



Q1 2022 RESULTS SUMMARY  
(FOR THE 12-WEEKS PERIOD ENDED MARCH 19, 2022)

COLABOR GROUP INC.  
(TSX: GCL)

APRIL 28, 2022

# FORWARD LOOKING STATEMENT

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## **Forward Looking Statement**

This document contains certain forward-looking statements as defined under applicable securities law. Forward-looking information may relate to Colabor's future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee", "ensure" or other similar expressions concerning matters that are not historical facts. Particularly, statements regarding the Company's financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities, which Colabor believes are reasonable as of the current date. While Management considers these assumptions to be reasonable based on information currently available to the Company, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what Colabor currently expects, including those mentioned in the Company's information form, which can be found under its profile on SEDAR ([www.sedar.com](http://www.sedar.com)). These factors, which include risks associated to the COVID-19 pandemic and its possible impact on consumer behavior or the economy, are not intended to represent a complete list of the factors that could affect Colabor and future events and results may vary significantly from what Management currently foresees. The reader should not place undue importance on forward-looking information contained in this press release, information representing Colabor's expectations as of the date of this press release (or as of the date they are otherwise stated to be made) and are subject to change after such date. While Management may elect to do so, the Company is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.





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# ABOUT US

Founded in 1962, Colabor is the largest Quebec based distributor and wholesaler of food and related products, serving the hotel, restaurant and institutional markets « HRI ».

## DISTRIBUTION

**68% of revenues**

### **Broadline Distribution:**

- 3 distribution centers in Eastern Québec serving Eastern Québec and New Brunswick

### **Specialty Distribution:**

- 2 distribution centers in Montreal in the greater metropolitan region
- Seafood and meat distributed to premium clients



## WHOLESALE

**32% of revenues**

### **Boucherville (Québec):**

- A 371,000 sq. ft warehouse
- 50+ distributors are clients and serving the HRI and retail market in Québec and the Atlantic provinces

# ACHIEVEMENTS

- ✓ Shrink-to-profit
- ✓ Discipline and resources to face the COVID-19 pandemic
- ✓ Invest in growth plan

**2020**

SALE OF ONTARIO  
DISTRIBUTION ACTIVITIES

COVID-19 PANDEMIC:  
DIVERSIFICATION IS KEY

**2022**

INVESTING IN GROWTH

HEALTHY DEBT  
MANAGEMENT

**2019**

RATIONALIZATION PLAN

SALE OF NON-CORE ASSETS

NEW LEADERSHIP - CEO

**2021**

REFINANCING

Q2-Q4 BACK TO GROWTH

# Q1 2022 EVENTS

Continuing growth for a fourth consecutive quarter.

## **Operating Environment:**

- Less restrictive operating environment in Q1 2022 vs Q1 2021 when restaurants dining rooms were closed from December 31, 2021 to January 31, 2022, compared to 12 weeks in 2021;
- Increase in labor costs and other supply chain costs, in connection with the increase in inflation.

## **Subsequent events to Q1-2022:**

- Mr. Robert Briscoe has tendered his resignation as director of the Company on March 30;
- On April, 4, acquisition of all the shares of Le Groupe Resto-Achats Inc., a purchasing group;
- On April 11, 2022, acquisition of certain assets related to foodservice activities in the Outaouais and Laurentians regions from Ben Deshaies Inc.

## **Evolution of the Growth Plan:**

1. Grow Distribution Activities in Québec
2. Further Improve Operations

## **Focused on delivering results in 2022:**

- Continue to develop new regions of Quebec;
- Continue our investments in our private label development;
- Continue to manage the impacts of the pandemic by maintaining an appropriate cost structure and optimal cash flow management.

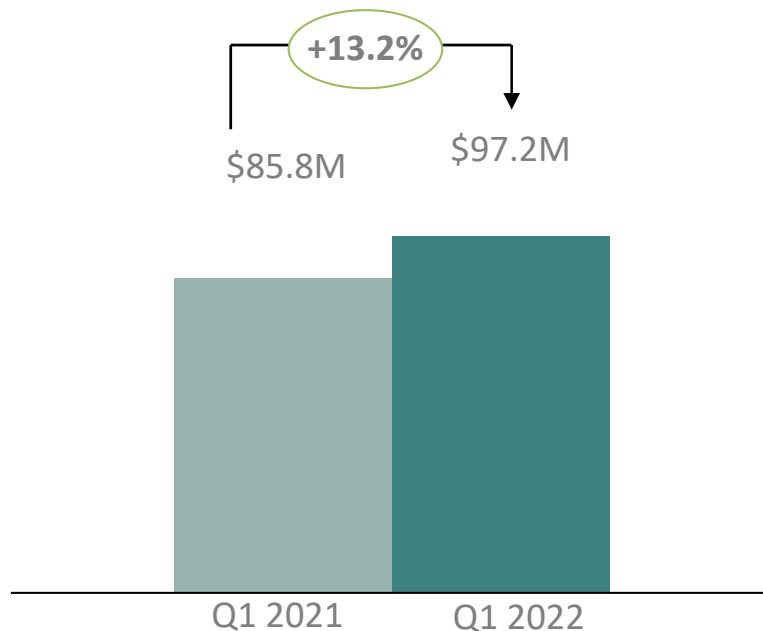


# Q1 - 2022 Financial Results



# Q1 SALES AND PROFITABILITY TREND

## CONSOLIDATED SALES

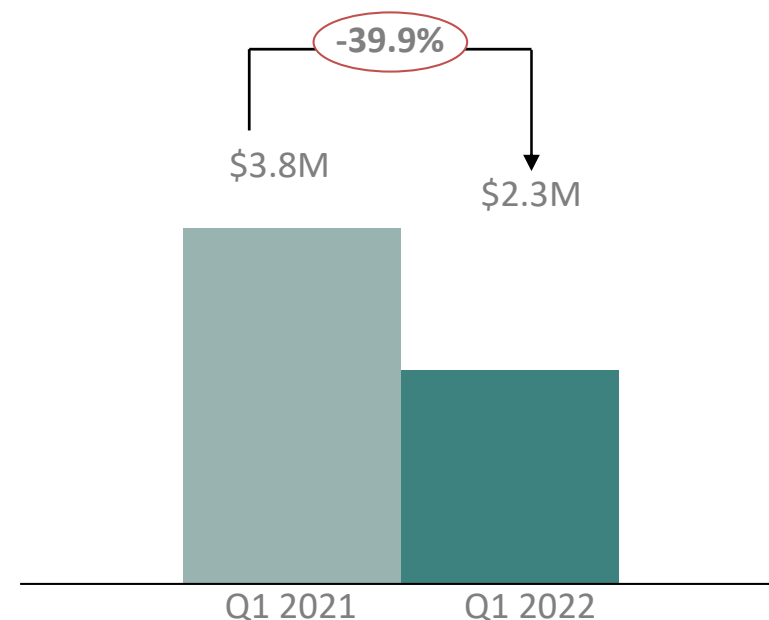


**Distribution sales up by 17.4%**

**Wholesale sales up by 4.3%**

- Restaurant dining rooms were closed the entire quarter of 2021;
- New customers; and
- Partial loss of volume from a single customer.

## ADJUSTED EBITDA<sup>(1)</sup>



**Lower adjusted EBITDA<sup>(1)</sup> margins at 2.4% in Q1 2022 (vs) 4.5% in Q1 2021:**

- Lower Subsidies in 2022 (1,3M\$);
- Additional labor costs and other supply chain costs;
- Investments to expand our territory and develop our private label;

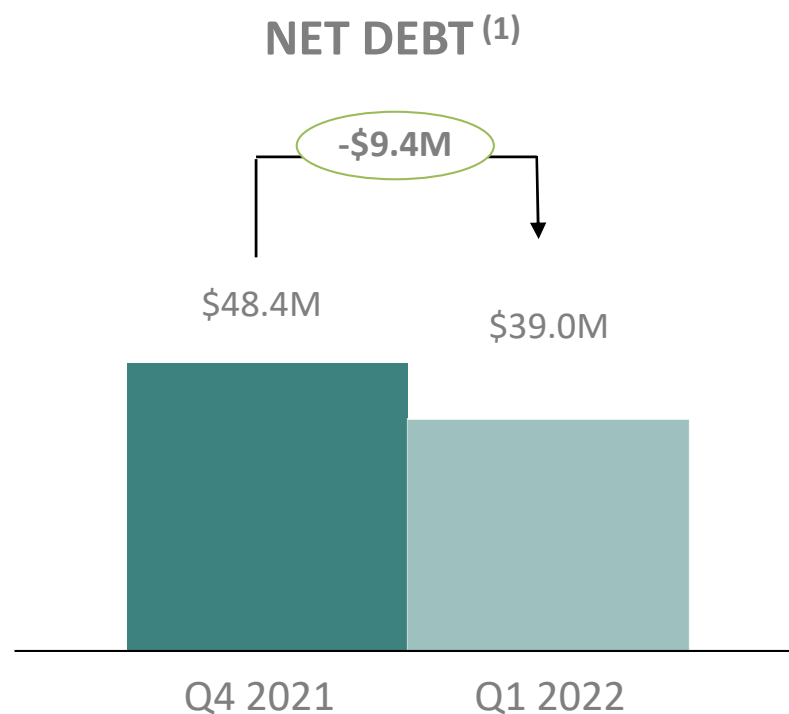
Excluding the impact of subsidies obtained, the Adjusted EBITDA<sup>(1)</sup> margin would have been 2.4% in 2022 and 3.0% in 2021.

(1) Adjusted EBITDA is a non-IFRS measure. Refer to section 5 "Non-IFRS Performance Measures" of the MD&A for the period ended March 19, 2022.





# NET DEBT TREND



- Cash flows from operations and from the one-time tax recovery used to reimburse debt
- \$7.8M of debt reimbursed in 2022, of which \$7,0M on a voluntary basis
- Additional cash on hand vs Q4 2021

<sup>(1)</sup> Non-IFRS measure. Refer to section 5 "Non-IFRS Performance Measures" of the MD&A for the period ended March 19, 2022.



# Q1 2022

## Financial highlights

(in thousands of dollars, except percentages, per share data and financial leverage ratio)

	12 weeks	
	2022	2021
	\$	\$
Sales from continuing operations	97,169	85,811
Adjusted EBITDA <sup>(2)</sup>	2,312	3,848
Adjusted EBITDA <sup>(2)</sup> margin (%)	2.4 <sup>(1)</sup>	4.5 <sup>(1)</sup>
Net loss from continuing operations	(1,653)	(1,011)
Net loss	(1,706)	(1,027)
Per share - basic and diluted (\$)	(0.02)	(0.01)
Cash flow from operating activities	12,426	5,376
<b>Financial position</b>	<b>As at</b>	<b>As at</b>
	<b>March 19,</b>	<b>December 25,</b>
	<b>2022</b>	<b>2021</b>
Net debt <sup>(2)</sup>	38,962	48,366
Financial leverage ratio <sup>(2)</sup>	1.6x	1.9x

(1) Excluding the impact of subsidies obtained, the Adjusted EBITDA<sup>(3)</sup> margin would have been 2,4% in 2022 and 3.0% in 2021 for the 12- week periods.

(2) Non-IFRS measures. Refer to the table of reconciliation of Net Earnings to adjusted EBITDA in section 5 "Non-IFRS Performance Measures" in the MD&A for the period ended March 19, 2022. **Adjusted EBITDA** corresponds to net operating earnings before costs not related to current operations, depreciation and amortization and expenses for stock-based compensation plan, as shown in the Company's financial statements. **Net debt** corresponds to bank indebtedness, current portion of long-term debt and long-term debt, net of cash, as presented in Colabor's consolidated statements of financial position. **Financial leverage ratio** is defined as as net debt / adjusted EBITDA for the last four quarters.



# SHARE INFORMATION (TSX: GCL)

STOCK PRICE (as at April 25, 2022)	\$0.83
52-week high-low	\$0.65 - \$1.28
Number of shares issued and outstanding	101,954,885
Average volume (30 days)	37.3 k
Market capitalization	\$84.6 M
Institutional and management ownership	≈ 46.2%





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