Q2 2017 Results Summary
Groupe Colabor inc.

July 21, 2017

www.colabor.com

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1. Opening Remarks

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Q2 2017 net earnings are in-line with last year at $3.1 M

Recent growth and profit initiatives are starting to demonstrate tangible results:

- Improved margins in the Distribution Segment
- Optimized distribution network in Ontario
- Solid performance at CDA (Quebec) and Norref (fish and seafood) Divisions
- Reduced financial expenses
- Improved working capital situation
  - Easing of suppliers' terms of credit
  - Good inventory management
- Positive cash flow from operations

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1. Opening Remarks Continued

Investing in our operations to generate organic growth and improve profitability

- Added more talent to our executive and sales teams mainly at
  - CDA (Quebec)
  - Summit (Ontario)
  - Lauzon (Superior quality meat products)
- Working to position the Décarie Division for growth
  - Rehired Décarie's former co-owner
  - Implementing stronger procurement, inventory management and pricing strategies

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2. Overview of Q2 2017 Results

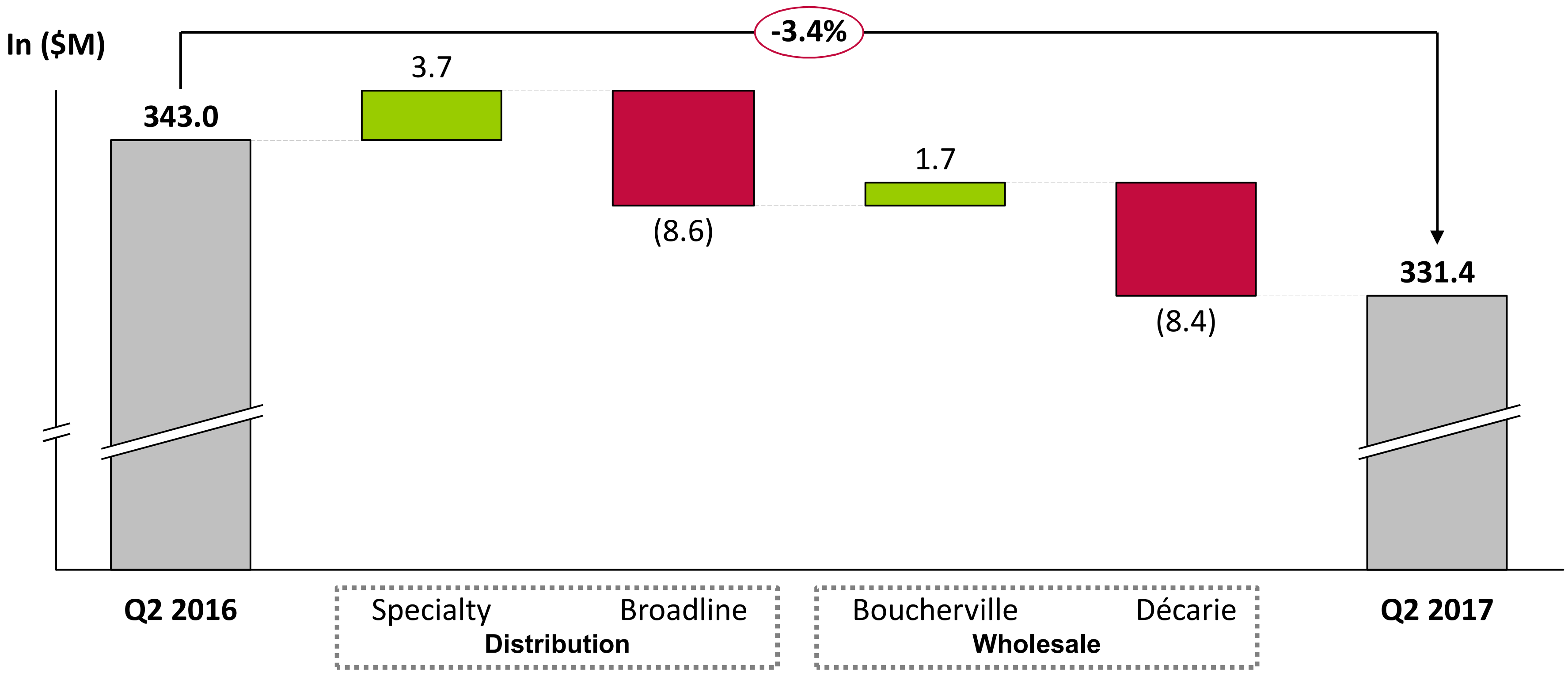
2.1 Financial Highlights

- ✓ Stable net earnings at $3.1 million
- ✓ Cash flow from operating activities up $9.7 million to $2.2 million

Financial Highlights	**Quarters ended**	
(thousands of dollars except per-share data)	**June 17, 2017**	**June 11, 2016[1]**
Sales[1]	331,372	342,979
Adjusted EBITDA	9,018	10,074
Operating earnings before the following item	6,477	7,421
Charges not related to current operations	467	-
Net loss	3,097	3,073
Per share – basic and diluted ($)	0.03	0.11
Cashflow from operations[2]	2,239	(7,499)
Weighted number of shares outstanding (basic, in thousands)	102,074	27,454

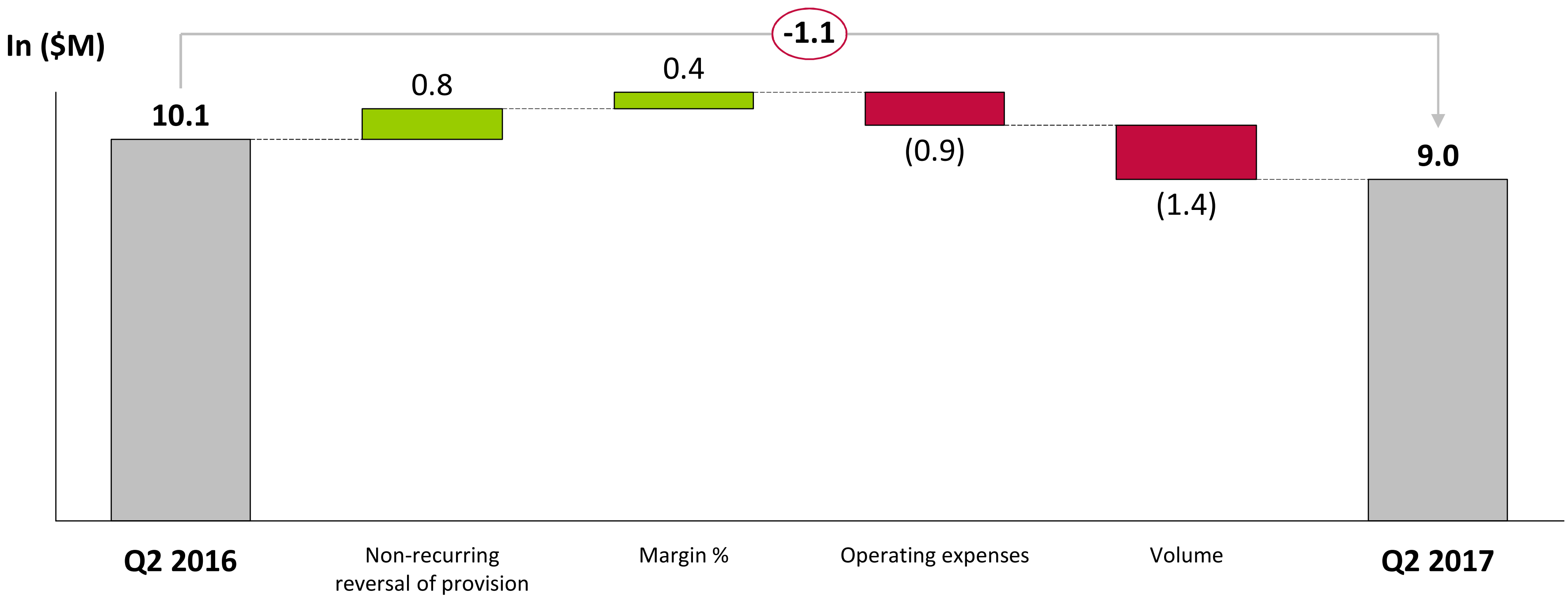
[1] The Corporation proceeded to the early adoption of IFRS 15, Revenue from Contracts with Customers, as at December 31, 2016. Figures for the prior period have been reclassified.
[2] After net changes in working capital.

2.2 Revenue Bridge | Q2 2017 vs Q2 2016



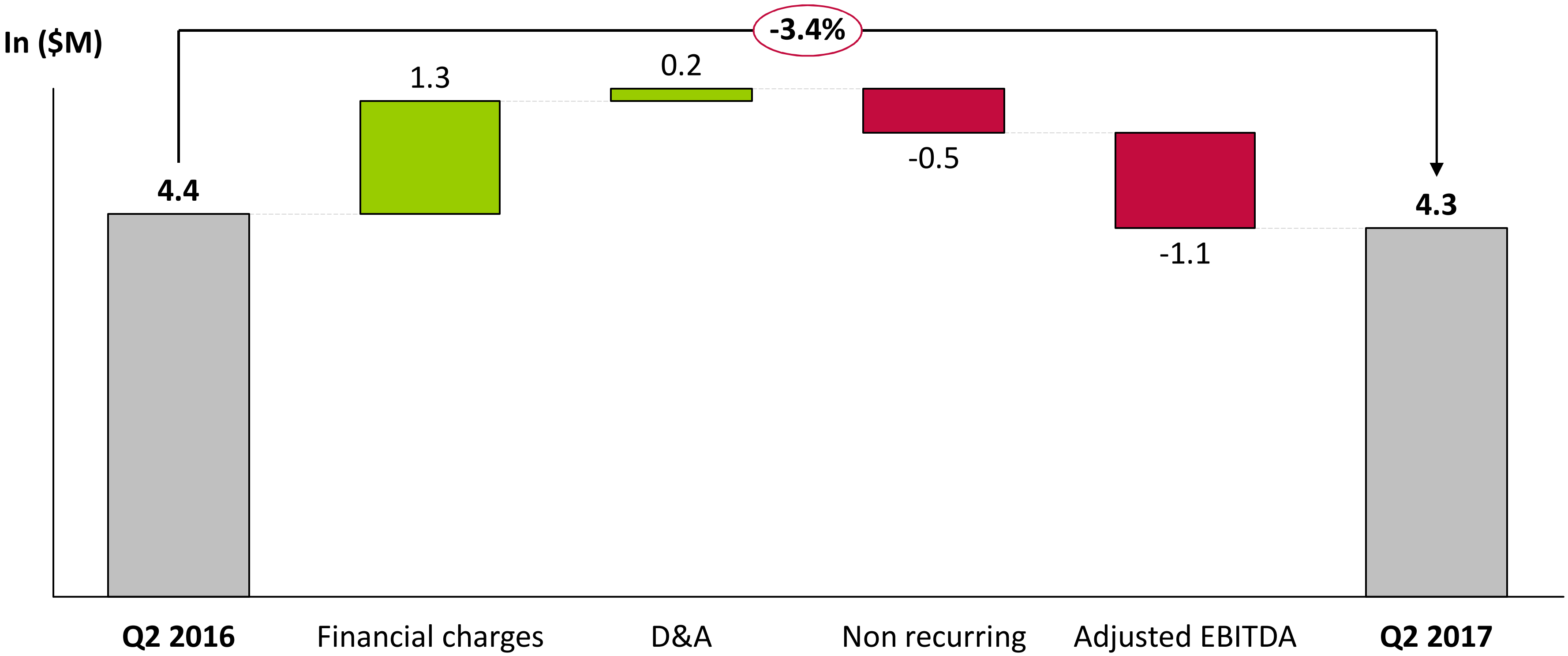
- **Distribution: -1.9%:** Residual effect of historical contract loss in Ontario
  Good performance of Norref (in the fish and seafood market)
- **Wholesale -7.5%:** Sustained competitive pressures at Décarie (in the fresh meat market)
  Sales increase in Boucherville

2.3 Adjusted EBITDA Bridge | Q2 2012 vs Q2 2016



- **Non-recurring item:** Reversal of a provision related to the two-year retention program implemented in the context of the exceptional situation in July 2015
- **GM%:** Slight increase of margins as a percentage of sales following efforts dedicated to improve procurement process
- **Volume:** Lower volume from the Décarie and Ontario divisions
  Mitigated by strong performance of the Norref division
- **OPEX:** Temporary costs in Ontario to ensure smooth transition of Vaughan activities, hiring initiatives and long term incentive plan

2.4 Earnings Before Income Tax Bridge | Q2 2017 vs Q2 2016



Stable earnings mainly driven by lower financial charges which helped mitigate lower Adjusted EBITDA

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2.5 Net Earnings | Q2 2017 vs Q2 2016

	2017	2016	Variance
	$	$	$
Operating earnings before costs not related to current operations, depreciation and amortization	**9.0 M**	**10.1 M**	**-1.1 M**
Costs not related to current operations	0.5 M	-	+0.5 M
Depreciation and amortization	2.5 M	2.7 M	-0.2 M
Financial expenses	1.7 M	3.0 M	-1.3 M
Income before income taxes	4.3 M	4.4 M	-0.1 M
Income tax	1.2 M	1.3 M	-0.1 M
Net earnings	**3.1 M**	**3.1 M**	**-**
Basic and diluted earnings per share	**0.03**	**0.11**	

Costs not related to current ops.: Mainly related to the closure of Vaughan
Financial expenses: Reflecting the successful recapitalization transaction concluded in October 2016

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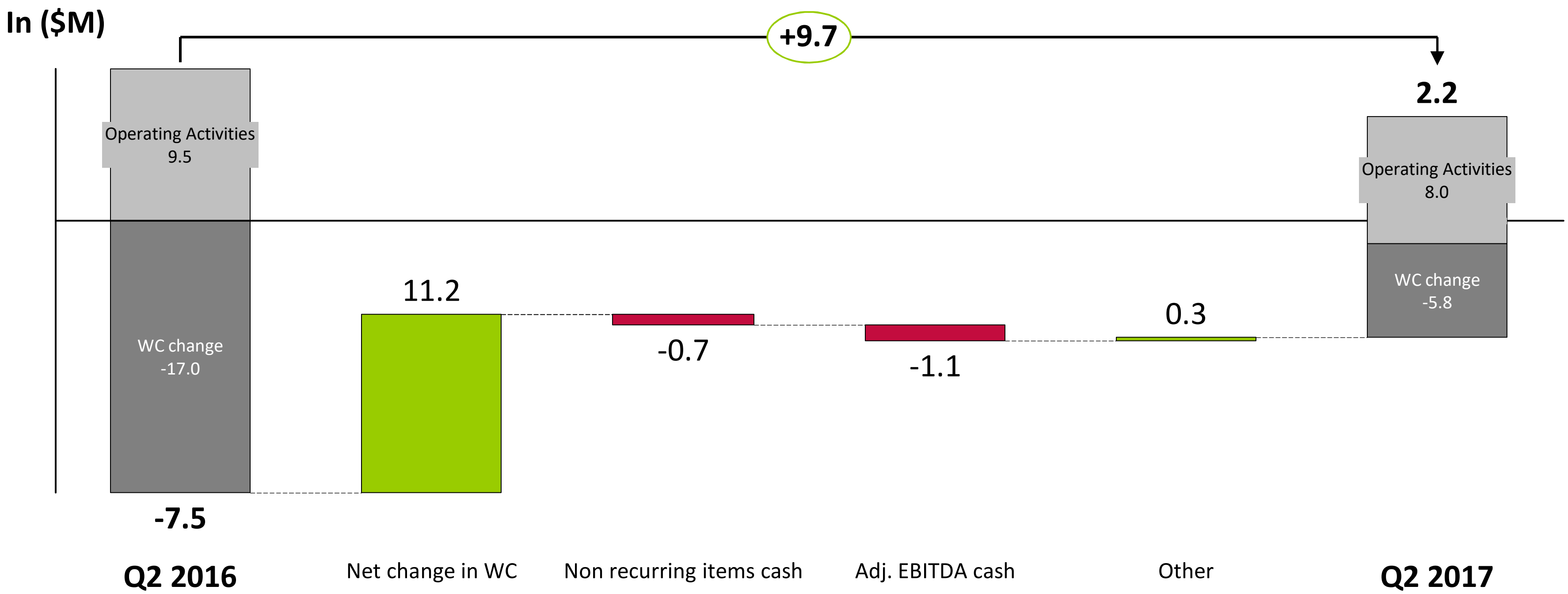
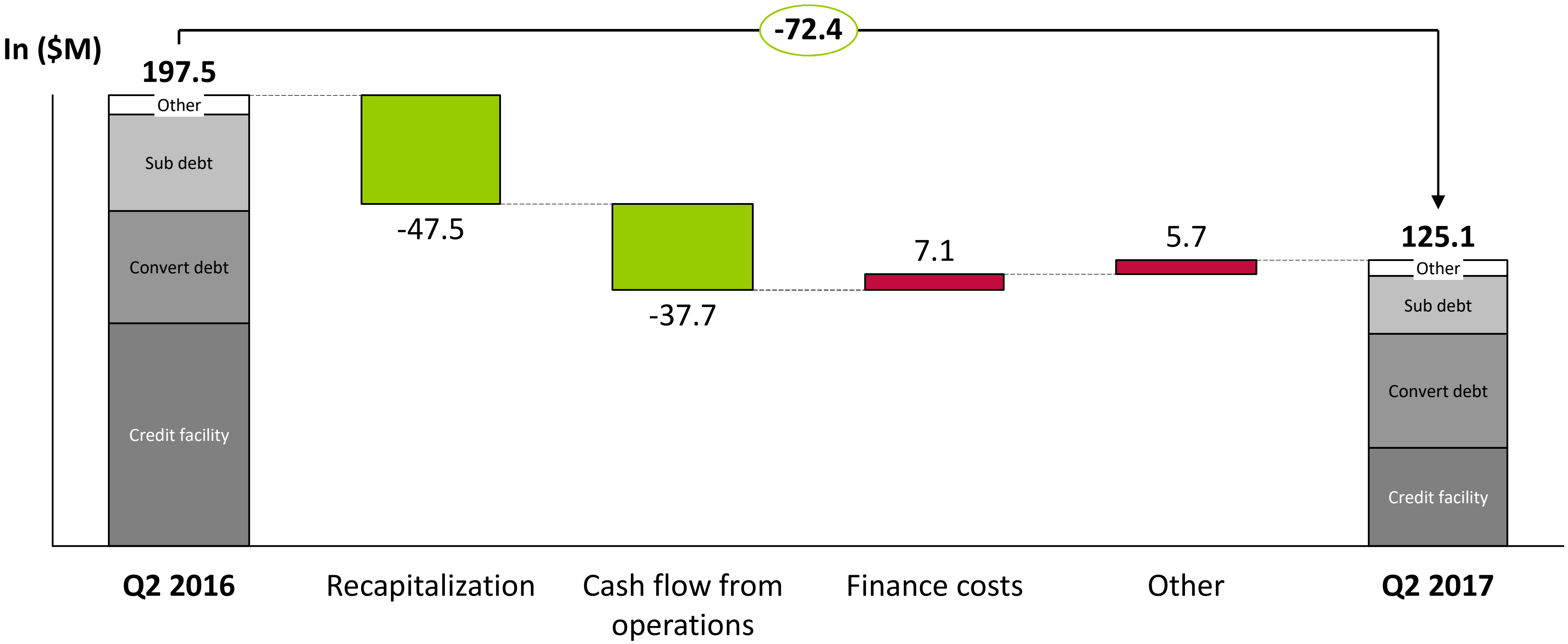
2.6 Cash Flow from Operating Activities| Q2 2017 vs Q2 2016



The improvement reflects a higher favourable variation in working capital items on improving credit conditions with suppliers and good inventory management

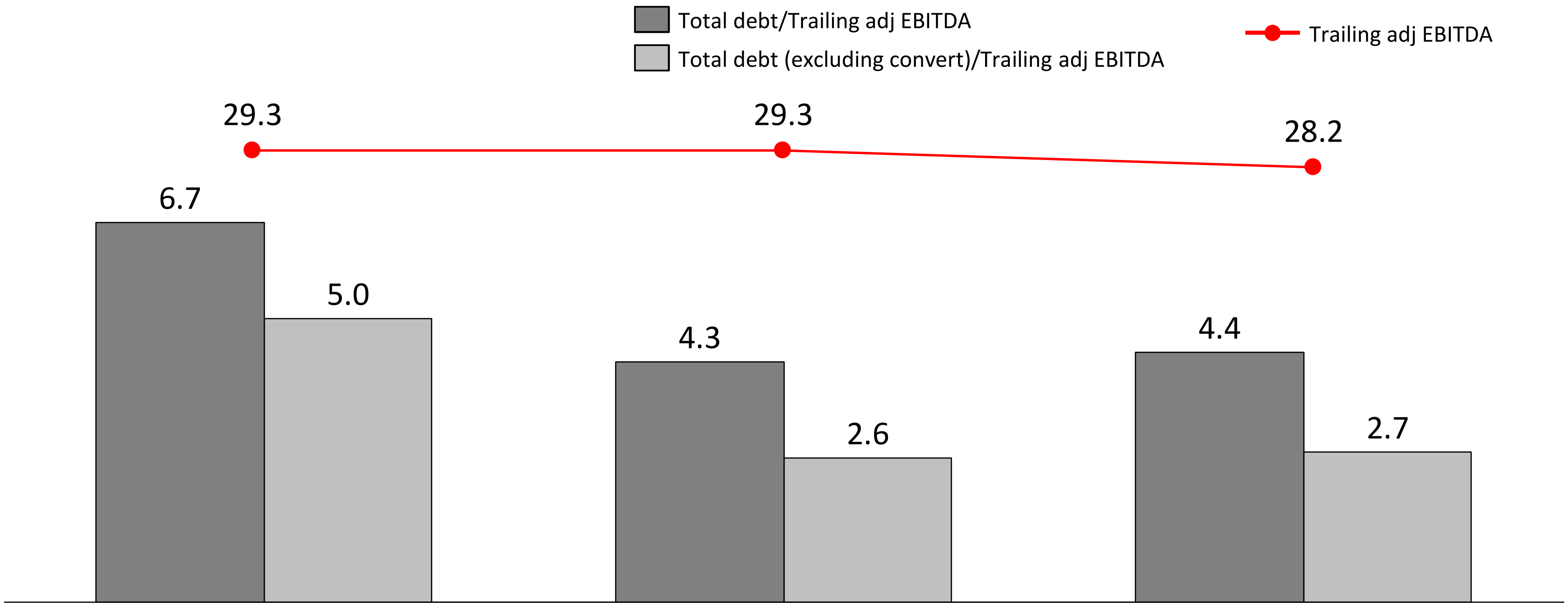
3. Balance Sheet

3.1 Long-term Debt



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

3.2 Ratio of Total Debt / Trailing Adj EBITDA



Q2 2016		Q1 2017		Q2 2017	
Credit Facility		**Credit Facility**		**Credit Facility**	
Use:	$ 97.7 M	Use:	$ 35.9 M	Use:	$ 43.3 M
Maximum	$140.0 M	Maximum	$140.0 M	Maximum	$140.0 M

With lower debt, annual interest charges are reduced by approximately $3.0 million

4. Looking Ahead

4. Looking Ahead

- Focused on margin improvements
  Further benefits to come from the reorganization of the Ontario distribution network
- Reinvestments in our sales force started to demonstrate results with increasing street business in Eastern Quebec and Ontario
- New leadership at the Décarie Division to drive improvements in procurement, inventory management and sales strategies
- Working to complete the turnaround and building for the long term
  Focus on street business, private label and specialty offerings
- Committed to ensure that the termination of Popeyes contract in November 2017 will have no effect on operating results
- Committed to profitably grow our reach in the foodservice industry in Eastern Canada to create lasting value for our shareholders

Appendix

Appendix | Non IFRS Measure

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA
(unaudited, in thousands of dollars)

	84 days			168 days		
	2017 $	**2016 $**	**Variance $**	**2017 $**	**2016 $**	**Variance $**
Net earnings (loss)	3,097	3,073	24	(349)	(2,225)	1,876
Income tax expense (recovery)	1,155	1,304	(149)	279	(543)	822
Financial expenses	1,758	3,044	(1,286)	3,572	6,038	(2,466)
Depreciation and amortization	2,541	2,653	(112)	5,080	5,372	(292)
EBITDA	8,551	10,074	(1,523)	8,582	8,642	(60)
Costs not related to current operations	467	-	467	1,336	3,337	(2,001)
Adjusted EBITDA	9,018	10,074	(1,056)	9,918	11,979	(2,061)

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