDA[1] for the **third quarter of fiscal 2024** totalled $370 million, down $75 million or 16.9%, as compared to $445 million for the same quarter last fiscal year.

Adjusted EBITDA[1] reflected a solid performance in the Canada Sector and continued operational improvements in the USA Sector. USA Market Factors[2] resulted in a negative impact of $27 million, driven by the combined negative impacts of the fluctuation of the average block market price[2] related to our cheese products and of the lower average butter market price[2] related to our dairy food products. The milk-cheese Spread[2] was less negative as compared to the same period last fiscal year.

Results also reflected higher sales volumes in both domestic and export markets while lower international cheese and dairy ingredient market prices had a negative impact.

The International Sector also showed lower results due to the persistent unfavourable relationship between international cheese and dairy ingredient market prices and the cost of milk, and an inventory write-down of $14 million.

In the Europe Sector, the selling of inventory produced at higher milk prices had a negative impact.

Our ongoing cost containment measures implemented to minimize the effect of inflation, along with lower logistics costs, mainly in North America, had a favourable impact. The benefits derived from our Global Strategic Plan, including continuous improvement, supply chain optimization, and automation initiatives, also had a favourable impact. These favourable impacts were partially offset by costs incurred to implement previously announced network optimization initiatives, including $10 million in the USA Sector.

The conversion of foreign currencies to the Canadian dollar had an unfavourable impact of approximately $33 million, mainly due to the devaluation of the Argentine peso.

Adjusted EBITDA[1] for the **nine months of fiscal 2024** totalled $1.13 billion, down $31 million or 2.7%, as compared to $1.161 billion for the same period last fiscal year.

Results increased in the Canada Sector and in the USA Sector, where operational improvements had a positive impact.

Export sales volumes were lower due to softening of the global demand for dairy products.

Lower international cheese and dairy ingredient market prices had a negative impact.

The International Sector performance was negatively impacted by the unfavourable relationship between international cheese and dairy ingredient market prices and the cost of milk.

The Europe Sector performance was negatively impacted by the selling of inventory produced at higher milk prices.

We benefited from the carryover impact of higher average selling prices, driven by previously announced pricing initiatives, which were implemented to mitigate higher input costs in line with ongoing inflation and volatile commodity markets.

USA Market Factors[2] had a negative impact of $9 million, driven by the combined negative impacts of the fluctuation of the average block market price[2] related to our cheese products and of the lower average butter market price[2] related to our dairy food products. The milk-cheese Spread[2] was less negative as compared to the same period last fiscal year.

Our ongoing cost containment measures implemented to minimize the effect of inflation, along with lower logistics costs, including lower fuel prices, mainly in North America, had a favourable impact. Benefits derived from our Global Strategic Plan, including continuous improvement, supply chain optimization, and automation initiatives, also had a favourable impact. These favourable impacts were partially offset by costs incurred to implement previously announced network optimization initiatives, including $21 million in the USA Sector.

Results included an inventory write-down of $31 million as a result of the decrease in certain market selling prices.

The conversion of foreign currencies to the Canadian dollar had an unfavourable impact of approximately $32 million, mainly due to the devaluation of the Argentine peso.

[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.

Depreciation and amortization

Depreciation and amortization for the **third quarter of fiscal 2024** and the **nine months of fiscal 2024** totalled $147 million and $438 million respectively, flat, as compared to the comparative period last fiscal year.

Acquisition and restructuring costs

During the **third quarter of fiscal 2024**, we announced the permanent closure of our Lancaster, Wisconsin, facility, in line with our Global Strategic Plan. As a result, restructuring costs of $6 million ($4 million after tax), which include non-cash fixed assets write-down of $4 million and employee-related costs of $2 million, were recorded. There were no other restructuring costs in the first half of fiscal 2024.

Acquisition and restructuring costs for the **third quarter of fiscal 2023** totalled $38 million and included a non-cash fixed assets write-down of $30 million, and employee-related costs of $7 million in connection with consolidation initiatives in our Dairy Division (Australia) being undertaken as part of our Global Strategic Plan.

Acquisition and restructuring costs in the **nine months of fiscal 2023** totalled $67 million and comprised costs as described above in relation to initiatives undertaken in Australia, as well as a non-cash fixed assets write-down of $19 million, accelerated depreciation, and employee-related costs in connection with capital investments and consolidation initiatives in our USA Sector, as well as site closure costs of $9 million relating to the consolidation activities in our Europe Sector as part of our Global Strategic Plan. Restructuring costs also included a $2 million gain on disposal of assets related to the sale of a closed facility in the Canada Sector.

Goodwill impairment charge

In the **third quarter of fiscal 2024** and **nine months of fiscal 2024**, a non-cash goodwill impairment charge of $265 million was recorded.

In performing our annual goodwill impairment testing as at December 31, 2023, our Dairy Division (Australia) Cash Generating Unit (the Australia CGU) estimates of future discounted cash flows were reduced due to the increasing disconnect in the relationship between international cheese and dairy ingredient prices and farm gate milk prices in a context of declining milk production in Australia.

As a result, the estimated recoverable value of the Australia CGU was determined to be lower than its carrying value and a non-cash goodwill impairment charge of $265 million (non tax-deductible) was recorded, representing the total value of the goodwill for this CGU.

Loss (gain) on hyperinflation

Loss on hyperinflation for the **third quarter of fiscal 2024** totalled $3 million (nil in fiscal 2023). For the **nine months of fiscal 2024**, the loss on hyperinflation totalled $10 million ($44 million gain in fiscal 2023). The change in the loss (gain) on hyperinflation is relative to the application of hyperinflation accounting for the Dairy Division (Argentina).

Financial charges

Financial charges for the **third quarter of fiscal 2024** totalled $42 million, up $5 million compared to the same quarter last fiscal year. For **the nine months of fiscal 2024**, financial charges totalled $126 million, up $20 million compared to the same period last fiscal year. These increases reflected higher interest rates.

Income tax expense

Income tax expense for the **third quarter of fiscal 2024** and for the **nine months of fiscal 2024** totalled $31 million and $112 million respectively. Excluding the effect of the non tax-deductible goodwill impairment charge of $265 million, the effective tax rate would have been 18% for the third quarter of fiscal 2024 and 20% for the nine months of fiscal 2024, as compared to 20% and 22% in the corresponding quarter and period last fiscal year.

The effective income tax rate is impacted by the tax and accounting treatments of inflation in Argentina. This impact varies from quarter to quarter. For the third quarter and nine months of fiscal 2024, this impact was positive, resulting in a reduction of the effective tax rate.

The effective tax rate varies and could increase or decrease based on the geographic mix of quarterly and year-to-date earnings across the various jurisdictions in which we operate, the tax and accounting treatments of inflation in Argentina, the amount and source of taxable income, amendments to tax legislations and income tax rates, changes in assumptions, as well as estimates we use for tax assets and liabilities.

Adjusted net earnings[1]

Adjusted net earnings[1] for the **third quarter of fiscal 2024** totalled $163 million, down $58 million or 26.2%, as compared to $221 million for the same quarter last fiscal year. This is mainly due to a decrease in net earnings, as described above, excluding a non-cash goodwill impairment charge, lower acquisition and restructuring costs after tax, as well as the impact of a loss on hyperinflation.

Adjusted net earnings[1] for the **nine months of fiscal 2024** totalled $498 million, down $17 million or 3.3%, as compared to $515 million for the same period last fiscal year. This is mainly due to a decrease in net earnings, as described above, excluding a non-cash goodwill impairment charge, lower acquisition and restructuring costs after tax, as well as the impact of the loss on hyperinflation compared to a gain that was recognized in the same period last fiscal year.

[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.

INFORMATION BY SECTOR

CANADA SECTOR

Fiscal years	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**1,271**	1,248	1,211	1,156	1,213	1,185	1,142
Adjusted EBITDA	**150**	148	144	134	149	136	132
Adjusted EBITDA margin	**11.8 %**	11.9 %	11.9 %	11.6 %	12.3 %	11.5 %	11.6 %

USA SECTOR

Fiscal years	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**2,056**	1,950	1,876	2,062	2,172	2,062	2,043
Adjusted EBITDA	**133**	147	103	143	146	102	97
Adjusted EBITDA margin	**6.5 %**	7.5 %	5.5 %	6.9 %	6.7 %	4.9 %	4.7 %

Selected factor(s) positively (negatively) impacting Adjusted EBITDA

Fiscal years	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
USA Market Factors[1,2]	**(27)**	32	(14)	29	(6)	(27)	(7)
Inventory write-down	**—**	—	(10)	—	—	—	—
US currency exchange[2]	**—**	3	5	5	8	3	3

1 Refer to the ‘‘Glossary’’ section of the Management's Discussion and Analysis.
2 As compared to same quarter last fiscal year.

Other pertinent information

(in US dollars, except for average exchange rate)

Fiscal years	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Block market price[1]							
Opening	**1.720**	1.335	1.850	2.135	1.968	2.195	2.250
Closing	**1.470**	1.720	1.335	1.850	2.135	1.968	2.195
Average	**1.620**	1.817	1.579	1.943	2.077	1.927	2.287
Butter market price[1]							
Opening	**3.300**	2.440	2.398	2.380	3.145	2.995	2.700
Closing	**2.665**	3.300	2.440	2.398	2.380	3.145	2.995
Average	**2.898**	2.706	2.394	2.375	2.904	3.035	2.808
Average whey powder market price[1]	**0.370**	0.265	0.358	0.397	0.432	0.469	0.600
Spread[1]	**(0.061)**	0.075	(0.061)	0.040	(0.120)	(0.222)	(0.261)
US average exchange rate to Canadian dollar[2]	**1.359**	1.344	1.343	1.353	1.357	1.306	1.275

1 Refer to the ‘‘Glossary’’ section of the Management's Discussion and Analysis.
2 Based on Bank of Canada published information.

INTERNATIONAL SECTOR

Fiscal years	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**636**	879	868	963	917	989	916
Adjusted EBITDA	**85**	83	77	84	111	97	82
Adjusted EBITDA margin	**13.4 %**	9.4 %	8.9 %	8.7 %	12.1 %	9.8 %	9.0 %

Selected factor(s) positively (negatively) impacting Adjusted EBITDA

Fiscal years	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Inventory write-down	**(14)**	(7)	—	—	—	—	—
Foreign currency exchange[1]	**(36)**	(12)	(2)	(15)	(13)	(9)	(6)

[1] As compared to same quarter last fiscal year.

EUROPE SECTOR

Fiscal years	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**304**	246	252	287	285	225	226
Adjusted EBITDA	**2**	20	38	31	39	34	36
Adjusted EBITDA margin	**0.7 %**	8.1 %	15.1 %	10.8 %	13.7 %	15.1 %	15.9 %

Selected factor(s) positively (negatively) impacting Adjusted EBITDA

Fiscal years	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Foreign currency exchange[1]	**3**	3	1	(1)	(2)	(4)	(2)

[1] As compared to same quarter last fiscal year.

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 IFRS, 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 and adjusted net earnings margin

We believe that adjusted net earnings and adjusted net earnings margin provide useful information to investors because this financial measure and this ratio provide 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 highly acquisitive companies, adjusted net earnings provide 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 and adjusted net earnings margin are useful to investors because they help 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, as well as by the effect of tax law changes and rate enactments. 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. These measures do not have any standardized meanings under GAAP and are therefore unlikely to be comparable to similar measures presented by other companies.

The following table provides a reconciliation of net earnings (loss) to adjusted net earnings.

	For the three-month periods ended December 31		**For the nine-month periods ended December 31**	
	2023	2022	**2023**	2022
Net earnings (loss)	**(124)**	179	**173**	463
Acquisition and restructuring costs[1]	**4**	27	**4**	49
Amortization of intangible assets related to business acquisitions[1]	**15**	15	**46**	47
Goodwill impairment charge	**265**	—	**265**	—
Loss (gain) on hyperinflation[2]	**3**	—	**10**	(44)
Adjusted net earnings	**163**	**221**	**498**	515
Revenues	**4,267**	4,587	**12,797**	13,375
Adjusted net earnings margin (expressed as a percentage of revenues)	***3.8 %***	*4.8 %*	***3.9 %***	*3.9 %*

1 Net of applicable income taxes.
2 Starting in the first quarter of fiscal 2024:
- the loss (gain) on hyperinflation is presented on a separate line on the consolidated income statements (Refer to Note 16 of the condensed interim consolidated financial statements for further information); and
- adjusted net earnings exclude the loss (gain) on hyperinflation to provide investors with more useful information with regards to our ongoing operations.

Comparative periods included in this news release were aligned to meet the current presentation.

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 and adjusted net earnings margin 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 the acquisition and restructuring costs, amortization of intangible assets related to business acquisitions, gain on disposal of assets, impairment of intangible assets, goodwill impairment charge, and loss (gain) on hyperinflation. 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

We believe that adjusted EBITDA and adjusted EBITDA margin provide investors with useful information because they are common industry measures. Adjusted EBITDA margin consists of adjusted EBITDA expressed as a percentage of revenues. 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 (loss) to adjusted EBITDA on a consolidated basis.

	For the three-month periods ended December 31		**For the nine-month periods ended December 31**	
	2023	2022	**2023**	2022
Net earnings (loss)	**(124)**	179	**173**	463
Income taxes	**31**	44	**112**	131
Financial charges[1]	**42**	37	**126**	106
Loss (gain) on hyperinflation[1]	**3**	—	**10**	**(44)**
Acquisition and restructuring costs	**6**	38	**6**	67
Goodwill impairment charge	**265**	—	**265**	—
Depreciation and amortization	**147**	147	**438**	438
Adjusted EBITDA	**370**	445	**1,130**	1,161
Revenues	**4,267**	4,587	**12,797**	13,375
Adjusted EBITDA margin	***8.7 %***	*9.7 %*	***8.8 %***	*8.7 %*

[1] Starting in the first quarter of fiscal 2024, the loss (gain) on hyperinflation is presented on a separate line on the consolidated income statements (Refer to Note 16 of the condensed interim consolidated financial statements for further information).
Comparative periods included in this news release were aligned to meet the current presentation.