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SYMBOL: TSX: AGT

AGT Food and Ingredients Inc. Announces First Quarter 2018 Results

REGINA, MAY 11, 2018 – AGT Food and Ingredients Inc. (TSX:AGT) ("**AGT**" or the "**Company**") has announced its financial results for the three months ended March 31, 2018.

Highlights for the first quarter include:

- **Adjusted EBITDA*** was \$16.1 million for the three months ended March 31, 2018 compared to \$15.6 million for the three months ended December 31, 2017 and compared to \$20.1 million for the three months ended March 31, 2017.
- **Food ingredients and packaged foods** contributed 63.2% of Adjusted EBITDA* for the three months ended March 31, 2018 compared to 43.1% for the three months ended December 31, 2017 and compared to 41.2% for the three months ended March 31, 2017.
- **Food ingredients and packaged foods** Adjusted Gross Profit* per metric tonne ("mt") improved to \$197.55 per mt for the three months ended March 31, 2018 compared to \$187.29 per mt for the three months ended December 31, 2017 and compared to \$180.20 per mt for the three months ended March 31, 2017.
- **Adjusted Gross Profit* per mt** improved to \$64.37 per mt for the three months ended March 31, 2018 compared to \$46.02 per mt for the three months ended December 31, 2017.
- **Adjusted Net Earnings* per share** were \$0.18 (\$0.18 fully diluted) for the three months ended March 31, 2018 compared to Adjusted Net Earnings* per share of \$0.28 (\$0.28 fully diluted) for the three months ended March 31, 2017 and compared to an Adjusted Net Loss* per share of \$0.17 (Adjusted Net Loss* per share of \$0.17 fully diluted) for the three months ended December 31, 2017.
- **Net Debt*** decreased to \$507.2 million March 31, 2018 when compared to \$562.1 million March 31, 2017 and remained relatively stable, with an increase of approximately 7% from December 31, 2017.
- **Dividend** of \$0.15 per share for the quarter (\$0.60 per share on an annualized basis).

"The results for this quarter are positive for AGT's business and demonstrate the strength and diversity our segments have in providing earnings balance in times where markets are challenged. Our Food Ingredients and Packaged Foods segment performed particularly well — performance that we believe is consistent with



our investments and focus in this area. By providing over 60% of our Adjusted EBITDA* for the quarter, this segment balances our underperforming pulses and grains and trading segments. However, we continue to believe that the demand fundamentals for pulse and staple foods remains unchanged, and that the market conditions impacting import volumes, such as the oversupply of pulses and the duty and non-tariff barriers to the key Indian market, are temporary. While markets for pulses normalize and we see volume increases to our traditional markets, we continue to focus on strengthening our balance sheet, as well as continued diversification of our business to be in the best position as these cycles resolve. Seeding intentions for Canadian farmers are becoming clearer, and we believe market conditions may have reached bottom, providing signals that gradual recovery is beginning to emerge for the market,” said Mr. Murad Al-Katib, President and CEO of AGT.

“The type of cyclicity we are seeing in the market today is not uncommon for commodity markets. As a company, we continue to believe in the fundamental earnings power of our strategically located assets on five continents, our strong origination platform, the critical market intelligence and access to markets we possess, and the experienced management group we have guiding the direction of AGT as we navigate these market conditions. We believe our business remains strong when considering AGT’s diverse business segments and competitive position that allows AGT the ability to be among the first to respond when the market calls for more staple foods, grains and pulses, capturing value and growth for our shareholders,” said Mr. Hüseyin Arslan, Executive Chairman of the Board of Directors of AGT.

The financial statements and notes thereto for the three months ended March 31, 2018, as well as the related management’s discussion and analysis, have been filed under AGT’s profile on www.sedar.com and have been posted on AGT’s website at www.agtfoods.com. All amounts are reported in Canadian dollars.

A conference call to discuss First Quarter 2018 results is scheduled for Monday, May 14, 2018 at 8:30 a.m. Eastern time. To join the conference, please dial 1-800-319-4610 (toll free from Canada & the U.S.) or +1-604-638-5340 (from outside Canada & the U.S.).

A recording of the call will be available at www.agtfoods.com on Monday, May 14, 2018. A telephone replay will also be available until midnight Eastern time, Monday, June 11, 2018. To access the replay, please call 1-800-319-6413 (toll free from Canada & the U.S.) or +1-604-638-9010 (from outside Canada & the U.S.). When prompted, enter the code 2249, followed by the number sign (#).

AGT Food and Ingredients Inc. Profile

AGT Food and Ingredients Inc. is a processor of value-added pulses, staple foods and ingredients for export and domestic markets as well as a supplier of retail packaged and canned foods to retail and food service sectors. Through its offices and processing facilities located in some of the best agricultural growing regions in Canada, the U.S., Turkey, China, Australia and South Africa, merchandising and sales offices in the U.K., the Netherlands, Spain, Switzerland and India and origination offices in Russia, AGT produces a full range of pulses and specialty crops including lentils, peas, chickpeas, beans and canary seed as well as food ingredients such as pulse flours, proteins, starches and fibres. Through its subsidiaries in Turkey, the Arbel



Group, AGT also produces staple foods such as Arbella Pasta, rice, and milled wheat products, including bulgur and semolina.

Cautionary Statements

Certain statements in this press release are forward-looking statements. In particular, this press release contains forward looking statements with respect to, among other things, demand fundamentals, market conditions, market recovery and AGT's ability to respond to the foregoing. The reader is cautioned that assumptions used in the preparation of such information, although considered reasonable by AGT at the time of preparation, may prove to be incorrect. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of AGT (including its operating subsidiaries) to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of harvests, fluctuations in the price of lentils and other crops, failure of plant, equipment or processes to operate as anticipated, accidents or labour disputes, risks relating to the integration of acquisitions or to international operations, as well as those factors referred to in the section entitled "Risk Factors" in the Annual Information Form of AGT which is available on SEDAR at www.sedar.com, and which should be reviewed in conjunction with this document. Although AGT has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. AGT expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

Non-IFRS Financial Measures

AGT provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain AGT's financial results. These non-IFRS measures include Adjusted Gross Profit (gross profit plus depreciation in cost of sales), Adjusted EBITDA* (earnings before finance expense, income taxes, depreciation and amortization, restructuring costs and any effects of non-cash, non-recurring and other costs and foreign exchange adjustment), Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share and Adjusted Diluted Net Earnings* per share (earnings before any effects of non-cash, non-recurring and other costs, restructuring costs and foreign exchange adjustments), Net Debt* (bank indebtedness, short term financing and long term debt less cash) and Net Working Capital* (current assets less current liabilities). Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share and Adjusted Diluted Net Earnings* per share do not include the tax effect of non-cash, non-recurring and other costs and foreign exchange. Management believes that Adjusted EBITDA*, Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share and Adjusted Diluted Earnings* per share, Net Debt* and Net Working Capital* are



important indicators of AGT's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose. The exclusion of non-cash and foreign exchange adjustments eliminates the non-cash impact on Adjusted EBITDA*, Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share and Adjusted Diluted Earnings* per share. Adjusted EBITDA* and Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share, Adjusted Diluted Net Earnings* per share, Net Debt* and Net Working Capital* are also used by investors and analysts for the purpose of valuing AGT. The intent of these measures is to provide additional useful information to investors and analysts and the measure does not have any standardized meaning under IFRS. Adjusted Gross Profit*, Adjusted EBITDA* and Adjusted Net Earnings*, Adjusted Basic Net Earnings* per share, Adjusted Diluted Net Earnings* per share, Net Debt* and Net Working Capital* should therefore not be considered in isolation or used as a substitute for measures of performance prepared in accordance with IFRS. For a reconciliation of net earnings (loss) determined in accordance with IFRS to Adjusted EBITDA*, Adjusted Net Earnings* and Adjusted Basic Net Earnings* per share and Adjusted Diluted Earnings* per share, see the table on page 42 in the related management's discussion and analysis for the three months ended March 31, 2018.

For further information:

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