

Q1 2018 Results Summary Colabor Group Inc.

May 3, 2018

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Table of Content

- 1. Highlights of Q1 2018 and Opening Remarks**
 - 2. Overview of Q1 2018 Results**
 - 2.1 Financial Highlights
 - 2.2 Revenue Bridge
 - 2.3 Adjusted EBITDA Bridge
 - 2.4 Net Earnings
 - 2.5 Cash Flow from Operating Activities
 - 3. Balance Sheet**
 - 3.1 Total Debt
 - 3.2 Ratio of Total Debt / Trailing Adjusted EBITDA
 - 4. Looking Ahead**
- Appendix**
- Non IFRS Measures

1. Highlights of Q1 2018 and Opening Remarks

By Lionel Ettegui
President & CEO

1.1 Highlights of Q1 2018

Q1 2018:

Net Earnings at (\$4.5) M or (\$0.04) per share, vs (\$3.4) M or (\$0.03) per share in Q1 2017

- Sales of \$245.9 million compared with \$267.2 million during the equivalent period of 2017, mainly on loss of volume in Ontario (Popeye's) and Wholesale segment
- Adjusted EBITDA of (\$1.2) million compared with \$0.9 million during the equivalent period of 2017
- Further improvement in the profitability of the Décarie division from measures implemented by the new general manager and improving product mix
- Total debt reduced to \$114.9 million, from \$124.9 million during the equivalent period of 2017
- Appointment of Lionel Etedgui as President and Chief Executive Officer

1.2 Opening Remarks

After CEO's 1st 90 Days, Course of Action:

Ontario (Summit Division):

- Competitive margin pressure
 - Rightsizing and efficiency measures to support operating profitability later in 2018
 - Execute the Montana exit and limit long term effects of loss of volume
- CEO to take leadership of this division, now acting as Interim General Manager
- Will work to further improve:
- Supplier relationships and terms
 - Inventory management practices
 - Customer relevancy with higher level of service and offering
 - Further optimize operations and routes

2. Overview of Q1 2018 Results

By Jean-François Neault
Senior Vice-President & Chief Financial Officer

2.1 Financial Highlights

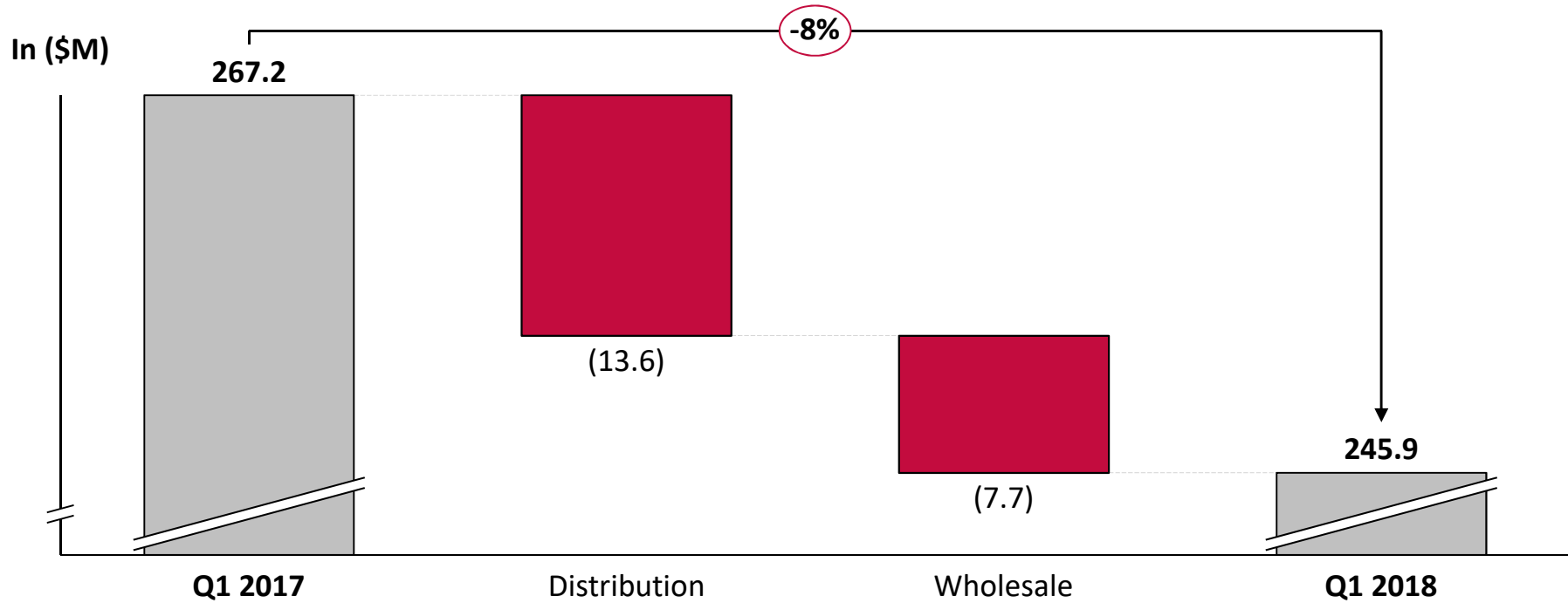
Financial Highlights	Quarters Ended	
	March 24, 2018 84 days	March 25, 2017 84 days
(thousands of dollars except per-share data)		
Sales	245,890	267,187
Adjusted EBITDA ¹	(1,202)	900
Charges not related to current operations	-	869
Net earnings (loss)	(4,480)	(3,446)
Per share – basic and diluted (\$)	(0.04)	(0.03)
Cash flow from operating activities ²	(642)	(4,534)
Total debt	114,868	124,915
Weighted Number of Shares Outstanding (Basic, in Thousands) ³	101,306	102,074

¹ Non-IFRS measure. Refer to the table of reconciliation of Net Earnings to Adjusted EBITDA.

² After the net change in working capital.

³ The Company announced, on January 15, 2018, that it had reduced by less than 1% the number of shares issued and outstanding following the ongoing liquidation and dissolution of Colabor Investments Inc.

2.2 Revenue Bridge | Q1 2018 vs Q1 2017



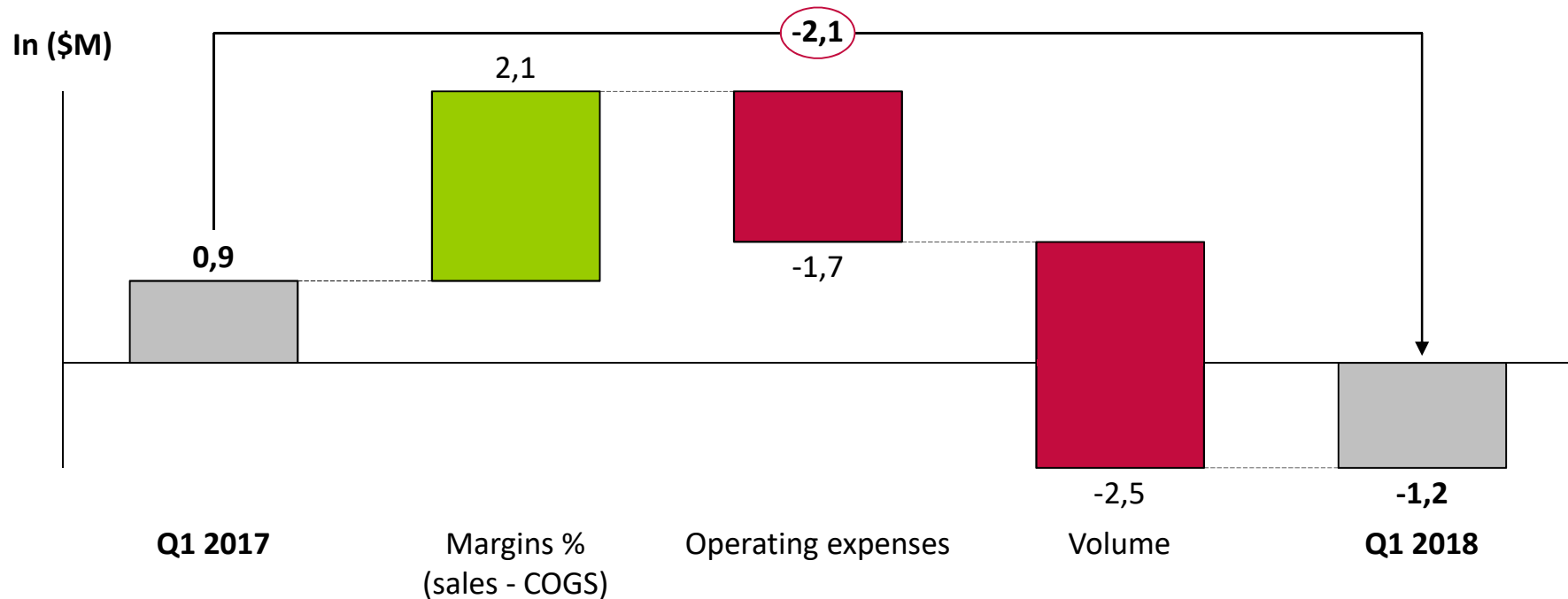
Distribution: -6.6% :

Effect of contract loss in Ontario (Popeye's Louisiana Kitchen)
Slightly mitigated by improvements of sales at the CFD division

Wholesale: -12.3%:

Lower sales in Boucherville
Lower volume but improving product mix at Décarie division

2.3 Adjusted EBITDA Bridge | Q1 2018 vs Q1 2017



GM%: Margin improvements from procurement activities (supplier revenues)
OPEX: Additional expenses in Ontario
 Investments in the sales force in the Distribution segment
Volume: Pressure from contract loss in Ontario and lower sales in the wholesale segment
 Mitigated by improvements in Distribution in Quebec

2.4 Net Earnings

Net Earnings (thousands of dollars except per-share data)	Quarters Ended		Variance
	March 24, 2018 84 days	March 25, 2017 84 days	
Operating Earnings Before Costs Not Related to Current Operations, Depreciation and Amortization	(1,202)	900	-2,102
Costs Not Related to Current Operations	-	869	-869
Depreciation and Amortization	2,746	2,540	+206
Impairment Loss on Goodwill, Intangible Assets and Property, Plant and Equip.	127	-	+127
Impairment loss on the available-for-sale financial asset	118	-	+118
Financial Expenses	1,837	1,813	+24
Income Before Income Taxes	(6,030)	(4,322)	+1,708
Income Tax	(1,550)	(876)	-674
Net Earnings	(4,480)	(3,446)	-1,034
Basic and Diluted Earnings per Share	(0.04)	(0.03)	

The loss of volume weighted on adjusted EBITDA,
and was partially mitigated by reduction in costs not related to current operations

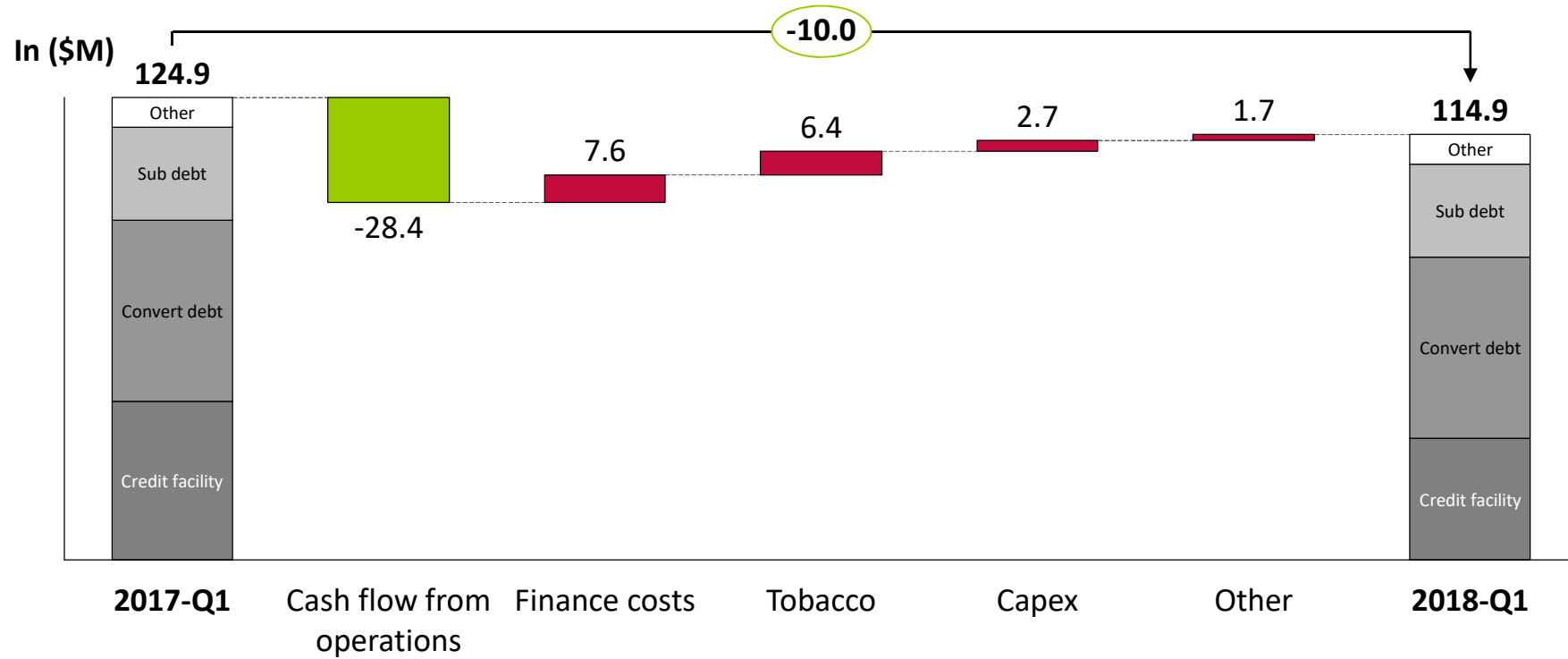
2.5 Cash Flow from Operating Activities | Q1 2018 vs Q1 2017



Cash flow from operations improved from net favorable changes in working capital items. Clients, receivables and inventories are now aligned with normal seasonality for this quarter.

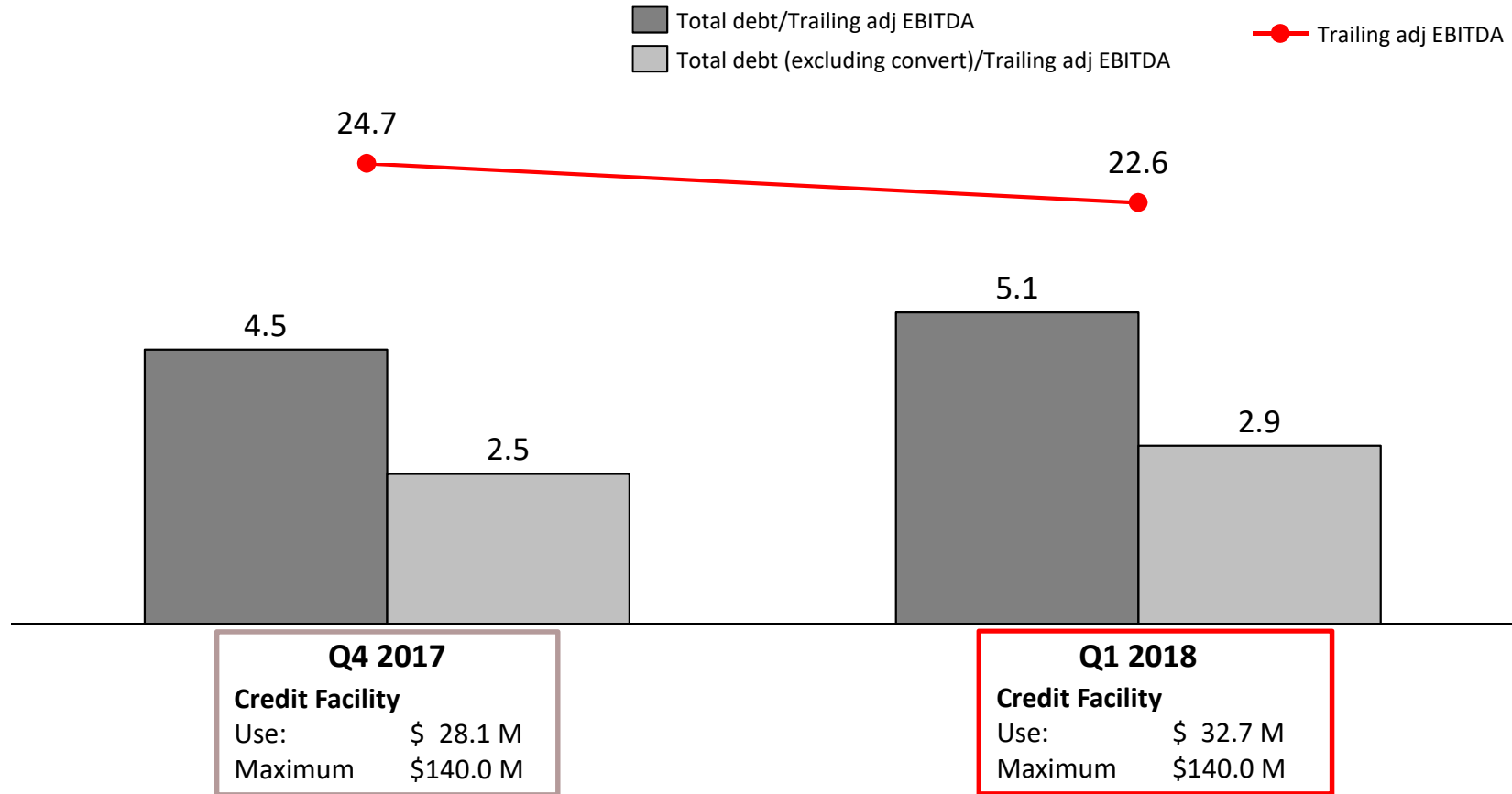
3. Balance Sheet

3.1 Total Debt



Maintaining cash flow generation capabilities and financial discipline

3.2 Ratio of Total Debt / Trailing Adjusted EBITDA



Total Debt / Adj. EBITDA ratio increased on lower Adj. EBITDA in the first quarter of 2018

4. Looking Ahead

4. Looking Ahead – Our Priorities

General - The first 90 days

- Ontario: Status Quo is not acceptable
- Assets need to be modernized
- Good free cash flow generation capacity
- Strong governance and shareholder base

Wholesale Segment:

- A resilient model
 - Leader in Québec
- Make our business model evolve

Distribution Segment:

- Differentiated specialty offering (fish and meat)
 - Leader in Québec
- Make our business model evolve

Appendix

Appendix | Non IFRS Measure

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

	2018 \$	2017 \$	Variance \$
Net Earnings (Loss)	(4,480)	(3,446)	(1,034)
Income Tax Expense (Recovery)	(1,550)	(876)	(674)
Financial Expenses	1,837	1,813	24
Impairment Loss on Available-for-Sale Asset	118	-	118
Depreciation and Amortization	2,746	2,540	206
Impairment Loss on Goodwill, Intangible Assets and Property, Plant and Equipment	127	-	127
EBITDA	(1,202)	31	(1,233)
Costs Not Related to Current Operations	-	869	(869)
Adjusted EBITDA	(1,202)	900	(2,102)