



Q4 & YEAR 2022 RESULTS

 For the 17-week period and year
ended December 31, 2022

COLABOR GROUP INC. (TSX: GCL)

March 2, 2023

FORWARD LOOKING STATEMENT



DISCLAIMER

This document is for informational purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of Colabor Group Inc. and has not been prepared for delivery to, and review by, prospective investors in order to assist them in making an investment decision or regarding a distribution of securities.

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 Annual Information Form, which can be found under its profile on SEDAR (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 document (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.

NON-IFRS PERFORMANCE MEASURES

This Document also contains information that follows non-IFRS measures of performance. Such information should not be considered in isolation or as a substitute for other IFRS performance measures, but rather as supplementary information. These measures are widely used in the financial community to evaluate the profitability of operations. They reflect the inclusion or exclusion of certain amounts that are not considered representative of the Company's recurring financial performance. Since these concepts are not defined by IFRS, they may not be comparable with those of other companies.





CONTENT

- About Colabor
- Path to transformation
- Q4 2022 Events
- Q4 2022 Financial results
- Share information

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 » in Québec and New Brunswick.

Our Mission: “To be the local ingredient for the success of all catering artisans.”



DISTRIBUTION⁽¹⁾ 69% of revenues

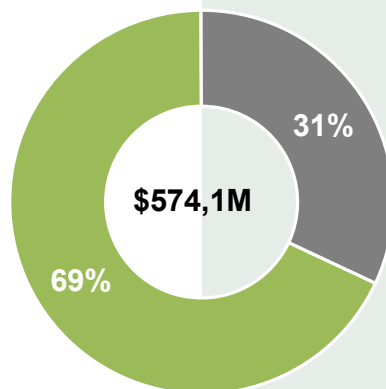
Broadline Distribution:

- 2 distribution centers in **Eastern Québec**
- Food and non-food products

Specialty Distribution:

- 2 distribution centers in **Montreal**
- Seafood and meat distributed to premium clients

2022 REVENUE



WHOLESALE 31% of revenues

Boucherville (Québec):

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

700 employees

8,000 HRI
Clients

**National & private
label brands**

600 suppliers
(mainly Canadian)

4

⁽¹⁾ Revenues from April 2022 acquisition of Le Groupe-Resto Achats inc. "GRA" (a purchasing group for independent restaurants and seniors' residences located mainly in Eastern Quebec) are included in the Distribution segment.
"HRI" represents Hotels, Restaurants and Institutions. HRI is also referred to as Commercial and Non-Commercial Foodservice.

PATH TO TRANSFORMATION



2019

- RATIONALIZATION
- SALE OF NON-CORE ASSETS
- NEW LEADERSHIP - CEO

2021

- REFINANCING
- BACK TO GROWTH

2023

- MOVE TO NEW FACILITY IN WESTERN QUEBEC AT THE END OF 2023

2020

- SALE OF ONTARIO ACTIVITIES
- COVID-19 : DIVERSIFICATION IS KEY

2022

- TWO ACQUISITIONS COMPLETED

Q4 & YEAR 2022 HIGHLIGHTS



Seven consecutive quarters of year-over-year revenue growth and highest Adjusted EBITDA in over two years

Implementation of strategic initiatives sustained strong Q4 results:

- Consolidated revenues were up 28%;
- Gross margin was up 160 basis points, to 18.3% of sales; and
- Adjusted EBITDA grew by 39.2%, to \$9.9 million.

Ending the year on a strong note:

- Annual consolidated revenues grew by 20.3% to \$574.1 million;
- Gross margin reached 18.0% of sales and were up 120 basis points;
- Adjusted EBITDA grew by 14.4%, to \$29.1 million;
- Cash flows from operations grew by 3%, to \$19.3 million; and
- Leverage ratio⁽¹⁾ of 1.6x EBITDA down from 1.9x at end of FY 2021

Disciplined capital allocation:

- Invested in organic growth initiatives
- Concluded two accretive acquisitions
- And ended the year with lower net debt, of \$47.8 million

Resilient business model with room to grow:

- Passthrough inflation model
- Diversified customer base within the HRI industry
- Dynamically managing impact of rising input costs
- Move to the new strategic facility in St-Bruno at the end of 2023 provides the capacity to grow efficiently Distribution segment from a population reach of approximately 30% to 90% of the Quebec's population

2020-2025 STRATEGIC INITIATIVES



PROFITABILITY GENERATE PROFITABLE GROWTH

- Integration and standardization
- Category management
- Procurement
- Process optimization
- Product mix
 - Private label
 - National brands
 - Specialty
- Cross selling



GROWTH FROM 33% TO 90% OF POPULATION

- Organic Western Quebec
 - Market share gains, sales team additions
 - Share of wallet, grow GRA membership
- M&A Western and Eastern Quebec
 - Tuck-ins
 - Strategic



PEOPLE ATTRACT, RETAIN AND DEVELOP

- Human resources plan
- Health, safety and environment culture
- New facility



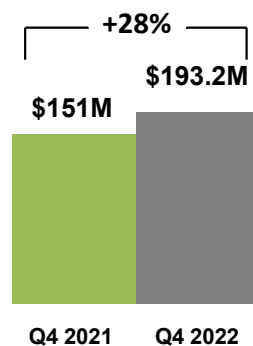
BRAND RENEW, REFRESH

- Refreshed Brand
- Local procurement and positioning

**- NEW STRATEGIC FACILITY -
TIES IT ALL TOGETHER**

Q4 2022 SALES AND PROFITABILITY

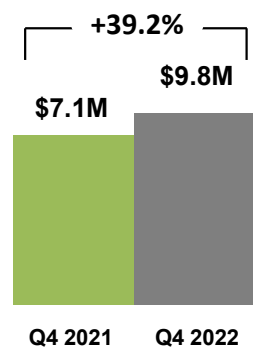
CONSOLIDATED SALES



DISTRIBUTION SALES UP BY 28.9%
WHOLESALE SALES UP BY 16.8%

- Higher volume;
- Impact of rising inflation;
- 17th week in the fourth quarter of 2022 vs 16th in 2021;
- Business acquisitions.

ADJUSTED EBITDA⁽¹⁾



Higher adjusted EBITDA⁽¹⁾ in 2022 by \$2.7M.

- Higher volume from restaurants;
- Higher gross margins;
- Business acquisitions.



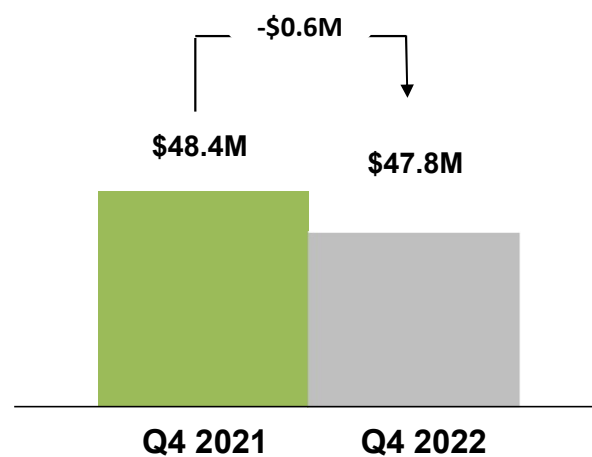
⁽¹⁾ (1) Adjusted EBITDA is a non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A for the year ended December 31, 2022.

. Adjusted EBITDA corresponds to net operating earnings before costs not related to current operations, depreciation and amortization and expenses for stock-based compensation plan.

NET DEBT



NET DEBT (1)



- Cash flows from operations
- \$3.8M of debt reimbursed in 2022, net of two acquisitions

(1) Net debt is a non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A for the year ended December 31, 2022. Net debt corresponds to bank indebtedness, current portion of long-term debt and long-term debt, net of cash.

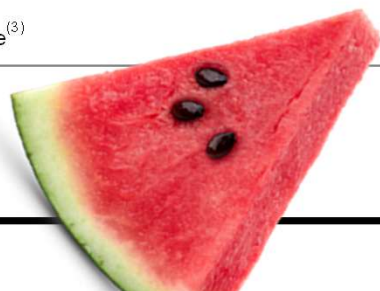
Q4 2022 FINANCIAL HIGHLIGHTS

	17-weeks period	16-weeks period	53-weeks period	52-weeks period
(in thousands of dollars, except percentages, per share data and financial leverage ratio)	2022	2021	2022	2021
Sales from continuing operations	193,246	151,014	574,071	477,004
Adjusted EBITDA ⁽¹⁾	9,855	7,080	29,068	25,420
Adjusted EBITDA ⁽¹⁾ margin (%)	5.1	4.7	5.1	5.3
Net earnings from continuing operations	1,682	5,336	4,551	8,253
Net earnings	1,263	5,139	4,065	7,842
Per share – basic and diluted	0.01	0.05	0.04	0.08
Cash flow from operating activities	(663)	9,035	19,299	18,752
Financial Position			As at December 31, 2022	As at December 25, 2021
Net debt ⁽²⁾			47,764	48,366
Financial leverage ⁽³⁾			1.6x	1.9x

(1) Adjusted EBITDA is a non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A for the year ended December 31, 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.

(2) Net debt is a non-IFRS measure. Refer to section 6 "Non-IFRS Performance Measures" of the MD&A for the year ended December 31, 2022. Net debt corresponds to bank indebtedness, current portion of long-term debt and long-term debt, net of cash.

(3) Financial leverage ratio is an indicator of the Company's ability to service its long-term debt. It is defined as net debt / adjusted EBITDA for the last twelve months.



SHARE INFORMATION (TSX: GCL)



LAST 53 WEEKS



STOCK PRICE (as at February 28, 2023) **\$0.80**

53-week low-high **\$0.68 - \$0.95**

Number of shares issued and outstanding **101,954,885**

Average volume (30 days) **12k**

Market capitalization **\$81.6M**

Institutional and management ownership **≈ 35%**

Analyst coverage:
Kyle McPhee, CFA
Cormark Securities



1620 de Montarville Boulevard
Boucherville (Québec)
J4B 8P4 Canada

Phone : 450 449-4911
Fax : 450 449-6180

investors@colabor.com

