



QUARTERLY UPDATE

Q2 2024





# Forward Looking Information

This presentation contains “forward-looking information” within the meaning of applicable securities laws. Forward looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividend policy, plans, intentions, beliefs, and objectives of our Company. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities is forward looking information. In some cases, forward looking information can be identified by the use of forward looking terminology such as “plans”, “targets”, “expects”, “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward looking information. Statements containing forward looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances. In addition, our assessments of, and targets for, annual revenue, Adjusted EBITDA, Adjusted diluted earnings per share and certain other measures are considered forward looking information. See the section titled “Outlook” in our most recently filed MD&A for additional information concerning our strategies, assumptions and market outlook related to these assessments.

The forward-looking information contained in this presentation is based on management’s opinions, estimates and assumptions in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe to be appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of the ability to pursue further strategic acquisitions; our ability to source raw materials and other inputs from our suppliers; our ability to continue to innovate product offerings that resonate with our target customer base; our ability to retain key management and personnel; our ability to continue to expand our international presence and grow our brand internationally; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; changes to trends in our industry or global economic factors; and changes to laws, rules, regulations and global standards are material factors made in preparing the forward looking information and management’s expectations contained in this presentation.

The forward-looking information contained in this presentation represents management’s expectations as of the date of this presentation and is subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that management considered appropriate and reasonable as of the date such statements are made, is subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to those described under the heading “Risk Factors” in our 2023 annual MD&A for the fiscal year ended December 31, 2023 and in our most recent annual information form.

We caution that the list of risk factors and uncertainties under the heading “Risk Factors” is not exhaustive and other factors could also adversely affect our results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information.

## NON-IFRS FINANCIAL MEASURES

This presentation may make reference to the following non IFRS financial measures: “EBITDA”, “Adjusted EBITDA”, “Adjusted net earnings”, “normalized gross profit”, “normalized SG&A”, “normalized earnings from operations”, “cash from operating activities before working capital considerations” and “net debt”, the following non-IFRS ratios: “Adjusted EBITDA margin”, “Adjusted diluted earnings per share”, “normalized gross profit margin”, “normalized operating margin”, and the following supplementary financial measures: “gross profit margin”, “operating margin” and “USD denominated revenue”, to provide supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. For further details on these non-IFRS measures, non-IFRS ratios, and supplementary financial measures, including relevant definitions and certain reconciliations, see our most recently filed MD&A.



# Second Quarter 2024 Highlights



- 1 Expanded the Company's market leadership position in Canada in conjunction with continued innovation and consumption growth
- 2 More than doubled the Company's revenues in China, led by marketing investments and successful June promotional activity which significantly outpaced market growth
- 3 Grew the youthery brand led by increased consumer demand, new distribution, and product innovation
- 4 International innovations, including a vitamin B12 complex and an omega turmeric product exceeded company expectations and continued to drive growth in key markets
- 5 Conducted an ESG materiality and risk assessment to identify and prioritize future sustainability initiatives
- 6 Announced an 11% increase to the Company's quarterly dividend



# Second Quarter 2024 Summary of Segment Results

- Revenue was **\$155.8 million**, an increase of **17.2%** or **\$22.9 million**



- youtheory revenue increased 17% in the front half; growth in Q2 reflects increased consumer demand partially offset by the initial fill of a key innovation in the prior year
- Gross profit increased **\$11.6 million** to **\$61.3 million**; gross profit margin increased by **190 bps**, mainly driven by significant volume growth in China, which is the Company's highest margin geography
- Adjusted EBITDA<sup>1</sup> increased by **\$2.0 million** to **\$28.7 million**, driven by higher gross profit and offset by the Company's investment strategy in China and the U.S.

<sup>1</sup> This is a non-IFRS financial measure. See the "Non-IFRS and Other Financial Measures" section of this presentation for more information on each non-IFRS financial measure.



## STRATEGIC PARTNERS

# Second Quarter 2024 Summary of Segment Results

- Revenue was **\$29.0 million**, an expected decrease of **16.3%** or **\$5.6 million**
  - Revenue was impacted by the prioritization of the normalization of branded shipments after the Q1 labour disruption, and by the completion of the close-out of a customer contract as previously announced
- Gross profit was **\$3.7 million**, a decrease of **\$1.4 million**
- Gross profit margin<sup>1</sup> was 12.9%, a decrease of **190 basis points**, impacted by customer mix
- Adjusted EBITDA<sup>2</sup> was **\$2.9 million**, a decrease of **\$1.5 million**; Adjusted EBITDA margin<sup>3</sup> was **9.9%**, a decrease of **280 basis points**

<sup>1</sup> This is a supplementary financial measure. See the "Non-IFRS and Other Financial Measures" section of this presentation for more information on each supplementary financial measure.

<sup>2</sup> This is a non-IFRS financial measure. See the "Non-IFRS and Other Financial Measures" section of this presentation for more information on each non-IFRS financial measure.

<sup>3</sup> This is a non-IFRS ratio. See the "Non-IFRS and Other Financial Measures" section of this presentation for more information on each non-IFRS ratio.



# Second Quarter 2024

## Balance Sheet and Cash Flow

- As of June 30, 2024, the Company had approximately **\$190.1 million** in cash and available revolving and swingline facilities and net debt<sup>1</sup> of **\$309.9 million**
- The Company generated **\$6.9 million** in cash from operations compared to **\$11.7 million** generated in Q2 2023
- Cash from operating activities before working capital considerations of **\$17.1 million** increased by **\$4.4 million** mainly due to higher gross profit
- Cash used in working capital increased by **\$9.3 million** driven by timing of accounts receivable collections, partially offset by the drawdown of inventory

<sup>1</sup> This is a supplementary financial measure. See the "Non-IFRS and Other Financial Measures" section of this presentation for more information on each supplementary financial measure.

# Second Quarter 2024 Consolidated Results



METRIC	Q2 2024	Q2 2023	Growth Rate
Consolidated Revenue	\$184.8	\$167.6	10.3%
Canada	\$80.0	\$72.7	10.1%
U.S. (youtheory)	\$44.5	\$42.1	5.6%
China	\$20.6	\$10.1	103.8% reported, 106.6% constant currency
International	\$10.7	\$8.1	33.0% reported 34.3% constant currency
Total Jamieson Brands Segment	\$155.8	\$132.9	17.2%
Strategic Partners Segment	\$29.0	\$34.7	(16.3%)
Consolidated Adjusted EBITDA	\$31.6	\$31.1	1.6%
Consolidated Adjusted EBITDA Margin <sup>1</sup>	17.1%	18.5%	(1.5%)
Adjusted diluted EPS	\$0.35	\$0.32	8.6%

<sup>1</sup> Adjusted EBITDA margin in the quarter impacted as expected by the Company's investment strategy in China and the U.S.

# Summary Consolidated Financial Information



(\$ in millions, except as otherwise noted)	Fiscal Year Ended				
	December 31,				
	2023	2022	2021	2020	2019
<b>Revenue</b>	<b>676.2</b>	<b>547.4</b>	<b>451.0</b>	<b>403.7</b>	<b>345.0</b>
Cost of sales	442.6	349.0	288.6	258.9	215.2
Selling, general and administrative expenses	140.3	110.2	80.7	76.3	69.9
Share-based compensation	5.9	4.9	5.7	4.9	4.3
Acquisition related adjustments	(7.9)	--	--	--	--
<b>Earnings from operations</b>	<b>95.3</b>	<b>83.2</b>	<b>76.0</b>	<b>63.6</b>	<b>55.4</b>
Foreign exchange loss (gain)	2.0	0.3	(0.1)	0.5	0.4
Other expenses	--	--	--	0.0	3.4
Interest expense and other financing costs	22.8	12.4	5.7	6.0	9.4
Accretion on preferred shares	4.8	--	--	--	--
<b>Earnings before income taxes</b>	<b>65.7</b>	<b>70.5</b>	<b>70.5</b>	<b>57.0</b>	<b>42.3</b>
Provision for income taxes	19.6	17.7	18.4	15.5	10.6
<b>Net earnings</b>	<b>46.0</b>	<b>52.8</b>	<b>52.1</b>	<b>41.6</b>	<b>31.7</b>
<b>Revenue</b>	<b>676.2</b>	<b>547.4</b>	<b>451.0</b>	<b>403.7</b>	<b>345.0</b>
<b>Adjusted EBITDA</b>	<b>138.1</b>	<b>123.8</b>	<b>100.1</b>	<b>88.0</b>	<b>75.9</b>
<b>Adjusted EBITDA Margin</b>	<b>20.4%</b>	<b>22.6%</b>	<b>22.2%</b>	<b>21.8%</b>	<b>22.0%</b>
<b>Adjusted Net Earnings</b>	<b>66.1</b>	<b>65.1</b>	<b>55.2</b>	<b>47.9</b>	<b>38.1</b>
<b>Adjusted Net Earnings Per Fully Diluted Share</b>	<b>1.55</b>	<b>1.55</b>	<b>1.32</b>	<b>1.16</b>	<b>0.96</b>

# Summary Consolidated Financial Information



(\$ in millions, except as otherwise noted)	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	% Change	2024	2023	% Change
<b>Revenue</b>	<b>184.8</b>	<b>167.6</b>	<b>10.3%</b>	<b>312.8</b>	<b>304.3</b>	<b>2.8%</b>
Cost of sales	119.8	112.7	6.3%	205.0	200.9	2.0%
<b>Gross profit margin</b>	<b>35.2%</b>	<b>32.7%</b>	<b>2.5%</b>	<b>34.5%</b>	<b>34.0%</b>	<b>0.5%</b>
Selling, general and administrative expenses	43.9	34.8	25.9%	83.4	67.2	24.1%
Share-based compensation	1.7	1.4	22.4%	3.5	2.9	19.6%
<b>Earnings from operations</b>	<b>19.4</b>	<b>18.6</b>	<b>4.3%</b>	<b>20.9</b>	<b>33.2</b>	<b>(40.0%)</b>
Foreign exchange loss (gain)	(0.2)	1.5	(112.1%)	(1.0)	1.6	(157.8%)
Interest expense and other financing costs	4.6	6.0	(22.7%)	9.5	12.3	(22.7%)
Accretion on preferred shares	2.1	0.8	156.5%	4.3	0.8	424.8%
<b>Income before income taxes</b>	<b>12.8</b>	<b>10.3</b>	<b>24.7%</b>	<b>8.0</b>	<b>18.5</b>	<b>(60.0%)</b>
Provision for income taxes	4.5	3.1	46.2%	3.4	4.2	(19.0%)
<b>Net earnings</b>	<b>8.3</b>	<b>7.2</b>	<b>15.4%</b>	<b>4.6</b>	<b>14.3</b>	<b>(67.8%)</b>
<b>Revenue</b>	<b>184.8</b>	<b>167.6</b>	<b>10.3%</b>	<b>312.8</b>	<b>304.3</b>	<b>2.8%</b>
<b>Adjusted EBITDA</b>	<b>31.6</b>	<b>31.1</b>	<b>1.6%</b>	<b>47.7</b>	<b>55.6</b>	<b>(14.2%)</b>
<b>Adjusted EBITDA Margin</b>	<b>17.1%</b>	<b>18.5%</b>	<b>(1.4%)</b>	<b>15.2%</b>	<b>18.3%</b>	<b>(3.1%)</b>
<b>Adjusted Net Earnings</b>	<b>14.7</b>	<b>13.6</b>	<b>7.5%</b>	<b>18.6</b>	<b>22.5</b>	<b>(17.4%)</b>
<b>Adjusted Earnings Per Share</b>	<b>0.35</b>	<b>0.32</b>	<b>8.6%</b>	<b>0.44</b>	<b>0.53</b>	<b>(17.0%)</b>

# Reconciliation of net income to EBITDA, adjusted EBITDA and adjusted net income



(\$ in millions, except as otherwise noted)	Three Months Ended		Six Months Ended		Fiscal Year Ended					
	June 30,		June 30,		December 31,					
	2024	2023	2024	2023	2023	2022	2021	2020	2019	2018
<b>Net earnings</b>	<b>8.3</b>	<b>7.2</b>	<b>4.6</b>	<b>14.3</b>	<b>46.0</b>	<b>52.8</b>	<b>52.1</b>	<b>41.6</b>	<b>31.7</b>	<b>26.7</b>
Provision for income taxes	4.5	3.1	3.4	4.2	19.6	17.7	18.4	15.5	10.6	10.6
Interest expense and other financing costs	4.6	6.0	9.5	12.3	22.8	12.4	5.7	6.0	9.4	9.0
Accretion on preferred shares	2.1	0.8	4.3	0.8	4.8	--	--	--	--	--
Depreciation and amortization	4.8	5.2	9.7	10.0	20.3	17.2	14.3	12.2	10.9	9.0
<b>EBITDA</b>	<b>24.4</b>	<b>22.3</b>	<b>31.5</b>	<b>41.6</b>	<b>113.6</b>	<b>100.2</b>	<b>90.4</b>	<b>75.3</b>	<b>62.6</b>	<b>55.3</b>
Share-based compensation	1.7	1.4	3.5	2.9	5.9	4.9	5.7	4.9	4.3	3.1
Foreign exchange loss (gain)	(0.2)	1.5	(1.0)	1.6	2.0	0.3	(0.1)	0.5	0.4	0.6
Acquisition and divestiture related costs	0.5	2.3	0.5	5.1	8.4	12.9	--	--	--	(1.1)
Amortization of fair value adjustments	--	2.3	--	2.3	8.4	0.8	--	--	--	--
Labour relations costs	1.7	--	6.4	0.0	--	--	--	--	--	--
COVID-19 related costs	--	--	--	--	--	0.2	2.4	5.1	--	--
IT implementation and business integration	3.4	1.4	6.4	2.1	7.7	4.5	1.9	2.2	1.2	4.1
Acquisition related purchase consideration and post-closing adjustments	--	--	--	--	(7.9)	--	--	--	--	--
International market expansion	--	--	--	--	--	--	--	--	1.7	0.9
Other	0.0	(0.2)	0.3	(0.1)	--	--	(0.1)	--	5.6	4.7
<b>Adjusted EBITDA</b>	<b>31.555</b>	<b>31.1</b>	<b>47.7</b>	<b>55.6</b>	<b>138.1</b>	<b>123.8</b>	<b>100.1</b>	<b>88.0</b>	<b>75.9</b>	<b>67.6</b>
Provision for income taxes	(4.516)	(3.1)	(3.4)	(4.2)	(19.6)	(17.7)	(18.4)	(15.5)	(10.6)	(10.6)
Interest expense and other financing costs	(4.647)	(6.0)	(9.5)	(12.3)	(22.8)	(12.4)	(5.7)	(6.0)	(9.4)	(9.0)
Depreciation and amortization	(4.761)	(5.2)	(9.7)	(10.0)	(20.3)	(17.2)	(14.3)	(12.2)	(10.9)	(9.0)
Share-based compensation	(1.622)	(1.3)	(3.2)	(2.8)	(5.5)	(6.3)	(5.5)	(4.3)	(3.6)	(2.5)
Tax deduction from vesting of certain share-based awards	--	--	--	(1.0)	(1.0)	--	--	--	(1.0)	--
Other	--	--	--	--	--	--	--	0.1	0.2	--
Tax effect of normalization adjustments	(1.355)	(1.9)	(3.3)	(2.8)	(2.8)	(4.9)	(1.1)	(2.1)	(2.4)	(2.7)
<b>Adjusted net earnings</b>	<b>14.654</b>	<b>13.6</b>	<b>18.6</b>	<b>22.5</b>	<b>66.1</b>	<b>65.1</b>	<b>55.2</b>	<b>47.9</b>	<b>38.1</b>	<b>33.7</b>
<b>Adjusted EBITDA</b>	<b>31.6</b>	<b>31.1</b>	<b>47.7</b>	<b>55.6</b>	<b>138.1</b>	<b>123.8</b>	<b>100.1</b>	<b>88.0</b>	<b>75.9</b>	<b>67.6</b>
Less capital expenditures	2.0	2.5	3.4	4.7	8.8	13.9	21.5	11.3	9.0	10.9
<b>Simple free cash flow</b>	<b>29.6</b>	<b>28.6</b>	<b>44.3</b>	<b>50.9</b>	<b>129.2</b>	<b>109.8</b>	<b>78.6</b>	<b>76.7</b>	<b>66.9</b>	<b>56.7</b>
<b>Simple free cash flow conversion</b>	<b>94%</b>	<b>92%</b>	<b>93%</b>	<b>92%</b>	<b>94%</b>	<b>89%</b>	<b>79%</b>	<b>87%</b>	<b>88%</b>	<b>84%</b>

# Financial Performance: 2024 Guidance



METRIC	2023	2024 TARGET RANGE	GROWTH RATE	2025 TARGET
Total Revenue	\$676.2	\$720.0 - \$760.0	6.5% - 12.5%	-
Jamieson Brands Segment				
• Canada	\$314.1	\$326.0 - \$338.0	4.0% - 7.5%	-
• U.S. (youtheory)	\$152.3	\$172.0 - \$183.0	13.0% - 20.0%	-
• China	\$51.3	\$82.0 - 92.0	60.0% - 80.0%	-
• International	\$33.5	\$35.0 - \$39.0	5.0% - 15.0%	-
Total Jamieson Brands Segment	\$551.2	\$615.0 - \$650.0	12.0% - 18.0%	10% - 15%
Strategic Partners Segment <sup>1</sup>	\$125.0	\$100.0 - \$113.0	(-10.0% - -20.0%)	-
Adj. EBITDA	\$138.1	\$138.0 - \$144.0	Up to ~4.5%	\$155 - \$165
Adj. EBITDA Margin <sup>2</sup>	20.4%	-	-120 and -170 bps	-
Adj. Diluted Earnings per Share	\$1.55	\$1.55 - \$1.65	Up to ~6.5%	-

<sup>1</sup> Strategic Partners expected to decline 10% to 20% driven by the impact of a 2023 customer transition partially offset by new partner programs scheduled for the second half

<sup>2</sup> Adjusted EBITDA margin expected to decline by 120 and 170 basis due to the impact of investments to drive growth in the U.S. and China as well as temporary lower Strategic Partners volumes and associated manufacturing efficiencies

## This outlook reflects the following assumptions:

- Normalized SG&A including marketing expenses are expected to increase 20% to 35% based on relative investments in traditional SG&A (excl. marketing) of approximately 8% to 10%.
- Interest expense of \$19.0 to \$21.0 million based on our estimated borrowing and prevailing rates
- Income tax rates of approximately 28% based on non-deductible stock-based compensation and excluding the impact of preferred share interest accretion
- A fully diluted share count of approximately 42.5 million shares
- Average annual exchange rate between the U.S. and Canadian dollar of U.S. \$1.00 to 1.35
- Average annual exchange rate between the Chinese renminbi and the Canadian dollar of ¥1.00 to \$0.20.

\*Company guidance updated on March 13, 2024  
\*All figures in millions expect the purchase date



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