Lassonde Industries Inc.

Annual Management's Discussion and Analysis – Year Ended December 31, 2019

The following Management's Discussion and Analysis ("MD&A") presents the results, financial position and cash flows of Lassonde Industries Inc. (the "Company") and should be read in conjunction with its audited consolidated financial statements ("consolidated financial statements") and accompanying notes. In addition to containing an analysis of the fourth quarter and year ended December 31, 2019, this MD&A reports on items deemed significant that have taken place from December 31, 2019 up to and including March 26, 2020, which is the date on which this MD&A was approved by the Company's Board of Directors.

The financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS").

Additional information, including the Annual Information Form and certifications of filings for 2019, is available on the SEDAR website at www.sedar.com. Unless otherwise indicated, the reporting currency for figures in this document is the Canadian dollar.

Forward-Looking Statements and Use of Estimates

Any statement contained in this report that does not constitute a historical fact may be deemed a forward-looking statement. Verbs such as "believe," "expect," "estimate" and other similar expressions, in addition to the negative forms of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. 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 and 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 this MD&A.

In preparing consolidated financial statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that have an impact on the amounts of assets, liabilities, revenues and expenses reported and on the contingent liabilities and contingent assets information provided.

The main assumptions and estimates used by management are as follows:

- Measurements of revenues from product sales;
- Measurements of income tax expense;
- Measurements of right-of-use assets and lease liabilities;
- Measurements of defined benefit assets and liabilities;
- Measurements of non-financial assets;
- Purchase price allocations of businesses acquired as part of business combinations; and
- Fair value measurements of financial instruments classified in Level 3.

Because the use of assumptions and estimates is inherent to the financial reporting process, the actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

For more information, see the "Significant Accounting Estimates and Assumptions" section of this MD&A.

Corporate Profile

Lassonde Industries Inc. develops, manufactures and markets a wide range of ready-to-drink juices and drinks in North America. The Company is one of the two largest producers of store brand shelf-stable fruit juices and drinks in the United States and a major producer of cranberry sauces. Furthermore, the Company develops, manufactures and markets specialty food products such as fondue broths and sauces as well as pasta sauces. In addition, it imports selected wines from several countries of origin for packaging and marketing purposes. It also produces apple cider and cider-based beverages.

On May 31, 2018, the Company acquired Old Orchard Brands, LLC ("OOB"), a fruit juice and beverage manufacturing company based in Sparta, Michigan. OOB's product portfolio consists of nearly 100 different varieties, including 100% juice, 100% juice blends, reduced-sugar juice cocktails, lemonades and flavoured teas. OOB is a leader in ready-to-drink fruit juices and drinks in the Central United States. Old Orchard is also the second largest frozen juice concentrates brand in the United States.

The Company's principal operating subsidiaries are A. Lassonde Inc.; Apple & Eve, LLC ("A&E"); Arista Wines Inc.; Lassonde Pappas and Company, Inc. ("LPC"); Old Orchard Brands, LLC; and Lassonde Specialties Inc. As at December 31, 2019, the Company produces superior quality products through the expertise of approximately 2,200 people working in 15 plants across Canada and the United States. The shares of Lassonde Industries Inc. are listed on the Toronto Stock Exchange.

The Company is active in two market segments: the retail segment and the food service segment. Retail sales account for approximately 87% of total annual sales and consist of sales to food retailers and wholesalers such as supermarket chains, independent grocers, superstores, warehouse clubs, major pharmacy chains and online sales. Food service sales account for approximately 13% of total annual sales and consist of sales to restaurants, hotels, hospitals, schools and wholesalers serving these institutions.

The Company's national brands are sold in various packages under several proprietary trademarks, including Antico, Apple & Eve, Arte Nova, Canton, Double Vie, Dublin's Pub, Everfresh, Fairlee, Fruité, Grown Right, Kiju, Mont-Rouge, Northland, Oasis, Old Orchard, Orange Maison, Rougemont, Ruby Kist, The Switch, Tropical Grove as well as under trademarks for which the Company is a licensed user such as Allen's, Arizona, Del Monte, Graves, Nature's Best, and Tetley. On an annual basis, the Company's sales are geographically broken down as follows: 61.1% of the Company's sales are made in the United States, 38.7% in Canada and 0.2% in other countries.

In the normal course of operations, the Company is involved in apple and cranberry processing. These processing activities take place mainly from August to November. Processing the harvested crops generally increases inventory levels during the last quarter of the year.

Overall Performance

For 2019, the Company's sales totalled $1,678.3 million, up $84.3 million or 5.3% from $1,594.0 million in 2018. For the first five months of 2019, sales from OOB stood at $50.3 million. Excluding these sales and a $22.4 million favourable foreign exchange impact, the Company's sales were up $11.6 million (0.7%) year over year. This increase was mainly due to an increase in sales of private label products.

The Company's 2019 operating profit totalled $100.8 million, down $4.4 million from $105.2 million last year. For the first five months of 2019, OOB's operating profit was $5.1 million. During 2019, the Company also incurred $1.5 million in expenses related to the acquisition of Sun-Rype Products Ltd. ("Sun-Rype"), which was concluded in January 2020. The 2018 operating profit included a $2.6 million gain resulting from a favourable decision by a U.S. administrative tribunal on product classification and $2.0 million in expenses related to the OOB acquisition. Excluding these items, the Company's 2019 operating profit was down $7.4 million year over year on a comparable basis. This decrease was due to a $4.9 million decrease in the profitability of specialty food products caused by the negative impact on productivity of significant investment-related activities in this business unit. This decrease in the operating profit was also due to a lower profitability in U.S. operations resulting mainly from higher input costs and manufacturing overhead costs, partly offset by improved profitability in the Canadian fruit juice and drink operations. It should be noted that the adoption of IFRS 16 on January 1, 2019 had a $0.6 million favourable impact on the 2019 operating profit.

The Company's financial expenses went from $15.1 million in 2018 to $19.5 million in 2019. This increase was due to a $4.5 million increase in interest expense related to the financing of the OOB acquisition. Excluding this additional interest expense, financial expenses were down $0.1 million, essentially due to a $1.7 million decrease in the interest on long-term debt, partly offset by a $1.3 million interest expense on lease liabilities resulting from the adoption of IFRS 16 on January 1, 2019.

"Other (gains) losses" went from a $1.1 million loss in 2018 to a $19.2 million gain in 2019. This 2019 gain was mainly due to a $20.8 million gain realized following the settlement of an insurance claim directly related to the OOB acquisition price, partly offset by a $1.0 million loss resulting from a change in the fair value of financial instruments and by $0.8 million in foreign exchange losses. The 2018 loss was mainly due to a $1.5 million loss resulting from a change in the fair value of financial instruments, partly offset by $0.4 million in foreign exchange gains.

Profit before income taxes stood at $100.5 million in 2019, up $11.6 million from $88.9 million in 2018.

Income tax expense went from $20.9 million in 2018 to $25.5 million in 2019. At 25.4%, the 2019 effective income tax rate was higher than the 23.5% rate in 2018. This higher effective tax rate mainly reflects changes to U.S. tax regulations affecting the deductibility of certain interest expenses.

The 2019 profit totalled $74.9 million, up $6.9 million from $68.0 million in 2018. It should be noted, however, that the 2019 profit includes a $15.3 million gain, net of tax, realized following the settlement of an insurance claim and a $3.4 million profit from OOB for the first five months of 2019, partly offset by $3.4 million, net of tax, in additional financial expenses related to the financing of the OOB acquisition and by $1.1 million, net of tax, in Sun-Rype acquisition-related costs. In 2018, the profit had included a $1.9 million gain, net of tax, resulting from a favourable decision by a U.S. administrative tribunal on product classification and $1.4 million, net of tax, in expenses related to the OOB acquisition. Excluding these items, the Company's 2019 profit was down $6.8 million year over year.

The 2019 profit attributable to the Company's shareholders was $72.0 million, resulting in basic and diluted earnings per share of $10.37. In 2018, profit attributable to the Company's shareholders had totalled $66.4 million, resulting in basic and diluted earnings per share of $9.50. Excluding the impacts of the OOB acquisition, the gain realized following the settlement of an insurance claim, Sun-Rype acquisition-related costs and the 2018 gain resulting from a favourable decision by a U.S. administrative tribunal on product classification, the 2019 profit attributable to the Company's shareholders was down $6.5 million year over year.

The Company's operating activities generated $140.7 million in cash during 2019, while they had generated $114.7 million in cash during 2018. OOB's operating activities generated $2.8 million in the first five months of 2019, resulting in a difference of $23.2 million on a comparative basis. Financing activities used $100.7 million in cash during 2019, while they had generated $110.7 million in 2018. During 2018, cash flows generated for the OOB acquisition had totalled $193.3 million, leaving a difference of $18.1 million on a comparative basis. Investing activities used $55.3 million in cash during 2019 compared to $232.2 million used in 2018. Excluding the $196.9 million in cash flows related to the OOB acquisition in 2018, investing activities used $20.0 million more cash when compared to 2018. At year-end 2019, the Company reported a cash and cash equivalents balance of $1.8 million and a bank overdraft of $12.4 million, whereas, at the end of 2018, the cash and cash equivalents balance was $4.6 million and the bank overdraft balance was $nil.

Selected Financial Highlights

		Years ended	
(in thousands of dollars, unless otherwise indicated)	**Dec. 31, 2019**	**Dec. 31, 2018**	**Dec. 31, 2017**
	$	$	$
Sales	**1,678,301**	1,593,996	1,526,148
Operating profit	**100,826**	105,192	133,290
Profit before income taxes	**100,488**	88,946	121,324
Profit	**74,944**	68,015	95,498
Profit attributable to the Company's shareholders	**71,977**	66,382	89,949
Basic and diluted earnings per share *(in $)*	**10.37**	9.50	12.87
Dividends declared per share for Class A and B shares *(in $)*	**2.595**	3.040	2.340
Total assets	**1,310,226**	1,318,606	1,055,711
Long-term debt	**248,961**	297,267	158,915

At $1,678.3 million, the Company's 2019 sales rose by $84.3 million from $1,594.0 million in 2018. For the first five months of 2019, sales from OOB stood at $50.3 million. Excluding these sales and a $22.4 million favourable foreign exchange impact, the Company's 2019 sales were up $11.6 million (0.7%) year over year. The sales growth between 2018 and 2019 was driven mainly by higher sales of private label products. The 2018 sales had increased by $67.9 million from $1,526.1 million in 2017. Sales from OOB added $66.9 million to the Company's 2018 sales. Excluding OOB's sales and a $1.0 million unfavourable foreign exchange impact, the Company's 2018 sales had increased by $2.0 million year over year. The sales growth between 2017 and 2018 came mainly from higher sales of private label products, partly offset by a decrease in the sales of national brands.

For the year ended December 31, 2019, the Company's operating profit totalled $100.8 million, a $4.4 million year-over-year decrease. For the first five months of 2019, OOB's operating profit was $5.1 million. During 2019, the Company also incurred $1.5 million in expenses related to the Sun-Rype acquisition. The 2018 operating profit included a $2.6 million gain resulting from a favourable decision by a U.S. administrative tribunal on product classification and $2.0 million in expenses related to the OOB acquisition. Excluding these items, the Company's 2019 operating profit was down $7.4 million year over year on a comparable basis. This decrease was due to a $4.9 million decrease in the profitability of specialty food products caused by the negative impact on the rate of production of significant investment-related activities in this business unit. This decrease in the operating profit was also due to a lower profitability in U.S. operations resulting mainly from higher input costs and manufacturing overhead costs, partly offset by improved profitability in the Canadian fruit juice and drink operations. It should be noted that the adoption of IFRS 16 on January 1, 2019 had a $0.6 million favourable impact on the 2019 operating profit. The Company's 2018 operating profit was $105.2 million, $28.1 million lower than that of 2017. During 2018, the Company had incurred $2.0 million in expenses related to the OOB acquisition. As for OOB, it had posted $0.9 million in operating profit, which had included a $0.8 million expense as inventory was stepped up as part of the allocation of the acquisition purchase price. Excluding the impacts of the OOB acquisition and of a $0.6 million gain on capital assets recognized in 2017, the Company's operating profit was down $26.4 million year over year. This decrease came mainly from a $16.8 million increase in transportation costs incurred to deliver the Company's products and from a $12.9 million increase in raw material costs. The Company was unable to raise selling prices at levels sufficient to offset the cost increases due to a more difficult competitive environment, particularly in the United States. These items had been partly offset by lower performance-related salary expenses.

The 2019 profit attributable to the Company's shareholders totalled $72.0 million, up $5.6 million year over year. Excluding the impacts of the OOB acquisition, the gain realized following the settlement of an insurance claim, Sun-Rype acquisition-related costs, and the 2018 gain resulting from a favourable decision by a U.S. administrative tribunal on product classification, the 2019 profit attributable to the Company's shareholders was down $6.5 million year over year. The decrease between 2018 and 2019 came mainly from lower operating profit. The 2018 profit attributable to the Company's shareholders had totalled $66.4 million, down $23.5 million year over year. Excluding a $10.2 million impact related to an adjustment to deferred tax liabilities in 2017, the impacts of the OOB acquisition and the gain on capital assets recognized in 2017, the 2018 profit attributable to the Company's shareholders was down $7.2 million year over year. The decrease between 2017 and 2018 came mainly from lower operating profit, partly offset by lower financial expenses and a lower income tax expense.

Total assets were down $8.4 million between 2018 and 2019, mainly explained by a $46.8 million decrease resulting from a lower conversion rate as at December 31, 2019, partly offset by the combined impact of the following factors: (i) a $36.0 million increase in property, plant and equipment, largely due to the adoption of IFRS 16 on January 1, 2019; (ii) a $27.3 million increase in inventories owing in part to advanced purchases of certain raw materials to secure prices or supply; (iii) a $19.8 million decrease in intangible assets as amortization expense exceeded acquisitions; (iv) a $15.4 million decrease in accounts receivable resulting from a shorter collection period and from the impact of lower sales in December 2019 when compared to December 2018; and (v) an amount of $8.2 million used to acquire an ownership interest in Diamond Estates Wines & Spirits Inc. ("Diamond Estates"), including capitalized transaction costs.

Total assets increased by $262.9 million between 2017 and 2018, mainly explained by the OOB acquisition and by a higher closing conversion rate as at December 31, 2018. The remaining decrease of $12.6 million was essentially due to the combined impact of the following factors: (i) an $18.3 million decrease in intangible assets as amortization expense exceeded acquisitions; (ii) a $14.5 million decrease in cash and cash equivalents; (iii) an $8.1 million increase in inventories due to lower sales than expected in December 2018; and (iv) a $7.9 million increase in property, plant and equipment as acquisitions exceeded depreciation expense.

Operating Results

For the year ended December 31, 2019, Lassonde Industries Inc. posted sales of $1,678.3 million compared to $1,594.0 million the previous year, an $84.3 million (5.3%) year-over-year increase. For the first five months of 2019, sales from OOB stood at $50.3 million, resulting in a difference of $34.0 million on a comparative basis. This 2.1% year-over-year increase in sales was mainly driven by the combined impact of the following factors: (i) a $22.4 million favourable foreign exchange impact; (ii) selling price adjustments that had a $12.9 million favourable impact on national brand sales; (iii) a $12.8 million increase in sales of private label products; (iv) a favourable change in the sales mix of national brands that generated a $2.1 million increase in sales; (v) a $13.2 million decrease in the sales volume of national brands, mainly in the United States; (vi) a $2.6 million reduction, in 2018, to customs duties paid in previous years due to a favourable decision by a U.S. administrative tribunal on product classification; and (vii) an unfavourable impact of a $0.4 million increase in slotting fees.

Cost of sales increased by 5.2%, rising from $1,166.2 million in 2018 to $1,226.7 million in 2019. Excluding the $34.7 million in OOB's cost of sales for the first five months of 2019, the 2019 cost of sales stood at $1,192.0 million, up 2.2% from last year. When compared to the 2.1% increase in sales, this increase in cost of sales essentially reflects the negative impacts on labour costs and manufacturing overhead costs of a lower productivity related to significant investment-related activities at one of the Company's plants as well as an increase in the cost of certain inputs, whereas the full effect of tariffs has mainly come to affect the price of apple concentrate. A $7.4 million increase in obsolete inventory costs has also affected the cost of sales on a comparative basis as well as an increase in manufacturing overhead costs related to the scarcity of labour in the United States. These cost increases were mitigated by a lower cost of orange concentrates.

Selling and administrative expenses went from $322.6 million in 2018 to $350.9 million in 2019, a $28.3 million increase. OOB's selling and administrative expenses stood at $10.5 million for the first five months of 2019. Moreover, during 2019, the Company incurred $1.5 million in expenses related to the Sun-Rype acquisition, whereas in 2018, the Company had incurred $2.0 million in expenses related to OOB acquisition. Excluding these items, the Company's 2019 selling and administrative expenses were up $18.3 million from the selling and administrative expenses reported in 2018. This increase came mainly from higher salary expenses, an unfavourable foreign exchange impact resulting from the conversion of the selling and administrative expenses of the U.S. entities into Canadian dollars, and from higher storage and transportation costs.

For 2019, operating profit totalled $100.8 million, down $4.4 million from $105.2 million in 2018. For the first five months of 2019, OOB's operating profit was $5.1 million. During 2019, the Company also incurred $1.5 million in expenses related to the Sun-Rype acquisition. The 2018 operating profit included a $2.6 million gain resulting from a favourable decision by a U.S. administrative tribunal on product classification and $2.0 million in expenses related to the OOB acquisition. Excluding these items, the Company's 2019 operating profit was down $7.4 million year over year. It should be noted that the adoption of IFRS 16 on January 1, 2019 had a $0.6 million favourable impact on the 2019 operating profit.

The Company's financial expenses went from $15.1 million in 2018 to $19.5 million in 2019. This increase was due to a $4.5 million increase in interest expense related to the financing of the OOB acquisition. Excluding this additional interest expense, financial expenses were down $0.1 million, essentially due to a $1.7 million decrease in the interest on long-term debt, partly offset by a $1.3 million interest expense on lease liabilities resulting from the adoption of IFRS 16 on January 1, 2019.

"Other (gains) losses" went from a $1.1 million loss in 2018 to a $19.2 million gain in 2019. This 2019 gain was mainly due to a $20.8 million gain realized following the settlement of an insurance claim directly related to the OOB acquisition price. The claim involved seller representations that no longer reflected the economic reality of OOB at the transaction closing date. This gain was partly offset by a $1.0 million loss resulting from a change in the fair value of financial instruments and by foreign exchange losses totalling $0.8 million. The 2018 loss was mainly due to a $1.5 million loss resulting from a change in the fair value of financial instruments, partly offset by $0.4 million in foreign exchange gains.

Profit before income taxes stood at $100.5 million in 2019, up $11.6 million from $88.9 million in 2018.

Income tax expense went from $20.9 million in 2018 to $25.5 million in 2019. At 25.4%, the 2019 effective income tax rate was higher than the 23.5% rate in 2018. This higher effective tax rate mainly reflects changes to U.S. tax regulations affecting the deductibility of certain interest expenses.

The 2019 profit totalled $74.9 million, up $6.9 million from $68.0 million in 2018. It should be noted, however, that the 2019 profit includes a $15.3 million gain, net of tax, realized following the settlement of an insurance claim and a $3.4 million profit from OOB for the first five months of 2019, partly offset by $3.4 million, net of tax, in additional financial expenses related to the financing of the OOB acquisition and by $1.1 million, net of tax, in Sun-Rype acquisition-related costs. In 2018, the profit had included a $1.9 million gain, net of tax, resulting from a favourable decision by a U.S. administrative tribunal on product classification and $1.4 million, net of tax, in expenses related to the OOB acquisition. Excluding these items, the Company's 2019 profit was down $6.8 million year over year.

The 2019 profit attributable to the Company's shareholders was $72.0 million, resulting in basic and diluted earnings per share of $10.37. In 2018, profit attributable to the Company's shareholders had totalled $66.4 million, resulting in basic and diluted earnings per share of $9.50. Excluding the impacts of the OOB acquisition, the gain realized following the settlement of an insurance claim, Sun-Rype acquisition-related costs and the 2018 gain resulting from a favourable decision by a U.S. administrative tribunal on product classification, the 2019 profit attributable to the Company's shareholders was down $6.5 million year over year.

Interim Results

(in thousands of dollars, unless otherwise indicated)	**Q4 2019**	**Q3 2019**	**Q2 2019**	**Q1 2019**	**Q4 2018**	**Q3 2018**	**Q2 2018**	**Q1 2018**
	$	$	$	$	$	$	$	$
Sales	**432,127**	422,882	419,746	403,546	426,799	418,645	390,854	357,698
Operating profit	**24,964**	24,952	27,549	23,361	25,745	29,064	28,042	22,341
Profit before income taxes	**40,694**	21,246	21,164	17,384	20,429	23,633	24,754	20,130
Profit attributable to the Company's shareholders	**28,466**	15,345	15,600	12,566	15,770	17,979	18,087	14,546
Basic and diluted earnings per share *(in $)*	**4.10**	2.21	2.25	1.80	2.26	2.57	2.59	2.08
Adjusted EBITDA i)	**39,250**	39,268	41,727	37,443	38,922	41,777	39,977	33,292
Cash flows from operating activities	**75,648**	34,136	11,334	19,613	65,528	39,284	11,995	(2,122)

i) For the definition, see the "Financial Measures Not in Accordance with IFRS" section of this MD&A.

First Quarter of 2018

For the first quarter of 2018, the Company's sales totalled $357.7 million, down $13.0 million or 3.5% from $370.7 million in the first quarter of 2017. Excluding a $9.8 million unfavourable foreign exchange impact, sales decreased by $3.2 million (0.9%), largely due to an unfavourable price impact in the United States and a decrease in the sales volume of national brands.

The Company's operating profit for the first quarter of 2018 totalled $22.3 million compared to $23.7 million in the same quarter of 2017, a $1.4 million year-over-year decrease due mainly to a lower contribution margin resulting from lower sales by the U.S. entities and to an increase in the cost of certain raw materials and transportation costs, partly offset by lower orange concentrate costs and lower performance-related salary expenses.

The 2018 first-quarter profit attributable to the Company's shareholders was $14.5 million, resulting in basic and diluted earnings per share of $2.08. In the first quarter of 2017, profit attributable to the Company's shareholders had totalled $13.1 million, resulting in basic and diluted earnings per share of $1.87.

Second Quarter of 2018

For the second quarter of 2018, the Company's sales totalled $390.9 million, up $7.6 million or 2.0% from $383.3 million in the second quarter of 2017. Sales from OOB added $12.4 million to the Company's second-quarter sales. Excluding OOB's sales and a $9.5 million unfavourable foreign exchange impact, the Company's 2018 second-quarter sales increased by $4.7 million (1.2%) year over year, largely due to selling price fluctuations that had a favourable impact on national brand sales.

The Company's operating profit for the second quarter of 2018 totalled $28.0 million, down $5.4 million from $33.4 million in the same quarter of 2017. During the second quarter of 2018, the Company incurred $1.5 million in expenses related to the OOB acquisition. As for OOB, it posted $0.2 million in operating profit, which included a $0.8 million expense as inventory was stepped up as part of the allocation of the acquisition purchase price. Excluding the impacts of the OOB acquisition and of a $0.6 million gain on capital assets recognized in 2017, the Company's second-quarter operating profit was down $3.5 million when compared to the second quarter of 2017. This decrease came mainly from a lower contribution margin realized by U.S. operations resulting from higher input costs and from transportation costs exceeding the price adjustments made during the quarter, partly offset by lower performance-related salary expenses.

The 2018 second-quarter profit attributable to the Company's shareholders was $18.1 million, resulting in basic and diluted earnings per share of $2.59. In the second quarter of 2017, profit attributable to the Company's shareholders had totalled $19.6 million, resulting in basic and diluted earnings per share of $2.81. Excluding the impacts of the OOB acquisition and the gain on capital assets recognized in 2017, the 2018 second-quarter profit attributable to the Company's shareholders was up $0.3 million when compared to the second quarter of 2017.

Third Quarter of 2018

For the third quarter of 2018, the Company's sales totalled $418.6 million, up $49.1 million or 13.3% from $369.5 million in the third quarter of 2017. Sales from OOB added $28.9 million to the Company's third-quarter sales. Excluding OOB's sales and a $9.5 million favourable foreign exchange impact, the Company's third-quarter sales increased by $10.7 million (2.9%) compared to the same quarter of 2017, largely due to higher sales of private label products.

The Company's operating profit for the third quarter of 2018 totalled $29.1 million, down $4.9 million from $34.0 million in the same quarter of 2017. As for OOB, it posted $1.1 million in operating profit. Excluding the impact of the OOB acquisition, the Company's third-quarter operating profit was down $6.0 million compared to the same quarter of 2017. This decrease came mainly from a lower contribution margin realized by U.S. operations largely resulting from a notable increase in transportation costs and from higher input costs. As for the Canadian operations, the contribution margin was higher than in 2017, mostly due to a favourable decision by a U.S. administrative tribunal on the tariff classifications of certain products. This decision has reduced customs duties paid in previous years. Excluding this item, the contribution margin of the Canadian operations remained stable compared to 2017 despite higher transportation costs and an increase in the cost of certain raw materials.

The 2018 third-quarter profit attributable to the Company's shareholders was $18.0 million, resulting in basic and diluted earnings per share of $2.57. In the third quarter of 2017, profit attributable to the Company's shareholders had totalled $20.1 million, resulting in basic and diluted earnings per share of $2.87. Excluding the impacts of the OOB acquisition, the 2018 third-quarter profit attributable to the Company's shareholders was down $1.0 million compared to the same quarter of 2017.

Fourth Quarter of 2018

For the fourth quarter of 2018, the Company's sales totalled $426.8 million, up $24.2 million or 6.0% from $402.6 million in the fourth quarter of 2017. Sales from OOB added $25.6 million to the Company's fourth-quarter sales. Excluding OOB's sales and an $8.8 million favourable foreign exchange impact, the Company's 2018 fourth-quarter sales were down $10.2 million (2.5%) year over year. This decrease was mainly due to a 7.4% decrease in U.S. sales related to branded products as well as private label products.

The Company's operating profit for the fourth quarter of 2018 totalled $25.7 million, down $16.5 million from $42.2 million in the same quarter of 2017. As for OOB, it posted a $0.4 million operating loss. Excluding the impact of the OOB acquisition, the Company's 2018 fourth-quarter operating profit was down $16.1 million year over year. This decrease was largely due to lower sales and the resulting impact on the recovery of fixed production costs. The 2018 fourth-quarter operating profit was also affected by a significant increase in input costs, particularly apple concentrates and the resin used to manufacture plastic bottles, and by an increase in transportation costs. These items were partly offset by a decrease in performance-related salary expenses.

The 2018 fourth-quarter profit attributable to the Company's shareholders was $15.8 million, resulting in basic and diluted earnings per share of $2.26. In the fourth quarter of 2017, profit attributable to the Company's shareholders had totalled $37.2 million, resulting in basic and diluted earnings per share of $5.32. Excluding the $10.2 million impact related to an adjustment to deferred tax liabilities in 2017 and the impacts of the OOB acquisition, the 2018 fourth-quarter profit attributable to the Company's shareholders was down $8.3 million year over year.

First Quarter of 2019

For the first quarter of 2019, the Company's sales totalled $403.5 million, up $45.8 million or 12.8% from $357.7 million in the first quarter of 2018. Sales from OOB added $29.8 million to the Company's first-quarter sales. Excluding OOB's sales and a $10.9 million favourable foreign exchange impact, the Company's first-quarter sales were up $5.1 million (1.4%) year over year. This increase was mainly due to selling price adjustments that had a favourable impact on national brand sales.

The Company's operating profit for the first quarter of 2019 totalled $23.4 million, up $1.1 million from $22.3 million in the same quarter of 2018. As for OOB, it generated $2.5 million in operating profit. Excluding the impact of the OOB acquisition, the Company's 2019 first-quarter operating profit was down $1.4 million year over year. This decrease was mainly due to a lower contribution margin reported by the Company's U.S. operations largely resulting from higher input costs, particularly affecting apple concentrate and the resin used to manufacture plastic bottles. As for the Canadian operations, the contribution margin was higher than in the same quarter of 2018, mostly due to selling price adjustments and a favourable foreign exchange impact, partly offset by higher input costs. The decrease in the Company's operating profit is also explained by higher performance-related salary expenses and by an increase in transportation costs incurred to deliver the Company's products. It should be noted that the adoption of IFRS 16 on January 1, 2019 had a $0.2 million favourable impact on the 2019 first-quarter operating profit.

The 2019 first-quarter profit attributable to the Company's shareholders was $12.6 million, resulting in basic and diluted earnings per share of $1.80. In the first quarter of 2018, profit attributable to the Company's shareholders had totalled $14.5 million, resulting in basic and diluted earnings per share of $2.08. Excluding the impact of the OOB acquisition, the 2019 first-quarter profit attributable to the Company's shareholders was down $1.6 million year over year.

Second Quarter of 2019

For the second quarter of 2019, the Company's sales totalled $419.7 million, up $28.8 million or 7.4% from $390.9 million in the second quarter of 2018. Sales from OOB stood at $31.7 million in the second quarter of 2019. OOB's sales had reached $12.4 million for the period of May 31, 2018 (the date when OOB began its operating activities under the Company's control) to June 30, 2018. Excluding OOB's sales and an $8.1 million favourable foreign exchange impact, the Company's second-quarter sales were up $1.4 million (0.4%) year over year. This increase was mainly due to an increase in sales of private label products, partly offset by a decrease in sales of national brand products.

The Company's operating profit for the second quarter of 2019 totalled $27.5 million, down $0.5 million from $28.0 million in the same quarter of 2018. OOB's operating profit was $4.1 million during the second quarter of 2019. For the period of May 31, 2018 to June 30, 2018, OOB had generated $0.2 million in operating profit, and, during the second quarter of 2018, the Company had incurred $1.5 million in expenses related to the OOB acquisition. Excluding the impact of the OOB acquisition, the Company's 2019 second-quarter operating profit was down $5.9 million year over year. This decrease was due to a lower gross margin from the Company's U.S. operations largely resulting from higher input costs, particularly affecting apple concentrate. As for the Canadian operations, the 2019 second-quarter gross margin was higher than that of the same quarter of 2018, mostly due to selling price adjustments, partly offset by an unfavourable foreign exchange impact, higher input costs, and the impact of a slower rate of production resulting from investment-related work in one of the Company's plants. The decrease in the Company's operating profit was also due to higher selling and administrative expenses explained by an unfavourable change in transportation costs and by an increase in marketing expenses aimed at intensifying the promotion of new products, partly offset by lower performance-related salary expenses. It should be noted that the adoption of IFRS 16 on January 1, 2019 had a $0.2 million favourable impact on the 2019 second-quarter operating profit.

The 2019 second-quarter profit attributable to the Company's shareholders was $15.6 million, resulting in basic and diluted earnings per share of $2.25. In the second quarter of 2018, profit attributable to the Company's shareholders had totalled $18.1 million, resulting in basic and diluted earnings per share of $2.59. Excluding the impact of the OOB acquisition, the 2019 second-quarter profit attributable to the Company's shareholders was down $3.7 million year over year.

Third Quarter of 2019

For the third quarter of 2019, the Company's sales totalled $422.9 million, up $4.3 million or 1.0% from $418.6 million in the third quarter of 2018. It should be noted that, during the third quarter of 2018, the Company had benefited from a favourable decision by a U.S. administrative tribunal on product classification and that reduced the customs duties paid in previous years by $2.6 million. Excluding this item and a $2.7 million favourable foreign exchange impact, the Company's third-quarter sales were up $4.2 million year over year. This increase was largely due to an increase in sales of private label products, partly offset by a decrease in sales of national brand products.

The Company's operating profit for the third quarter of 2019 totalled $25.0 million, down $4.1 million from $29.1 million in the same quarter of 2018. Excluding the favourable impact in 2018 of the $2.6 million reduction to customs duties paid in previous years, the Company's 2019 third-quarter operating profit was down $1.5 million year over year. This decrease was due to a lower gross margin from the Company's U.S. operations largely resulting from higher manufacturing overhead costs and lower sales volume, partly offset by selling price adjustments and a decrease in the cost of certain inputs. As for the Canadian operations, the 2019 third-quarter gross margin was higher than that of the same quarter of 2018, mostly due to selling price adjustments and a decrease in the cost of certain inputs. These items were partly offset by an unfavourable foreign exchange impact and the impact of a slower rate of production resulting from investment-related work at one of the Company's plants. It should be noted that the adoption of IFRS 16 on January 1, 2019 had a $0.1 million favourable impact on the 2019 third-quarter operating profit.

Profit attributable to the Company's shareholders was $15.3 million, resulting in basic and diluted earnings per share of $2.21 for the third quarter of 2019. In the third quarter of 2018, profit attributable to the Company's shareholders had totalled $18.0 million, resulting in basic and diluted earnings per share of $2.57. Excluding the favourable impact, net of tax, in 2018 of a reduction to customs duties paid in previous years, the 2019 third-quarter profit attributable to the Company's shareholders was down $0.8 million year over year.

Fourth Quarter of 2019

An analysis of the fourth quarter of 2019 is provided in a separate section of this report.

Cash and Financial Position

Financial Position Data

(in thousands of dollars, unless otherwise indicated)	**As at Dec. 31, 2019**	**As at Dec. 31, 2018**
	$	$
Total assets	**1,310,226**	1,318,606
Shareholders' equity	**734,819**	722,251
Shareholders' equity / total assets *(in %)*	**56.1**	54.8
Total debt [i]	**265,119**	321,847

i) Including long-term debt and its current portion.

When comparing Consolidated Statement of Financial Position items, readers must consider the conversion rate applicable to closing balances denominated in U.S. dollars, which went from $1.3642 CAD per USD as at December 31, 2018 to $1.2988 CAD per USD as at December 31, 2019. The following table presents the Consolidated Statement of Financial Position items that are significantly affected by the movement in exchange rates.

			Increase (decrease)	
(in millions of dollars)	**As at Dec. 31, 2019**	**As at Dec. 31, 2018**	**Foreign exchange impact**	**Variance, excluding foreign exchange impact**
	$	$	$	$
Accounts receivable	**127.0**	147.1	(4.7)	(15.4)
Inventories	**258.8**	238.7	(7.2)	27.3
Property, plant and equipment	**334.5**	305.6	(7.1)	36.0
Intangible assets	**239.4**	271.4	(12.2)	(19.8)
Goodwill	**304.7**	316.8	(14.9)	2.8
Accounts payable and accrued liabilities	**220.4**	210.2	(7.1)	17.3
Long-term debt, including the current portion	**265.1**	321.8	(12.4)	(44.3)
Deferred tax liabilities	**69.0**	55.0	(1.6)	15.6

As at December 31, 2019, the Company had total assets of $1,310.2 million versus $1,318.6 million as at December 31, 2018, a 0.6% decrease arising mainly from a lower closing conversion rate as at December 31, 2019, partly offset by an increase in property, plant and equipment resulting largely from the adoption of IFRS 16 on January 1, 2019. At the end of 2019, the Company's working capital stood at $161.4 million, for a ratio of 1.64:1 compared to $176.2 million and a ratio of 1.73:1 as at December 31, 2018.

As at December 31, 2019, current assets totalled $414.8 million versus $417.0 million as at December 31, 2018. Cash and cash equivalents stood at $1.8 million as at December 31, 2019 compared to $4.6 million as at December 31, 2018.

Accounts receivable totalled $127.0 million as at December 31, 2019 compared to $147.1 million as at December 31, 2018. Excluding the foreign exchange impact, accounts receivable were down $15.4 million, mainly due to a $12.7 million decrease in trade accounts receivable resulting from a shorter collection period and from the impact of lower sales in December 2019 when compared to December 2018, a $1.4 million decrease in other receivables, and a $1.3 million decrease in discounts receivable from suppliers.

Inventories went from $238.7 million as at December 31, 2018 to $258.8 million as at December 31, 2019. Excluding the foreign exchange impact, inventories increased by $27.3 million. This increase came from a $21.0 million increase in raw materials and supplies inventories, owing in part to advanced purchases of certain raw materials to secure prices or supply, and from a $6.3 million increase in finished goods inventories.

As at December 31, 2019, the fair value of derivative instruments recorded as current assets was less than $0.1 million compared to $8.3 million as at December 31, 2018.

Other current assets went from $12.7 million as at December 31, 2018 to $15.5 million as at December 31, 2019. This $2.8 million increase was due to a $1.1 million increase in sales tax receivable, a $0.9 million increase in tax credits receivable, and a $0.8 million increase in prepaid expenses.

The investment in an associate went from $nil as at December 31, 2018 to $8.1 million as at December 31, 2019. During 2019, the Company paid a $7.3 million cash consideration to acquire an ownership interest in Diamond Estates, capitalizing $0.9 million in transaction costs. For more details, see Note 7 to the consolidated financial statements for the year ended December 31, 2019.

Property, plant and equipment went from $305.6 million as at December 31, 2018 to $334.5 million as at December 31, 2019. Excluding the foreign exchange impact, property, plant and equipment increased by $36.0 million, with $25.2 million resulting from the adoption of IFRS 16 on January 1, 2019. Excluding this item, property, plant and equipment increased by $10.8 million, mainly due to property, plant and equipment purchases of $38.2 million, of which $19.6 million was related to investment projects aimed at raising the Company's specialty food products capacity, whereas depreciation expense stood at $27.1 million.

Intangible assets went from $271.4 million as at December 31, 2018 to $239.4 million as at December 31, 2019. Excluding the foreign exchange impact, intangible assets decreased by $19.8 million, essentially due to an amortization expense of $25.8 million while intangible asset purchases were $6.0 million.

The net defined benefit asset went from $6.7 million as at December 31, 2018 to $7.9 million as at December 31, 2019, a $1.2 million increase due to $9.1 million in funding to the defined benefit pension plans, partly offset by $4.4 million in plan-related expenses and by a $3.5 million actuarial loss.

Goodwill went from $316.8 million as at December 31, 2018 to $304.7 million as at December 31, 2019. Excluding the foreign exchange impact, goodwill increased by $2.8 million, with the non-significant business combination accounting for the entire increase.

Current liabilities stood at $253.4 million as at December 31, 2019 compared to $240.8 million at the end of 2018. Bank overdraft stood at $12.4 million as at December 31, 2019 compared to $nil as at December 31, 2018.

Accounts payable and accrued liabilities went from $210.2 million as at December 31, 2018 to $220.4 million as at December 31, 2019. Excluding the foreign exchange impact, accounts payable and accrued liabilities were up $17.3 million, mainly as a result of: (i) a $10.8 million increase in trade payables and accrued expenses, essentially explained by the increase in raw materials and supplies inventories, (ii) a $4.0 million increase in trade marketing costs payable, and (iii) a $2.5 million increase in the "Salaries and accrued vacation payable" item.

Long-term debt, including the current portion, was $265.1 million as at December 31, 2019 compared to $321.8 million as at December 31, 2018. The adoption of IFRS 16 on January 1, 2019 led to a $26.0 million increase in long-term debt. Excluding this item and the foreign exchange impact, long-term debt decreased by $70.3 million. This decrease was mainly due to a repayment of $91.7 million on LPC's term loans and of $7.7 million on other Canadian debts. However, the Company drew $25.2 million on the Canadian revolving operating credit and $3.8 million on the U.S. revolving operating credit. It should also be noted that the Company capitalized $1.5 million in financial costs while it amortized $1.6 million of them.

Deferred tax liabilities went from $55.0 million as at December 31, 2018 to $69.0 million as at December 31, 2019. Excluding the foreign exchange impact, deferred tax liabilities increased by $15.6 million. This increase stems mainly from the tax impact of the gain realized in the fourth quarter of 2019 following the settlement of an insurance claim directly related to the OOB acquisition price, from the tax amortization of goodwill, from the tax impact of funding the defined benefit pension plans and from an accelerated tax amortization in Canada, partly offset by the tax impact of recognizing, in comprehensive income, an actuarial loss and losses on financial instruments designated as cash flow hedges.

Equity attributable to the Company's shareholders was $680.8 million as at December 31, 2019, up $12.5 million from $668.3 million as at December 31, 2018. Accumulated other reserves decreased by $31.5 million, attributable to a $23.7 million decrease in the foreign currency translation reserve resulting mainly from a lower year-over-year conversion rate applicable to closing balances denominated in U.S. dollars as well as to a $7.8 million decrease in the hedging reserve. Retained earnings increased by $44.5 million to total

$566.3 million at the end of 2019. This increase essentially reflects $72.0 million in profit attributable to the Company's shareholders for 2019, less $18.0 million in dividends paid, the $6.6 million excess of the cost of repurchased Class A shares over the stated capital, and the recognition of a $2.8 million actuarial loss, net of tax, in other comprehensive income.

Non-controlling interest increased, rising from $54.0 million as at December 31, 2018 to $54.1 million as at December 31, 2019. The non-controlling interest represents a minority interest's share in the equity of the Company's U.S. entities.

Contractual Obligations

The principal repayments required on long-term debt other than lease liabilities, the payments required on lease liabilities as well as purchase commitments and other commitments for the coming years are as follows:

(in thousands of dollars)

Contractual obligations	**2020**	**2021 and 2022**	**2023 and 2024**	**2025 and thereafter**
	$	$	$	$
Long-term debt (excluding lease liabilities)	13,918	165,512	57,486	6,201
Lease liabilities	4,732	8,276	7,088	10,118
Purchase commitments	263,111	4,338	1,274	70
Other commitments [i)]	235,365	2,654	-	-
Total	**517,126**	**180,780**	**65,848**	**16,389**

i) Includes bank overdraft, accounts payable and accrued liabilities, derivative instrument liabilities, and other financial liabilities.

Analysis of the 2019 Consolidated Cash Flows

	Fourth quarters ended		**Years ended**	
(in thousands of dollars)	**Dec. 31, 2019**	**Dec. 31, 2018**	**Dec. 31, 2019**	**Dec. 31, 2018**
	$	$	**$**	$
Operating activities	**75,648**	65,528	**140,731**	114,685
Financing activities	**(74,027)**	(43,669)	**(100,653)**	110,742
Investing activities	**(11,653)**	(9,318)	**(55,287)**	(232,207)
Increase (decrease) in cash and cash equivalents	**(10,032)**	12,541	**(15,209)**	(6,780)
Cash and cash equivalents at beginning	**(692)**	(8,107)	**4,575**	11,236
Impact of exchange rate changes on cash and cash equivalents	**134**	141	**44**	119
Cash and cash equivalents at end	**(10,590)**	4,575	**(10,590)**	4,575

For 2019, cash flows generated by operating activities totalled $140.7 million, up $26.0 million from the same period in 2018. For the first five months of 2019, cash flows generated by OOB's operating activities were $2.8 million, leaving a difference of $23.2 million on a comparable basis. This upward change was mainly due to a $17.0 million increase in earnings before interest, taxes, depreciation and amortization that include a $20.8 million gain realized following the settlement of an insurance claim and to a change in non-cash operating working capital items that generated $7.9 million in cash during 2019 compared to $7.8 million in cash used last year, for a $15.7 million increase in cash inflows. This fluctuation in the change in working capital was essentially due to the combined impact of the following items: (a) a change in accounts payable and accrued liabilities that generated $18.6 million during 2019 compared to $6.2 million used during 2018, (b) a change in inventories that used $25.7 million during 2019 compared to $5.0 million used last year, (c) a change in accounts receivable that generated $16.7 million during 2019, whereas they had generated $3.2 million during 2018, and (d) a change in other current assets and liabilities that used $1.8 million during 2019 compared to $0.2 million generated last year. A $7.5 million decrease in income tax paid also contributed to the upward change in operating cash flows. The upward change in operating cash flows was limited by the following items: (i) a $9.1 million increase in the funding of the defined benefit pension plans, (ii) a $3.0 million increase in interest paid, (iii) $2.4 million in settlements of derivative instruments in 2019, and (iv) $1.3 million in unrealized foreign exchange gains during 2019 compared to $0.9 million in unrealized foreign exchange losses during 2018.

For 2019, financing activities used $100.7 million, whereas these activities had generated $110.7 million in 2018. The OOB acquisition generated $193.3 million in cash in 2018, leaving a difference of $18.1 million on a comparable basis. This increase in cash outflows was mainly due to (i) a $28.8 million increase in long-term debt repayments, (ii) $7.2 million in share repurchases in 2019 compared to $2.8 million in 2018, and (iii) a $2.6 million investment in 2018 from the non-controlling interest. These items were partly offset by a $29.0 million inflow from revolving operating credit during 2019 compared to a $13.1 million inflow from revolving operating credit in 2018 and by a $3.2 million decrease in dividends paid on Class A and B shares.

For 2019, investing activities used $55.3 million in cash compared to $232.2 million used in 2018. During 2018, $196.9 million in cash was used for the OOB acquisition, leaving a difference of $20.0 million on a comparable basis. This upward change came mainly from (i) $8.2 million in cash outflows related to the investment in Diamond Estates, including capitalized transaction costs, (ii) a $7.5 million consideration paid as part of a non-significant business combination, and (iii) a $4.1 million increase in cash outflows to acquire property, plant and equipment.

Financing and Cash

(in thousands of dollars, unless otherwise indicated)	**As at Dec. 31, 2019**	**As at Dec. 31, 2018**
	$	$
Current portion of long-term debt	**16,158**	24,580
Long-term debt	**248,961**	297,267
Total debt	**265,119**	321,847
Total debt	**265,119**	321,847
Shareholders' equity	**734,819**	722,251
Company's capital	**999,938**	1,044,098
Total debt / Company's capital ratio [i] *(in %)*	**26.5**	30.8

[i] The total debt / Company's capital ratio is obtained by dividing total debt by the Company's capital, as shown in the table above.

As at December 31, 2019, the Company had $1.8 million in cash and cash equivalents and a $12.4 million bank overdraft compared to $4.6 million in cash and cash equivalents and no bank overdraft as at December 31, 2018.

On April 10, 2013, the Company obtained credit facilities for its Canadian operations with an authorized amount of nearly $250 million. The facilities included a five-year committed revolving operating credit ("CA revolving credit") for an authorized amount of $175 million and a term credit facility of nearly $75 million. On April 5, 2018, the Company entered into an agreement to amend the Canadian credit facilities to include the various requests for amendments accepted between April 10, 2013 and April 4, 2018 as well as to extend the expiry date of the CA revolving credit facility by one year to April 2023. As a result of this agreement, the credit facilities comprised a five-year committed CA revolving credit for an authorized amount of $175 million and a term credit facility for a revised authorized amount of nearly $44.6 million.

On December 20, 2019, the Company entered into an agreement to amend the Canadian credit facilities to include the various requests for amendments accepted between April 5, 2018 and December 19, 2019, to reduce the pricing as well as to raise the authorized amount of the CA revolving credit by $50 million. As a result of this agreement, the credit facilities comprise a CA revolving credit committed for a period of four years and three months for an authorized amount of $225 million and a term credit facility for a revised authorized amount of $32.5 million. The CA revolving credit facility provides the Company with the option, subject to the participation of each lender, to raise borrowing capacity by an amount not exceeding $50 million and to extend, on each annual anniversary date, the expiry date of this CA revolving credit facility by one year under the same terms and conditions.

During the third quarter of 2011, the Company also obtained, through one of its subsidiaries, a revolving operating credit facility ("U.S. revolving credit") for an authorized amount of US$50 million from a syndicate of banks and other institutional lenders. This U.S. revolving credit facility had been granted for a term of five years and is not guaranteed by Lassonde Industries Inc. and its Canadian subsidiaries. In September 2016, through certain subsidiaries, the Company entered into an agreement to modify and renew the term loan and the U.S. revolving credit maturing in August 2017. These amended and updated credit facilities, with an authorized amount of US$239.4 million, were provided by a syndicate of banks to support the Company's U.S. operations. The credit facilities comprised a three-year committed U.S. revolving credit for an authorized amount of US$75 million and a term loan of US$164.4 million maturing in September 2019.

On May 31, 2018, as part of the OOB acquisition, the Company entered into an agreement to amend the U.S. revolving credit and the existing term loan as well as to obtain a new term loan of US$146.0 million. As a result of this agreement, the credit facilities comprise a four-year committed U.S. revolving credit for an authorized amount of US$75.0 million, a term loan with a revised authorized amount of US$92.5 million, and a new term loan with an authorized amount of US$146.0 million.

Term loans

On an annual basis, the Company had to repay, in four equal quarterly instalments, 7.5% of the principal amount of the term loans existing at May 31, 2018. The Company was able to make penalty-free prepayments at any time.

During the year ended December 31, 2019, the Company completed the repayment in full of its US$92.5 million term loan maturing in September 2020.

The US$146.0 million term loan matures in May 2022. The transaction costs related to this term loan are amortized over the term of the term loan using the effective interest rate method.

On an annual basis, the Company must repay, in four equal quarterly instalments, 7.5% of the principal amount of the US$146.0 million term loan. The Company may make penalty-free prepayments at any time.

As at December 31, 2019, the outstanding balance of the CA revolving credit was $49.2 million and that of the U.S. revolving credit was $4.4 million, whereas, as at December 31, 2018, the outstanding balance of the CA revolving credit was $25.0 million and that of the U.S. revolving credit was $0.8 million.

The terms and conditions of these credit facilities are presented in Note 21 to the Company's consolidated financial statements for the year ended December 31, 2019. The Company believes that it will be able to ensure its development using cash flows from operating activities and currently available bank credit.

The total debt / Company's capital ratio was 26.5% as at December 31, 2019 versus 30.8% as at December 31, 2018. This decrease reflects a $56.7 million decrease in total debt and a $12.5 million increase in shareholders' equity.

For 2020, the Company plans on adjusting its capital asset investment program in response to volatility in market demand. It will continue to modernize its equipment and improve processes while investing in innovation and sustainable development. To the extent possible, the new capital assets will be financed using the Company's cash flows from operating activities, although the Company may turn to borrowing if interest rates and conditions prove advantageous.

Share Repurchase Plan

In 2018, the Company had re-established its share repurchase program through the Toronto Stock Exchange in accordance with its policies and regulations. Consequently, the Company was allowed to repurchase in cash, by way of a normal course issuer bid, up to 80,000 of its Class A subordinate voting shares between October 3, 2018 and October 2, 2019. The purchases were made at market prices, without exceeding the price limit set by the Company's management. The Company did not renew its normal course issuer bid program.

During the year ended December 31, 2019, the Company repurchased for cancellation 40,400 Class A subordinate voting shares at an average price of $177.71 per share for a cash consideration of $7,179,000, of which $535,000 was applied against capital stock, $6,639,000 against retained earnings, and $5,000 against contributed surplus.

During the year ended December 31, 2018, the Company had repurchased for cancellation 14,000 Class A subordinate voting shares at an average price of $201.16 per share for a cash consideration of $2,816,000, of which $186,000 was applied against capital stock, $2,628,000 against retained earnings, and $2,000 against contributed surplus.

Dividends

On February 13, 2020, in accordance with the Company's dividend policy, the Board of Directors declared a quarterly dividend of $0.595 per share, payable on March 13, 2020, to all registered holders of Class A and Class B shares on February 25, 2020. On an annualized basis, this dividend represents approximately 25% of the 2018 profit attributable to the Company's shareholders. This dividend is an eligible dividend.

The Company plans on maintaining its dividend policy, which stipulates that, on an annualized basis, the dividend represents approximately 25% of the previous year's profit attributable to the Company's shareholders.

Stock Exchange Trading

The shares of Lassonde Industries Inc. traded at prices ranging from $153.10 to $213.52 during 2019. The closing share price for fiscal 2019 was $155.47, down 22.0% from $199.22 at the end of 2018.

Off-Consolidated-Statement-of-Financial-Position Arrangements

As at December 31, 2019, the Company had letters of credit outstanding totalling $0.6 million.

Commitments are presented in Note 29 to the consolidated financial statements for the year ended December 31, 2019.

Fourth Quarter

Consolidated Income Data

(in thousands of dollars, unless otherwise indicated)	**Fourth quarters ended Dec. 31, 2019**	**Fourth quarters ended Dec. 31, 2018**
	$	$
Sales	**432,127**	426,799
Cost of sales	**315,655**	317,410
Selling and administrative expenses	**91,513**	83,641
(Gains) losses on capital assets	**(5)**	3
	407,163	401,054
Operating profit	**24,964**	25,745
Share in the profit or (loss) of an associate	**(88)**	-
Financial expenses	**5,098**	4,505
Other (gains) losses	**(20,916)**	811
Profit before income taxes	**40,694**	20,429
Income tax expense	**10,339**	4,350
Profit	**30,355**	16,079
Attributable to:		
Company's shareholders	**28,466**	15,770
Non-controlling interest	**1,889**	309
	30,355	16,079
Basic and diluted earnings per share *(in $)*	**4.10**	2.26
Weighted average number of shares outstanding *(in thousands)*	**6,939**	6,984

In the fourth quarter of 2019, sales totalled $432.1 million, up $5.3 million (1.2%) from $426.8 million in the fourth quarter of 2018. This increase was essentially due to the combined impact of the following items: (i) selling price adjustments that had a $4.4 million favourable impact on national brand sales; (ii) a $0.5 million increase in the sales volume of national brands; (iii) a $0.5 million favourable foreign exchange impact; (iv) a $0.3 million increase in sales of private label products; (v) an unfavourable impact of a $0.2 million increase in slotting fees; and (vi) an unfavourable change in the sales mix of national brands that caused a $0.1 million decrease in sales.

Cost of sales went from $317.4 million in the fourth quarter of 2018 to $315.7 million in the fourth quarter of 2019, down $1.7 million or 0.6%. When compared to the 1.2% increase in sales, the decrease in cost of sales essentially reflects a decrease in input costs, especially orange and white grape concentrates, and the resin used to manufacture plastic bottles. This decrease was partly offset by a $5.3 million increase in obsolete inventory costs.

Selling and administrative expenses went from $83.6 million in the fourth quarter of 2018 to $91.5 million in the fourth quarter of 2019, up $7.9 million. During the fourth quarter of 2019, the Company incurred $1.5 million in expenses related to the Sun-Rype acquisition, leaving a difference of $6.4 million on a comparable basis. This increase came mainly from higher salary expenses and transportation costs.

The Company's operating profit for the fourth quarter of 2019 totalled $25.0 million, down $0.7 million from $25.7 million in the same quarter last year. Excluding $1.5 million in expenses related to the Sun-Rype acquisition, the Company's 2019 fourth-quarter operating profit was up $0.8 million year over year. It should be noted that the adoption of IFRS 16 on January 1, 2019 had a $0.1 million favourable impact on the 2019 fourth-quarter operating profit.

The Company's financial expenses went from $4.5 million in the fourth quarter of 2018 to $5.1 million in the fourth quarter of 2019. This increase was essentially due to a $0.3 million interest expense on lease liabilities resulting from the adoption of IFRS 16 on January 1, 2019 and a $0.3 million decrease in interest income.

"Other (gains) losses" went from a $0.8 million loss in the fourth quarter of 2018 to a $20.9 million gain in the fourth quarter of 2019. This 2019 fourth-quarter gain was mainly due to a $20.8 million gain realized following the settlement of an insurance claim directly related to the OOB acquisition price, whereas the 2018 fourth-quarter loss was mainly due to a $1.4 million loss resulting from a change in the fair value of financial instruments, partly offset by $0.6 million in foreign exchange gains.

Profit before income taxes stood at $40.7 million in the fourth quarter of 2019, up $20.3 million from $20.4 million in the fourth quarter of 2018.

Income tax expense went from $4.4 million in the fourth quarter of 2018 to $10.3 million in the fourth quarter of 2019. At 25.4%, the 2019 fourth-quarter effective income tax rate was higher than the 21.3% rate in the same quarter of 2018. This higher effective income tax rate mainly reflects the impact of changes to U.S. tax regulations affecting the deductibility of certain interest expenses and special taxes related thereto.

The 2019 fourth-quarter profit totalled $30.4 million, up $14.3 million from $16.1 million in the fourth quarter of 2018. It should be noted, however, that the 2019 profit includes a $15.3 million gain, net of tax, realized following the settlement of an insurance claim, partly offset by $1.1 million, net of tax, in Sun-Rype acquisition-related costs. Excluding these items, profit was up $0.1 million when compared to the fourth quarter of 2018.

Profit attributable to the Company's shareholders for the fourth quarter of 2019 was $28.5 million, resulting in basic and diluted earnings per share of $4.10. In the fourth quarter of 2018, profit attributable to the Company's shareholders had totalled $15.8 million, resulting in basic and diluted earnings per share of $2.26. Excluding the gain realized following the settlement of an insurance claim and Sun-Rype acquisition-related costs, the 2019 fourth-quarter profit attributable to the Company's shareholders was similar to the 2018 fourth-quarter profit attributable to the Company's shareholders.

Analysis of Quarterly Consolidated Cash Flows

For the fourth quarter of 2019, cash flows generated by operating activities totalled $75.6 million, up $10.1 million from the fourth quarter of 2018. This upward change was mainly due to a $22.0 million increase in earnings before interest, taxes, depreciation and amortization that include a $20.8 million gain realized following the settlement of an insurance claim and to a $1.8 million decrease in income tax paid. The upward change in operating cash flows was limited by the following items: (i) a $9.1 million increase in the funding of the defined benefit pension plans; (ii) a $1.2 million decrease in non-cash expenses recognized in profit or loss and related to changes in the fair value of financial instruments; (iii) $0.7 million in unrealized foreign exchange gains during the fourth quarter of 2019 compared to $0.4 million in unrealized foreign exchange losses during the same quarter in 2018; and (iv) a change in non-cash operating working capital items that generated $31.2 million in cash during the fourth quarter of 2019 compared to $32.8 million in cash generated in the same quarter last year, for a $1.6 million decrease in cash inflows in the fourth quarter of 2019. This fluctuation in the change in working capital was essentially due to the combined impact of the following items: (a) a change in inventories that used $15.1 million during the fourth quarter of 2019 compared to $11.8 million generated during the fourth quarter of 2018, (b) a change in accounts receivable that generated $21.1 million during the fourth quarter of 2019, whereas they had generated $6.2 million during the fourth quarter of 2018, (c) a change in accounts payable and accrued liabilities that generated $26.7 million during the fourth quarter of 2019 compared to $16.9 million generated during the same quarter in 2018, and (d) a change in other current assets and liabilities that used $1.5 million during the fourth quarter of 2019 compared to $2.1 million used during the same quarter in 2018.

For the fourth quarter of 2019, financing activities used $74.0 million, whereas these activities had used $43.7 million during the fourth quarter of 2018. This $30.3 million increase in cash outflows was mainly due to a $16.1 million increase in long-term debt repayments and an $18.1 million repayment in revolving operating credit in the fourth quarter of 2019 compared to an $0.6 million inflow in the fourth quarter of 2018. These items were partly offset by $2.8 million in share repurchases in 2018 and a $1.5 million decrease in dividends paid.

For the fourth quarter of 2019, investing activities used $11.7 million in cash compared to $9.3 million used in the same quarter of 2018. This $2.4 million upward change came mainly from a $1.2 million increase in cash outflows to acquire property, plant and equipment, the payment of $0.9 million in transaction costs related to the acquisition of ownership interests in Diamond Estates and $0.3 million in cash outflows related to the acquisition of an additional ownership interest in Diamond Estates.

Financial Measures Not in Accordance With IFRS

Non-IFRS financial measures have no standardized meaning prescribed under IFRS. They are therefore unlikely to be comparable with measures of the same type presented by other issuers.

Working Capital and Working Capital Ratio

The Company uses working capital as a financial measure to assess whether it has sufficient current assets to cover current liabilities. Working capital is equal to current assets minus current liabilities, whereas the working capital ratio is obtained by dividing current assets by current liabilities.

(in thousands of dollars, except the working capital ratio)	**As at Dec. 31, 2019**	**As at Dec. 31, 2018**
	$	$
Current assets	**414,756**	416,971
Current liabilities	**253,389**	240,780
Working capital	**161,367**	176,191
Working capital ratio	**1.64:1**	1.73:1

Shareholders' Equity to Total Assets

The Company uses the shareholders' equity to total assets financial measure to determine the shareholders' investment as a proportion of the Company's total assets. To calculate the shareholders' equity to total assets ratio, the shareholders' equity presented on the Consolidated Statement of Financial Position is divided by total assets.

(in thousands of dollars, unless otherwise indicated)	**As at Dec. 31, 2019**	**As at Dec. 31, 2018**
	$	$
Shareholders' equity	**734,819**	722,251
Total assets	**1,310,226**	1,318,606
Shareholders' equity / total assets ratio *(in %)*	**56.1**	54.8

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") is a financial measure used by the Company and investors to assess its capacity to generate future cash flows from operating activities and pay financial expenses. Adjusted EBITDA consists of operating profit, "depreciation of property, plant and equipment and amortization of intangible assets" shown in the consolidated statements of cash flows and "(Gains) losses on capital assets", if applicable.

	Fourth quarters ended		**Years ended**	
(in thousands of dollars)	**Dec. 31, 2019**	**Dec. 31, 2018**	**Dec. 31, 2019**	**Dec. 31, 2018**
	$	$	**$**	$
Operating profit	**24,964**	25,745	**100,826**	105,192
Depreciation of property, plant and equipment and amortization of intangible assets	**14,291**	13,174	**56,957**	48,752
(Gains) losses on capital assets	**(5)**	3	**(95)**	24
Adjusted EBITDA	**39,250**	38,922	**157,688**	153,968

Depreciation and amortization expense went from $13.2 million in the fourth quarter of 2018 to $14.3 million in the fourth quarter of 2019. The higher expense stems mainly from a $1.0 million expense following the adoption of IFRS 16 on January 1, 2019.

The annual depreciation and amortization expense went from $48.8 million in 2018 to $57.0 million in 2019. For the first five months of 2019, OOB's depreciation and amortization expense was $2.5 million, leaving a difference of $5.7 million on a comparable basis. The higher expense stems mainly from a $4.0 million expense following the adoption of IFRS 16 on January 1, 2019, from a $0.8 million unfavourable foreign exchange impact, and from an increase in acquisitions of property, plant and equipment.

Moreover, it should be noted that the adjusted EBITDA results of the prior periods have not been restated to reflect the impact of IFRS 16. Excluding the impact of IFRS 16 adoption on January 1, 2019, the 2019 fourth-quarter adjusted EBITDA would have been $38.1 million, down $0.8 million year over year. The 2019 adjusted EBITDA would have been $153.0 million, down $1.0 million year over year.

Significant Accounting Estimates and Assumptions

In preparing consolidated financial statements in accordance with IFRS, management must exercise judgment when applying accounting policies and use assumptions and estimates that have an impact on the amounts of the assets, liabilities, revenues and expenses reported in the consolidated financial statements and on the contingent liability and contingent asset information provided. These assumptions and estimates are regularly reviewed and based on past experience and other factors, including future events considered reasonable in the circumstances. The actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

The main assumptions and estimates are presented below:

Measurements of Revenues From Product Sales

Revenues from product sales are recognized at the amount of consideration to which the Company expects to be entitled. This amount includes deductions for rebates or allowances that are determined, in some cases, using assumptions based on estimates prepared using the Company's past history and experience.

Measurements of Income Tax Expense

In preparing its consolidated financial statements, the Company must establish estimates of income tax expense and of deferred tax assets and liabilities based on the tax laws applicable in the jurisdictions where it operates.

Assumptions and estimates are made to determine the deferred tax asset amount that can be recognized based on the timing and amounts of the Company's future taxable income and on future tax strategies. A deferred tax asset amount could change if estimates of expected future taxable income and of expected benefits from tax strategies are revised downwards or if an enacted tax legislation amendment were to limit, with respect to timing or amount, the Company's ability to use future taxable benefits.

When assessing the impacts of tax interpretations, laws and regulations, judgment must also be applied to ensure a complete and reliable presentation of current and deferred tax assets and liabilities.

Measurements of Right-of-Use Assets and Lease Liabilities

Future lease payments used to calculate the value of the right-of-use asset and lease liability include payments for extension, termination or purchase options that are reasonably certain to be exercised by the Company. Determining the economic benefit of exercising these options requires the use of assumptions and estimates such as the expected use of the leased asset and future market conditions. Whether or not payments relating to the extension, termination or purchase options are taken into account can have a significant impact on the value of the right-of-use asset and the lease liability. To measure the lease liability at the present value of future lease payments, the Company must determine its incremental borrowing rate when the implicit rate of the lease cannot be readily determined.

Measurements of Defined Benefit Assets and Liabilities

The Company's measurement of defined benefit plan assets and liabilities requires the use of statistical data and other parameters used to anticipate future changes. These parameters include the discount rate, the defined benefit obligation, the net interest on the net defined benefit liability (asset), the expected rate of compensation increase, the indexation rate of pensions paid, and the mortality table. If the actuarial assumptions are found to be significantly different from the actual data subsequently observed, it could lead to substantial changes to the amount of the benefit cost of the defined benefit plans recognized in profit or loss and in other comprehensive income and to the net defined benefit assets or liabilities presented in the Consolidated Statement of Financial Position.

The actuarial valuations for funding purposes were performed on December 31, 2017, January 1, 2018 and September 30, 2019, depending on the plan. These actuarial valuations are based on management's best-estimate assumptions of the discount rate, expected rate of compensation increase, the indexation rate of pensions paid, and the mortality table. Changes in these assumptions could have an impact on defined benefit costs and obligations. During 2018 and 2019, the Company funded $0.2 million and $9.2 million, respectively, in its defined benefit pension plans.

Measurements of Non-Financial Assets

When applying the future discounted cash flows model to determine the fair value of groups of cash-generating units ("CGUs") to which goodwill is allocated, certain parameters must be used, including estimates of future cash flows, discount rates and other variables; a high degree of judgment must therefore be exercised. Impairment tests on property, plant and equipment and intangible assets are also based on assumptions. Any future deterioration of market conditions or poor operational performance could translate into an inability to recover the current carrying amounts of property, plant and equipment and intangible assets. No impairment loss was recorded in 2018 and 2019.

Purchase Price Allocations of Businesses Acquired as Part of Business Combinations

When carrying out a business combination, the Company must make assumptions and estimates to determine the purchase price allocation of the acquired business. The Company must determine the acquisition-date fair value of the identifiable assets acquired and liabilities assumed. Goodwill is measured as the amount by which the consideration transferred and the total amount of any non-controlling interest exceeds the fair value of all the identified assets and liabilities. These assumptions and estimates have an impact on the asset and liability amounts recorded in the Consolidated Statement of Financial Position on the acquisition date. In addition, the estimated useful lives of the acquired property, plant and equipment, the identification of intangible assets and the determination of the indefinite or finite useful lives of intangible assets acquired will have an impact on the Company's profit or loss.

Fair Value Measurements of Financial Instruments Classified in Level 3

The Company must make assumptions and estimates when measuring the fair value of the contingent consideration payable to the sellers of OOB and the contingent consideration payable related to the non-significant business combination. The main assumptions and estimates used relate, among other things, to OOB's expected 2019 adjusted EBITDA, the cumulative sales of the non-significant business combination for 12 consecutive months starting from the acquisition date until December 31, 2020, and the volatility thereof. Should the assumptions and estimates used prove to significantly differ from the actual data subsequently observed, the difference would have an impact on the Company's profit and on the amount recorded in the Consolidated Statement of Financial Position.

Adoption of IFRS Standards

IFRS 16 Leases

On January 1, 2019, the Company adopted IFRS 16, which applies to fiscal years beginning on or after January 1, 2019. The Company retrospectively applied IFRS 16, recognizing the cumulative effect of initial application at the date of initial application without restatement of comparative figures as at December 31, 2018.

IFRS 16 replaces the following standards: IAS 17 "Leases", IFRIC 4 "Determining Whether an Arrangement Contains a Lease", SIC-15 "Operating Leases – Incentives", and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". IFRS 16 introduces a single lease accounting model for lessees whereby all lease agreements are recognized in the Statement of Financial Position through a right-of-use asset and a lease liability. Exemptions are permitted for short-term leases and leases for which the underlying asset is of low value.

For leases previously classified as operating leases, the Company recognized a lease liability measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at January 1, 2019, as well as a right-of-use asset for a corresponding value. In the Consolidated Statement of Income, rent expense is replaced by depreciation of the right-of-use asset and by interest on the lease liability calculated using the effective interest rate method.

For leases previously classified as finance leases, the carrying amounts of the right-of-use asset and of the lease liability as at January 1, 2019 correspond to the carrying amounts of the property, plant and equipment held under finance leases and the finance lease debt as measured in accordance with IAS 17 as at December 31, 2018. In the Consolidated Statement of Income, the depreciation of the right-of-use asset and the interest on the lease liability correspond to the depreciation of property, plant and equipment held under finance leases and interest on finance lease debt as measured in accordance with IAS 17.

The right-of-use asset is reported in the property, plant and equipment item of the Consolidated Statement of Financial Position. It is then measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated over either the lease term or estimated useful life, whichever is shorter.

The lease liability is reported in the long-term debt item of the Consolidated Statement of Financial Position. It is then measured at amortized cost using the effective interest rate method.

As part of the transition to IFRS 16, the Company applied the following practical expedients:

- The Company did not reassess whether a contract is, or contains, a lease at the date of initial application. It applied IFRS 16 to contracts that were previously identified as leases in accordance with IAS 17 and IFRIC 4;
- Instead of performing an impairment test, the Company relied on its assessment of whether leases were onerous as at December 31, 2018 in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets";
- The Company applied a single discount rate to a portfolio of leases with similar characteristics; and

- The Company accounted for leases with a term of 12 months or less at the date of initial application as short-term leases by recognizing the rent payments in profit or loss on a straight-line basis over the lease term.

The retrospective application of IFRS 16 had the following impact on the comparative information presented in these consolidated financial statements of the Company:

(in thousands of dollars)	**As at Dec. 31, 2018**	**Restatement**	**As at January 1, 2019**
	$	$	$
Consolidated Statements of Financial Position			
Property, plant and equipment	305,581	27,934	333,515
Accounts payable and accrued liabilities	210,203	(213)	209,990
Current portion of long-term debt [i]	24,580	3,406	27,986
Long-term debt [i]	297,267	24,741	322,008

i) The weighted average incremental borrowing rate applied to the lease liabilities recognized in the Consolidated Statement of Financial Position as at January 1, 2019 is 4.94%.

Future Accounting Changes

Interest Rate Benchmark Reform

In response to the potential impacts of the interest rate benchmark reform, in September 2019 the International Accounting Standards Board ("IASB") amended the following standards: IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures". These amendments relate to the hedge accounting requirements during this period of uncertainty.

The amendments apply to fiscal years beginning on or after January 1, 2020.

The Company is currently assessing the estimated impact of these amendments on its consolidated financial statements.

Classification of Liabilities

In January 2020, the IASB amended IAS 1 "Presentation of Financial Statements" in order to establish a more general approach to the classification of liabilities based on the analysis of existing contracts at the reporting date.

The amendments apply to fiscal years beginning on or after January 1, 2022.

The Company is currently assessing the estimated impact of these amendments on its consolidated financial statements.

Uncertainties and Principal Risk Factors

The uncertainties and risk factors described hereafter are those likely to significantly affect the Company's financial position or results. Not all contingencies have been addressed, and the risks or uncertainties in the following statements may not materialize or occur in the manner expected or have the anticipated consequences.

Financial Instruments and Financial Risk Exposure

Contingent consideration payable to the sellers of OOB

The agreement signed on May 31, 2018 with the sellers of OOB contains a contingent consideration for a maximum amount of US$10,000,000 related to specified financial milestones based on adjusted EBITDA that could be payable over the next two years. The final acquisition-date fair value of the contingent consideration recognized, in an amount of US$900,000, was measured based on management's estimates of future adjusted EBITDA to be achieved and the associated volatility thereof. This amount was presented in the "Other long-term liability" item of the Consolidated Statement of Financial Position. Subsequent changes in the fair value of the contingent consideration payable to the sellers were recognized in the profit or loss of the period in which they arose in "Other (gains) losses." As at December 31, 2019, the fair value of the contingent consideration payable to the sellers of OOB was $nil.

Interest rate risk

Interest rate risk is the Company's exposure to increases or decreases in financial instrument values caused by fluctuations in interest rates. The Company is exposed to cash flow risk due to the interest rate fluctuations in its floating-rate interest-bearing financial obligations and to fair value risk from its fixed-rate financial obligations.

In addition, upon the refinancing of a borrowing, depending on the availability of funds in the market and lender perception of the Company's risk, the margin that is added to the reference rate, such as the bankers' acceptance rate ("CDOR"), the London Interbank Offered Rate ("LIBOR"), or prime rates, could vary and thereby directly influence the interest rate payable by the Company.

The Company strives to maintain an appropriate combination of fixed- and floating-rate financial obligations in order to reduce the impact of interest rate fluctuations. To do so, and to synthetically adjust the exposure to interest rates, it uses derivative instruments in the form of interest rate swaps.

With respect to its floating-rate financial obligations, a negative impact on cash flows would occur if there were an increase in the reference rates; the impact would be positive in relation to its interest rate swaps. A decrease in these same rates would have an opposite impact of similar magnitude.

Term financing is used mainly in relation to the Company's long-term obligations stemming from acquisitions of long-term assets and business combinations. The revolving credit facilities are mainly used to finance the Company's working capital and essentially fluctuate according to seasonal factors specific to the Company. The Company may also use revolving credit facilities in addition to term financing for business combinations when it deems that it will be able to repay the revolving credit in the medium term.

As at December 31, 2019, the Company had interest rate swap agreements to cover the impact of future fluctuations in LIBOR interest rates applicable to LPC's term loans on the Company's cash flows. These swaps are designated in a hedging relationship. As at December 31, 2019, the negative fair value of the interest rate swaps stood, on a net basis, at $2.7 million. It is presented in the Derivative Instruments items of the Company's Consolidated Statement of Financial Position.

The following table presents a summary of the Company's interest rate swaps:

Start date	End date	Type	Fixed rate	Floating rate	Notional amount as at Dec. 31, 2019	Fair value
			%		in US$	in $
June 2018	March 2022	Fixed-rate payer	2.8675	3-month LIBOR	51,000,000	(1,326,000)
June 2018	March 2022	Fixed-rate payer	2.8695	3-month LIBOR	51,000,000	(1,328,000)

Foreign exchange risk

Foreign exchange risk is the Company's exposure, caused by exchange rate fluctuations, to decreases or increases in:

- The value of its financial instruments, mainly cash and cash equivalents, other working capital items and intercompany balances denominated in foreign currencies;
- Its net investments in its foreign operations, as they use the U.S. dollar as functional currency; and
- The value of transactions denominated in foreign currencies by entities that have the Canadian dollar as their functional currency;
    - The raw material, supplies and equipment purchases denominated in foreign currencies made by Canadian entities; and
    - Sales made by Canadian entities concluded in foreign currencies.

Foreign exchange risk is managed in accordance with the Company's foreign exchange risk management policy. The objective of this policy is to mitigate the impact of foreign exchange rate fluctuations on the Company's results and financial position. Under this foreign exchange policy, the Company must identify, by geographic segment, any actual or potential foreign exchange risk arising from its operations. The policy also prohibits speculative foreign exchange transactions.

The Company employs various strategies to mitigate foreign exchange risk, including the use of derivative instruments and natural hedge management techniques. A corporate treasury department provides the strategy to cover these risks. As at December 31, 2019, the Canadian-dollar amounts of accounts receivable, of accounts payable and accrued liabilities, and of long-term debt denominated in currencies other than the functional currencies of the entities totalled, respectively, $14.1 million, $29.5 million and $29.2 million.

As at December 31, 2019, foreign exchange forward contracts used to hedge the exchange rate fluctuations related to future payments denominated in foreign currencies amounted to $139.1 million. Under these contracts, the Company is committed to purchasing foreign currencies at predetermined rates, and, when designated for this purpose, the contracts are subject to hedge accounting. As at December 31, 2019, the negative fair value of the contracts stood, on a net basis, at $2.5 million. It is presented in the Derivative Instruments items of the Company's Consolidated Statement of Financial Position.

The following table presents a summary of the Company's foreign exchange contracts:

Type	Maturity	Rate	Total contractual amount	Total net fair value
		C$		in $
US$ purchase	From 1 to 11 months	1.2997 to 1.3322	US$132,700,000	(2,421,000)
€ purchase	From 1 to 12 months	1.4880	€2,760,000	(35,000)

Price risk

To mitigate the effects of certain raw material price fluctuations, the Company occasionally contracts derivatives.

As at December 31, 2019, the Company owned derivative instruments on frozen concentrated orange juice. These derivative instruments, when designated for this purpose, are subject to hedge accounting. As at December 31, 2019, the negative fair value of these derivative instruments, on a net basis, was $0.1 million. It is presented in the Derivative Instruments items of the Company's Consolidated Statement of Financial Position.

The following table presents a summary of the Company's frozen concentrated orange juice derivative instruments:

Type	Maturity	Fixed price	Total quantity	Total net fair value
		US$/pounds solids	in pounds solids	in $
Futures	3 and 5 months	0.9965 to 1.0660	4,500,000	(132,000)

Hedge accounting

The Company uses hedge accounting for its purchases of raw materials and supplies and for its acquisitions of property, plant and equipment as well as to hedge the interest rate risk on its floating-rate term loans.

When anticipated transactions comprising hedged items lead to the recognition of financial assets or liabilities, the change in fair value related to the effective portion of the hedge is recognized in other comprehensive income, and the accumulated amount is presented as a hedging reserve in the Consolidated Statement of Shareholders' Equity. The amounts accumulated in other comprehensive income are reclassified to profit or loss in the period in which the underlying hedged item has an impact on profit or loss. Any ineffective portion is immediately recognized in profit or loss as "Other (gains) losses".

When anticipated transactions comprising hedged items lead to the recognition of non-financial assets (for example, inventories), the change in fair value related to the effective portion of the cash flow hedge is recognized in comprehensive income as other comprehensive income that will not be subsequently reclassified to profit or loss, and the accumulated amount is presented as a hedging reserve in the Consolidated Statement of Shareholders' Equity. The amount included in the accumulated hedging reserve is transferred from shareholders' equity to the initial carrying amount of the hedged non-financial assets upon acquisition and is not recognized in comprehensive income as other comprehensive income.

When the hedging relationship no longer satisfies hedge accounting rules or when the hedging instrument reaches maturity or is sold, terminated, or exercised, the Company ceases to prospectively apply hedge accounting to this relationship or instrument. If the hedged item is a financial asset or liability, accumulated gains or losses remain in the hedging reserve and are reclassified in profit or loss in the same period in which the underlying hedged item is recognized in profit or loss. In the case where the hedged item is a non-financial asset, the accumulated gains or losses remain in the hedging reserve and are transferred from equity to the initial carrying amount of the hedged non-financial assets upon acquisition without being recognized in comprehensive income as other comprehensive income. Furthermore, when the Company considers that the future transaction will not be realized, the cumulative gains or losses recognized in the hedging reserve are immediately recognized in profit or loss as "Other (gains) losses." Losses, net of gains, on derivatives designated as cash flow hedges recognized in profit or loss stood at $0.1 million in 2019 compared to net losses of $0.6 million reclassified to profit or loss in 2018.

The fair value of the derivative instruments was established using information obtained from the financial institutions acting as counterparties to these hedging transactions.

More details on financial instruments and the risk management thereof are provided in Notes 13 and 27 to the Company's consolidated financial statements.

Credit Risk

The Company extends credit to clients in the normal course of business. The Company regularly examines and reviews the financial positions of existing clients and applies rigorous procedures to assess the creditworthiness of new clients. It sets specific credit limits per client and regularly reviews those limits. The Company manages credit risk as follows:

- Credit limits are established and examined by internal credit specialists based on information collected from relevant sources and on the Company's experience with its clients;
- The Company's Canadian subsidiaries take out credit insurance on the majority of their sales made outside Canada;
- The Company's U.S. subsidiaries take out credit insurance on the majority of their sales; and
- The terms of credit may vary depending on the client's credit risk.

The consolidated financial statements include allowances for doubtful accounts, which are estimated by the Company's management based on past experience and its assessment of current economic conditions.

Duties, Taxation and Accounting

Changes made to laws, regulations, rules and policies that affect the Company's activities as well as new accounting positions adopted by the relevant authorities may significantly affect the Company's financial and operating performance. In complying with these changes, the Company may incur significant expenses. The Company is paying close attention to tariff-related discussions that could affect its U.S. purchases and sales. It is important to note that the Company imports approximately US$134 million in raw materials into the United States for its U.S. production. Existing tariffs and any tariff changes arising from trade disputes with the United States could increase the cost of these raw materials—and thereby affect the Company's results—if it is unable to adjust prices to offset the negative impacts. Any such adjustments could also adversely affect the Company's sales volumes.

Human Resources

Lassonde's success depends on the quality of the human resources that the Company can hire and retain. The scarcity of labour in Canada and the United States could have an impact on business performance in terms of the cost of employee benefits and productivity. The Company is also subject to health and safety risks and to the related laws and regulations. Serious injuries to an employee or the death of an employee could have a serious impact on the Company's reputation and lead to compliance-related costs. A significant portion of Lassonde Industries Inc.'s 2,600 employees (including Sun-Rype) are covered under collective bargaining agreements. The Company's objective is to negotiate collective bargaining agreements that allow the Company to remain competitive, that have durations that promote a favourable working climate in all segments, and that expire on different dates. One collective bargaining agreement related to a Canadian plant of the Company expired in 2019 and is currently being negotiated. Five other collective bargaining agreements related to three Canadian plants, including one of Sun-Rype's plants, and a U.S. plant of the Company are expiring in 2020.

Fair Value

The fair values of cash and cash equivalents, accounts receivable, bank overdraft, and accounts payable and accrued liabilities are approximately equal to their carrying values due to their short-term maturities.

The fair value of long-term debt as at December 31, 2019 was $5.4 million higher than its carrying value, while the fair value of long-term debt as at December 31, 2018 was $4.4 million higher than its carrying value. The Company determines this fair value based on the discounted cash flow method and using current interest rates for instruments with similar terms and remaining maturities that the Company could have obtained on the market at the measurement date.

Competition

The North American juice, drink, and specialty food markets are highly competitive. The Company competes against several regional, national and international competitors, some of which are very large. The structure of the private label fruit juice and drink offering in the United States is marked by the presence of a major European company that, in 2018, acquired the bottling operations of the Company's main U.S. competitor. All of these factors put downward pressure on selling prices or contributed to higher trade marketing costs, discounts, and/or promotional rebates used to promote products with wholesalers and major retailers, which can affect the Company's margins. Furthermore, should input costs increase significantly, it could be difficult to absorb these cost increases through higher product prices, which would also affect the Company's profitability.

Client Base and Consumer Habits

Most of the Company's sales are to the food retail and wholesale segment. This market is highly concentrated in Canada with five retailers controlling more than 80% of the market. On the U.S. side, there is a lower level of market concentration, with ten retailers representing slightly more than 70% of the retail market. This gives clients significant bargaining power that could limit the Company's ability to raise its prices to offset inflationary pressures.

Consumer habits, tastes and preferences are evolving, as seen by the increased demand for low-sugar products. In addition, consumers are now meeting their food needs through multiple supply sources. The result is a strong segmentation of the product offering, which is placing additional pressure on traditional food retailers. The growth in online commerce and discount retailers and the reaction of traditional retailers to this increased competition places considerable pressure on the Company's ability to raise prices to offset the effects of inflation.

Remaining sales are generated by the food service segment, which consists primarily of restaurants, hospitals, hotels, schools, and the wholesalers serving these institutions.

In 2019, 29.1% of the Company's sales were carried out with the three largest clients of Lassonde Industries Inc. The loss of one of these clients could have a significant impact on the Company's results. One client accounted for a little more than 10% of the Company's sales in 2019.

Supply of Raw Materials

The Company purchases raw materials that it processes into finished products. Fluctuations in raw material prices can therefore drive financial results upward or downward. The Company is exposed, among other things, to climate risks that affect the crops of the fruits used to make the various types of concentrates required for its production. While the Company has a policy to safeguard against, when circumstances warrant, significant changes in raw material prices by entering into fixed-price agreements with key suppliers, such agreements usually cannot cover periods of more than one year. Raw material prices could also be affected by trade wars between certain nations. The impact of any resulting tariffs could be felt directly but could also come from higher selling prices charged by suppliers unaffected by these tariffs and taking advantage of the general increase in product prices. Furthermore, the Company, as do a number of its competitors, purchases a large portion of its orange juice from a single supplier.

The COVID-19 outbreak is now affecting many countries. This pandemic is having significant impacts on global logistics chains. The Company's supply of raw materials could therefore be considerably affected by disruptions affecting certain suppliers. China, which has been hit particularly hard by this pandemic, plays a key role in the Company's supply chain, as Lassonde Industries Inc. purchases some of its raw materials from suppliers based in China. The Company will therefore likely encounter direct and indirect adverse effects on its supply capability if the situation does not improve quickly enough. It should be noted that China provides a considerable portion of the global supply of apple concentrate.

As is the case with some of its competitors who use a similar packaging technology, the Company obtains a large portion of its laminated board supplies mainly from a single supplier. The Company also pays attention to the debate surrounding the use of plastic in packaging materials.

Product Liability

All food-processing companies are exposed to the risks related to the safety and integrity of their products. To reduce such risks, the Company upholds quality assurance procedures in all of its facilities. Additionally, the Company monitors food safety and wholesomeness through the adoption of quality systems under the Global Food Safety Initiative (GFSI). The Company also adheres to government food safety initiatives such as FSEP/HACCP certification (Food Safety Enhancement Program / Hazard Analysis Critical Control Point system) in Canada. It is also compliant with the HACCP (juice) regulations required by the U.S. Code of Federal Regulations in LPC's plants and OOB's plant. However, if such a risk were to materialize, in certain circumstances it could result in an expensive product recall and severely damage the Company's reputation. Consequently, the Company maintains liability insurance coverage as a producer and has other coverage deemed to be in compliance with current industry practices.

Production Subcontracting to Contract Packaging Specialists

Some LPC products are manufactured through contract packaging specialists. Although the Company has the ability to manufacture LPC products in its plants, the unavailability of a packager could affect the Company's profitability because it would not have sufficient excess aseptic processing capacity to meet all of LPC's needs. In normal circumstances, this risk is mitigated by the fact that more than 78% of LPC's external requirements are covered by long-term contracts and that more than 20% of these external requirements are met by the Company's other subsidiaries. The residual risk normally affects a small percentage of the Company's total sales.

In the context of the current pandemic, certain packagers used by LPC could be forced to temporarily interrupt operations given a lack of sufficient labour to properly conduct their manufacturing activities.

Distribution of Products

The Company sells its products throughout most of North America. As the Company is responsible for the delivery costs on a meaningful portion of its sales, it is exposed to fluctuating transportation costs, which could be affected by higher fuel costs, a shortage of employees to operate transportation vehicles, and changes to laws and regulations that could affect vehicle usage levels. An increase to these costs could narrow the Company's profit margin if it is unable to raise its selling prices to offset the impacts of such cost fluctuations.

Regulatory Matters

The production and distribution of food products and the impact of these activities on the environment, whether in Canada, the United States or elsewhere, are subject to legislation and regulations. If a law or regulation were amended, the resulting impact would depend on the Company's ability to adapt, comply and assume the related costs. Changes to the legal and regulatory environment could have an impact on the Company's operating costs and results. Such regulatory amendments might include changes to food and drug laws, labelling laws, competition laws and environmental laws, including laws with respect to water rights and water treatment regulations. Such changes (notably the proposed regulation for labelling on the front of packaging) can have an impact on the Company's results or increase its costs and liabilities. In addition, and while not inherently a regulatory matter, the Company's sales volumes could be affected by potential changes to the U.S. food guide. Finally, the Company believes that its production and distribution activities, and their environmental impact, currently comply in all material respects with government laws and regulations and also believes it has the permits and licenses required by the nature of its activities.

Crisis Management and Business Continuity

The Company has developed crisis management and business continuity plans for all its operations. A steering committee supervises and reviews the plans of all its subsidiaries. The plans include a number of back-up physical locations in the event of a disaster or pandemic-related contagion risk, generators in case of power failures, and an IT back-up system. Further spread of a virus such as COVID-19 could also require the Company to temporarily close a plant. While the existing recovery plans address the loss of a plant in the case of a disaster, the simultaneous closing of more than one plant could affect the Company's ability to meet its financial objectives.

Cybersecurity

In the normal course of business, the Company relies on information technology systems to process, transmit and store information in all areas of its operations as well as for the reporting of its results. Additionally, a significant portion of that information concerns its business and/or clients and partners and is maintained either within its premises or at the sites of its technology partners.

These systems may be vulnerable to an increasing number of sophisticated cyber threats and other failures such as telecommunications interruptions, natural disasters, human error and other security issues. Such events could impede or interrupt the Company's operations or result in other negative consequences, including remediation costs, loss of revenue, litigation and reputational damage, or fines and criminal penalties. The Company's financial results, market value or ability to achieve its strategic business objectives could be significantly affected by such events.

The Company regularly monitors, manages, and enhances its ability to mitigate cyber risk through its enterprise-wide cyber security programs; disaster recovery investments; risk management practices; implementations of policies, procedures and control processes; and outsourcing contract management practices to address such risks. However, there is no absolute assurance that such measures can impede all such risks.

Claims and Insurance

In the normal course of operations, the Company is exposed to various actions and claims as well as to the various risks related to its operations. Lassonde Industries Inc. limits its exposure to such risk by holding insurance to cover the risk of claims related to its operations when such insurance coverage is available. Even though the Company reviews its insurance limits on an annual basis, there is no guarantee that damages related to losses and claims will not exceed its coverage.

Disclosure Controls and Procedures ("DC&P")

The Company's Chief Executive Officer (CEO) and the Executive Vice-President and Chief Financial Officer are responsible for setting and maintaining disclosure controls and procedures within the meaning of National Instrument 52-109 issued by the Canadian Securities Administrators. Assisting them in this responsibility is the Disclosure Committee, which consists of key management personnel. The Disclosure Committee must be kept fully informed of any significant information relating to the Company so that it can evaluate said information, determine its importance, and decide on timely disclosure of a press release, where applicable. Management regularly reviews disclosure controls and procedures; however, given the inherent limitations entailed in DC&P, management can provide only a reasonable level of assurance and may not be able to prevent or detect misstatements that result from error or fraud.

Under the supervision of the CEO and the Executive Vice-President and Chief Financial Officer of the Company, management evaluated the effectiveness of the controls and procedures used to prepare disclosure documentation, including this MD&A, the Annual Information Form, and the Management Proxy Circular. Based on this evaluation, the CEO and the Executive Vice-President and Chief Financial Officer concluded that the disclosure controls and procedures were effective as at December 31, 2019 and, more specifically, that the design of these controls and procedures provides reasonable assurance that important information about the Company is evaluated, processed and reported to them in a timely manner during the preparation of disclosure documentation.

Internal Control Over Financial Reporting ("ICFR")

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance as to the reliability of the financial information and reasonable assurance that the financial statements were prepared, for financial reporting purposes, in accordance with IFRS. The internal control system has inherent limitations and therefore the internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements due to error or fraud.

Under the supervision of the CEO and the Executive Vice-President and Chief Financial Officer, management evaluated the effectiveness of the Company's internal control over financial reporting as at December 31, 2019, based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, the CEO and the Executive Vice-President and Chief Financial Officer concluded that the ICFR was effective as at the December 31, 2019 year-end.

Changes to Internal Control Over Financial Reporting

During the fourth quarter ended December 31, 2019, there were no changes to the Company's internal control over financial reporting that have materially affected, or that are reasonably likely to materially affect, the internal control over financial reporting.

Related Party Transactions

In the ordinary course of business, the Company purchases apples for processing from entities controlled by the Chairman of the Board. These purchases totalled $0.1 million in 2019 and were carried out under similar terms and conditions as purchases from arm's length producers.

Related party transactions are presented in Note 31 to the consolidated financial statements for the year ended December 31, 2019.

Events After the Reporting Period

Business Combination

On January 3, 2020, the Company completed the acquisition of Sun-Rype for a cash consideration of $89.3 million, paid at the close of the transaction. This amount reflects $3.9 million in preliminary adjustments related to working capital and to property, plant and equipment as well as $5.4 million in adjustments related to cash. The amount could also be subject to additional adjustments related to working capital and other items once the final value is established. As part of the transaction, the Company assumed liabilities of approximately $21.0 million related to lease liabilities for the Sun-Rype facilities located in Kelowna, British Columbia and in Selah and Wapato, Washington State. The acquisition was financed by the Company's existing Canadian credit facility. The transaction costs are estimated at $1.5 million. The Company will recognize this business combination using the acquisition method in accordance with the provisions of IFRS 3. Therefore, the interim consolidated financial statements for the first quarter of 2020 will include the results of Sun-Rype from January 3, 2020 to March 28, 2020 and certain acquisition-related transaction costs.

Founded in 1946, Sun-Rype is a Canadian fruit-based snack and beverage manufacturer that employs 400 people and operates facilities located in Kelowna, British Columbia and in Selah and Wapato, Washington State. Sun-Rype manufactures and sells a variety of ready-to-drink fruit-based juices and drinks under the Sun-Rype brand and fruit-based snacks under the Sun-Rype, Fruit-to-Go, FruitSource, and Good Bites brands. Its customers include grocery stores, club stores, and mass merchandisers as well as wholesalers and drug stores. For the 12-month period ending on September 30, 2019, Sun-Rype generated sales of approximately $164.0 million and adjusted EBITDA of approximately $9.0 million.

Pandemic

The COVID-19 outbreak has created a health and economic crisis of unprecedented magnitude that is affecting global economies and financial markets. As of the financial statements publication date, the pandemic has not had a substantial impact on the Company's financial position. With conditions in North America continuing to deteriorate daily, changes regarding the availability of labour and resources, government interventions in the activities of businesses, or changes in demand for the Company's products could occur. At this time, it is impossible to assess the likelihood of such events given that there are no reliable estimates of how long the crisis will last and how fast the virus is spreading. The long-term impact on the Company's clients is also impossible to assess, as we have not experienced a comparable situation in the recent past.

Outlook

For the twelve-month period ended December 31, 2019, the Company observed a decrease in industry sales in both the U.S. and Canadian fruit juice and drink markets. When adjusted to reflect foreign exchange impacts and excluding OOB's sales for the first five months of 2019 to maintain a comparable basis, the Company's sales were up 0.7% in 2019 compared to 2018. Barring any significant external shocks (and excluding foreign exchange impacts and the impact of the Sun-Rype acquisition to maintain a comparable basis), the Company believes that, for 2020, it will be able to achieve consolidated annual sales growth rate slightly above that of 2019.

The Company has noted that the competitive environment continues to be difficult in terms of private label products sold in the U.S. While it has seen a slight improvement in the profitability of its U.S. activities in the last quarter, its ability to reflect certain cost increases in selling prices remains a cause of concern. In Canada, the Company expects that the negative effects on its production output resulting from investments being made in one of its plants should gradually be resolved in the first quarter of 2020, as the new equipment is now operational.

The Company is paying close attention to the progression of COVID-19 in North America and to the resulting impacts on economic activity as well as on consumer spending habits. It has seen a recent increase in retail juice and drink sales but is concerned about how the crisis will affect sales to the food service segment.

With respect to sourcing, the Company notes that the price of apple concentrate remains high and still subject to the effects of 25% tariffs in the United States and that the European apple crops were below expectations. It has observed an improvement in U.S.-China trade relations but continues to feel the adverse effects therefrom. The impact of any additional tariffs is felt directly but also arise from higher selling prices set by suppliers unaffected by the tariffs but taking advantage of the generalized increase in prices. The impact of COVID-19 on the Company's supply chain adds another layer of uncertainty in terms of the price and availability of raw materials. Nevertheless, the price of orange concentrate remains low when compared to last year. The conversion rates on purchases made by Canadian subsidiaries in U.S. dollars are expected to have an unfavourable impact of approximately $4 million on the 2020 pre-tax results versus the 2019 results. Foreign exchange forward contracts are used to partly stabilize the effects of currency fluctuations on the Company's results, but the hedging periods of these foreign exchange contracts generally do not exceed twelve months.

The Company expects its investment-related cash outflows to exceed the average of the last five years. Among other things, this increase is attributable to the final stage of a major investment project intended to provide the Company with additional capabilities for specialty food products. The Company also expects to make investments designed to enhance the flexibility of production capacity for fruit juices and beverages in the U.S. and to upgrade its ERP software in Canada. It believes that its use of investing cash flows could reach between $45 million and $55 million in 2020. These disbursements will have a limited impact on the Company's profit for 2020 but will affect its cash flows.

Additional Information

As at December 31, 2019, the issued and outstanding capital stock of the Company consisted of 3,180,900 Class A subordinate voting shares and 3,752,620 Class B multiple voting shares.

This Management's Discussion and Analysis was prepared as of March 26, 2020 and is available on the Lassonde Industries Inc. website. Readers will also find this MD&A, the Annual Information Form, additional documents, press releases, and more information about the Company on the SEDAR website at www.sedar.com.

Dividends – Fiscal 2020

The table below presents the current or expected dates of declaration, record and payment of dividends for fiscal 2020, all of which are subject to approval by the Board of Directors.

Declaration date	Record date	Payment date
February 13, 2020	February 25, 2020	March 13, 2020
May 8, 2020	May 21, 2020	June 15, 2020
August 7, 2020	August 19, 2020	September 15, 2020
November 6, 2020	November 19, 2020	December 15, 2020

March 26, 2020