PREMIUM BRANDS HOLDINGS CORPORATION
ANNOUNCES RECORD THIRD QUARTER SALES AND ADJUSTED EBITDA, $67.2 MILLION IN BUSINESS INVESTMENTS, THE APPOINTMENT OF AN ADDITIONAL DIRECTOR AND FOURTH QUARTER DIVIDEND

VANCOUVER, B.C., November 11, 2019. Premium Brands Holdings Corporation (TSX: PBH), a leading producer, marketer and distributor of branded specialty food products, announced today its results for the third quarter of 2019.

HIGHLIGHTS

- Record revenue of $968.3 million representing a 15.9% or $132.8 million increase as compared to the third quarter of 2018
- Industry leading organic volume growth of 6.2%
- Record adjusted EBITDA of $84.1 million representing an 18.0% or $12.8 million increase as compared to the third quarter of 2018. After normalizing for the adoption of the IFRS-16 accounting standard the Company's adjusted EBITDA for the third quarter of 2019 is $75.0 million
- Steady progress on the execution of an exciting pipeline of new growth opportunities in meat snacks, charcuterie, artisan sandwiches, cooked protein and seafood with many of these categories being well positioned to become billion dollar platforms in the coming years
- Year-to-date U.S. based sales increased by 49.3% to $1.1 billion and now represent almost 40% of the Company's total sales
- The investment of $67.2 million for the acquisitions of Viandex Distribution Alimentaire and Maine Coast Shellfish as well as the purchase of a 50% interest in North Delta Seafood
- The appointment of Sean Cheah to the Company's Board of Directors effective immediately. Mr. Cheah is a Senior Principal, Relationship Investments at Canada Pension Plan Investment Board
- Declaration of a quarterly dividend of $0.525 per share

SUMMARY FINANCIAL INFORMATION

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

	13 weeks ended Sept 28, 2019	13 weeks ended Sept 29, 2018	39 weeks ended Sept 28, 2019	39 weeks ended Sept 29, 2018
Revenue	968.3	835.5	2,690.3	2,181.9
Adjusted EBITDA	84.1	71.3	232.6	188.6
Earnings	26.9	36.1	68.0	79.9
EPS	0.72	1.09	1.92	2.50
Adjusted earnings	33.0	34.4	88.9	93.7
Adjusted EPS	0.88	1.04	2.51	2.93

	Trailing Four Quarters Ended Sept 28, 2019	Trailing Four Quarters Ended Sept 29, 2018
Free cash flow	174.7	153.9
Declared dividends	73.1	59.5
Declared dividend per share	2.05	1.85
Payout ratio	41.8%	38.7%

“Our solid year over year results for the quarter, including our industry leading organic growth rates, clearly illustrate the progress we are making in positioning our company for long term success,” said Mr. George Paleologou, President and CEO.

“While we are pleased with this progress we know that we could have done far better had it not been for the very unusual challenges that we faced as a result of the outbreak of African Swine Fever in Asia and more specifically China. In particular, a significant increase in exports from Europe to China resulting from China’s ASF related pork shortages, combined with a variety of political and trade disputes that isolated Canadian and U.S. commodity pork markets from this situation, created an almost perfect storm for some of our protein businesses as the cost of the specialty pork products they imported from Europe rose substantially while North America commodity pork prices were either stable or even in some cases slightly deflationary. This unprecedented dichotomy not only impacted our margins but also forced us to adjust and finesse a number of our growth initiatives.

“What is happening in global commodity proteins markets has certainly created some short term headwinds for us, however, it has not impacted our outlook on the long-term potential of our Company. We are continuing to make steady progress on the execution of an exciting pipeline of new growth opportunities in meat snacks, charcuterie, artisan sandwiches, cooked protein and seafood. These were the primary drivers of our growth in the quarter with much of our success being in the U.S. where our sales increased by 47.6% to over $400 million”, said Mr. Paleologou. “We are in the early innings of executing our U.S. growth strategy and are very encouraged by our progress in opening new channels and markets,” added Mr. Paleologou.

“Given the traction we are seeing in the U.S. I am more confident than ever in the ability of our meat snack, deli meats, sandwich, cooked protein and seafood platforms to become billion dollar platforms in the coming years and that we will substantially beat our targets of achieving $6 billion in sales and a sustainable 10% EBITDA margin by 2023.

“In terms of acquisitions, we are pleased to announce the investment of $67.2 million for the acquisitions of Viandex and Maine Coast Shellfish as well as the purchase of a 50% interest in North Delta Seafood. All of these businesses represent best-in-class operations and strengthen one or more of our existing businesses,” said Mr. Paleologou. “Looking forward we continue to have an exceptionally robust pipeline of transactions we are working on and expect to close several more before the end of the year. We have become the acquirer or partner of choice for an increasing number of successful food entrepreneurs in Canada and the U.S.

“We are also pleased to announce the appointment of Sean Cheah to our Board of Directors. Sean, who is a Senior Principal, Relationship Investments at Canada Pension Plan Investment Board, brings a diverse set of experiences to the Board,” stated Mr. Paleologou. “I am very much looking forward to working with him and CPPIB as we execute on our global growth strategies,” added Mr. Paleologou.

FOURTH QUARTER 2019 DIVIDEND

The Company also announced that its Board of Directors approved a cash dividend of $0.525 per share for the fourth quarter of 2019, which will be payable on January 15, 2020 to shareholders of record at the close of business on December 31, 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 Sep 28, 2019	% (1)	13 weeks ended Sep 29, 2018	% (1)	39 weeks ended Sep 28, 2019	% (1)	39 weeks ended Sep 29, 2018	% (1)
Revenue by segment:								
Specialty Foods	632.0	65.3%	579.7	69.4%	1,822.6	67.7%	1,479.7	67.8%
Premium Food Distribution	336.3	34.7%	255.8	30.6%	867.7	32.3%	702.2	32.2%
Consolidated	968.3	100.0%	835.5	100.0%	2,690.3	100.0%	2,181.9	100.0%

(1) Expressed as a percentage of consolidated revenue

Specialty Foods' (SF) revenue for the third quarter of 2019 as compared to the third quarter of 2018 increased by $52.3 million or 9.0% primarily due to: (i) organic volume growth of $35.8 million representing a growth rate of 6.2%; (ii) business acquisitions, which accounted for $6.9 million of the increase; (iii) a $5.1 million increase in the translated value of its U.S. based businesses' sales resulting from a weaker Canadian dollar; and (iv) net selling price inflation of $4.5 million, which was driven primarily by price increases implemented to deal with global raw material cost inflation caused by a severe outbreak of African Swine Fever (ASF) in China, partially offset by price deflation resulting from lower input costs associated with certain cost plus sandwich sales arrangements.

SF's organic volume growth of 6.2% was driven by sandwiches, meat snacks and premium processed meats. While this growth rate exceeded the Company's long term targeted range of 4% to 6% it was below its expectations for the quarter primarily due to: (i) the steady but slower than planned ramp up in a variety of new meat snack and sandwich product launches; and (ii) lower than normal promotional and feature activity for certain products due to commodity cost uncertainties associated with the outbreak of ASF in China.

Specialty Foods' (SF) revenue for the first three quarters of 2019 as compared to the first three quarters of 2018 increased by $342.9 million or 23.2% primarily due to: (i) business acquisitions, which accounted for $257.1 million of the increase; (ii) organic volume growth of $66.2 million representing a growth rate of 4.5%; and (iii) a $21.0 million increase in the translated value of its U.S. based businesses' sales. These increases were partially offset by selling price deflation of $1.4 million.

Premium Food Distribution's (PFD) revenue for the third quarter of 2019 as compared to the third quarter of 2018 increased by $80.5 million or 31.5% primarily due to: (i) business acquisitions, which accounted for $62.2 million of the increase; (ii) organic volume growth of $15.9 million representing a growth rate of 6.2%, (iii) net selling price inflation of $2.1 million, which was driven primarily by price increases associated with the outbreak of ASF in China; and (iv) a $0.3 million increase in the translated value of its U.S. based businesses' sales resulting from a weaker Canadian dollar.

PFD's organic volume growth of 6.2% was primarily due to: (i) a very successful new lobster procurement initiative; (ii) additional sales of value-added processed lobster products, driven in part by the start-up of PFD's new Saco facility; and (iii) PFD's Ontario growth strategy, which is centered around its new distribution and custom cutting operation in the Greater Toronto Area (GTA). These factors were partially offset by: (i) continued weakness in foodservice sales in western Canada resulting from reduced consumer spending, particularly in the full service segment of the market; and (ii) several very successful protein features by a large retailer in the third quarter of 2018 that were either not being repeated this year or have been delayed to the fourth quarter.

PFD's revenue for the first three quarters of 2019 as compared to the first three quarters of 2018 increased by $165.5 million or 23.6% primarily due to: (i) business acquisitions, which accounted for $145.4 million of the increase; (ii) selling price inflation of $8.5 million; (iii) organic volume growth of $11.3 million representing a growth rate of 1.6%; and (iv) a $0.3 million increase in the translated value of its U.S. based businesses' sales resulting from a weaker Canadian dollar. PFD's low year-to-date growth rate was primarily due to (i) weather related challenges in eastern Canada during the first two quarters of the year; and (ii) the ongoing challenges in the western Canada foodservice industry as discussed above.

Gross Profit

(in millions of dollars except percentages)	13 weeks ended Sep 28, 2019	% (1)	13 weeks ended Sep 29, 2018	% (1)	39 weeks ended Sep 28, 2019	% (1)	39 weeks ended Sep 29, 2018	% (1)
Gross profit by segment:								
Specialty Foods	142.8	22.6%	127.4	22.0%	418.3	23.0%	325.5	22.0%
Premium Food Distribution	47.8	14.2%	39.1	15.3%	127.8	14.7%	110.6	15.8%
Consolidated	190.6	19.7%	166.5	19.9%	546.1	20.3%	436.1	20.0%

(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 third quarter of 2019 as compared to the third quarter of 2018 increased by 60 basis points primarily due to: (i) incremental contribution margin associated with its organic sales volume growth; (ii) the adoption of the IFRS-16 accounting standard which resulted in SF's gross margin increasing by approximately $4.4 million – normalizing for this SF's gross margin is 21.9%; and (iii) improved operating efficiencies at a number of SF's plants that were driven by a variety of continuous improvement initiatives. These factors were partially offset by: (i) labor cost inflation; (ii) additional outside storage costs mainly associated with long inventory positions taken to help hedge against rising global pork and beef commodity costs, and to prepare for new product launches; and (iii) sales mix changes. The impact of rising pork and beef commodity costs was largely offset by selling price increases.

SF's gross margin for the first three quarters of 2019 as compared to the first three quarters of 2018 increased by 100 basis points primarily due to the factors outlined above. The impact of the adoption of the IFRS-16 accounting standard on SF's 2019 year-to-date gross profit was $13.6 million.

PFD's gross margins for the third quarter of 2019 as compared to the third quarter of 2018 decreased by 110 basis points primarily due to: (i) lower than normal margins on a significant portion of the sales generated from its new lobster procurement initiative as access to this incremental supply is part of a longer term growth strategy, which includes the development of its processed lobster business utilizing its newly built Saco facility, and in the interim the sourced lobsters are being sold at trading margins – note that the scarcity of this resource makes procurement a crucial first step in the execution of PFD's lobster based growth strategies; (ii) a run up in the cost of Maine landed lobsters due to unexpectedly low landings which resulted in lower than normal margins on fixed priced promotions with several major retail chains; and (iii) additional overhead costs associated with PFD's new GTA facility, its expanded Montreal seafood operation and its new lobster procurement initiatives. These factors were partially offset by the adoption of the IFRS-16 accounting standard which resulted in PFD's gross profit increasing by approximately $0.7 million – normalizing for this PFD's gross margin is 14.0%.

PFD's gross margins for the first three quarters of 2019 as compared to the first three quarters of 2018 decreased by 110 basis points primarily due to: (i) the factors outlined above; and (ii) margins on lobsters sold in the U.S. in the first half of the year being negatively impacted by increased domestic supply resulting from China implementing tariffs on U.S. caught lobsters in the latter part of 2018. The impact of the adoption of the IFRS-16 accounting standard on PFD's 2019 year-to-date gross profit was $2.0 million.

Selling, General and Administrative Expenses (SG&A)

(in millions of dollars except percentages)	13 weeks ended Sep 28, 2019	% (1)	13 weeks ended Sep 29, 2018	% (1)	39 weeks ended Sep 28, 2019	% (1)	39 weeks ended Sep 29, 2018	% (1)
SG&A by segment:								
Specialty Foods	73.5	11.6%	67.8	11.7%	222.2	12.2%	167.3	11.3%
Premium Food Distribution	28.7	8.5%	23.8	9.3%	79.1	9.1%	69.3	9.9%
Corporate	4.3		3.6		12.2		10.9	
Consolidated	106.5	11.0%	95.2	11.4%	313.5	11.7%	247.5	11.3%

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

SF's SG&A for the third quarter of 2019 as compared to the third quarter of 2018 increased by $5.7 million due to a range of factors including: (i) variable selling and infrastructure costs, including discretionary marketing, associated with supporting SF's current and future growth initiatives; (ii) wage and freight inflation; (iii) a $0.8 million increase in the translated value of its U.S. based businesses' SG&A due to a weaker Canadian dollar; (iv) variable compensation accruals associated with growth in SF's free cash flow; and (v) business acquisitions. These factors were partially offset by the adoption of the IFRS-16 accounting standard which resulted in a $1.2 million decrease in SF's SG&A.

SF's SG&A as a percentage of sales (SG&A ratio) for the third quarter of 2019 as compared to the third quarter of 2018 decreased by 10 basis points primarily due to the adoption of the IFRS-16 accounting standard which resulted in a $1.2 million decrease in SF's SG&A – normalizing for this SF's SG&A ratio is 11.8%. The benefit to SF's SG&A ratio from its sales growth relative to the generally fixed nature of a portion of its SG&A was more than offset by: (i) wage and freight cost inflation; and (ii) investments made in sales and administration staff infrastructure to support SF's growth strategies.

SF's SG&A for the first three quarters of 2019 as compared to the first three quarters of 2018 increased by $54.9 million primarily due to the factors outlined above. The impact of U.S. dollar translation and the adoption of IFRS-16 on SF's 2019 year-to-date SG&A was $2.4 million and $2.5 million, respectively.

PFD's SG&A for the third quarter of 2019 as compared to the third quarter of 2018 increased by $4.9 million primarily due to: (i) business acquisitions, which accounted for most of the increase; (ii) infrastructure costs associated with supporting SF's current and future growth; and (iii) freight and wage inflation. These factors were partially offset by the adoption of the IFRS-16 accounting standard which resulted in a $1.4 million decrease in PFD's SG&A.

PFD's SG&A ratio for the third quarter of 2019 as compared to the third quarter of 2018 decreased by 80 basis points primarily due to the adoption of the IFRS-16 accounting standard – normalizing for this PFD's SG&A ratio is 9.0%. This was partially offset by PFD's investment in additional fleet and sales infrastructure to support current and future growth initiatives.

PFD's SG&A for the first three quarters of 2019 as compared to the first three quarters of 2018 increased by $9.8 million primarily due to the factors outlined above. The impact of the adoption of IFRS-16 on PFD's 2019 year-to-date SG&A was $4.4 million.

Adjusted EBITDA

(in millions of dollars except percentages)	13 weeks ended Sep 28, 2019	% (1)	13 weeks ended Sep 29, 2018	% (1)	39 weeks ended Sep 28, 2019	% (1)	39 weeks ended Sep 29, 2018	% (1)
Adjusted EBITDA by segment:								
Specialty Foods	69.3	11.0%	59.6	10.3%	196.1	10.8%	158.2	10.7%
Premium Food Distribution	19.1	5.7%	15.3	6.0%	48.7	5.6%	41.3	5.9%
Corporate	(4.3)		(3.6)		(12.2)		(10.9)	
Consolidated	84.1	8.7%	71.3	8.5%	232.6	8.6%	188.6	8.6%

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

Adjusted EBITDA for the third quarter of 2019 as compared to the third quarter of 2018 increased by $12.8 million or 18.0%. While this was a third quarter record for the Company, it was below its expectations primarily due to: (i) lower than projected gross margins in its SF segment as it had expected selling price increases implemented late in the second quarter of 2019 to result in the recovery of a portion of the margin lost in that quarter due to a sudden and dramatic rise in its pork commodity costs. This, however, did not happen due to significant appreciation in the cost of specialized raw materials being sourced from Europe – as their exports to China spiked – and, to a lesser extent, expected cost deflation in North American pork costs not materializing; (ii) lower than normal margins on certain fixed priced lobster promotions with several major U.S. retailers due to an unexpected run up in the cost of Maine landed lobsters as discussed above; and (iii) the impact on the SF segment's sales from ASF related issues and the slower than planned ramp up associated with a variety of new sales initiatives as discussed above.

Excluding the impact of adopting the IFRS-16 accounting standard, the Company's adjusted EBITDA for the third quarter of 2019 is $75.0 million, representing an increase of $3.7 million or 5.2% from the third quarter of 2018.

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 the quarter and for the first three quarters of 2019, the Company incurred $3.7 million and $7.0 million, respectively, in plant start-up and restructuring costs relating primarily to the start-up of: (i) a new 105,000 square foot state-of-the-art distribution and custom cutting facility in the GTA in the fourth quarter of 2018; (ii) a new 40,000 square foot lobster processing facility in Saco, ME during the quarter; (iii) a new 45,000 square foot distribution and seafood processing facility in Montreal during the quarter; (iv) a new 22,300 square foot culinary plant for fresh salads, soups and sauces in Surrey, BC in the fourth quarter of 2018; and (v) a 25,000 square foot expansion of the Company's cooked protein plant in Montreal during the quarter.

Interest and Other Financing Costs

The Company's interest and other financing costs for the third quarter of 2019 as compared to the third quarter of 2018 was relatively stable as slightly higher average interest rates, resulting from the relative mix of its U.S. dollar to Canadian dollar denominated debt, was mostly offset by lower average funded debt levels for the quarter.

The Company's interest and other financing costs for the first three quarters of 2019 as compared to the first three quarters of 2018 increased by $9.3 million primarily due to higher average funded debt levels that were mainly the result of the Company's business acquisition activities.

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 2019 is 24% 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 the first three quarters of 2019, the Company's income tax rate was 20.8%, which is below its expected range primarily due to the recognition of $3.7 million in tax attributes as a result of the reorganization of certain legal entities within the Company's corporate structure. The impact of this was partially offset by an increase in the translated value of the Company's U.S. dollar denominated deferred income tax liabilities resulting from a weaker Canadian dollar on a year over year basis. Normalizing for these factors, the Company's income tax rate for the first three quarters of 2019 is 24.1%.

The Company's income tax rate for the first three quarters of 2018 was also below the Company's expected range due to the recognition of $10.3 million in tax attributes as a result of the reorganization of certain legal entities within the Company's corporate structure.

2019 Outlook

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

(in millions of dollars)	Bottom of Range	Top of Range
Revenue		
Prior guidance	3,660.0	3,720.0
Current guidance	3,620.0	3,650.0
Adjusted EBITDA:		
Prior guidance	331.0	371.0
Current guidance	300.0	315.0

The Company is reducing its sales and adjusted EBITDA guidance for 2019 based primarily on: (i) the greater than expected challenges that occurred in the third quarter (see *Results of Operations – Adjusted EBITDA*); (ii) the continuation of some of these challenges into the fourth quarter, namely those associated with the outbreak of ASF in China and the slower than expected ramp up of certain growth initiatives; (iii) the Canadian dollar being stronger in the back half of 2019 than previously forecasted; and (iv) delays in the closing of several planned business acquisitions – this impacted only the top end of the Company's guidance. These factors are expected to be partially offset by the recent completion of two acquisitions, namely Viandex, and Maine Coast albeit the impact of these is mitigated by the seasonality of their businesses.

While the Company is expecting to complete additional acquisitions in the fourth quarter of 2019, these have not been factored into the revised guidance ranges.

There were no developments in the quarter that changed the Company's long-term outlook for its business and correspondingly it is maintaining its long-term objectives of achieving $6 billion in sales and a 10% adjusted EBITDA margin by 2023.

Premium Brands Holdings Corporation

Consolidated Balance Sheets

(in millions of Canadian dollars)

	Sep 28, 2019	Dec 29, 2018	Sep 29, 2018
Current assets:			
Cash and cash equivalents	15.2	19.4	18.0
Accounts receivable	334.2	321.9	311.7
Inventories	358.6	339.8	324.5
Prepaid expenses and other assets	17.6	15.1	13.6
	725.6	696.2	667.8
Capital assets	493.6	476.4	455.0
Right of use assets	299.3	-	-
Intangible assets	445.7	452.9	445.7
Goodwill	817.1	776.7	759.4
Investment in and advances to associates	59.2	26.7	28.0
Other assets	21.7	21.6	21.6
	2,862.2	2,450.5	2,377.5
Current liabilities:			
Cheques outstanding	15.8	22.0	10.3
Bank indebtedness	27.4	35.9	0.5
Dividends payable	19.6	16.0	16.0
Accounts payable and accrued liabilities	285.4	246.6	242.4
Current portion of long-term debt	5.6	10.8	11.1
Current portion of lease obligations	30.4	-	-
Current portion of provisions	12.6	2.3	2.3
Current portion of puttable interest in subsidiaries	53.2	73.2	64.4
	450.0	406.8	347.0
Long-term debt	539.4	726.4	730.1
Lease obligations	302.7	-	-
Provisions	58.0	36.3	42.8
Puttable interest in subsidiaries	5.0	4.6	4.6
Pension obligation	0.8	0.9	1.8
Deferred income taxes	67.0	84.6	79.2
Other liabilities	4.3	6.8	6.6
	1,427.2	1,266.4	1,212.1
Convertible unsecured subordinated debentures	363.0	360.2	359.3
Equity attributable to shareholders:			
Retained earnings	24.2	32.4	29.6
Share capital	1,021.0	753.9	753.9
Reserves	26.8	37.6	22.6
	1,072.0	823.9	806.1
	2,862.2	2,450.5	2,377.5

Premium Brands Holdings Corporation

Consolidated Statements of Operations

(in millions of Canadian dollars except per share amounts)

	13 weeks ended Sep 28, 2019	13 weeks ended Sep 29, 2018	39 weeks ended Sep 28, 2019	39 weeks ended Sep 29, 2018
Revenue	968.3	835.5	2,690.3	2,181.9
Cost of goods sold	777.7	669.0	2,144.2	1,745.8
Gross profit before the below	190.6	166.5	546.1	436.1
Selling, general and administrative expenses before the below	106.5	95.2	313.5	247.5
	84.1	71.3	232.6	188.6
Plant start-up and restructuring costs	3.7	1.4	7.0	2.5
Depreciation of capital assets	15.0	13.2	43.8	32.8
Amortization of intangible assets	5.1	4.0	15.2	10.8
Amortization of right of use assets	7.0	-	20.5	-
Accretion of lease obligations	3.4	-	9.8	-
Interest and other financing costs	12.5	12.3	42.1	32.8
Business acquisition transaction costs	1.3	2.3	2.5	7.3
Change in value of puttable interest in subsidiaries	-	1.9	0.5	5.2
Accretion of provisions	1.6	-	4.0	0.3
Equity loss in investments in associates	0.4	0.4	1.3	1.5
Earnings before income taxes	34.1	35.8	85.9	95.4
Provision (recovery) for income taxes				
Current	6.6	5.1	17.1	22.8
Deferred	0.6	(5.4)	0.8	(7.3)
	7.2	(0.3)	17.9	15.5
Earnings	26.9	36.1	68.0	79.9
Earnings per share:				
Basic	0.72	1.09	1.92	2.50
Diluted	0.71	1.08	1.92	2.49
Weighted average shares outstanding (in millions):				
Basic	37.3	33.3	35.4	32.0
Diluted	37.4	33.4	35.5	32.1

Premium Brands Holdings Corporation

Consolidated Statements of Cash Flows

(in millions of Canadian dollars)

	13 weeks ended Sep 28, 2019	13 weeks ended Sep 29, 2018	39 weeks ended Sep 28, 2019	39 weeks ended Sep 29, 2018
Cash flows from (used in) operating activities:				
Earnings	26.9	36.1	68.0	79.9
Items not involving cash:				
Depreciation of capital assets	15.0	13.2	43.8	32.8
Amortization of intangible assets	5.1	4.0	15.2	10.8
Amortization of right of use assets	7.0	-	20.5	-
Accretion of lease obligations	3.4	-	9.8	-
Change in value of puttable interest in subsidiaries	-	1.9	0.5	5.2
Equity loss in investments in associates	0.4	0.4	1.3	1.5
Non-cash financing costs	1.2	1.1	3.5	4.1
Accretion of provisions	1.6	-	4.0	0.3
Deferred income taxes (recovery)	0.6	(5.4)	0.8	(7.3)
Other	(0.2)	0.1	0.2	0.2
	61.0	51.4	167.6	127.5
Change in non-cash working capital	55.0	8.8	(11.3)	(22.6)
	116.0	60.2	156.3	104.9
Cash flows from (used in) financing activities:				
Long-term debt, net	(37.6)	135.3	(176.6)	260.1
Payments for lease obligations	(9.1)	-	(26.1)	-
Bank indebtedness and cheques outstanding	25.9	(3.1)	(14.6)	(9.3)
Convertible debentures – net of issuance costs	-	-	-	164.7
Common share issuance from private placement – net of issuance costs	-	-	250.9	164.9
Dividends paid to shareholders	(19.7)	(15.9)	(53.5)	(43.6)
Other	-	(0.9)	-	(2.8)
	(40.5)	115.4	(19.9)	534.0
Cash flows from (used in) investing activities:				
Capital asset additions	(24.5)	(17.0)	(63.2)	(45.2)
Business acquisitions	(31.7)	(135.5)	(55.0)	(553.5)
Payments to shareholders of non-wholly owned subsidiaries	-	(0.2)	(2.3)	(2.0)
Payment for settlement of puttable interest of non-wholly owned subsidiary	-	-	(0.5)	-
Payment of provisions	-	(20.0)	(0.8)	(20.5)
Purchase of shares for employee share loans	-	(1.3)	-	(11.3)
Investment in and advances to associates – net of distributions	(16.3)	(0.6)	(19.6)	(5.9)
Other	0.2	1.3	0.8	2.4
	(72.3)	(173.3)	(140.6)	(636.0)
Change in cash and cash equivalents	3.2	2.3	(4.2)	2.9
Cash and cash equivalents – beginning of period	12.0	15.7	19.4	15.1
Cash and cash equivalents – end of period	15.2	18.0	15.2	18.0
Interest and other financing costs paid	7.5	7.8	33.4	25.0
Income taxes paid (recovered)	(4.5)	23.5	0.9	41.4

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 Sep 28, 2019	13 weeks ended Sep 29, 2018	39 weeks ended Sep 28, 2019	39 weeks ended Sep 29, 2018
Earnings before income taxes	34.1	35.8	85.9	95.4
Plant start-up and restructuring costs	3.7	1.4	7.0	2.5
Depreciation of capital assets	15.0	13.2	43.8	32.8
Amortization of intangible assets	5.1	4.0	15.2	10.8
Amortization of right of use assets	7.0	-	20.5	-
Accretion of lease obligations	3.4	-	9.8	-
Interest and other financing costs	12.5	12.3	42.1	32.8
Business acquisition transaction costs	1.3	2.3	2.5	7.3
Change in value of puttable interest in subsidiaries	-	1.9	0.5	5.2
Accretion of provisions	1.6	-	4.0	0.3
Equity loss in investments in associates	0.4	0.4	1.3	1.5
Adjusted EBITDA	84.1	71.3	232.6	188.6

Free Cash Flow

(in millions of dollars)	52 weeks ended Dec 29, 2018	39 weeks ended Sep 28, 2019	39 weeks ended Sep 29, 2018	Rolling Four Quarters
Cash flow from operating activities	135.9	156.3	104.9	187.3
Changes in non-cash working capital	35.1	11.3	22.6	23.8
Lease obligation payments	-	(26.1)	-	(26.1)
Business acquisition transaction costs	8.2	2.5	7.3	3.4
Plant start-up and restructuring costs	5.2	7.0	2.5	9.7
Maintenance capital expenditures	(19.8)	(17.0)	(13.4)	(23.4)
Free cash flow	164.6	134.0	123.9	174.7

Adjusted Earnings and Adjusted Earnings per Share

(in millions of dollars except per share amounts)	13 weeks ended Sep 28, 2019	13 weeks ended Sep 29, 2018	39 weeks ended Sep 28, 2019	39 weeks ended Sep 29, 2018
Earnings	26.9	36.1	68.0	79.9
Plant start-up and restructuring costs	3.7	1.4	7.0	2.5
Business acquisition transaction costs	1.3	2.3	2.5	7.3
Accretion of provisions	1.6	-	4.0	0.3
Equity loss from associates in start-up	0.4	0.4	1.3	1.5
Change in value of puttable interest in subsidiaries	-	1.9	0.5	5.2
Amortization of intangibles associated with acquisitions	5.1	4.0	15.2	10.8
Current and deferred income tax effect of above items	(6.0)	(11.7)	(9.6)	(13.8)
Adjusted earnings	33.0	34.4	88.9	93.7
Weighted average shares outstanding	37.3	33.3	35.4	32.0
Adjusted earnings per share	0.88	1.04	2.51	2.93

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 November 11, 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 this document. 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.
- The Company's organic growth initiatives will progress in line with its expectations.
- The average cost of the basket of food commodities purchased by it being relatively stable for the balance of the year including no further major disruptions in the commodity pork market.
- 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.

- Weather conditions in the Company's core markets will not have a significant impact on any of its businesses.
- 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 November 11, 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 press release.