



Q4 2021 RESULTS SUMMARY  
(FOR THE 16 AND 52-WEEK PERIODS ENDED DECEMBER 25, 2021)

COLABOR GROUP INC.  
(TSX: GCL)

FEBRUARY 25, 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

**67% 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

**33% 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

## 2019

RATIONALIZATION PLAN

SALE OF NON-CORE ASSETS

NEW LEADERSHIP - CEO

## 2020

SALE OF ONTARIO  
DISTRIBUTION ACTIVITIES

COVID-19 PANDEMIC:  
DIVERSIFICATION IS KEY

## 2021

REFINANCING

Q2-Q4 BACK TO GROWTH

# Q4 2021 EVENTS

Return to growth for a third consecutive quarter.

## **Operating Environment:**

- Less restrictive operating environment in Q4 2021 vs Q4 2020 when restaurants dining rooms were fully closed starting October 1, 2020;
- Constrained labour force in the entire supply chain made it difficult to deliver more growth.

## **Growth Drivers:**

- Easing of lockdown measures and channel diversification;
- Implementation of strategic plan.

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

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

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

- H1 2021: Hired sales and marketing professionals to focus on our strategic markets.
- H1 2021: Implemented cross selling initiatives to create synergies between our specialty offering and distribution network.
- H1 2021: Aligned our offering with changes in consumer preferences.
- H2 2021: Launched our redesigned private label.

3. Raise Employee Engagement

## **Focused on improving employee experience and raise competitiveness as an employer**

- H2 2021: Renewal of the collective agreement for our larger distribution center.

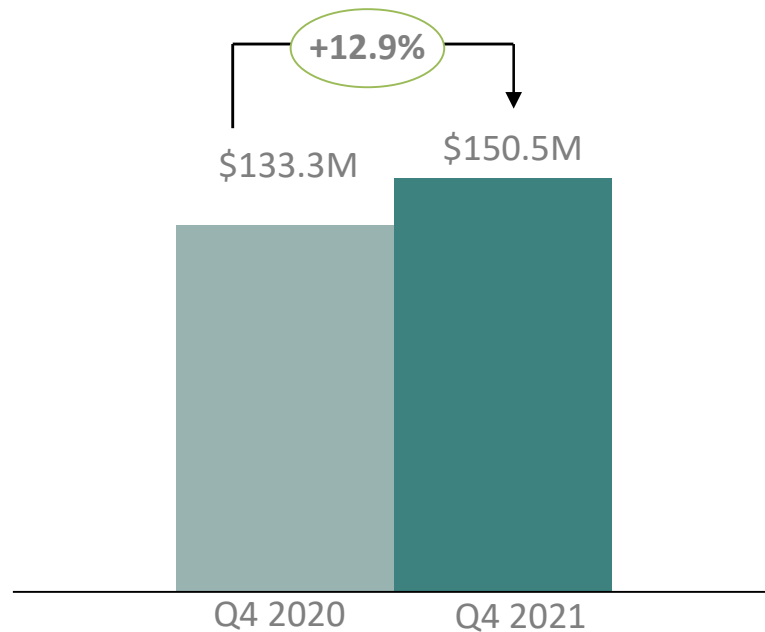


# Q4 - 2021 Financial Results



# Q4 SALES AND PROFITABILITY TREND

## CONSOLIDATED SALES

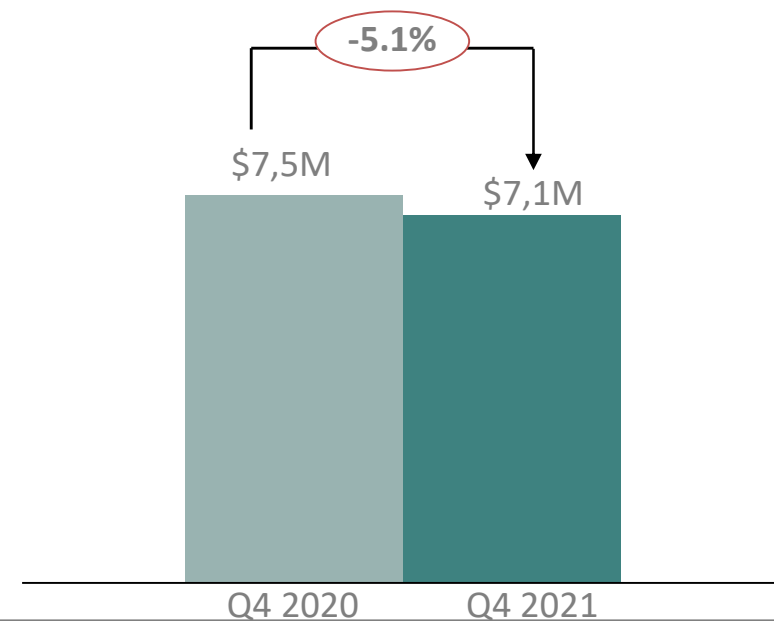


**Distribution sales up by 19.8%**

**Wholesale sales up by 5.6%**

- Restaurant dining rooms remained open in fall of 2021 while being closed from October 1, in 2020;
- New customers and growth of certain customers;
- Partial loss of volume from a single wholesale customer

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



**Lower adjusted EBITDA<sup>(1)</sup> margins at 4.7% in Q4 2021 (vs) 5.6% in Q4 2020:**

- Lower Subsidies in 2021 (1,6M\$);
- Additional labor costs from payment of overtime and renewal of a collective agreement;
- Investments for the repositioning of our private label and to extend our territories

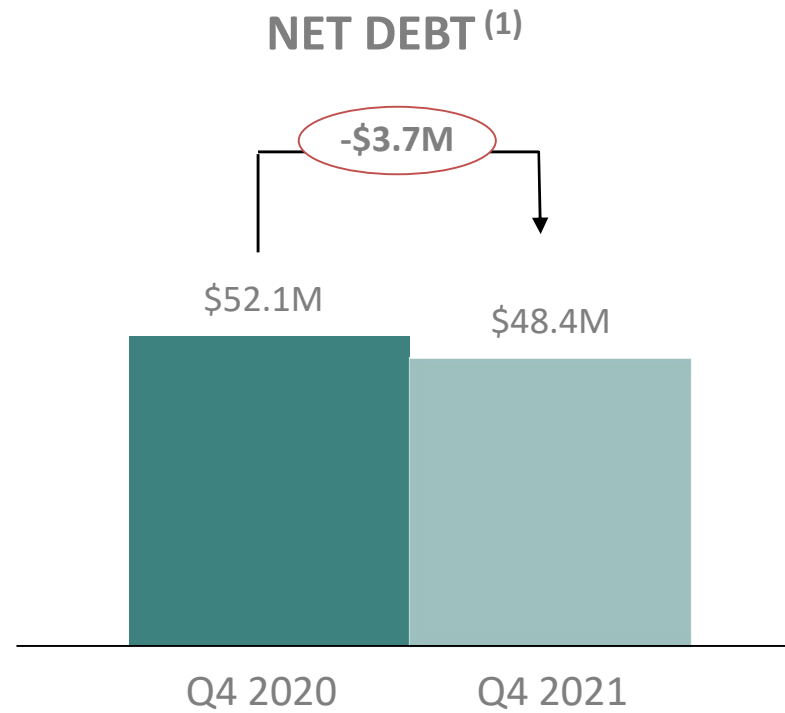
Excluding the impact of subsidies obtained, the Adjusted EBITDA<sup>(1)</sup> margin would have been 4.6% in 2021 and 4.3% in 2020.

(1) Adjusted EBITDA is a non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A for the period ended December 25, 2021.





# NET DEBT TREND



- **Cash flows from operations used to reimburse debt**
- **Over \$10M of debt reimbursed in 2021**

<sup>(1)</sup> Non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A for the period ended December 25, 2021.



# Q4 2021

| Financial Highlights  | 16-week periods      |                      | 52-week periods                        |  |
|---|----------------------|----------------------|--|--|
|   | 2021<br>\$           | 2020<br>\$           | 2021<br>\$                             | 2020<br>\$                             |
| (in thousands of dollars except percentages, per share data and financial leverage ratio) |                      |                      |  |  |
| Sales from continuing operations  | 150,452              | 133,317              | 475,761                                | 461,319                                |
| Adjusted EBITDA <sup>(3)</sup> from continuing operations                                 | 7,080 <sup>(1)</sup> | 7,459 <sup>(1)</sup> | 25,420 <sup>(1)</sup>                  | 28,913 <sup>(1)</sup>                  |
| Adjusted EBITDA <sup>(3)</sup> margin (%)   | 4.7 <sup>(1)</sup>   | 5.6 <sup>(1)</sup>   | 5.3 <sup>(1)</sup>                     | 6.3 <sup>(1)</sup>                     |
| Net earnings from continuing operations   | 5,336 <sup>(2)</sup> | 620 <sup>(2)</sup>   | 8,253 <sup>(2)</sup>                   | 3,798 <sup>(2)</sup>                   |
| Net earnings (loss)   | 5,139                | 811                  | 7,842                                  | (8,612)                                |
| Per share - basic and diluted (\$)  | 0.05                 | 0.01                 | 0.08                                   | (0.08)                                 |
| Cash flow from operating activities   | 9,035                | 13,005               | 18,752                                 | 36,436                                 |
| <b>Financial position</b>   |                      |                      | <b>As at<br/>December 25,<br/>2021</b> | <b>As at<br/>December 26,<br/>2020</b> |
| Net debt <sup>(3)</sup>   |                      |                      | 48,366                                 | 52,100                                 |
| Financial leverage ratio <sup>(3)</sup>   |                      |                      | 1.9x                                   | 1.8x                                   |

(1) Excluding the impact of subsidies obtained, the Adjusted EBITDA<sup>(3)</sup> margin would have been 4,6% in 2021 and 4,3% in 2020 for the 16-week periods and 4,8% in 2021 and 4,7% in 2020 for the 52-week periods.

(2) For the 16-week periods, net earnings from continuing operations include an income not related to current operations of \$4,0M vs a costs not related to current operations of \$0,3M in 2020 and an income not related to current operations of \$3,8M vs a costs not related to operations of \$1,8M in 2020 for the 52-week periods.

(3) Non-IFRS measures. Refer to the table of reconciliation of Net Earnings to adjusted EBITDA in section 6 "Non-IFRS Performance Measures" in the MD&A for the period ended December 25, 2021. **Adjusted EBITDA** corresponds to net earnings before depreciation and amortization, costs not related to current operations, expenses for stock-based compensation plan, financial expenses and income taxes, as shown in the Company's financial statements. **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 for the last four quarters.



# SHARE INFORMATION (TSX: GCL)

|   |                 |
|---|-----------------|
| STOCK PRICE (as at February 25, 2022)   | \$0.71          |
| 52-week high-low                        | \$0.65 - \$1.28 |
| Number of shares issued and outstanding | 101,954,885     |
| Average volume (30 days)                | 59.5 k          |
| Market capitalization                   | \$72.4 M        |
| Institutional and management ownership  | ≈ 46.4%         |





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