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Saputo Enters Agreement to Divest Majority Stake in its Argentina Operations

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Saputo announced that it has entered into a definitive agreement with Gloria Foods, the dairy and food holding company of Grupo Gloria, to sell an 80 per cent interest in its Dairy Division (Argentina), valuing the business at an enterprise value of approximately $855 million ($630 million). With its retained 20 per cent ownership interest, the Company expects to receive net proceeds, after tax, of approximately $543 million ($400 million), subject to certain customary adjustments. The closing of the transaction is expected to occur in the first quarter of fiscal 2027, subject to certain customary closing conditions, including the receipt of applicable regulatory approvals.

The transaction includes two manufacturing facilities as well as local brands, including La Paulina, Ricrem, and Molfino. Following the closing, the business will continue to manufacture select items on behalf of Saputo. Over the last four quarters, the Dairy Division (Argentina) generated approximately $1.2 billion of revenues, which represented approximately 7 per cent of consolidated revenues.

â??Todayâ??s announcement reflects our efforts to refine our global footprint for long-term growth. The value to be realized recognizes both the operational excellence of the team and the market strength of the brands they built,â? said Carl Colizza, President and CEO. â??This divestiture enhances our financial flexibility and supports targeted reinvestment in platforms that offer the highest growth opportunities, while allowing us to maintain a portfolio of Argentina-sourced products for our international markets.â?•

â??We are profoundly grateful to our colleagues in Argentina for their passion, dedication, and contributions to Saputoâ??s success, and we look forward to seeing these strong assets and brands continue to thrive under new ownership.â?

The Company will continue to take a balanced approach to capital allocation. This framework supports organic growth while enabling strategic investments and returning capital to shareholders with a focus on share repurchases in the near term.