PREMIUM BRANDS HOLDINGS CORPORATION
ANNOUNCES RECORD FOURTH QUARTER AND 2018 SALES AND EARNINGS,
10.5% DIVIDEND INCREASE AND REAFFIRMS GUIDANCE FOR 2019

VANCOUVER, B.C., March 14, 2019. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today its results for the fourth quarter of 2018.

HIGHLIGHTS FOR THE QUARTER

- Record revenue of $843.9 million representing a 44.2% or $258.5 million increase as compared to the fourth quarter of 2017
- Normalized for unusual customer short shipment issues, organic volume growth of 4.6% with the Company's Specialty Food segment generating normalized organic volume growth of 7.6%
- Record adjusted EBITDA of $62.7 million representing a 32.6% or $15.4 million increase as compared to the fourth quarter of 2017
- Record adjusted earnings of $0.82 per share representing a 10.8% or $0.08 per share increase as compared to the fourth quarter of 2017
- The Company reaffirmed its sales and adjusted EBITDA guidance for 2019 of $3.7 billion and $320.0 million to $340.0 million, respectively, and confirmed $135 million, on an annualized basis, in new product listings
- For the year, the Company generated new records for all of its key financial performance measurements:
  - Sales increased by 37.6% to $3.0 billion with organic volume growth of 6.1% exceeding the top end of the Company's long-term targeted range
  - Adjusted EBITDA increased by 32.1% to $251.3 million
  - Adjusted earnings per share increased by 12.3% to $3.74 per share
  - Free cash flow per share increased by 15.2% to $5.08 per share
- The Company launched its PB Ecosystem initiative, which includes as a key objective achieving over the next five years annual sales of $6.0 billion and an adjusted EBITDA margin of 10.0%
- Subsequent to the quarter, the Company increased its quarterly dividend by 10.5% to $0.525 per share or $2.10 per share annually, from $0.475 per share or $1.90 per share annually. This represents the fifth consecutive year of double digit dividend growth

SUMMARY FINANCIAL INFORMATION

(In millions of dollars except per share amounts and ratios)

	13 weeks ended Dec 29, 2018	13 weeks ended Dec 30, 2017	52 weeks ended Dec 29, 2018	52 weeks ended Dec 30, 2017
Revenue	843.9	585.4	3,025.8	2,198.3
Adjusted EBITDA	62.7	47.3	251.3	190.2
Earnings	18.1	17.2	98.0	80.5
EPS	0.54	0.57	3.03	2.70
Adjusted earnings	27.7	22.3	121.3	99.2
Adjusted EPS	0.82	0.74	3.74	3.33

	Trailing Four Quarters Ended	
	Dec 29, 2018	Dec 30, 2017
Free cash flow	164.6	131.3
Declared dividends	62.7	50.6
Declared dividend per share	1.900	1.680
Payout ratio	38.1%	38.5%

“2018 will become known as one of our most exciting and transformational years yet, one where we took great strides in positioning many of our specialty businesses to become billion dollar platforms. In particular, our meat snack, deli meat, sandwich and seafood businesses all gained significant traction in the U.S. through a combination of strategic acquisitions and by being leaders in innovation, operational excellence and brand and market development,” said Mr. George Paleologou, President and CEO.

“Our record sales and earnings for 2018, against a difficult industry backdrop, is a testament to the progress we have made in moving towards our long term objective of being the leading specialty food company in North America,” added Mr. Paleologou.

“For the fourth quarter, we continued to generate record results while making solid progress on a number of major sales initiatives. In fact, over the last couple of months we have secured, on an annualized basis, over $135 million in new opportunities. These span across almost all of our platforms including meat snacks, cooked protein, deli meats and sandwiches. Correspondingly, given the solid momentum we are seeing in our businesses we are projecting 2019 to be another record year and are maintaining our guidance for the year including sales of approximately $3.7 billion and EBITDA of between $320.0 million and $340.0 million. Our bullish outlook is despite the ongoing challenges of very tight labor markets across the U.S. and in many parts of Canada that are causing us to take a somewhat cautious approach on pursuing new growth opportunities.

“Looking longer term, we are also pleased to announce the recent launch of project PB Ecosystem. This initiative, which focuses on helping our businesses take full advantage of being part of Premium Brands, has as one of its key objectives us achieving over the next five years annual sales of $6.0 billion and an EBITDA margin of 10%. These targets reflect our excitement about both our organic and acquisition growth prospects in a market back drop that favors specialty locally produced products with great stories and clean ingredient decks over mainstream nationally branded products produced on a massive scale. It is not surprising that in the past six years large national brands have lost over $18 billion of sales in North America. Our unique business model of backing successful and innovative local food entrepreneurs who are passionate about their businesses and communities has ideally positioned us to benefit from the accelerating consumer trends that are creating significant challenges for large national brands.

“Over the past ten years we have firmly established almost all of our business platforms as leaders in their respective market segments in Canada. With the steps taken in 2018 we are now set to replicate this success in the U.S., which I should mention we have already achieved to a certain degree with our sandwich and deli meats platforms. Our strategy, unlike the traditional export strategy that has failed so many Canadian food companies, is based on partnering with successful local entrepreneurs and talented management teams. These individuals can then leverage the advantages of being part of Premium

Brands to make their businesses even better, both through new organic growth initiatives and by accessing our resources and capabilities.

“In terms of acquisitions, I have no doubt that 2019 will be another very busy year. Our pipeline of opportunities is growing exponentially as the entrepreneurs we have partnered with in recent years leverage the PB Ecosystem to build out their acquisition strategies,” said Mr. Paleologou.

FIRST QUARTER 2019 DIVIDEND

The Company also announced that it will be increasing its quarterly dividend by 10.5% to $0.525 per share or $2.10 per share on an annualized basis. Correspondingly, the Company’s Board of Directors approved a cash dividend of $0.525 per share for the first quarter of 2019, which will be payable on April 15, 2019 to shareholders of record at the close of business on March 29, 2019.

Unless indicated otherwise in writing at or before the time the dividend is paid, each dividend paid by the Company in 2019 or a subsequent year is an eligible dividend for the purposes of the Enhanced Dividend Tax Credit System.

ABOUT PREMIUM BRANDS

Premium Brands owns a broad range of leading specialty food manufacturing and differentiated food distribution businesses with operations across Canada and the United States. For further information, please contact George Paleologou, President and CEO or Will Kalutycz, CFO at (604) 656-3100.

www.premiumbrandsholdings.com

RESULTS OF OPERATIONS

The Company reports on two reportable segments, Specialty Foods and Premium Food Distribution, as well as corporate costs (Corporate). The Specialty Foods segment consists of the Company's specialty food manufacturing businesses while the Premium Food Distribution segment consists of the Company's differentiated distribution and wholesale businesses.

Revenue

(in millions of dollars except percentages)	13 weeks ended Dec 29, 2018	% (1)	13 weeks ended Dec 30, 2017	% (1)	52 weeks ended Dec 29, 2018	% (1)	52 weeks ended Dec 30, 2017	% (1)
Revenue by segment:								
Specialty Foods	564.2	66.9%	372.6	63.6%	2,043.8	67.5%	1,334.2	60.7%
Premium Food Distribution	279.7	33.1%	212.8	36.4%	982.0	32.5%	864.1	39.3%
Consolidated	843.9	100.0%	585.4	100.0%	3,025.8	100.0%	2,198.3	100.0%

(1) Expressed as a percentage of consolidated revenue.

Specialty Foods' (SF) revenue for the fourth quarter of 2018 as compared to the fourth quarter of 2017 increased by $191.6 million or 51.4% primarily due to: (i) business acquisitions, which accounted for $167.0 million of the increase; (ii) organic volume growth of $18.9 million, representing a growth rate of 5.3%, which was driven primarily by meat snacks, sandwiches and cooked protein products. SF also made significant progress in growing its sales in the U.S., which now account for approximately 47.2% of its total sales; and (iii) an $8.5 million increase in the translated value of its U.S. based businesses' sales resulting from a weaker Canadian dollar. These increases were partially offset by selling price deflation of $2.8 million.

SF's organic volume growth of 5.3% was at the bottom end of its expected range for the quarter mainly due to production issues experienced by one of its raw material suppliers. Overall, the Company estimates that unusually high customer short shipments resulted in approximately $8.5 million in lost sales during the quarter. Normalizing for this factor, SF's organic volume growth for the quarter was 7.8%.

For 2018 as compared to 2017, SF's revenue increased by $709.6 million or 53.2% primarily due to the factors outlined above with business acquisitions accounting for $583.9 million of the increase and its organic volume growth rate being 8.9%.

Premium Food Distribution's (PFD) revenue for the fourth quarter of 2018 as compared to the fourth quarter of 2017 increased by $66.9 million or 31.5% primarily due to: (i) business acquisitions, which accounted for $64.5 million of the increase; and (ii) selling price inflation of $2.4 million.

PFD's organic volume growth rate for the quarter was relatively flat due to several offsetting factors. Positive factors included solid volume increases in its wholesale business with retailers in eastern Canada and continued steady growth in its seafood business. These were, however, largely offset by weaker foodservice sales in western Canada that were the result of a variety of factors including less activity in the Alberta oil industry and generally softer market conditions in certain geographic regions.

For 2018 as compared to 2017, PFD's revenue increased by $117.9 million or 13.6% primarily due to: (i) business acquisitions, which accounted for $96.2 million of the growth; (ii) organic volume growth of $16.1 million representing a growth rate of 1.9%; and (iii) selling price inflation of $5.6 million.

Gross Profit

(in millions of dollars except percentages)	13 weeks ended Dec 29, 2018	% (1)	13 weeks ended Dec 30, 2017	% (1)	52 weeks ended Dec 29, 2018	% (1)	52 weeks ended Dec 30, 2017	% (1)
Gross profit by segment:								
Specialty Foods	122.9	21.8%	73.6	19.8%	448.4	21.9%	279.7	21.0%
Premium Food Distribution	41.7	14.9%	34.5	16.2%	152.3	15.5%	138.9	16.1%
Consolidated	164.6	19.5%	108.1	18.5%	600.7	19.9%	418.6	19.0%

(1) Expressed as a percentage of the corresponding segment's revenue.

SF's gross profit as a percentage of its revenue (gross margin) for the fourth quarter of 2018 as compared to the fourth quarter of 2017 increased by 200 basis points primarily due to: (i) recently acquired businesses having higher gross margins relative to SF's average gross margin; (ii) decreases in the cost of certain raw material commodities including various pork and chicken products, many of which are now trading at close to five year averages; (iii) the reclassification of $1.7 million of certain freight costs to selling, general and administrative expense; (iv) incremental contribution margin associated with SF's organic volume growth; and (v) improved operating efficiencies at a number of SF's plants. These factors were partially offset by rising labor costs at many of SF's operations.

SF's gross margin for 2018 as compared to 2017 increased by 90 basis points primarily due to the factors outlined above, as well as a one-time operating tax cost recovery of $1.6 million in the third quarter of 2018. These factors were partially offset by lower than normal margins in the third quarter of 2018 resulting from: (i) promotional pricing on certain new products and/or for new markets in order to generate incremental consumer demand; (ii) production inefficiencies associated with initial new product runs; and (iii) sales mix changes as a portion of its organic growth was driven by products with lower gross margins relative to its average gross margins – correspondingly these products have lower SG&A ratios relative to SF's average SG&A ratios.

PFD's gross margins for the fourth quarter of 2018 as compared to the fourth quarter of 2017 and for 2018 as compared to 2017 decreased by 130 basis points and 60 basis points, respectively, primarily due to: (i) its recently acquired Ready Seafood business having a lower gross margin relative to PFD's average gross margin; (ii) temporarily lower than normal margins on seafood sales mainly due to raw material cost inflation; and (iii) changes in sales mix as lower margin wholesale business with retailers partially offset a decrease in higher margin foodservice sales in western Canada.

Ready Seafood's lower gross margin relative to PFD's average gross margin was the result of: (i) structurally lower selling margins based on the nature of its business – correspondingly it has a lower SG&A ratio relative to PFD's average SG&A ratio; and (ii) tariffs implemented by China on imports of U.S. lobsters. The China tariff issue impacted Ready Seafood's margins on both its exports to China as well as its domestic sales due to a larger portion of domestic supply staying in the U.S. market. Ready Seafood is in the process of implementing several strategies to mitigate the impact of the Chinese tariffs, one of the most significant of which is expected to be in place by the end of the first quarter of 2019.

Selling, General and Administrative Expenses (SG&A)

(in millions of dollars except percentages)	13 weeks ended Dec 29, 2018	% (1)	13 weeks ended Dec 30, 2017	% (1)	52 weeks ended Dec 29, 2018	% (1)	52 weeks ended Dec 30, 2017	% (1)
SG&A by segment:								
Specialty Foods	70.2	12.4%	34.2	9.2%	237.5	11.6%	129.8	9.7%
Premium Food Distribution	25.8	9.2%	21.5	10.1%	95.1	9.7%	83.5	9.7%
Corporate	5.9		5.1		16.8		15.1	
Consolidated	101.9	12.1%	60.8	10.4%	349.4	11.5%	228.4	10.4%

(1) Expressed as a percentage of the corresponding segment's revenue.

SF's SG&A for the fourth quarter of 2018 as compared to the fourth quarter of 2017 increased by $36.0 million primarily due to: (i) business acquisitions; (ii) the reclassification of $1.7 million of certain freight expenses from cost of sales; (iii) incremental freight costs resulting from a combination of higher sales volumes and increased freight rates; (iv) a $1.4 million increase in the translated value of its U.S. based businesses' SG&A due to a weaker Canadian dollar; (v) increased discretionary promotional spending; and (vi) higher variable compensation resulting from a combination of the timing of accruals and growth in SF's free cash flow.

SF's SG&A for 2018 as compared to 2017 increased by $107.7 million primarily due to the factors outlined above as well as investments largely made in the later part of 2017 in additional selling and administration infrastructure needed to support SF's continued growth.

SF's SG&A as a percentage of sales (SG&A ratio) for the fourth quarter of 2018 as compared to the fourth quarter of 2017 increased by 320 basis points primarily due to the factors outlined above with the impact of acquisitions representing a significant majority of the increase. These were partially offset by: (i) changes in SF's sales mix as a portion of its growth was driven by products with lower variable SG&A costs; and (ii) its organic revenue growth in relation to the relatively fixed nature of some of its SG&A costs.

PFD's SG&A for the fourth quarter of 2018 as compared to the fourth quarter of 2017 and for 2018 as compared to 2017 increased by $4.3 million and $11.6 million, respectively primarily due to: (i) business acquisitions; (ii) investments in additional fleet and sales infrastructure needed to support future growth; and (iii) incremental freight costs resulting from a combination of increased freight rates and higher sales volumes – on an annual basis.

PFD's SG&A ratio for the fourth quarter of 2018 as compared to the fourth quarter of 2017 decreased by 90 basis points primarily due to its recently acquired Ready Seafood business having a lower SG&A ratio relative to its average SG&A ratio. The impact of this was partially offset by rising freight costs and investments in additional fleet and sales infrastructure needed to support future growth.

Corporate SG&A for the fourth quarter of 2018 as compared to the fourth quarter of 2017 increased by $0.8 million primarily due to increased investments in administrative infrastructure and the timing of accruals for the Company's long-term incentive programs. Corporate SG&A for 2018 as compared to 2017 increased by $1.7 million primarily due to increased investments in administrative infrastructure.

Adjusted EBITDA

(in millions of dollars except percentages)	13 weeks ended Dec 29, 2018	% (1)	13 weeks ended Dec 30, 2017	% (1)	52 weeks ended Dec 29, 2018	% (1)	52 weeks ended Dec 30, 2017	% (1)
Adjusted EBITDA by segment:								
Specialty Foods	52.7	9.3%	39.4	10.6%	210.9	10.3%	149.9	11.2%
Premium Food Distribution	15.9	5.7%	13.0	6.1%	57.2	5.8%	55.4	6.4%
Corporate	(5.9)		(5.1)		(16.8)		(15.1)	
Consolidated	62.7	7.4%	47.3	8.1%	251.3	8.3%	190.2	8.7%

(1) Expressed as a percentage of the corresponding segment's revenue.

Adjusted EBITDA for the fourth quarter of 2018 as compared to the fourth quarter of 2017 increased by $15.4 million or 32.6% to $62.7 million. While setting a new fourth quarter record for the Company, this result was below its expectations primarily due to: (i) delays in some of the key initiatives being implemented by Ready Seafood to mitigate the impact of China's tariffs on U.S. lobsters – these are now expected to be implemented in the first quarter of 2019; (ii) lower than expected seafood margins mainly due to raw material cost inflation; (iii) the timing of certain SG&A costs, and in particular, some promotional spending that is expected to help drive future sales; and (iv) the changes in PFD's sales mix with lower margin wholesale business with retailers partially offsetting a decrease in higher margin foodservice sales in western Canada.

Plant Start-up and Restructuring Costs

Plant start-up and restructuring costs consist of expenses associated with the start-up of new production capacity or the reconfiguration of existing capacity to gain efficiencies and/or additional capacity. The Company expects (see *Forward Looking Statements*) these projects to result in significant improvements in its future earnings and cash flows.

During 2018, the Company incurred $5.2 million in plant start-up and restructuring costs relating primarily to: (i) the construction and start-up of a new 105,000 square foot state-of-the-art distribution and custom cutting facility in the Greater Toronto Area (the GTA facility), which commenced operations towards the end of the fourth quarter; (ii) the construction and start-up of a new 22,300 square foot culinary plant for fresh salads, soups and sauces in Surrey, BC (the Culinary facility), which also commenced operations near the end of the fourth quarter; and (iii) the reconfiguration of production between its three artisan bakeries in BC, which was completed in the third quarter.

Looking forward (see *Forward Looking Statements*), the Company expects to incur in 2019 between $0.5 million and $1.0 million of additional start-up related costs for the GTA facility and Culinary facility projects.

Interest and Other Financing Costs

The Company's interest and other financing costs for the fourth quarter of 2018 as compared to the fourth quarter of 2017 and for 2018 as compared to 2017 increased by $7.3 million and $24.2 million, respectively primarily due to: (i) increases in its net funded debt; and (ii) a higher weighted average interest rate resulting from a combination of rising short term interest rates and increased interest rate premiums associated with the Company's higher senior debt to adjusted EBITDA ratio.

Income Taxes

The Company's expected range (see *Forward Looking Statements*) for its provision for income taxes as a percentage of earnings before income taxes (income tax rate) for 2018 is 25% to 27%. This is based on: (i) an effective income tax rate range within the main tax jurisdictions that it operates in (the Tax Jurisdictions) of 21% to 28%; (ii) the expected allocation of its taxable income among the Tax Jurisdictions; and (iii) the deductibility of certain costs for income tax purposes.

For 2018, the Company's income tax rate was 16.6%, which is below its expected range primarily due to the recognition of $10.2 million in tax attributes in the third quarter of 2018 that became useable after a reorganization of certain legal entities within the Company's corporate structure. Normalizing for this factor, the Company's income tax rate for 2018 is 25.2%.

Outlook for 2019

See *Forward Looking Statements* for a discussion of the risks and assumptions associated with forward looking statements.

Except as noted below, the Company's outlooks for 2019 do not incorporate any provisions for possible future acquisitions even though the Company continues to pursue a variety of opportunities and expects to complete several more transactions in the coming quarters.

2019 Outlook

(in millions of dollars)	Bottom of Range	Top of Range
Revenue		
Prior guidance	3,660.0	3,720.0
Current guidance	3,660.0	3,720.0
Adjusted EBITDA:		
Prior guidance	320.0	340.0
Current guidance	320.0	340.0

The Company is maintaining its guidance for 2019 based on a range of factors including: (i) all of its business platforms are making solid progress towards achieving their 2019 organic growth objectives. This includes winning a number of new listings with major retailers in the U.S. and Canada, the resolution of certain capacity issues among its protein business, and the successful start-up of its distribution group's new facility in the Greater Toronto Area; and (ii) the impact of the Company's more recent acquisitions, all of which are expected to be accretive to its 2019 earnings, not being significant enough to warrant revising its guidance.

The Company expects its adjusted EBITDA margin for 2019, assuming its current portfolio of businesses, to be in the 8.7% to 9.2% range with one of the major determining factors being the extent of its organic sales growth. Longer term, the Company is targeting a 10% adjusted EBITDA margin based on a variety of drivers including continued organic sales growth, production efficiency improvements and the ongoing development of internal buying and selling synergies.

Premium Brands Holdings Corporation

Consolidated Balance Sheets

(in millions of Canadian dollars)

	December 29, 2018	December 30, 2017
Current assets:		
Cash and cash equivalents	19.4	15.1
Accounts receivable	321.9	220.6
Inventories	339.8	218.1
Prepaid expenses and other assets	15.1	10.3
	696.2	464.1
Capital assets	476.4	319.0
Intangible assets	452.9	201.2
Goodwill	776.7	439.1
Investment in associates	26.7	25.5
Other assets	21.6	10.6
	2,450.5	1,459.5
Current liabilities:		
Cheques outstanding	22.0	13.9
Bank indebtedness	35.9	6.2
Dividends payable	16.0	13.0
Accounts payable and accrued liabilities	246.6	179.1
Current portion of long-term debt	10.8	1.8
Current portion of provisions	2.3	20.7
Current portion of puttable interest in subsidiaries	73.2	32.1
	406.8	266.8
Long-term debt	726.4	417.9
Puttable interest in subsidiaries	4.6	4.6
Deferred revenue	6.8	6.5
Provisions	36.3	1.8
Pension obligation	0.9	2.1
Deferred income taxes	84.6	47.8
	1,266.4	747.5
Convertible unsecured subordinated debentures	360.2	214.3
Equity attributable to shareholders:		
Retained earnings (deficit)	32.4	(3.7)
Share capital	753.9	482.2
Reserves	37.6	19.2
	823.9	497.7
	2,450.5	1,459.5

Premium Brands Holdings Corporation

Consolidated Statements of Operations

(in millions of Canadian dollars except per share amounts)

	13 weeks ended December 29, 2018	13 weeks ended December 30, 2017	52 weeks ended December 29, 2018	52 weeks ended December 30, 2017
Revenue	843.9	585.4	3,025.8	2,198.3
Cost of goods sold	679.3	477.3	2,425.1	1,779.7
Gross profit before depreciation, amortization, and plant start-up and restructuring costs	164.6	108.1	600.7	418.6
Selling, general and administrative expenses before depreciation, amortization, and plant start-up and restructuring costs	101.9	60.8	349.4	228.4
	62.7	47.3	251.3	190.2
Plant start-up and restructuring costs	2.7	3.4	5.2	7.3
	60.0	43.9	246.1	182.9
Depreciation of capital assets	14.1	8.6	46.9	30.9
Amortization of intangible assets	5.1	2.8	15.9	10.2
Interest and other financing costs	14.7	7.4	47.5	23.3
Acquisition transaction costs	0.9	3.7	8.2	4.2
Change in value of puttable interest in subsidiaries	1.0	1.3	6.2	5.7
Accretion of provisions	0.9	0.3	1.2	1.1
Equity loss in investments in associates	1.2	0.2	2.7	0.5
Earnings before income taxes	22.1	19.6	117.5	107.0
Provision for income taxes (recovery)				
Current	2.3	6.4	25.1	28.2
Deferred	1.7	(4.0)	(5.6)	(1.7)
	4.0	2.4	19.5	26.5
Earnings	18.1	17.2	98.0	80.5
Earnings per share:				
Basic	0.54	0.57	3.03	2.70
Diluted	0.54	0.57	3.02	2.69
Weighted average shares outstanding (in millions):				
Basic	33.7	30.0	32.4	29.8
Diluted	33.8	30.1	32.5	29.9

Premium Brands Holdings Corporation

Consolidated Statements of Cash Flows

(in millions of Canadian dollars)

	13 weeks ended December 29, 2018	13 weeks ended December 30, 2017	52 weeks ended December 29, 2018	52 weeks ended December 30, 2017
Cash flows from (used in) operating activities:				
Earnings	18.1	17.2	98.0	80.5
Items not involving cash:				
Depreciation of capital assets	14.1	8.6	46.9	30.9
Amortization of intangible assets	5.1	2.8	15.9	10.2
Change in value of puttable interest in subsidiaries	1.0	1.3	6.2	5.7
Gain (loss) on sales of capital assets	-	(0.1)	0.1	(0.2)
Equity loss in investment in associates	1.2	0.2	2.7	0.5
Deferred revenue	0.3	(0.1)	0.4	1.9
Non-cash financing costs	1.1	0.8	5.2	2.9
Accretion of provisions	0.9	0.3	1.2	1.1
Deferred income taxes recovery	1.7	(4.0)	(5.6)	(1.7)
	43.5	27.0	171.0	131.8
Change in non-cash working capital	(12.5)	(14.0)	(35.1)	(45.9)
	31.0	13.0	135.9	85.9
Cash flows from (used in) financing activities:				
Long-term debt – net	(13.4)	209.1	244.5	264.6
Bank indebtedness and cheques outstanding	47.1	6.6	37.8	4.6
Proceeds from convertible debentures – net of issuance costs	-	-	164.7	-
Repayment of convertible debentures	-	-	(0.5)	-
Dividends paid to shareholders - net of dividends received from cancelled shares	(16.0)	(12.4)	(59.7)	(48.9)
Share issuance – net of issuance costs	-	-	164.9	-
	17.7	203.3	551.7	220.3
Cash flows from (used in) investing activities:				
Capital asset additions	(26.0)	(15.8)	(71.2)	(64.9)
Business acquisitions	(20.5)	(185.5)	(574.0)	(225.7)
Payments to shareholders of non-wholly owned subsidiaries	(0.1)	-	(2.1)	(2.3)
Payment of provisions	-	(0.1)	(20.5)	(1.8)
Purchase of shares for employee share loans	-	-	(11.3)	-
Net change in share purchase loans and notes receivable	-	0.3	0.5	0.6
Investment in and advances to associates - net of distributions	0.2	(14.0)	(5.5)	(16.5)
Proceeds from sales of assets	-	-	0.8	0.2
Other	(0.9)	(0.1)	-	(0.1)
	(47.3)	(215.2)	(683.3)	(310.5)
Increase (decrease) in cash and cash equivalents	1.4	1.1	4.3	(4.3)
Cash and cash equivalents – beginning of year	18.0	14.0	15.1	19.4
Cash and cash equivalents – end of year	19.4	15.1	19.4	15.1

NON-IFRS FINANCIAL MEASURES

The Company uses certain non-IFRS financial measures including adjusted EBITDA, free cash flow, adjusted earnings and adjusted earnings per share, which are not defined under IFRS and, as a result, may not be comparable to similarly titled measures presented by other publicly traded entities, nor should they be construed as an alternative to other earnings measures determined in accordance with IFRS. These non-IFRS measures are calculated as follows:

Adjusted EBITDA

(in millions of dollars)	13 weeks ended Dec 29, 2018	13 weeks ended Dec 30, 2017	52 weeks ended Dec 29, 2018	52 weeks ended Dec 30, 2017
Earnings before income taxes	22.1	19.6	117.5	107.0
Plant start-up and restructuring costs	2.7	3.4	5.2	7.3
Depreciation of capital assets	14.1	8.6	46.9	30.9
Amortization of intangible assets	5.1	2.8	15.9	10.2
Interest and other financing costs	14.7	7.4	47.5	23.3
Acquisition transaction costs	0.9	3.7	8.2	4.2
Change in value of puttable interest in subsidiaries	1.0	1.3	6.2	5.7
Accretion of provisions	0.9	0.3	1.2	1.1
Equity loss in associates	1.2	0.2	2.7	0.5
Consolidated adjusted EBITDA	62.7	47.3	251.3	190.2

Free Cash Flow

(in millions of dollars)	52 weeks ended Dec 29, 2018	52 weeks ended Dec 30, 2017
Cash flow from operating activities	135.9	85.9
Changes in non-cash working capital	35.1	45.9
Acquisition transaction costs	8.2	4.2
Plant start-up and restructuring costs	5.2	7.3
Maintenance capital expenditures	(19.8)	(12.0)
Free cash flow	164.6	131.3

Adjusted Earnings and Adjusted Earnings per Share

(in millions of dollars except per share amounts)	13 weeks ended Dec 29, 2018	13 weeks ended Dec 30, 2017	52 weeks ended Dec 29, 2018	52 weeks ended Dec 30, 2017
Earnings	18.1	17.2	98.0	80.5
Plant start-up and restructuring costs	2.7	3.4	5.2	7.3
Acquisition transaction costs	0.9	3.7	8.2	4.2
Accretion of provisions	0.9	0.3	1.2	1.1
Equity loss from associates in start-up	1.2	0.5	2.7	0.8
Change in value of puttable interest in subsidiaries	1.0	1.2	6.2	5.6
Amortization of intangibles associated with acquisitions	5.1	2.8	15.9	10.2
	29.9	29.1	137.4	109.7
Current and deferred income tax effect of above items	(2.3)	(6.8)	(16.2)	(10.5)
Adjusted earnings	27.6	22.3	121.2	99.2
Weighted average shares outstanding	33.7	30.0	32.4	29.8
Adjusted earnings per share	0.82	0.74	3.74	3.33

FORWARD LOOKING STATEMENTS

This press release contains forward looking statements with respect to the Company, including, without limitation, statements regarding its business operations, strategy and financial performance and condition, cash distributions, proposed acquisitions, budgets, projected costs and plans and objectives of or involving the Company. While management believes that the expectations reflected in such forward looking statements are reasonable and represent the Company’s internal expectations and belief as of March 14, 2019, there can be no assurance that such expectations will prove to be correct as such forward looking statements involve unknown risks and uncertainties beyond the Company’s control which may cause its actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward looking statements.

Forward looking statements generally can be identified by the use of the words “may”, “could”, “should”, “would”, “will”, “expect”, “intend”, “plan”, “estimate”, “project”, “anticipate”, “believe” or “continue”, or the negative thereof or similar variations. Forward looking statements in this press release include statements with respect to the Company’s expectations and/or projections on its: (i) revenue; (ii) adjusted EBITDA; (iii) plant start-up and restructuring costs; (iv) income tax rates; (v) dividend policy; (vi) capital expenditures and business acquisitions; (vii) senior debt capacity utilization; and (viii) convertible debentures.

Some of the factors that could cause actual results to differ materially from the Company’s expectations are outlined under *Risks and Uncertainties* in the Company’s MD&A.

Assumptions used by the Company to develop forward looking statements contained or incorporated by reference in this press release are based on information currently available to it and include those outlined below as well as those outlined elsewhere in the Company’s MD&A. Readers are cautioned that this information is not exhaustive.

- The overall economic conditions in Canada and the United States will be relatively stable with modest improvement in the near to medium term. In particular, the Company is expecting a general improvement in Alberta’s economy in 2019.
- The average cost of the basket of food commodities purchased by the Company will be relatively stable. In particular, recent seafood cost inflation will normalize and North American pork commodity prices will not be impacted by the current outbreak of African Swine Fever in China.

- The Company's major capital projects, plant start-up and business acquisition initiatives will progress in line with its expectations.
- The Company will be able to continue to access sufficient skilled and unskilled labor at reasonable wage levels.
- The Company will be able to continue to access sufficient goods and services for its manufacturing and distribution operations.
- The value of the Canadian dollar relative to the U.S. dollar will continue to fluctuate in line with recent levels.
- The Company will be able to achieve its projected operating efficiency improvements.
- There will not be any material changes in the competitive environment of the markets in which the Company's various businesses compete.
- There will not be any material changes in the key food trends that are driving growth in many of the Company's businesses. These trends include: (i) growing demand for higher quality foods made with simpler more wholesome ingredients and/or with differentiating attributes such as antibiotic free, no added hormones or use of organic ingredients; (ii) increased reliance on convenience oriented foods both for on-the-go snacking as well as easy home meal preparation; (iii) healthier eating including reduced sugar consumption and increased emphasis on protein; (iv) increased snacking in between and in place of meals; (v) increased interest in understanding the background and stories behind food products being consumed; and (vi) increased social awareness on issues such as sustainability, sourcing products locally, animal welfare and food waste.
- Overall North American weather patterns will be in line with historic patterns.
- There will not be any material changes in the Company's relationships with its larger customers including the loss of a major product listing and/or being forced to give significant product pricing concessions.
- There will not be any material changes in the trade relationship between Canada and the U.S., particularly with respect to certain protein commodities such as beef, pork and chicken products.
- The Company will be able to negotiate new collective agreements with no labor disruptions.
- The Company will be able to continue to access reasonably priced debt and equity capital.
- The Company's average interest cost on floating rate debt will remain relatively stable in the near to medium future.
- Contractual counterparties will continue to fulfill their obligations to the Company.
- There will be no material changes to the tax and other regulatory requirements governing the Company.

Management has set out the above summary of assumptions related to forward looking statements included in this press release in order to provide a more complete perspective on the Company's future operations. Readers are cautioned that this information may not be appropriate for other purposes.

Unless otherwise indicated, the forward looking statements in this press release are made as of March 14, 2019 and, except as required by applicable law, will not be publicly updated or revised. This cautionary statement expressly qualifies the forward looking statements in this document.