Q1 2017 Results Summary
Groupe Colabor Inc.

May 8th, 2017

www.colabor.com

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1. Opening Remarks

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- ✓ Significant reduction of seasonal loss in the first quarter of 2017 coming from a reduction of financial charges resulting from our successful recapitalization in October 2016.
- ✓ Good performance of the Distribution segment overshadowed by challenges at the wholesale segment, mainly at the Décarie division.
- ✓ Three-year renewal of an important contract to supply fresh fish and seafood to all Sobeys food stores throughout the province of Quebec.
- ✓ Reorganization of the distribution network in Ontario and closure of the Vaughan, Ontario warehouse on April 30. Volume was transferred to our three other Ontario warehouses.

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2. Overview of Q1 2017 Results

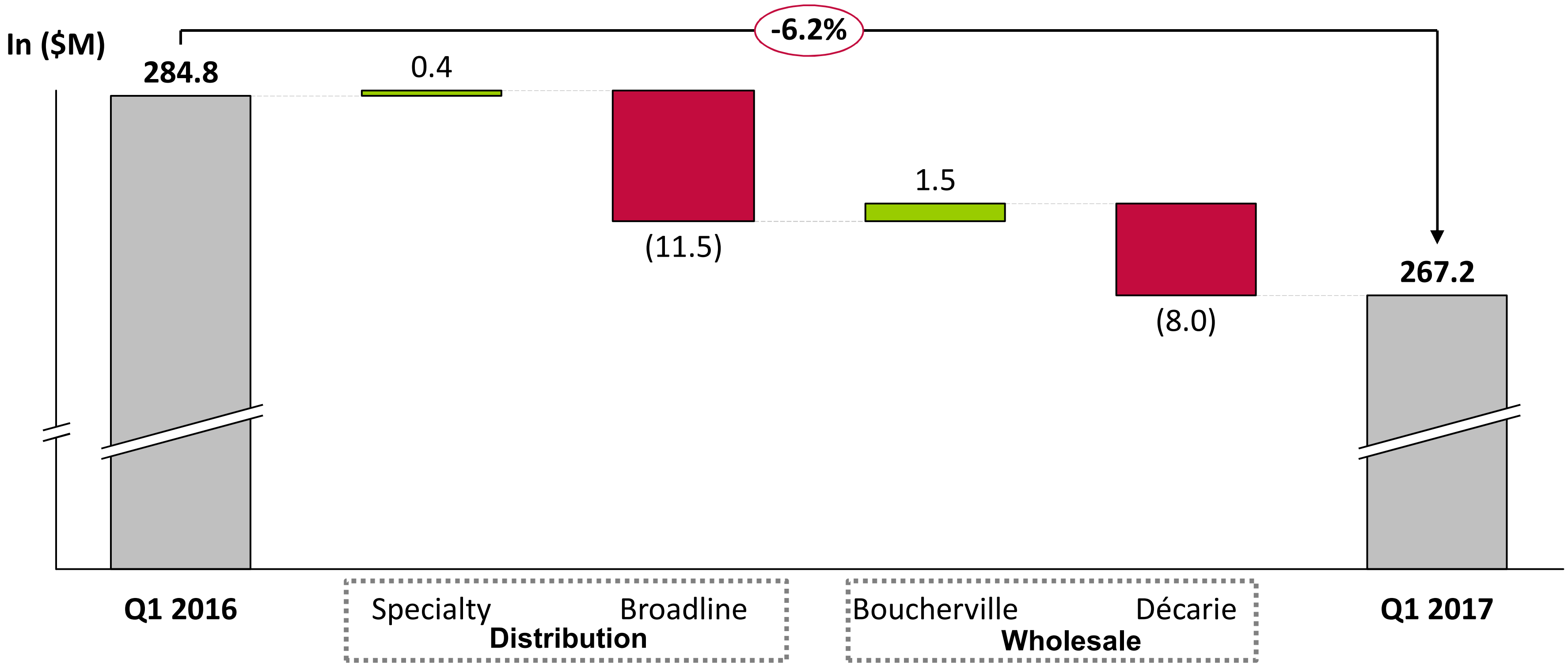
2.1 Financial Highlights

Financial highlights (thousands of dollars except per-share data)	Quarter ended March 25, 2017	 March 19, 2016
Sales[1]	**267,187**	284,811
Adjusted EBITDA	**900**	1,905
Operating earnings before the following items	**(1,640)**	(814)
Charges not related to current operations	**869**	3,337
Net loss	**(3,446)**	(5,298)
Per share – basic and diluted ($)	**(0.03)**	(0.19)
Cash flow from operations[2]	**(4,534)**	2,166
Weighted average number of shares outstanding (basic, in thousands)	**102,074**	27,454

[1] The Corporation early adopted IFRS 15, *Revenue from Contracts with Customers*, as at December 31, 2016. Figures for the prior year have been reclassified.

[2] After the net change in working capital.

2.2 Revenue Bridge | Q1 2016 vs Q1 2017



- **Distribution: -5.1%:** Contract losses in Ontario and New Brunswick
  Good performance in the fish and seafood market
- **Wholesale -9.5%:** 23% sales decrease at the Décarie division due to greater competition in the Montreal market as well as a double digit deflation in beef prices

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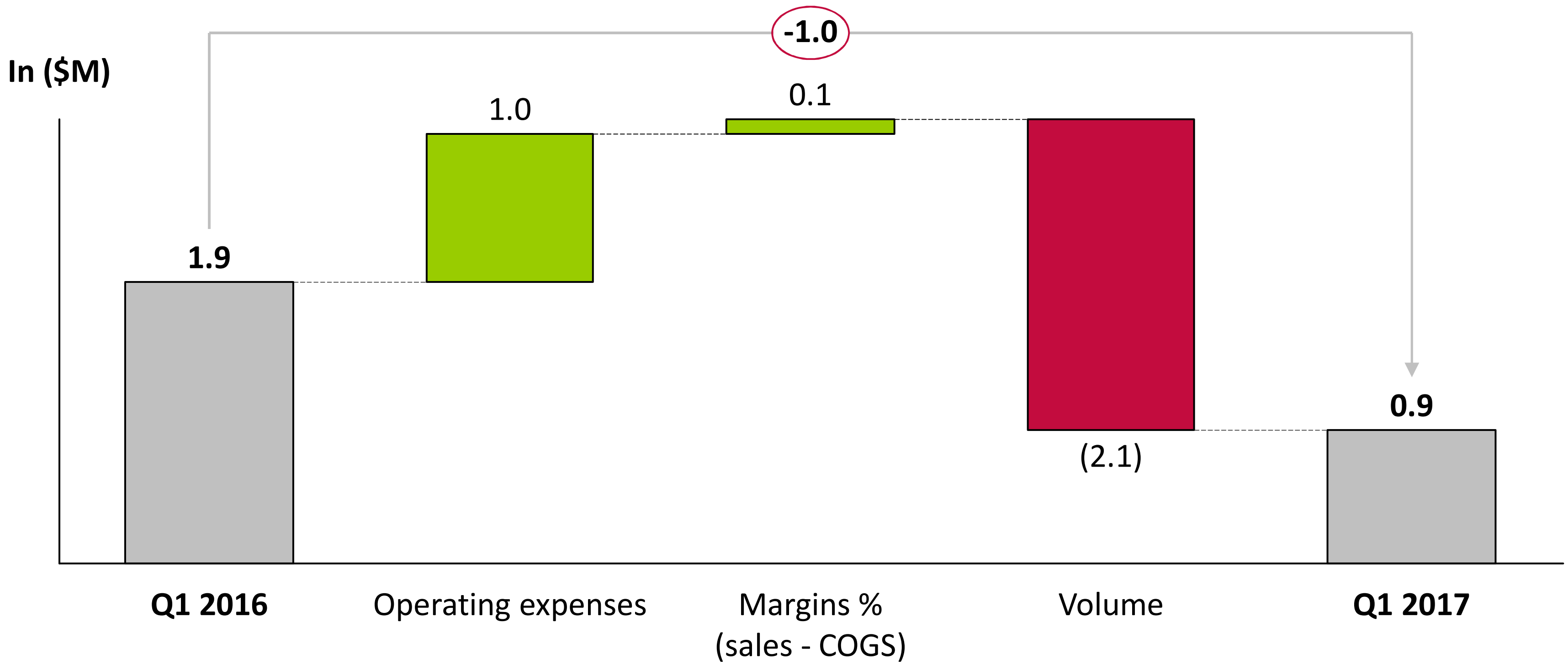
2.3 Adjusted EBITDA Bridge | Q1 2016 vs Q1 2017



- **OPEX:** Reduction of operating expenses mainly due to lower sales volume
- **GM%:** Steady margins in %
- **Volume:** Mostly due to the situation at Décarie and contract losses as presented in the previous slide

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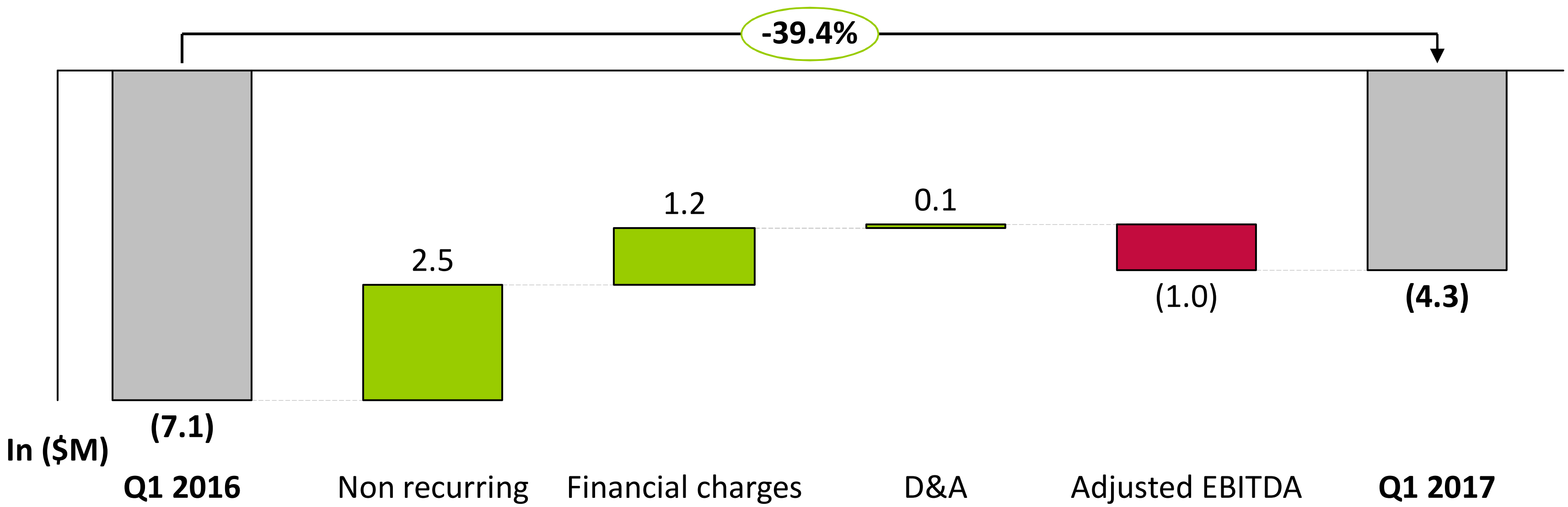
2.4 Earnings (loss) Before Income Taxes Bridge| Q1 2016 vs Q1 2017



Improvement is mainly driven by lower cost not related to current operations and by lower financial charges

2.5 Net Earnings (loss) | Q1 2016 vs Q1 2017

	2017	2016	Variance
	$	$	$
Operating earnings before costs not related to current operations, depreciation and amortization	**0.9 M**	**1.9 M**	**-$1.0 M**
Costs not related to current operations	0.9 M	3.3 M	-$2.4 M
Depreciation and amortization	2.5 M	2.7 M	-$0.2 M
Finance costs	1.8 M	3.0 M	-$1.2 M
Earnings (loss) before income taxes	(4.3 M)	(7.1M)	+$2.8 M
Income tax	(0.9 M)	(1.8 M)	+$0.9 M
Net earnings (loss)	**(3.4 M)**	**(5.3 M)**	**+$1.9 M**
Basic and diluted earnings (loss) per share	**(0.03)**	**($0.19)**	**+$0.16**

Costs not related to current ops.:	In 2017, mainly related to the reorganization of the distribution network in Ontario. During the first quarter of 2016, costs not related to current ops. were in connection with our rationalization plan
Finance cost:	Significantly lower reflecting the success of our recapitalization concluded last October
Income tax:	2017 higher than 2016 given lower pre-tax loss

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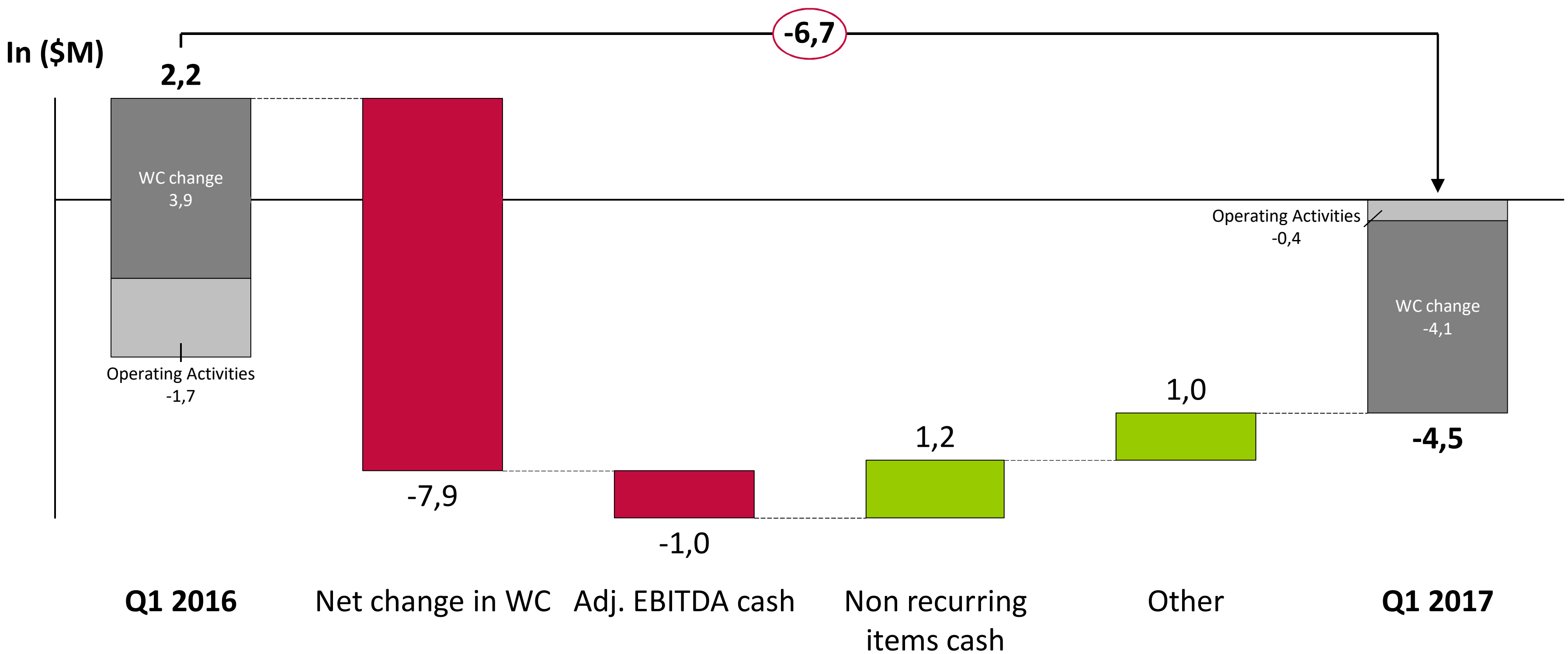
2.6 Cash Flow from Operating Activities | Q1 2016 vs Q1 2017



The variation reflects unfavorable working capital fluctuations due to a more important inventory reduction in last year's first quarter, combined with an important decrease in accounts payable in this year's first quarter.

3. Balance Sheet

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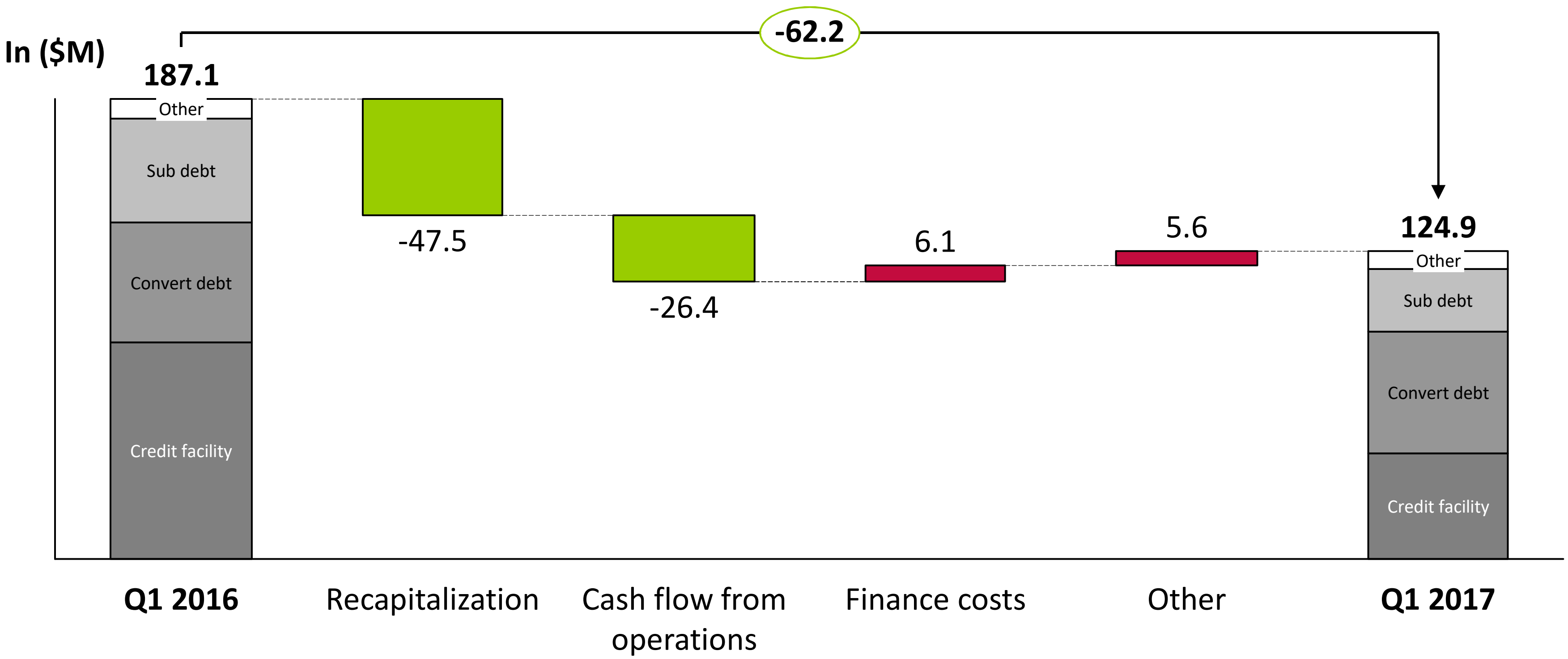
3.1 Long-term Debt



Given our solid cash flow and the recapitalization transactions, Colabor's balance sheet is significantly stronger

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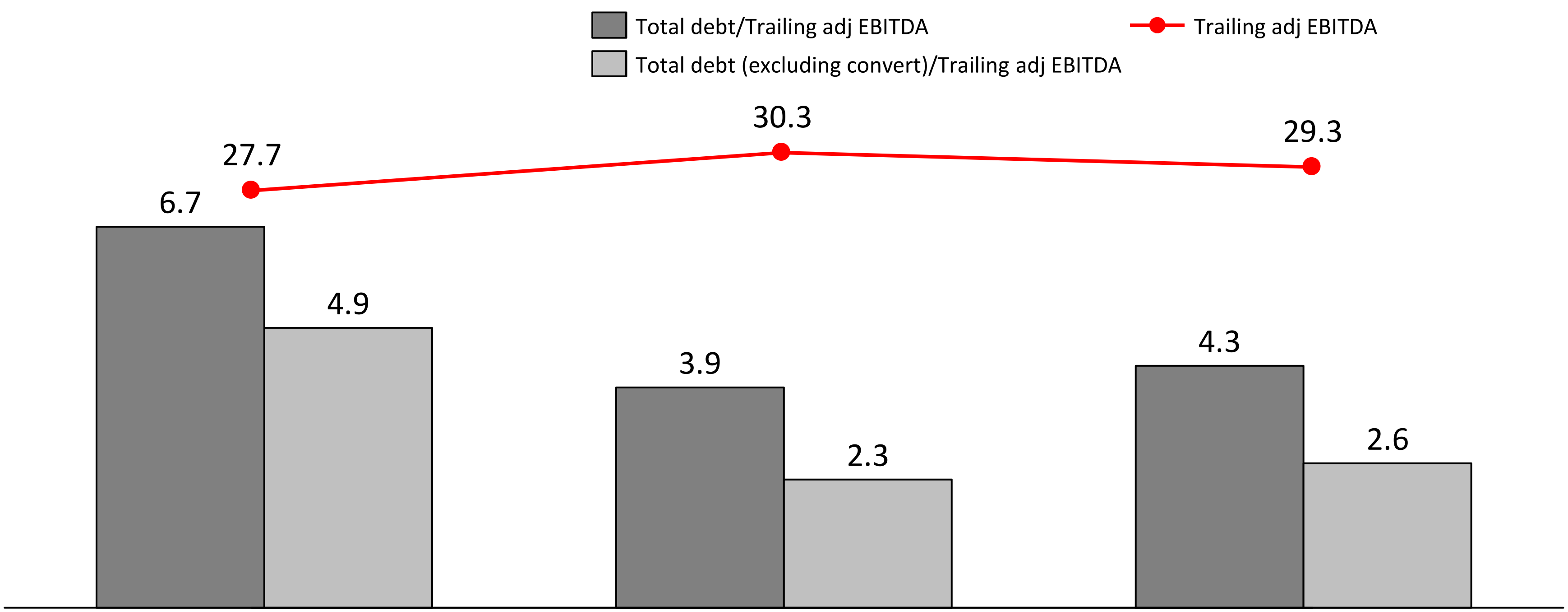
3.2 Ratio of Total Debt / Trailing Adj EBITDA



Q1 2016
Credit Facility

Use:	$ 88.1 M
Maximum	$140.0 M

Q4 2016
Credit Facility

Use:	$ 35.9 M
Maximum	$140.0 M

Q1 2017
Credit Facility

Use:	$ 42.8 M
Maximum	$140.0 M

Increase in total debt/Trailing adj EBITDA in Q1 2017 compare to Q4 2016 is a combined effect of lower trailing adj EBITDA and higher credit facility usage due to typical seasonal cycle

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4. Looking Ahead

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- ✔ Due to seasonal factors, first quarter represent a very small portion of our annual adjusted EBITDA.
- ✔ Colabor is proactively focusing on growing its organic sales and gross margin dollars through investing in its sales forces, private label growth and detailed gross margins follow-up.
- ✔ Colabor will reduce operational expenses by improving its square foot utilization rate and improving delivery efficiencies.
- ✔ Colabor will begin to lap the lost contracts in Eastern Canada in April and Ontario in October.
- ✔ The reorganization of the distribution network in Ontario following the closure of Vaughan is another measure that will improve our efficiency and profitability in 2017.
- ✔ New leadership in Summit, CFD and Boucherville wholesale division will produce better results in the back half of 2017.

Appendix

Appendix | Non IFRS Measure

Reconciliation of net earnings (loss) to adjusted EBITDA

(unaudited, in thousands of dollars)

	2017 $	2016 $	Variance $
Net earnings (loss)	(3,446)	(5,298)	1,852
Income tax recovery	(876)	(1,847)	971
Financial expenses	1,813	2,994	(1,181)
Depreciation and amortization	2,540	2,719	(179)
EBITDA	31	(1,432)	1,463
Costs not related to current operations	869	3,337	(2,468)
Adjusted EBITDA	900	1,905	(1,005)

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