News Release
For immediate release

Saputo

FINANCIAL RESULTS FOR THE SECOND QUARTER OF FISCAL 2021 ENDED SEPTEMBER 30, 2020

Revenues at $3.702 billion, up 1.0%
Adjusted EBITDA at $370.5 million, down 6.1%
Net earnings at $170.8 million, down 2.3%
Adjusted net earnings excluding amortization of intangible assets related to business acquisitions at $184.1 million, down 7.2%

(Montréal, November 5, 2020) – Saputo Inc. (TSX: SAP) (Saputo or the Company) reported today its financial results for the second quarter of fiscal 2021, which ended on September 30, 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).

- Revenues amounted to $3.702 billion, an increase of $36.6 million or 1.0%.
- Adjusted EBITDA* amounted to $370.5 million, a decrease of $23.9 million or 6.1%.
- Net earnings totalled $170.8 million and EPS** (basic and diluted) were $0.42, as compared to $174.9 million and $0.44.
- Adjusted net earnings excluding amortization of intangible assets related to business acquisitions* totalled $184.1 million, as compared to $198.3 million, and the corresponding EPS** (basic and diluted) were $0.45, as compared to $0.50.

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

(unaudited)	For the three-month periods ended September 30		For the six-month periods ended September 30	
	2020	2019	**2020**	2019
Revenues	**3,702.2**	3,665.6	**7,093.0**	7,334.0
Adjusted EBITDA*	**370.5**	394.4	**737.0**	752.4
Net earnings	**170.8**	174.9	**312.7**	296.3
Adjusted net earnings excluding amortization of intangible assets related to business acquisitions*	**184.1**	198.3	**363.3**	378.0
Net earnings per share				
Basic	**0.42**	0.44	**0.76**	0.75
Diluted	**0.42**	0.44	**0.76**	0.75
Adjusted net earnings per share excluding amortization of intangible assets related to business acquisitions*				
Basic	**0.45**	0.50	**0.89**	0.96
Diluted	**0.45**	0.50	**0.88**	0.96

* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the second quarter of fiscal 2021 for the reconciliations to IFRS measures.

- The shift in consumer demand due to the COVID-19 pandemic impacted all the Company's sectors to varying degrees. Sales volumes in the foodservice market segment remained lower than historical levels, which impacted efficiencies particularly in the USA Sector and negatively affected adjusted EBITDA, but continued to show signs of recovery. The surge in retail market segment sales volumes experienced in the first quarter started to level off. Industrial market segment sales volumes improved in all sectors, with the exception of Europe. More specifically, compared to the same quarter last fiscal year:
  - The Canada Sector benefited from increased sales volumes in the retail market segment, which more than offset decreased sales volumes in the foodservice market segment.
  - In the USA Sector, lower sales volumes affected efficiencies and the absorption of fixed costs. USA Market Factors** positively impacted adjusted EBITDA by approximately $4 million.
  - The International Sector benefited from increased milk availability, mainly in Australia, and the contribution of the specialty cheese business purchased from Lion Dairy & Drinks Pty Ltd (Specialty Cheese Business Acquisition).
  - A decrease in international cheese and dairy ingredient market prices negatively affected adjusted EBITDA, despite higher export sales volumes.
- The Board of Directors approved a dividend of $0.175 per share payable on January 7, 2021, to common shareholders of record on December 23, 2020.

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* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the second quarter of fiscal 2021 for the reconciliations to IFRS measures.
** Refer to the "Glossary" section of the Management's Discussion and Analysis for the second quarter of fiscal 2021.

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 second quarter of fiscal 2021. These documents can be obtained on SEDAR under the Company's profile 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 fiscal 2021 second quarter results will be held on Thursday, November 5, 2020, at 2:30 p.m. Eastern Time. To participate in the conference call, dial 1-800-920-2776. To ensure your participation, please dial in approximately five minutes before the call.

To listen to this call on the Web, please enter http://www.gowebcasting.com/10945 in your Web browser.

For those unable to participate, a replay of the conference will be available until 11:59 p.m., Thursday, November 12, 2020. To access the replay, dial 1-800-558-5253, ID number 21971095. 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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Media Inquiries
1-514-328-3141 / 1-866-648-5902

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", "predict", "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 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 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 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 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 November 5, 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 regarding, among other things, 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. 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, including the duration and severity of the COVID-19 pandemic, and are accordingly subject to changes after such date. 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. 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 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).

Consolidated revenues for the three-month period ended September 30, 2020, totalled $3.702 billion, an increase of $36.6 million or 1.0%, as compared to $3.666 billion for the same quarter last fiscal year. The shift in consumer demand for the Company's products on a global scale caused by the COVID-19 pandemic experienced in the first quarter of fiscal 2021 continued into the second quarter. Lower sales volumes in the foodservice market segment negatively impacted revenues, particularly in the USA Sector, and were partially offset by increased retail market segment sales volumes. With government-imposed lockdowns gradually easing throughout the quarter in the Company's export markets, revenues were positively impacted by higher sales volumes in the industrial market segment. However, revenues were negatively impacted by a decrease in international cheese and dairy ingredient market prices. The combined effect of the higher average block market price** and the lower average butter market price** increased revenues by approximately $43 million. Revenues were also positively impacted by higher domestic selling prices in the Canada Sector, which increased due to the higher cost of milk as raw material. The combined effect of the fluctuation of the Argentine peso and the Australian dollar versus the US dollar in the export markets had a positive impact on revenues. The inclusion of the Specialty Cheese Business Acquisition in the International Sector also increased revenues. Finally, the fluctuation of foreign currencies versus the Canadian dollar increased revenues by approximately $40 million.

For the six-month period ended September 30, 2020, revenues totalled $7.093 billion, a decrease of $241.0 million or 3.3%, as compared to $7.334 billion for the same period last fiscal year. The global shift in consumer demand caused by the COVID-19 pandemic negatively impacted sales volumes in the foodservice market segment, mostly in the USA Sector, although partially offset by increased sales volumes in the retail and industrial market segments. Moreover, sales were negatively impacted by government-imposed lockdowns in the Company's export markets and by a decrease in international cheese and dairy ingredient market prices. The combined effect of the higher average block market price and the lower average butter market price decreased revenues by approximately $37 million. These decreases in revenues were partially offset by higher domestic selling prices in the Canada Sector and the International Sector, which increased due to the higher cost of milk as raw material. In the International Sector, the devaluation of the Argentine peso and the Australian dollar versus the US dollar in the export markets had a positive impact on revenues. The inclusion of the Specialty Cheese Business Acquisition in the International Sector and the contribution of the activities of Dairy Crest Group plc (Dairy Crest Acquisition) in the Europe Sector for the full period, as compared to a 24-week contribution the same period last fiscal year, positively impacted revenues. Lastly, the fluctuation of foreign currencies versus the Canadian dollar increased revenues by approximately $17 million, mainly in the USA Sector and partially offset by the International Sector.

Consolidated adjusted EBITDA* for the three-month period ended September 30, 2020, totalled $370.5 million, a decrease of $23.9 million or 6.1%, as compared to $394.4 million for the same quarter last fiscal year. Lower sales volumes, as a result of the shift in consumer demand, negatively impacted efficiencies and the absorption of fixed costs, particularly in the USA Sector. In the International Sector, the negative impact of the unfavourable relation between international cheese and dairy ingredient market prices and the cost of milk as raw material was partially offset by improved operational efficiencies resulting from increased milk availability in Australia. The Canada Sector benefited from increased sales volumes in the retail market segment, which more than offset the decrease in foodservice market segment sales volumes related to the COVID-19 pandemic. USA Market Factors had a positive effect on adjusted EBITDA of approximately $4 million. The inclusion of the Specialty Cheese Business Acquisition also contributed positively to adjusted EBITDA. Lower administrative costs positively impacted adjusted EBITDA as part of the Company's ongoing ban on non-essential business travel, limitations placed on promotional activity and other initiatives in the context of the COVID-19 pandemic. The fluctuation of foreign currencies versus the Canadian dollar increased adjusted EBITDA by approximately $4 million.

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For the six-month period ended September 30, 2020, consolidated adjusted EBITDA totalled $737.0 million, a decrease of $15.4 million or 2.0%, as compared to $752.4 million for the corresponding period last fiscal year. Lower sales volumes, as a result of the shift in consumer demand, negatively impacted efficiencies and the absorption of fixed costs, particularly in the USA Sector. In the International Sector, the negative impacts of the unfavourable relation between international cheese and dairy ingredient market prices and the cost of milk as raw material, as well as lower export sales volumes, were partially offset by improved operational efficiencies resulting from increased milk availability in Australia. Increased sales volumes in the retail market segment in the Canada Sector, mainly in the fluid milk category, and in the Europe Sector, had a positive effect on adjusted EBITDA. USA Market Factors had a positive impact on adjusted EBITDA of approximately $27 million despite extreme dairy market volatility. The inclusion of the Specialty Cheese Business Acquisition and the contribution of the Dairy Crest Acquisition for the full period, as compared to a 24-week contribution the same period last fiscal year, also contributed positively to adjusted EBITDA. The ban on non-essential business travel, limitations placed on promotional activity and other initiatives in the context of the COVID-19 pandemic mitigated the negative impacts on adjusted EBITDA of higher operational costs, including those related to additional supplies of personal protective equipment for employees and unproductive labour. The fluctuation of foreign currencies versus the Canadian dollar had a negligible effect on adjusted EBITDA.

Depreciation and amortization for the three-month period ended September 30, 2020, totalled $125.7 million, an increase of $16.9 million, as compared to $108.8 million for the same quarter last fiscal year. For the six-month period ended September 30, 2020, depreciation and amortization expenses amounted to $251.7 million, an increase of $34.1 million, as compared to $217.6 million for the same period last fiscal year. 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.

In the second quarter of fiscal 2021, the Company realized a **gain on disposal of assets** of $6.2 million ($4.6 million after tax) relating to the sale of a facility within the Canada Sector.

Impairment of intangible assets for the three and six-month periods ended September 30, 2020, totalled nil and $19.0 million, respectively. The charge was related to the Company's decision to retire the *COON* cheese brand name from its Australian brand portfolio as part of its commitment to share in the responsibility to eliminate racism in all its forms.

Inventory revaluation resulting from a business acquisition for the three and six-month period ended September 30, 2020, amounted to nil, as compared to $12.9 million and $40.1 million, respectively. These revaluations relating to the Dairy Crest Acquisition stemmed from added value attributed to the acquired inventory as part of the purchase price allocation and were fully amortized during fiscal 2020.

Acquisition and restructuring costs for the three and six-month periods ended September 30, 2020, amounted to nil as compared to $0.4 million and $22.8 million, respectively, and incurred mainly for the Dairy Crest Acquisition last fiscal year.

Financial charges for the three-month period ended September 30, 2020, totalled $22.8 million, a decrease of $11.7 million or 33.9%, as compared to $34.5 million for the same quarter last fiscal year. This includes a decrease in interest expense of $6.8 million, mainly attributable to a lower level of long-term debt and lower interest rates, and an increased gain on hyperinflation of $4.9 million derived from the indexation of non-monetary assets and liabilities. For the six-month period ended September 30, 2020, financial charges amounted to $47.9 million, a decrease of $15.1 million or 24.0%, as compared to $63.0 million for the same period last fiscal year. This includes a decrease in interest expense of $15.3 million, mainly attributable to a lower level of long-term debt and lower interest rates, with minimal impact from the gain on hyperinflation.

Income taxes for the three-month period ended September 30, 2020, totalled $57.4 million, reflecting an effective tax rate of 25.2%, as compared to 26.5% for the same quarter last fiscal year.

Income taxes for the six-month period ended September 30, 2020, totalled $111.9 million, reflecting an effective tax rate of 26.4% as compared to 27.5% for the same period last fiscal year. During the six-month period ended September 30, 2020, the Company recorded an impairment of intangible assets charge. Excluding this charge, the effective tax rate would have been 25.1%. Income taxes during the six-month period ended September 30, 2019, included the impact of the tax treatment of acquisition costs. Excluding these costs, the effective tax rate would have been 26.3%.

The effective tax rate varies and could increase or decrease based on the geographic mix of earnings across the various jurisdictions in which Saputo operates, the amount and source of taxable income, amendments to tax legislations and income tax rates, changes in assumptions, as well as estimates used for tax assets and liabilities by the Company and its affiliates.

Net earnings for the three-month period ended September 30, 2020, totalled $170.8 million, a decrease of $4.1 million or 2.3%, as compared to $174.9 million for the same quarter last fiscal year. For the six-month period ended September 30, 2020, net earnings totalled $312.7 million, an increase of $16.4 million or 5.5%, as compared to $296.3 million for the same period last fiscal year. The respective decrease and increase were mainly due to the aforementioned factors.

Adjusted net earnings excluding amortization of intangible assets related to business acquisitions* for the three-month period ended September 30, 2020, totalled $184.1 million, a decrease of $14.2 million or 7.2%, as compared to $198.3 million for the same quarter last fiscal year. For the six-month period ended September 30, 2020, adjusted net earnings excluding amortization of intangible assets related to business acquisitions totalled $363.3 million, a decrease of $14.7 million or 3.9%, as compared to $378.0 million for the same period last fiscal year. These decreases were due to the aforementioned factors.

* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the second quarter of fiscal 2021 for the reconciliations to IFRS measures.

SELECTED QUARTERLY FINANCIAL INFORMATION

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

Fiscal years	2021		2020				2019	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	**3,702.2**	3,390.8	3,718.7	3,890.8	3,665.6	3,668.4	3,236.5	3,577.2
Adjusted EBITDA*	**370.5**	366.5	298.4	417.0	394.4	358.0	275.1	321.2
Net earnings	**170.8**	141.9	88.7	197.8	174.9	121.4	124.2	342.0
Gain on disposal of assets[1]	**(4.6)**	-	-	-	-	-	-	(167.8)
Impairment of intangible assets[1]	**-**	19.0	-	-	-	-	-	-
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
Adjusted net earnings*	**166.2**	160.9	98.8	204.2	185.8	164.9	125.8	174.4
Adjusted net earnings excluding amortization of intangible assets related to business acquisitions*	**184.1**	179.2	116.5	229.1	198.3	179.7	133.8	182.3
Per share								
Net earnings								
Basic	**0.42**	0.35	0.22	0.49	0.44	0.31	0.32	0.88
Diluted	**0.42**	0.35	0.22	0.48	0.44	0.31	0.32	0.87
Adjusted net earnings*								
Basic	**0.41**	0.39	0.24	0.50	0.47	0.42	0.32	0.45
Diluted	**0.40**	0.39	0.24	0.50	0.47	0.42	0.32	0.44
Adjusted net earnings per share excluding amortization of intangible assets related to business acquisitions*								
Basic	**0.45**	0.44	0.29	0.56	0.50	0.46	0.34	0.47
Diluted	**0.45**	0.44	0.28	0.56	0.50	0.46	0.34	0.47

* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the second quarter of fiscal 2021 for the reconciliations to IFRS measures.
1 Net of income taxes.

Selected factors positively (negatively) affecting financial performance

(in millions of CDN dollars)

Fiscal years	2021		2020			
	Q2	Q1	Q4	Q3	Q2	Q1
USA Market Factors*[,1]	**4**	23	(8)	14	10	(8)
Inventory write-down	**-**	-	(18)	-	-	-
Foreign currency exchange[1, 2]	**4**	(4)	(3)	(15)	(14)	(4)

* Refer to the "Glossary" section of the Management's Discussion and Analysis for the second quarter of fiscal 2021.
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.

OUTLOOK

Fiscal 2021 began amidst the COVID-19 pandemic which disrupted global economic conditions, financial markets (including pricing of commodities), supply chains and business productivity in unprecedented ways. With public authorities around the world imposing restrictions, including social distancing measures and temporary closures in the foodservice space, such as food court concessions, restaurants with table-top service, hotels and institutions, consumer demand for the Company's products was significantly impacted. However, as the first and second quarters progressed, economic indicators generally started rebounding, although, at the date of this report, governments are cautiously reviewing the easing and/or reinstating of restrictions as COVID-19 outbreaks persevere or reoccur across the globe. The overall economy continues to perform below pre-pandemic levels in the regions where Saputo operates and sells its products.

Although the dairy commodities market remains volatile, the Company expects this volatility to be more moderate during the second half of fiscal 2021 and into the start of fiscal 2022. In these unique global conditions, it remains impossible to predict whether or not this volatility, as well as the fluctuations in international cheese and ingredient market prices, will have a positive or negative impact on future financial performance.

Foodservice market segment sales will continue to be impacted as long as local restrictions remain in place and in flux. Saputo is focused on opportunities in more resilient areas of this channel and is working closely with customers to continue to develop innovative product offerings adapted to new consumer trends, such as take-out for in-home dining, which are expected to outlast the pandemic. The foodservice market segment volume recoveries, which started in the first quarter of fiscal 2021, may only still be temporary considering the country-specific evolution of the pandemic and accompanying local government restrictions.

Nonetheless, retail market segment sales continue to perform well, although the surge experienced in the previous quarter started to level off. Compared to pre-pandemic levels, consumer demand in the retail market segment has generally been higher. Through its strong portfolio of retail brands, the Company has captured opportunities arising from this increase and has an innovation pipeline to drive further progress.

A sustained return to historical financial performance is dependent on the recovery of volume in the foodservice and industrial market segments. With that top of mind, the Company continues to actively take measures to minimize efficiency losses through enhanced integrated production planning, overhead cost containment as well as the re-purposing of inventory to serve the retail market segment.

As an essential provider, Saputo experienced limited operational disruption thanks to the dedication of its employees and supply chain partners. The Company continues to respond to the COVID-19 pandemic based on the following key operational priorities:

- safeguarding the health and safety of employees;
- adapting commercial initiatives, production and supply chain to consumer demand;
- supporting customers with insights to adapt their offerings and address changing needs; and
- supporting communities through donations and financial support.

Saputo continues to prioritize employee well-being and safety through enhanced measures that complement the already robust protocols in each facility. The Company is also maintaining its commitment to no layoffs due to the COVID-19 pandemic until further notice. Additionally, Saputo has deployed well-being programs and continues to carry out initiatives to recognize employees and patron farmers for their hard work and dedication.

Since the onset of the pandemic, Saputo has focused on supporting communities through product donations to food banks. Financial and in-kind contributions are ongoing and have reached over $6.5 million to date.

The Company is confident that with the learnings acquired in the past seven months, it is well positioned to swiftly adapt its operations to new circumstances while staying on course with current and future strategic investments aimed at fueling growth. Saputo will continue to apply its disciplined and agile approach and remain focused on adjusting to ongoing changes, understanding the new normal, and leveraging its global network and the strength of its brands. This includes adapting manufacturing operations to local realities and changes in consumer demand, maximizing operational efficiencies, and maintaining the focus on supporting brand value, while honouring the Company's long-standing commitment to manufacture quality products.

The Company will continue its efforts to grow its specialty and value-added products' business, pursue further opportunities to increase customer and consumer loyalty as well as make disciplined investments in brand recognition initiatives. Recent examples include:

- repositioning the long-standing *Armstrong* brand in Canada through new packaging, new formats and flavours, combined with the Company's strong supply chain execution and customer service, which are core to its value proposition;
- introducing *Cathedral City*, the UK's number one retail cheese brand, to Canada and the USA. It will be available in over 6,000 stores by the end of calendar 2020; and
- solidifying *Clover* as the UK's number one dairy spread brand through ad campaigns highlighting the product as a natural offering with no artificial ingredients.

With the merger of its two USA divisions, now known as the Dairy Division (USA), Saputo is building the foundation of a more agile USA platform, aligned under a common strategy. Therefore, it intends to be in a position to more efficiently serve consumers and meet their, sometimes rapidly, evolving needs and expectations. Over time, this merger is expected to deliver synergies from all facets of the business.

The Company is pursuing efforts to capture further opportunities derived from the combination of all its operations in Australia under a single platform, and to leverage the vast portfolio of brands inherited through acquisitions. In both Argentina and Australia, Saputo is in a good position to realize operational efficiencies with increased milk availability and has outpaced national milk production growth rates through various arrangements, including toll manufacturing using third-party milk and organic growth with current suppliers.

Saputo has successfully integrated Australia's Specialty Cheese Business into its global Enterprise Resource Planning (ERP) platform and will continue with subsequent implementation phases within the Dairy Division (USA) and the Dairy Division (Australia). As the Company continues to execute its ERP deployment plan, it may re-plan activities based on the evolution of the COVID-19 pandemic and related restrictions.

Saputo is well positioned to grow organically through strategic capital investments in designated manufacturing facilities, as well as through new product development and the expansion of its export markets. It intends to seize acquisition opportunities, with the right strategic fit under the right conditions. Moreover, Saputo is committed to further diversifying its product portfolio by pursuing dairy alternative opportunities (previously referred to as plant-based), and remains very bullish about dairy products, standing behind the belief that there are multiple sustainable growth opportunities in the dairy space.

The Company intends to renew its MTN Program, which expires in January 2021. Saputo also intends to file a short form base shelf prospectus, which will provide the Company the flexibility to make offerings of various securities during the 25-month period that the base shelf prospectus is effective.

Furthermore, the Company is focused on delivering its Environmental, Social and Governance (ESG) objectives as part of the Saputo Promise. With a clear strategic direction, emphasis remains on the execution of its three-year plan, which began in fiscal 2020, and Saputo continues to deploy efforts to improve performance across each of its seven Pillars. In fiscal 2020, Saputo pledged to accelerate its global climate, water, and waste (including packaging) performance and announced clear targets and a formal commitment to allocate additional resources, including a three-year investment of $50 million. Various projects aimed at reducing the Company's annual energy consumption, CO_2 emissions, and water usage globally have now been identified and are being deployed despite the challenges caused by the COVID-19 pandemic.

Saputo is focused on managing through the current challenges to emerge an even stronger partner to its customers, and a stronger Company for its shareholders and other stakeholders. Saputo continues to see significant and sustainable growth prospects, while navigating the current environment. The Company continues to benefit from a solid financial position and capital structure, supplemented by a high level of cash generated by operations. Profitability enhancement and shareholder value creation remain the cornerstones of its objectives.

INFORMATION BY SECTOR

CANADA SECTOR

(in millions of CDN dollars)

Fiscal years	2021		2020			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**1,063.8**	981.6	960.1	1,049.0	1,029.4	968.8
Adjusted EBITDA*	**117.0**	104.2	91.0	111.7	103.2	98.5

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

USA SECTOR

(in millions of CDN dollars)

Fiscal years	2021		2020			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**1,649.1**	1,416.7	1,694.8	1,848.7	1,792.4	1,757.7
Adjusted EBITDA*	**140.4**	162.2	94.3	172.1	175.4	173.6

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Selected factors positively (negatively) affecting financial performance

(in millions of CDN dollars)

Fiscal years	2021		2020			
	Q2	Q1	Q4	Q3	Q2	Q1
USA Market Factors*,1	**4**	23	(8)	14	10	(8)
Inventory write-down	**-**	-	(18)	-	-	-
US currency exchange[1]	**2**	5	1	-	1	6

* Refer to the "Glossary" section of the Management's Discussion and Analysis for the second quarter of fiscal 2021.
1 As compared to same quarter last fiscal year.

Other pertinent information

(in US dollars, except for average exchange rate)

Fiscal years	2021		2020			
	Q2	Q1	Q4	Q3	Q2	Q1
Block market price*						
Opening	**2.640**	1.330	1.910	1.958	1.858	1.645
Closing	**2.573**	2.640	1.330	1.910	1.958	1.858
Average	**2.249**	1.778	1.835	1.971	1.912	1.711
Butter market price*						
Opening	**1.765**	1.335	1.950	2.128	2.410	2.255
Closing	**1.510**	1.765	1.335	1.950	2.128	2.410
Average	**1.571**	1.500	1.799	2.043	2.284	2.330
Average whey market price*	**0.311**	0.356	0.353	0.326	0.352	0.370
Spread*	**0.141**	0.047	0.113	(0.018)	0.029	0.001[2]
US average exchange rate to Canadian dollar[1]	**1.333**	1.378	1.330	1.320	1.320	1.337

* Refer to the "Glossary" section of the Management's Discussion and Analysis for the second quarter of fiscal 2021.
1 Based on Bank of Canada published information.
2 Updated to conform to the current Spread definition.

The USA Sector consists of the Dairy Division (USA). During the quarter, the Company announced the merger into a single division of its two former USA divisions, the Cheese Division (USA) and the Dairy Foods Division (USA), now known as the Dairy Division (USA).

INTERNATIONAL SECTOR

(in millions of CDN dollars)

Fiscal years	2021		2020			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**805.7**	781.6	832.4	797.0	657.0	790.3
Adjusted EBITDA*	**78.2**	59.8	66.5	98.5	80.2	59.7

* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the second quarter of fiscal 2021 for the reconciliations to IFRS measures.

Selected factors positively (negatively) affecting financial performance

(in millions of CDN dollars)

Fiscal years	2021		2020			
	Q2	Q1	Q4	Q3	Q2	Q1
Foreign currency exchange[1]	**(1)**	(9)	(5)	(14)	(16)	(10)

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

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

EUROPE SECTOR

(in millions of CDN dollars)

Fiscal years	2021		2020			
	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	**183.6**	210.9	231.4	196.1	186.8	151.6
Adjusted EBITDA*	**34.9**	40.3	46.6	34.7	35.6	26.2

* See the "Non-IFRS Financial Measures" section of the Management's Discussion and Analysis for the second quarter of fiscal 2021 for the reconciliations to IFRS measures.

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