



Q4 AND FISCAL 2019 RESULTS SUMMARY
(FOR THE 16 AND 52-WEEK PERIODS ENDED DECEMBER 28, 2019)

COLABOR GROUP INC.
(TSX: GCL)

FEBRUARY 27, 2019

FORWARD LOOKING STATEMENT

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ABOUT US

Colabor is the largest independent distributor and wholesaler of food and related products in Quebec, serving the hotel, restaurant and institutional markets “HRI”. Colabor is Canada’s third largest food distributor.

DISTRIBUTION

83% of revenues

Broadline:

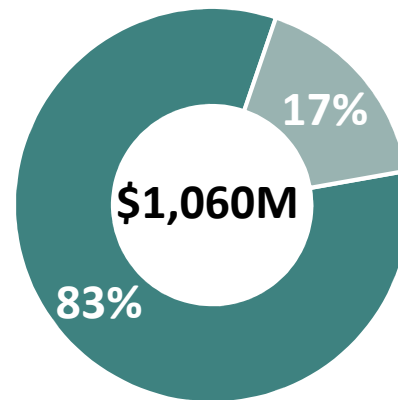
Ontario, Quebec

Specialty:

Meat, Fish

**77 % of revenues
following termination
of Recipe contract
(pro-forma)**

Q4 2019 LTM SALES⁽¹⁾



WHOLESALE

17% of revenues

Broadline:

Quebec

**23 % of revenues
following termination
of Recipe contract
(pro-forma)**

⁽¹⁾ Sales have been restated to reclassify the results of the Viandes Décarie division as discontinued operations following its sale on May 10, 2019. Refer to Section 4 “Discontinued operations” in the Q4 2019 MD&A.

2019 TRANSFORMATION

New Team
Manage With a Focus on Costs
Refocus & Optimize

H1 2019

Implementation of a \$2.9M rationalization plan

Leadership nominations:

- Pierre Gagné, SVP and CFO
- Warren White, Chairman of the Board

Sale of Viandes Décarie

- \$17.8M to reduce debt

Q1 2020

Ontario transformation plan continues:

- Consolidation of activities within a single distribution center in Mississauga

H2/2019

Ontario transformation plan continues:

- Optimization of Ontario activities with termination of non-profitable Recipe contract

Leadership nominations:

- Louis Frenette, President and CEO
- Danièle Baillargeon, member of the Board

Q4 2019 AND RECENT KEY EVENTS:

SETTING THE STAGE FOR 2020

Optimization of Ontario Activities Continues:

- **October 17, 2019:** Mutual agreement for the early termination of the supply agreement with Recipe Unlimited.
- **January 8, 2020:** Announced the consolidation of all distribution activities into the Mississauga facility.

Option to Acquire Dubé & Loiselle:

- Expired on February 23, 2020.
- Looking at various opportunities to improve our offer and grow our reach in the Distribution market.



Q4 2019 HIGHLIGHTS

“An improving customer mix, the implementation of optimization measures and execution of the rationalization plan drove profitability improvements in Q4.”

Consolidated sales from continuing operations down 6.9% to \$311.6M.

- 6.4% decrease in the Distribution Segment.
 - From a \$6.1M loss of volume in Ontario & Broadline distribution sales in Québec (no longer serving some regions in Québec and the Maritimes). Mitigated by volume increases with other customers.
- 9.1% decrease in the Wholesale Segment.
 - From lower intersegment sales, non-renewal of non-profitable contracts and from timing of orders.

Adjusted EBITDA⁽¹⁾ from continuing operations in-line at \$5.4M, representing 1.7% of sales in Q4 2019 up from 1.6% in Q4 2018.

- From the deployment of operational optimization measures and rationalization plan.

Net loss of \$0.3M in Q4 2019 vs \$1.9M in Q4 2018.

- Higher net earnings from continuing operations were mitigated by the tax impact of the sale of the assets of the Viandes Décarie division.

(1) Adjusted EBITDA is a non-IFRS measures. Refer to section 6 "Non-IFRS Performance Measures" of the Company's annual 2019 MD&A.



FISCAL 2019 HIGHLIGHTS

“By focussing on our distribution activities where we have a better competitive advantage and our decision to cease non-profitable contracts, we ended the year with clear improvements in profitability and a substantially lower level of debt.”

Consolidated sales down 3.3% to \$1,060.1M.

- 3.3% decrease in the Distribution Segment.
 - From a \$26.9M loss of volume in Ontario (\$13.2M from Recipe), decrease in Broadline distribution sales in Québec (no longer serving some regions in Québec and the Maritimes) and other non-profitable contracts. Mitigated by higher Specialty Distribution sales related to a retailer-led promotion.
- 5.3% decrease in the Wholesale Segment.
 - From lower intersegment sales, non-renewal of non-profitable contracts and by timing of orders.

Adjusted EBITDA⁽¹⁾ up 17.3% to \$19.0M, representing 1.8% of sales in FY2019 up from 1.5% in FY2018.

Net earnings reached \$7.7M (\$0.08 per share) up from \$(4.4)M (a loss of \$0.04 per share) in FY2018.

Cash flow from operations grew to \$22.0M, up from \$14.2M in FY2018.

Reduced net debt to \$72.1M down from \$101.8M at the end of FY2018.

Financial Leverage Ratio⁽¹⁾ stands at 3.8 down from 6.3 at the end of FY2018.

(1) Adjusted EBITDA and Financial Leverage Ratio are non-IFRS measures.

Refer to section 6 "Non-IFRS Performance Measures" of the Company's annual 2019 MD&A.





Q4 - FY 2019 Financial Results



Q4 2019

OPERATING PROFITABILITY IMPROVEMENTS CONTINUE INTO Q4 2019

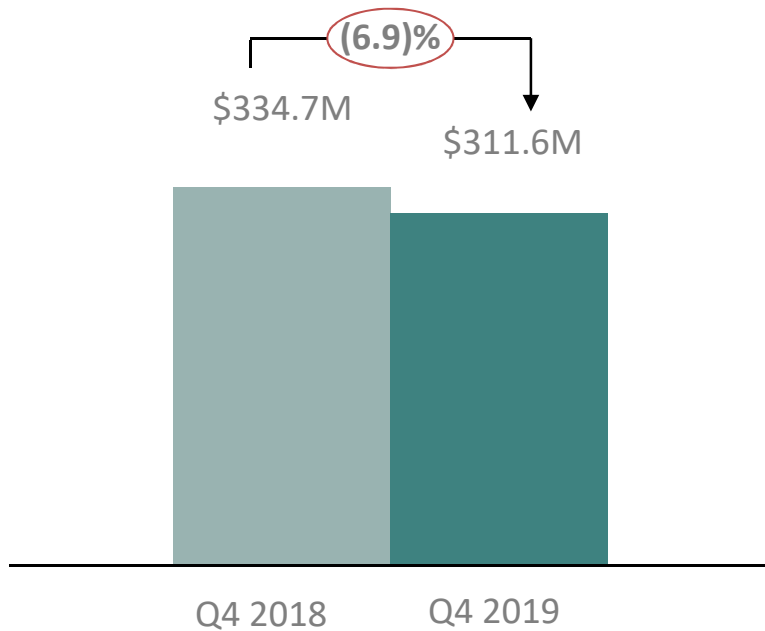
Financial Highlights (in thousands of dollars except percentages, per share data and financial leverage ratio)	16-week period		52-week period	
	Dec. 28, 2019	Dec. 29, 2018	Dec. 28, 2019	Dec. 29, 2018
	\$	\$	\$	\$
Sales	311,551	334,739	1,060,071	1,096,411
Adjusted EBITDA ⁽¹⁾	5,384	5,392	18,964	16,162
Adjusted EBITDA ⁽¹⁾ margin (%)	1.7	1.6	1.8	1.5
Net earnings (loss) from continued operations	572	(1,873)	654	(4,901)
Net earnings (loss) Per share - basic and diluted (\$)	-	(0.02)	0.08	(0.04)
Cash flow from operating activities	5,682	8,177	21,998	14,154
Net debt ⁽¹⁾	72,122	101,780	72,122	101,780
Financial leverage ratio ⁽¹⁾	3.8	6.3	3.8	6.3

⁽¹⁾ Non-IFRS measures. Refer to the table of reconciliation of Net Earnings to Adjusted EBITDA in section 6 "Non-IFRS Performance Measures" of the Company's annual 2019 MD&A. **Adjusted EBITDA** corresponds to net earnings to which the following items are added : depreciation and amortization, costs not related to current operations, impairment loss on goodwill, intangible assets and property, plant and equipment, expenses for stock-based compensation plan, financial expenses and income taxes. **Net debt** corresponds to bank indebtedness, current portion of long-term debt, long-term debt and convertible debentures net of cash as presented in Colabor's consolidated statements of financial position. **Financial leverage ratio** is defined as net debt / adjusted EBITDA from continuing operations.



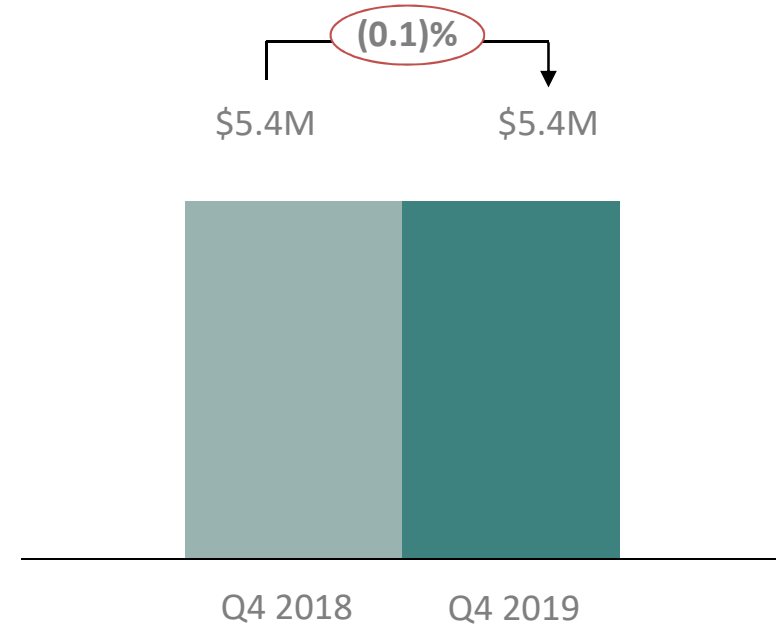
Q4 SALES AND PROFITABILITY TREND

CONSOLIDATED SALES



Wholesale sales down 9.1%
Distribution sales down 6.4%

ADJUSTED EBITDA⁽¹⁾



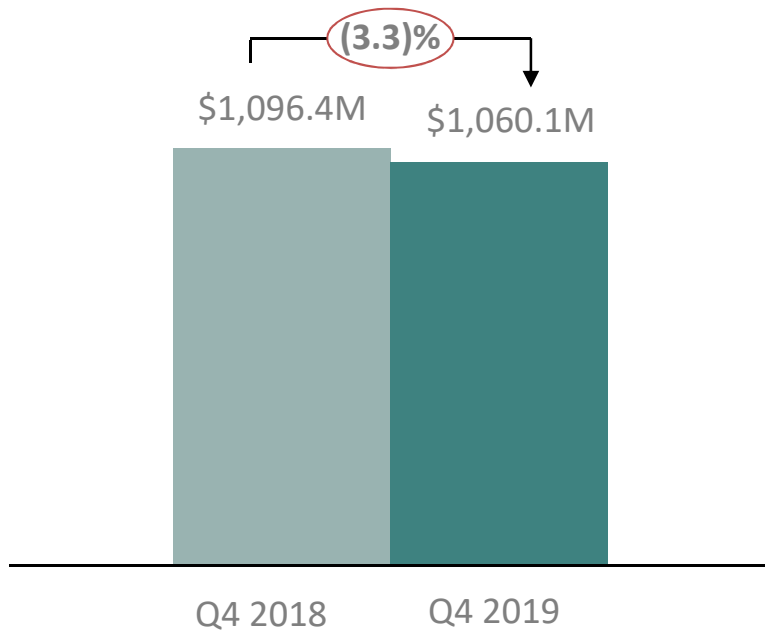
Higher adjusted EBITDA⁽¹⁾ margins
At 1.7% in Q4 2019 vs 1.6% in Q4 2018

(1) Adjusted EBITDA is a non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the Company's annual 2019 MD&A.



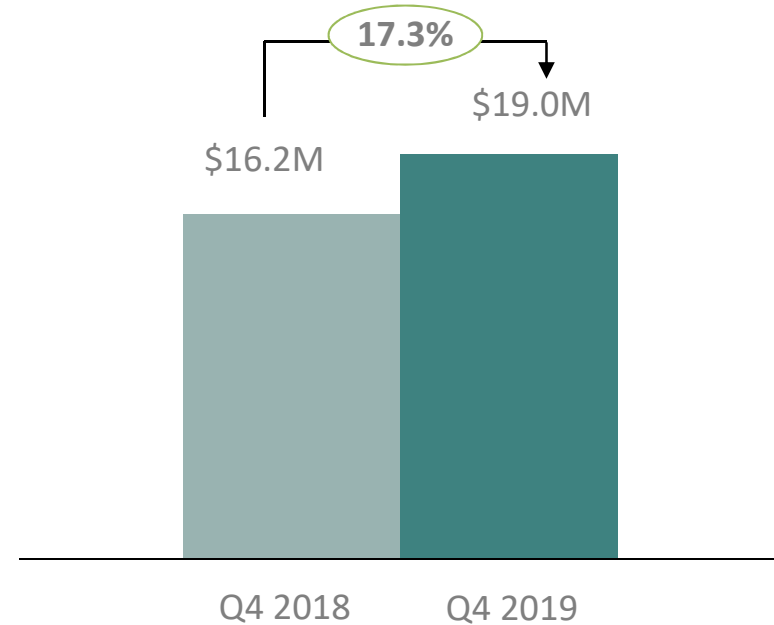
FY SALES AND PROFITABILITY TREND

CONSOLIDATED SALES



Wholesale sales down 5.3%
Distribution sales down 3.3%

ADJUSTED EBITDA⁽¹⁾

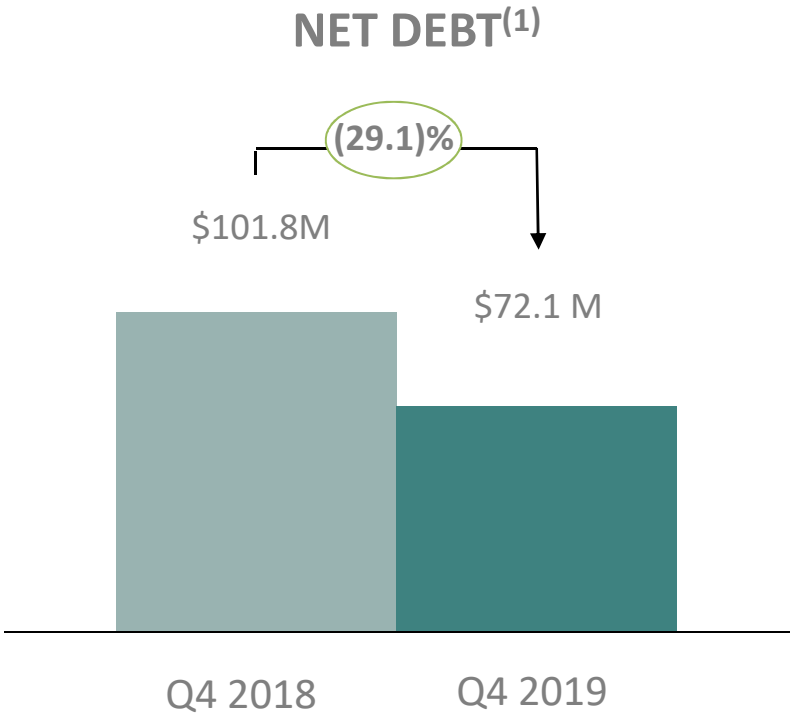


Higher adjusted EBITDA⁽¹⁾ margins
At 1.8% in FY 2019 vs 1.5% in FY 2018

(1) Adjusted EBITDA is a non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the Company's annual 2019 MD&A.



NET DEBT TREND



Deleveraging from the Viandes Décarie divestiture and increase in cash flow from operating activities

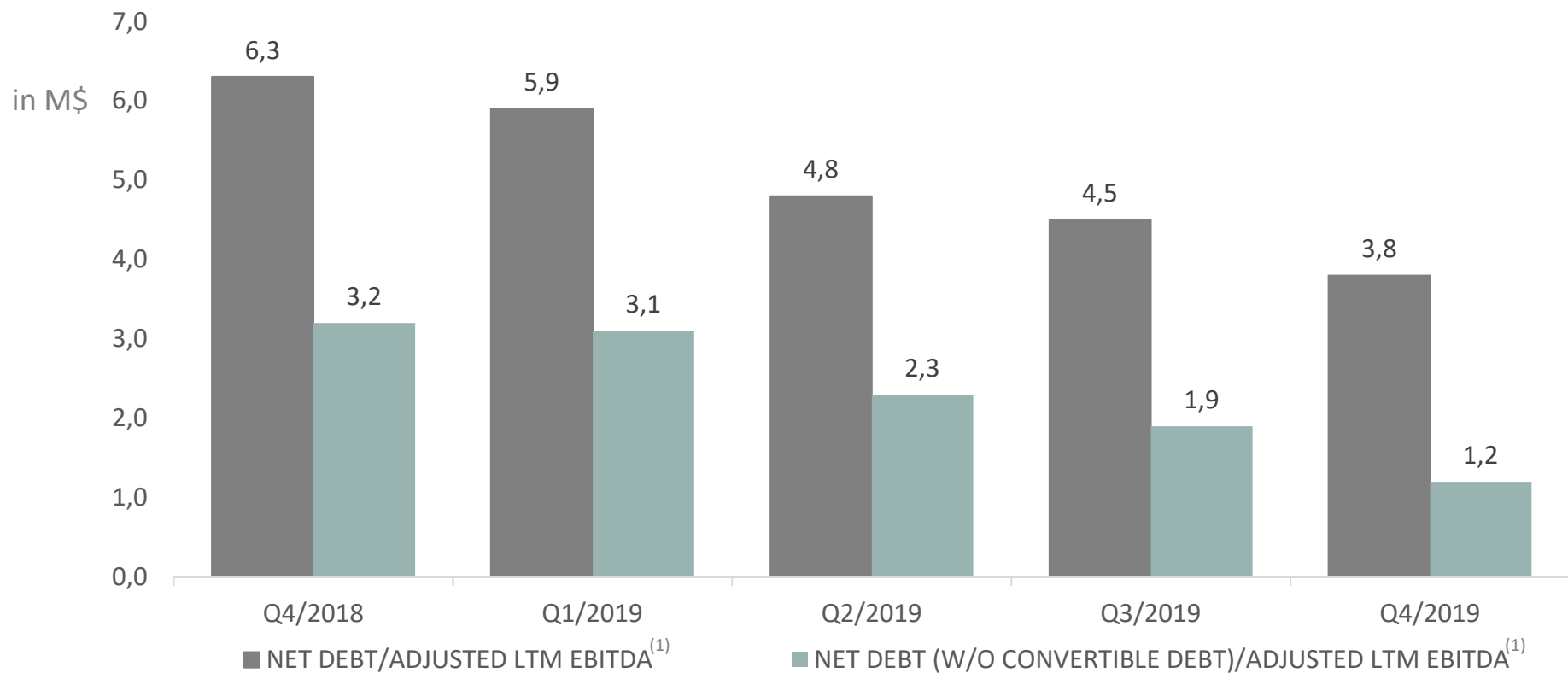
(1) Net debt is a non-IFRS measures. Refer to section 6 "Non-IFRS Performance Measures" of the Company's annual 2019 MD&A.



REDUCED DEBT LEVEL

Financial discipline:

- Maintain strong cash flow from operations
- Divest non-core assets



⁽¹⁾ Adjusted EBITDA and net debt to Adjusted EBITDA are non-IFRS performance measures. See the Company's annual 2019 MD&A for their definitions. The Adjusted EBITDA from continuing operations is used to calculate the ratio to reflect the sale of the Viandes Décarie division. For the calculation of the comparable ratios, refer to the MD&A for the fourth quarter of 2018.



SHARE INFORMATION (TSX: GCL)

STOCK PRICE (at February 24, 2020)	\$0.465
52 week high-low	\$1.09 - \$0.44
Number of shares issued and outstanding	101,677,932
Average volume (10 days)	61.1k
Market capitalization	\$47.3M
Institutional and management ownership	≈ 47%

Frequency: DAILY





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