

ANNUAL GENERAL MEETING OF LASSONDE INDUSTRIES INC.

Financial Results for Fiscal 2014
and First Quarter 2015

MAY 12, 2015



Lassonde
Industries

FORWARD-LOOKING STATEMENTS



Lassonde
Industries

Certain statements made in this presentation, including, but not limited to, statements regarding the prospects of the industry, plans, financial position, and business strategy of the Company may constitute forward-looking statements within the meaning of Canadian securities legislation and regulations. These forward-looking statements do not provide guarantees as to the future performance of Lassonde Industries Inc. and are subject to risks, both known and unknown, as well as uncertainties that may cause the outlook, profitability, or actual results of Lassonde Industries Inc. to differ significantly from the profitability or future results stated or implied by these statements. Detailed information on risks and uncertainties is provided in the “Uncertainties and Principal Risk Factors” section of the MD&A for the year ended December 31, 2014, available at www.sedar.com and at www.lassonde.com.

The forward-looking statements contained in this presentation reflect our expectations as at May 12, 2015 and, accordingly, are subject to change after this date. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this presentation, whether as a result of new information, future events, or otherwise.

The terms “EBITDA,” “free cash flow,” and “Adjusted EPS” are non-GAAP financial measures and do not have any standardized meaning under IFRS. They are therefore unlikely to be comparable to similar measures presented by other issuers. Refer to the section “Financial Measures Not in Accordance with IFRS” in the MD&A of Lassonde Industries Inc. for the 2014 First Quarter ended March 28, 2015.

HIGHLIGHTS—FISCAL 2014

Earnings



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In millions of \$ (except EPS)	Years ended			% Δ 14 vs 13	% Δ 13 vs 12
	December 31				
	2014	2013	2012*		
Sales	1,181.0	1,040.2	1,022.2	13.5%	1.8%
Operating profit	88.4	83.1	85.9	6.3%	-3.2%
<i>Operating profit/Sales</i>	<i>7.5%</i>	<i>8.0%</i>	<i>8.4%</i>		
Profit	47.4	46.3	45.3	2.3%	2.3%
Profit attributable to shareholders	45.2	44.9	44.2	0.7%	1.7%
EBITDA	123.2	115.7	116.2	6.4%	-0.4%
Earnings per share (EPS)	6.47	6.43	6.32	0.6%	1.7%

* Restated following the adoption January 1, 2013, of the amended version of IAS 19.

HIGHLIGHTS—FISCAL 2014

Earnings (cont'd)



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- Sales of \$1,181.0M, ↑ \$140.8M from \$1,040.2M in 2013;
 - Apple & Eve (A&E) 5-month sales of \$98.2M;
 - Favourable foreign exchange impact of \$34.9M;
 - \$34.0M increase in sales of private label products;
 - \$15.9M decrease in the Company's national brand sales volume in Canada;
 - \$9.5M unfavourable selling price variance.

- Operating profit of \$88.4M, ↑ 6.3% or \$5.3M vs 2013;
 - Net unfavourable impact of A&E acquisition of \$2.0M explained by \$4.2M of transaction-related charges partly offset by \$2.2M in operating profit from A&E;
 - Higher profitability of U.S. operations stemming from cost reductions;
 - Lower profitability of Canadian operations due to higher trade spending and unfavourable sales mix.

- Financial expenses of \$23.3M vs \$22.2M in 2013, ↑ \$1.1M;
 - The increase was primarily attributable to a higher change in the fair value of participating loans partly offset by a decrease in interest expense.

HIGHLIGHTS—FISCAL 2014

Earnings (cont'd)



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- “Other (gains) losses” \$1.8M gain in 2014 vs a \$1.3M gain in 2013:
 - Substantially all of the gains came from foreign exchange gains;
 - The increase is mainly attributable to the increase in value of the U.S. dollar and its impact on certain assets denominated in U.S. dollars.
- Effective tax rate of 29.1% for 2014 compared to an effective tax rate of 25.5% in 2013:
 - Reflects an unfavourable change in the geographic mix of the Company’s taxable income compared to 2013.
- Profit attributable to the Company’s shareholders of \$45.2M (↑0.7%) from \$44.9M in 2013 while EPS was \$6.47 compared to \$6.43 in 2013.
 - Excluding the impact of the A&E acquisition, profit attributable to the Company’s shareholders would have increased by \$3.7M or 8.2%.

HIGHLIGHTS—FISCAL 2014

Consolidated Statements of Financial Position



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In millions of \$	As at December 31			% Δ	% Δ
	2014	2013	2012	14 vs 13	13 vs 12
Non-cash working capital	167.2	120.8	127.1	38.4%	-5.0%
Property, plant and equipment	251.8	248.4	238.9	1.4%	4.0%
Total assets	1,016.7	796.8	800.0	27.6%	-0.4%
Net Debt				\$ Δ 14 vs 13	
Long-term debt	359.2	257.4	282.5	101.8	
Current portion of long-term debt	10.9	4.6	12.8	6.3	
Bank overdraft	17.4	0.8	-	16.6	
Minus: - cash and cash equivalents	(0.3)	(13.5)	(22.2)	13.2	
- short-term investment	-	-	(2.1)	-	
	387.2	249.3	271.0	137.9	
Net debt/Total assets	38.1%	31.3%	33.9%		

HIGHLIGHTS—FISCAL 2014

Free Cash Flow Analysis



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In millions of \$	Years ended		Variance 2014-2013
	December 31		
	2014	2013	
Free cash flows			
Profit	47.4	46.3	1.1
Adjustments			
Amortization and Depreciation	34.7	32.4	2.3
Pension plans, income tax and other	11.5	14.0	(2.5)
Change in non-cash working capital	(14.5)	2.1	(16.6)
Cash flows from operating activities	79.1	94.8	(15.7)
Dividends paid	(11.1)	(10.3)	(0.8)
Acquisition of PP&E and intangibles	(20.7)	(24.6)	3.9
	47.3	59.9	(12.6)
Business acquisitions	(160.0)	-	(160.0)
Free cash flows	(112.7)	59.9	(172.6)
Used (Financed) as follows:			
Decrease (increase) in net debt*	(114.6)	38.5	(153.1)
Non-controlling interest	(8.1)	-	(8.1)
Other long-term participating instruments	10.0	21.4	(11.4)
	(112.7)	59.9	(172.6)

* Before currency translation effect.

HIGHLIGHTS—FIRST QUARTER 2015

Earnings



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In millions of \$
(except EPS)

First Quarters ended

	March 28 2015	March 29 2014	% Δ 15 vs 14	\$ Δ 15 vs 14
Sales	327.7	244.2	34.2%	83.5
Operating profit	17.0	14.3	18.6%	2.7
<i>Operating profit/Sales</i>	<i>5.2%</i>	<i>5.9%</i>		
Profit attributable to shareholders	7.8	7.1	9.5%	0.7
EBITDA	27.5	22.2	23.5%	5.3
Earnings per share (EPS)	1.11	1.01	9.9%	

As at

	March 28 2015	Dec. 31 2014	\$ Δ 15 vs 14
Net Debt			
Long-term debt (incl. current portion of LTD)	381.5	370.1	11.4
Bank overdraft	18.8	17.4	1.4
Minus: - cash and cash equivalents	(0.4)	(0.3)	(0.1)
	399.9	387.2	12.7

HIGHLIGHTS—FIRST QUARTER 2015

Earnings (cont'd)



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- Sales of \$327.7M, ↑ \$83.5M from \$244.2M in 2014;
 - 34.2% increase attributable to:
 - Apple & Eve (A&E) sales of \$62.5M;
 - Favourable foreign exchange impact of \$15.1M;
 - \$10.7M increase in sales of private label products partly offset by
 - lower sales volume of the Company's national brands.

- Operating profit of \$17.0M, ↑ 18.6% or \$2.7M from 2014;
 - Driven by A&E's operating profit of \$3.3M partly offset by
 - a slight decrease in Canadian operations profitability resulting from an unfavorable exchange impact affecting raw material costs.

- Financial expenses of \$6.7M vs \$5.2M in 2014, ↑ \$1.5M:
 - Attributable to a higher interest expense related to the financing of the A&E acquisition and to
 - an unfavourable foreign exchange impact.

HIGHLIGHTS—FIRST QUARTER 2015

Earnings (cont'd)



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- “Other (gains) losses” went from a \$1.2M gain in 2014 to a \$1.3M gain in 2015, ↑ \$0.1M
 - The 2015 gain due to \$2.1 million in foreign exchange gains partly offset by a \$0.8 million loss in the fair value of interest rate swaps.
- Effective tax rate of 29,5% for Q1-2015 compared to an effective rate of 27.9% in Q1-2014:
 - The increase in tax rate reflects an unfavourable change in the geographic mix of the Company’s taxable income.
- Profit attributable to the Company’s shareholders of \$7.8M, ↑ 9.5% from \$7.1M in 2014 while EPS was \$1.11 vs \$1.01 in 2014.



● Dividends:

- Quarterly dividend of \$0.41 per share (payable on June 15 for Q1);
- 2.5% increase over 2014;
- On an annualized basis, represents approximately 25% of 2014 profit attributable to shareholders.

● Outlook:

- Fiscal 2015 will include an entire year of A&E's financial results while 2014 reflected 5 months of operations. It is important to note that for the 12-month period ended May 31, 2014, A&E had recorded:
 - Sales of approximately US\$180 million;
 - An adjusted EBITDA of approximately US\$15 million.
- Barring any significant external factors and excluding A&E's sales, the Company remains optimistic about its ability in 2015 to slightly increase its consolidated sales over 2014 levels.
- Negative impact of the drop in value of the Canadian dollar on the profitability of the Company's Canadian operations partly offset by the positive impact of the translation into Canadian dollars of profits generated by the U.S. entities:
 - Forecast a slightly unfavorable net impact for 2015 as a whole;
 - Stronger impact expected for the last quarter of 2015.



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LASSONDE INDUSTRIES INC.



Healthy, Strong, and Innovative



2014 Sales: \$1,181.0 million

Cash flows from operating activities: \$79.1 million

Lassonde Industries Inc. develops, manufactures, and markets distinctive food products.

A. Lassonde Inc.

The Canadian leader in the development, manufacture, and marketing of fruit juices and drinks.



Lassonde Specialties Inc.

Develops, manufactures, and markets specialty food products.



Clement Pappas and Company, Inc.

An American leader in the development, manufacture, and marketing of private label fruit juices and drinks.



Arista Wines

Imports and markets selected wines and manufactures apple ciders and cider-based beverages.



Apple & Eve (acquired in 2014)

An American leader in the development and marketing of national brand fruit juices and drinks.

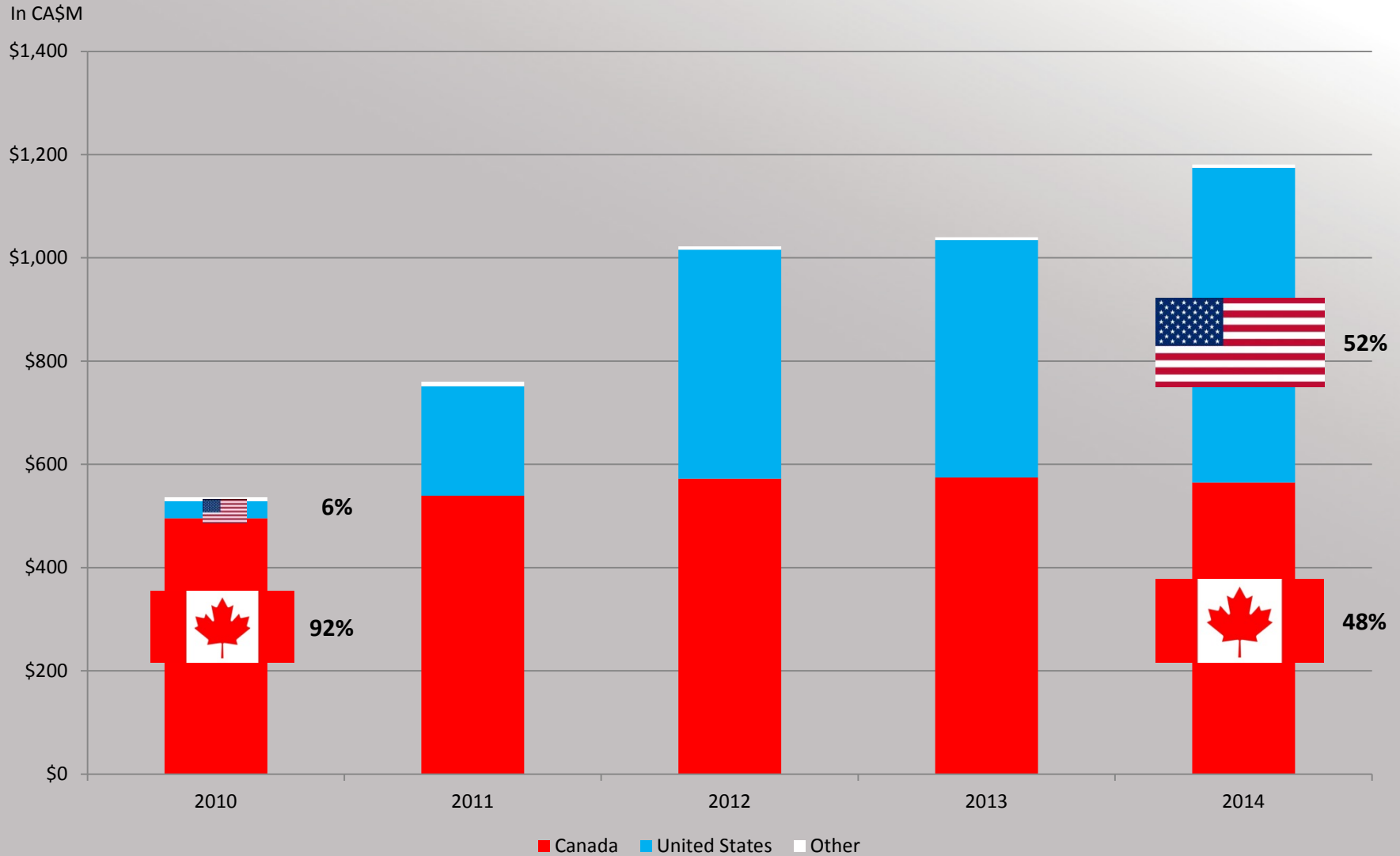


LASSONDE INDUSTRIES INC.

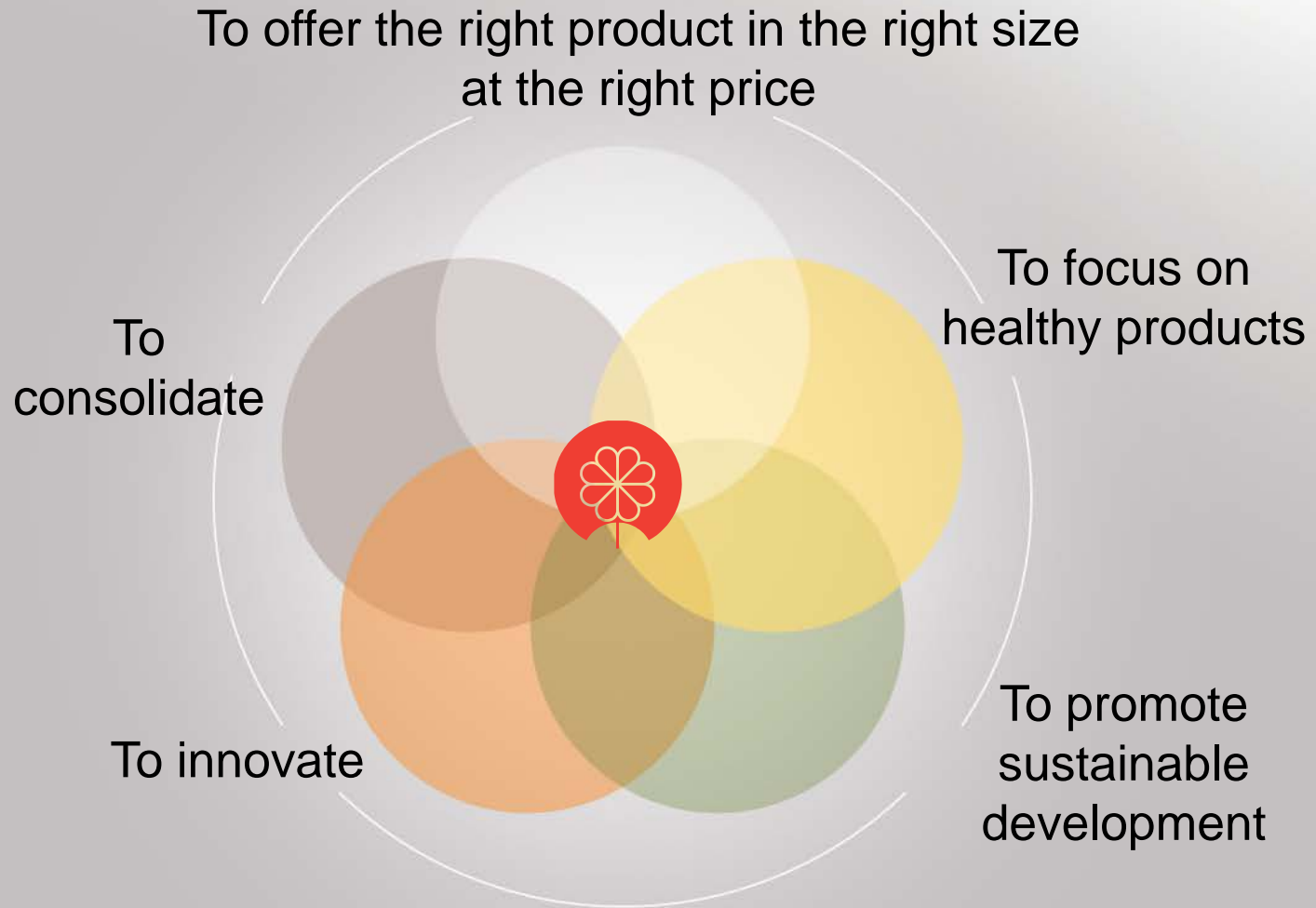
Changes in geographic sales distribution



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N.B.: The year 2014 includes 5 months of operations for Apple & Eve.



CORPORATE STRATEGY

To consolidate: Apple & Eve



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- The acquisition of Apple & Eve enabled the Company to enter the branded juice business in the United States;
- Apple & Eve is a leader in the category of shelf-stable, ready-to-drink juice in the U.S.;
- Apple & Eve markets its juices in plastic bottles and aseptic cartons;
- Apple & Eve's brands are synonymous with health and wellness and premium quality due to its longstanding commitment to producing pure, all-natural juice products;
- Apple & Eve markets products under the Apple & Eve, Northland, and The Switch brands;
- Apple & Eve also markets products under the Fruitables, Organics, and Sesame Street sub-brands.

CORPORATE STRATEGY
To consolidate: Apple & Eve



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Video



CORPORATE STRATEGY

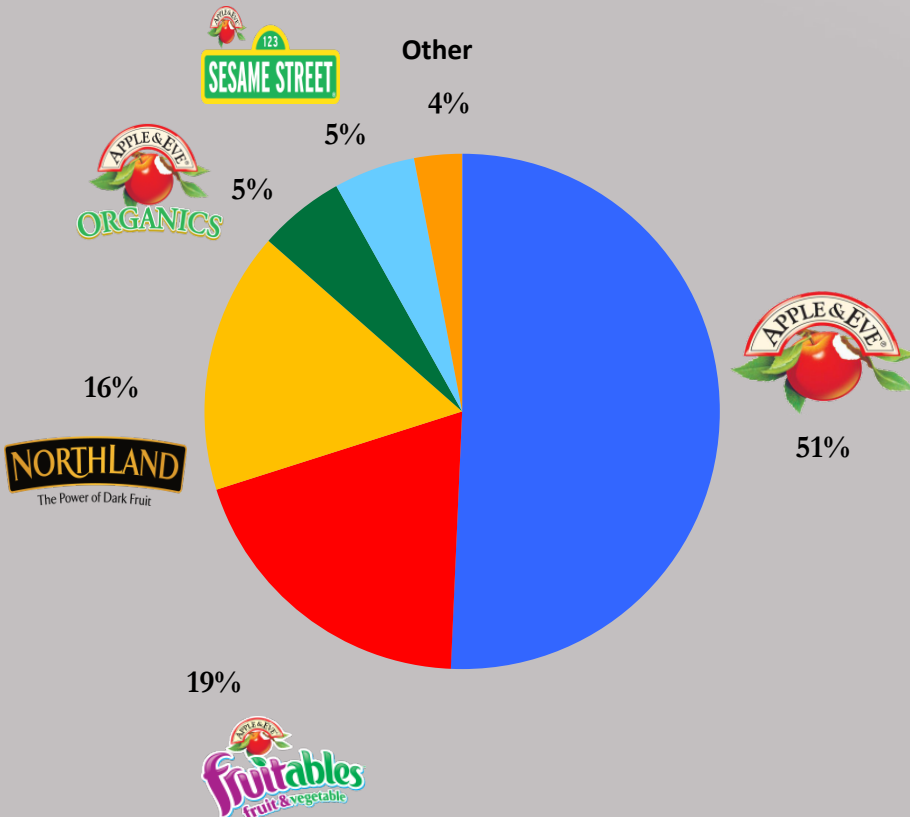
To consolidate: Apple & Eve



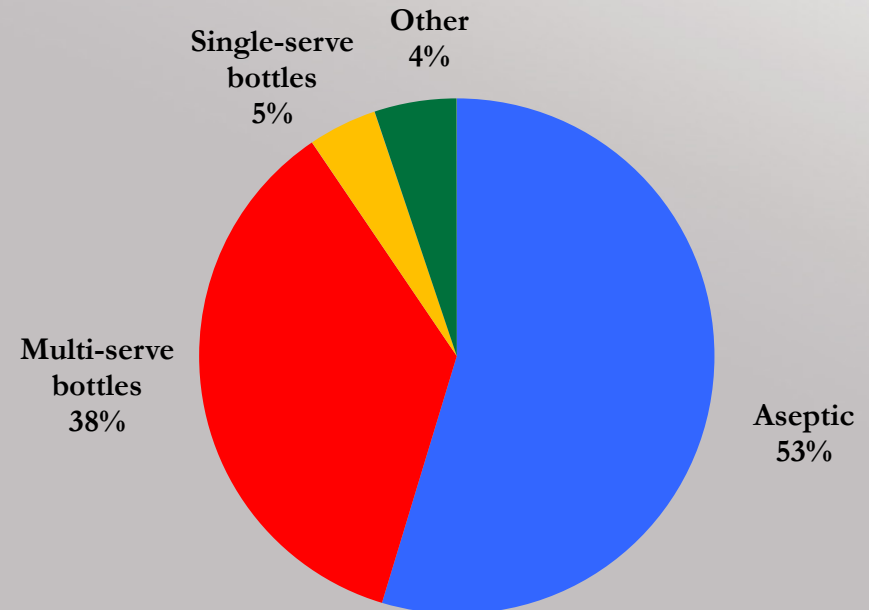
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A&E: Product and Package Types

Gross sales by product – LTM



Gross sales by package type



CORPORATE STRATEGY

To consolidate: The next steps



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- First, focus on taking advantage of economies of scale resulting from the acquisition of A&E;
- Maintain a fast pace of debt repayment to reduce the Company's leverage and to better position Lassonde to seize future business opportunities;
- Stay on the lookout for business opportunities that enable us to improve our strategic positioning in the U.S. market;
- Optimize our manufacturing footprint to reduce our delivery costs for products sold in Western Canada and in the Western United States;
- Take advantage of consolidation in the North American food industry to identify fruit juice and fruit drink brands that could become available subsequent to acquisitions.

CORPORATE STRATEGY

Offer the right product in the right size at the right price



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- More than ever:
 - The life cycle of products has shortened;
 - Maintain a competitive advantage;
 - We must develop multiple focuses;
 - Consumption patterns change;
 - Decode trends;
 - We must create value through innovation.

- The challenge is to maintain stability between our values/mission and the changing tastes of consumers.

CORPORATE STRATEGY

Offer the right product in the right size at the right price



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- Complexification of the beverage industry with hyper-segmentation

1970–1979

CSDs
Juice
Milk

1980–1989

CSDs
Juice
Milk
Bottled water
RTD tea
RTD juice

1990–1999

CSDs
Juice
Milk
Bottled water
RTD tea
RTD juice
Flavoured RTD tea
Isotonics
RTD coffee
Wellness juices, drinks, and teas

2000–2010

CSDs
Juice
Milk
Bottled water
RTD tea
RTD juice
Flavoured RTD tea
Isotonics
RTD coffee
Energy drinks
Functional beverages
Fortified waters

Today

CSDs
Juice
Milk
Bottled water
RTD tea
RTD juice
Flavoured RTD tea
Isotonics
RTD coffee
Energy drinks
Functional beverages
Fortified waters
Low-calorie/low-sugar beverages
Beverages as a snack
Less processing

CORPORATE STRATEGY

Offer the right product in the right size at the right price



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- One person drinks approximately 756 litres of fluids a year;
- The beverage market has literally exploded in terms of diversification over the past 15 years;
- In the U.S., beverages are an \$81.4 billion industry with a CAGR of 1% over the last 3 years;
- In Canada, beverages are an \$8.5 billion industry with a CAGR of 1% over the last 4 years;
- Tea, coffee, water, and soy and almond milks are showing strong growth.



CORPORATE STRATEGY

To innovate



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Industries

- In the U.S., new products in the shelf-stable juice category represent over \$250 million a year, approximately 3%;
- In Canada, new products in the shelf-stable juice category represent some \$60 million a year, approximately 3%;
- Lassonde is the leader in innovation, with nearly 25% of new product sales in the industry the past three years.

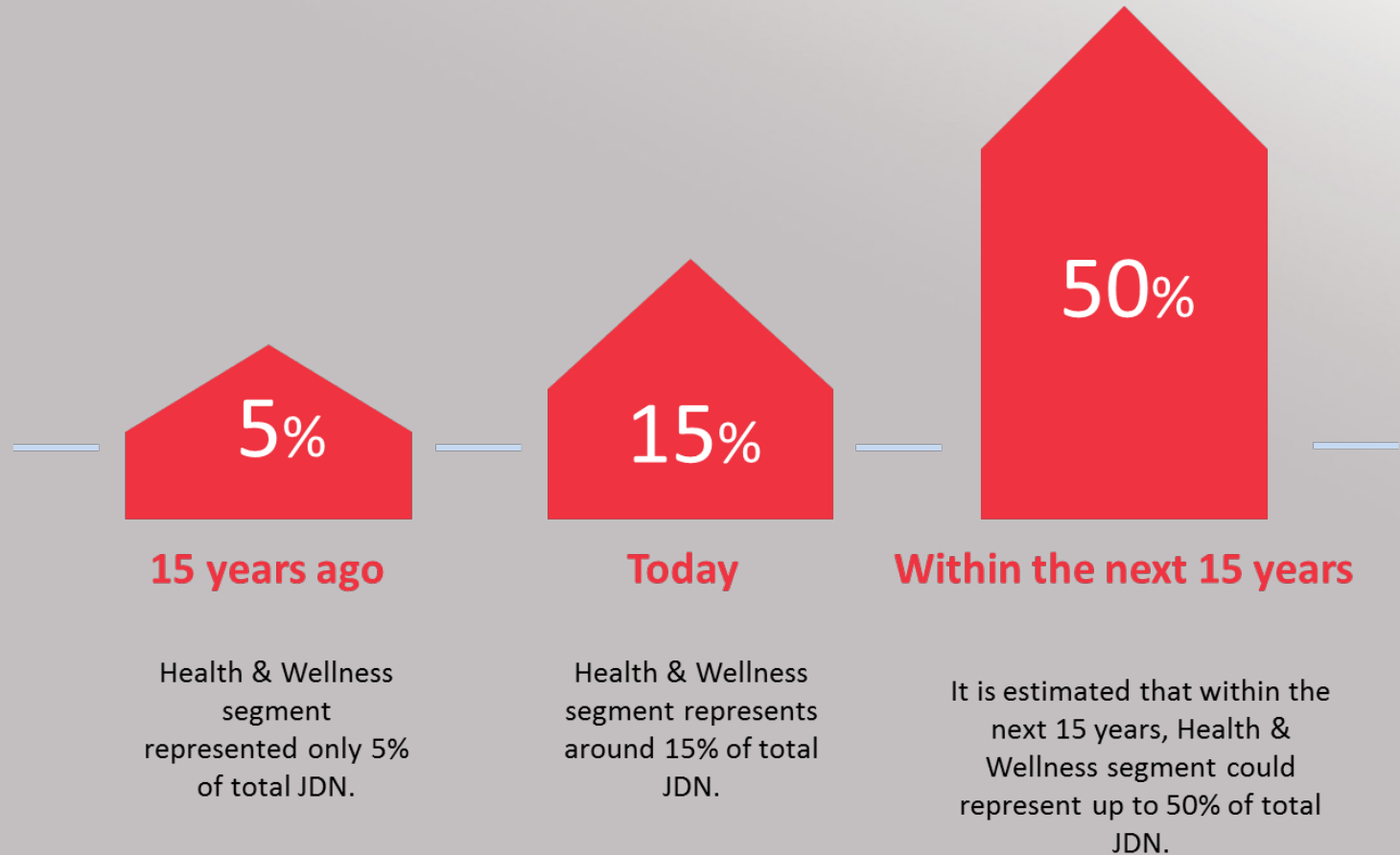
Sources: IRI ONLINE SOLUTIONS, TOTAL US - MULTI OUTLET, 52 weeks ending December 28, 2014 (TOTAL Juices, Drinks, Diet)

Nielsen MarketTrack: National All Channels 52 weeks, annual volume (TL JDN + RED JUICE + S/S ICED TEA).

Nielsen MarketTrack: National All Channels, 3-year innovation total, period ending Jan 10, 2015



Consumers are on a quest for Health and Wellness



CORPORATE STRATEGY

To focus on healthy products



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MORE desirable ingredients:

NEW! NOUVEAU!

OASIS NutriSolution
Complete Nutritive Solution
Solution nutritive Complète

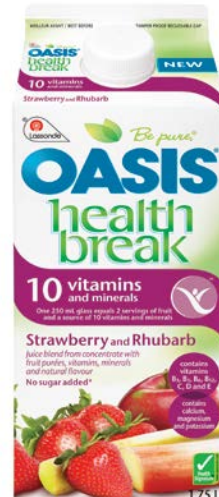
MEAL REPLACEMENT - SUBSTITUT DE REPAS

STRAWBERRY-BANANA / FRAISE-BANANE

26g PROTEIN / PROTÉINES
10g CARBS / GLUCIDES
4g FAT / MATIÈRE GRASSE
2 PORTIONS OF FRUIT / PARTIES DE FRUITS

NO SUGAR ADDED* / SANS SUCRE AJOUTÉ*

Hydra+



CORPORATE STRATEGY

To focus on healthy products



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MORE desirable ingredients: Organic



CORPORATE STRATEGY

To focus on healthy products



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Industries

Clement Pappas



CORPORATE STRATEGY

To focus on healthy products



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FEWER calories





- Demonstrate our leadership in the environmental performance of our operations and communicate our accomplishments with regard to our three priorities: water, packaging, and health;
- Continue our efforts in optimizing water use, in responsible procurement, in reducing environmental waste and discharge, and in disseminating our engagement and performance;
- Grow the health and wellness product range;
- Integrate sustainability into our innovation and management process;
- Increase attention paid by the Innovation Committee to reducing packaging;
- Promote healthy activities among our employees: running, Health Week, and other activities.

FOLLOW-UP ON 2014 PRIORITIES



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Acquisition enabling accelerated entry of national brand products into the U.S. market	Apple & Eve
Launch of new products	Oasis Organic, Oasis NutriSolution, Del Monte Gold, etc.
Long-term private-label agreements	Long-term agreements concluded with two major clients
Consolidation of cost reductions based on targeted capital investment in Clement Pappas and in A. Lassonde	PET plastic bottle production lines
Maintain the pace of debt repayment	\$50.3 million excluding the acquisition of A&E



- Leverage synergies from the acquisition of Apple & Eve;
- Large-scale deployment of the range of healthy products in Canada;
- Expansion of the range of A&E products with emphasis on launching both private-brand and national-brand organic products in the United States;
- Implementation of the action plan to mitigate the negative effects of the drop in value of the Canadian dollar;
- Sound management of the growth of private-label volumes after conclusion of new major long-term agreements in 2014;
- Maintain the pace of debt repayment.



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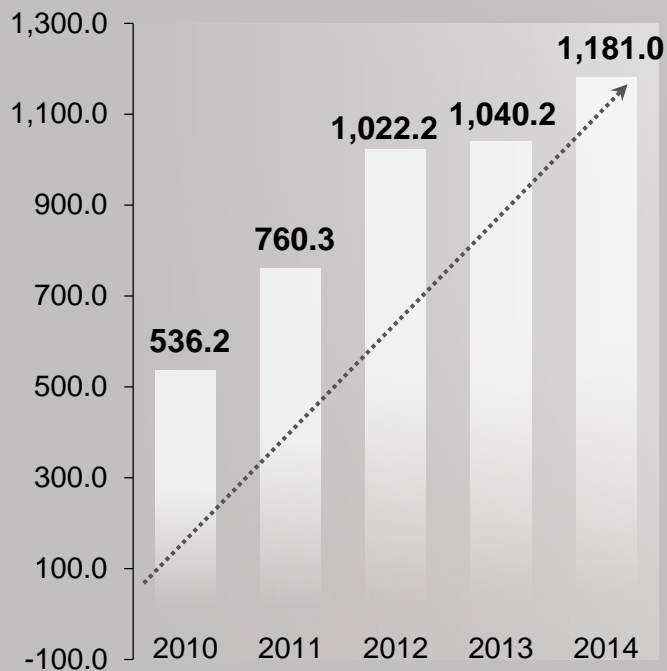
Financial Performance

SELECTED FINANCIAL INFORMATION 5 YEARS



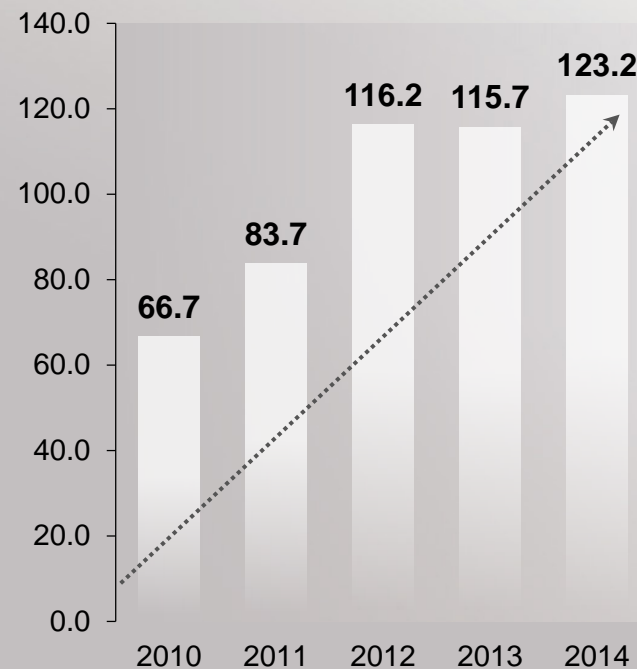
Sales (in millions of \$)

*CAGR 5 years: **17.6%**



EBITDA (in millions of \$)

*CAGR 5 years: **13.9%**



- Fruit Juices and Drinks CAGR 5 years:
Canadian market = -1.9% US market = -2.2%

Financial data for 2011 and 2012 have been restated following the adoption January 1, 2013 of the amended version of IAS 19. 2010 financial data have been restated following the adoption of IFRS.

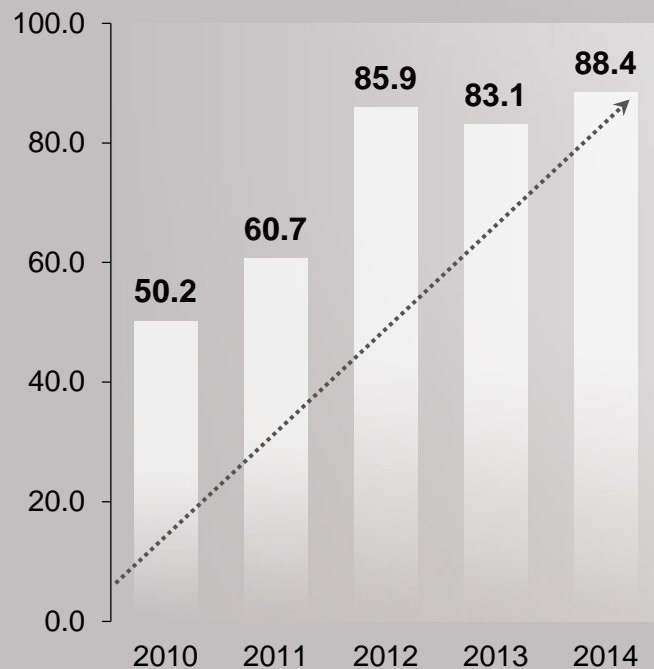
* Compounded average growth rate

SELECTED FINANCIAL INFORMATION 5 YEARS (cont'd)



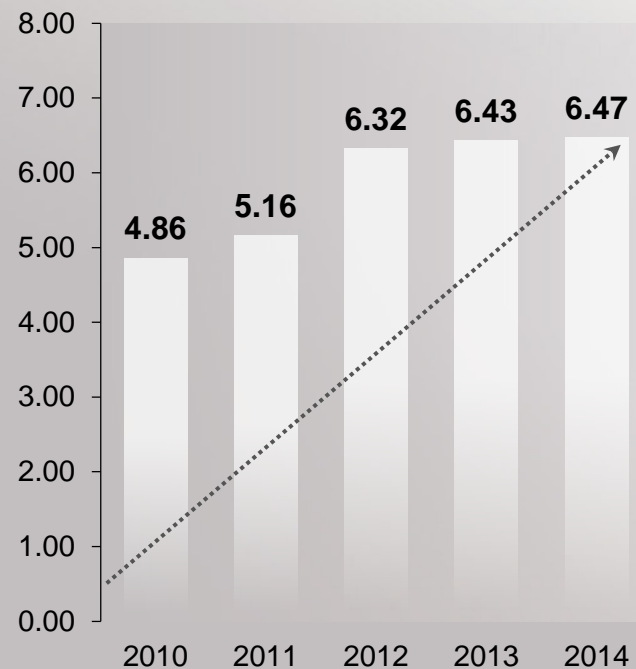
EBIT (in millions of \$)

*CAGR 5 years: **13.3%**



EPS (in \$)

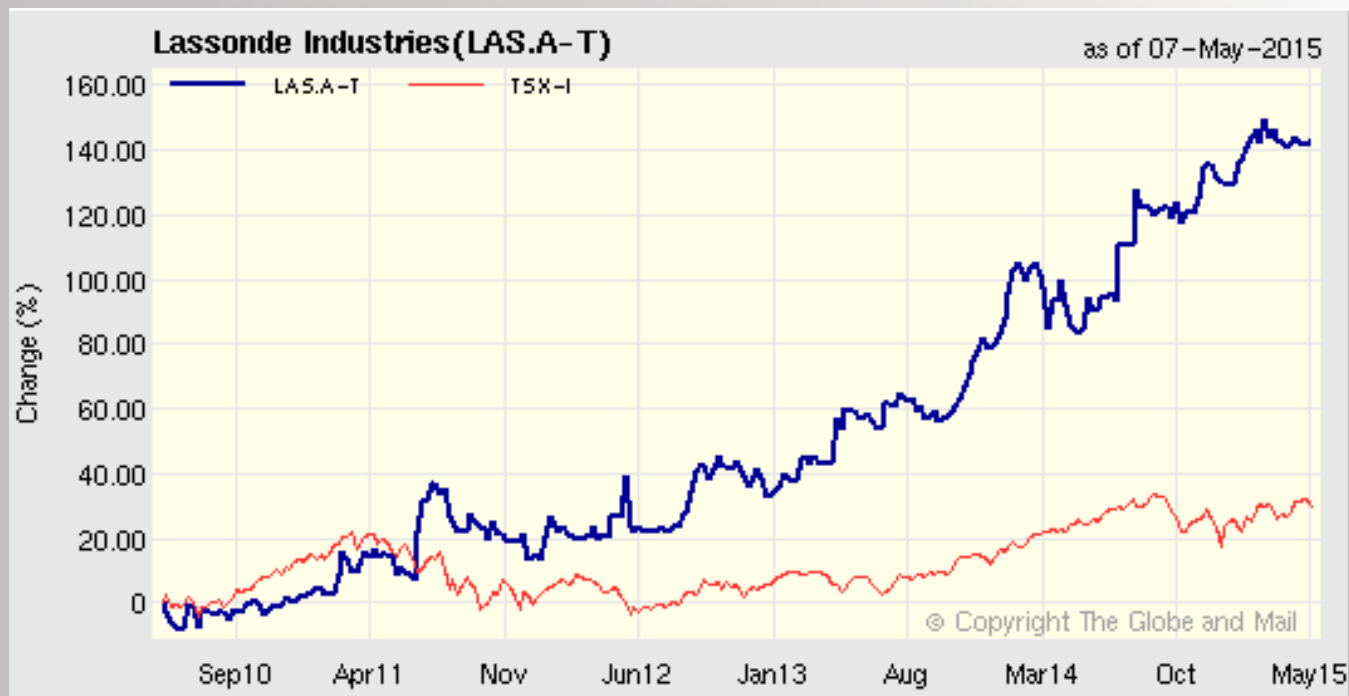
*CAGR 5 years: **7.0%**



Financial data for 2011 and 2012 have been restated following the adoption January 1, 2013 of the amended version of IAS 19. 2010 financial data have been restated following the adoption of IFRS.

* Compounded average growth rate

STOCK PRICE



- The stock price increased from \$56.50 as at May 7, 2010 to \$137.19 as at May 7, 2015 for a total return of 143% (CAGR – 5 years: 19.4%).

Dividends per share - 5 years

2010	2011	2012	2013	2014
1.14	1.19	1.23	1.48	1.59



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QUESTIONS



ANNUAL GENERAL MEETING OF LASSONDE INDUSTRIES INC.

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and First Quarter 2015

MAY 12, 2015



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