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FOR IMMEDIATE RELEASE
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SYMBOL: TSX: AGT

AGT Food and Ingredients Inc. Announces Second Quarter 2017 Results

REGINA, AUG 9, 2017 – AGT Food and Ingredients Inc. (TSX:AGT) ("**AGT**" or the "**Company**") has announced its financial results for the three and six months ended June 30, 2017.

Results for the quarter include:

- **Consolidated revenue** for the six months ended June 30, 2017 increased 12.2% to \$987.1 million compared to \$880.1 million for the six months ended June 30, 2016.
- **Adjusted Gross Profit*** for the three month period ended June 30, 2017 decreased to \$38.2 million compared to \$43.7 million for the three months ended June 30, 2016.
- **Adjusted EBITDA*** for the three months ended June 30, 2017 decreased to \$19.1 million compared to \$25.3 million for the three months ended June 30, 2016.
- **Food ingredients and packaged foods** contributed to 46.8% of Adjusted EBITDA* for the six months ended June 30, 2017 compared to 30.9% for the six months ended June 30, 2016.
- **Net working capital*** was \$361.4 million at June 30, 2017, a decrease from \$389.3 million at March 31, 2017 and a decrease from \$381.6 million at June 30, 2016.
- **Net working capital* as a percentage of trailing twelve-month revenue** improved to 17.37% at June 30, 2017 compared to 20.96% at June 30, 2016.
- **Net Debt*** decreased by \$18.4 million when compared to March 31, 2017.
- **Adjusted net earnings per share*** decreased to \$0.10 (\$0.10 fully diluted) for the three months ended June 30, 2017 compared to \$0.56 (\$0.55 fully diluted) for the three months ended June 30, 2016.
- **Dividend** of \$0.15 per share for the quarter (\$0.60 per share on an annualized basis).

“Harvest in Canada and the U.S is upon us after a hot, dry growing season. We expect average production volumes on lower yields, with quality in the top grades. Lower production compared to last year in North America has been offset by local production increases in India and Turkey and carry-in stocks remaining in Canada. We are looking at ample supply from all of our origins, not only from North America, and anticipate better average quality in this new crop cycle, allowing us to meet consumer demand in traditional shipping periods. Cyclical global commodity markets appear to be resuming imports at a slower pace than the past few years. Recent policy changes in India to restrict the import of pigeon peas and impose a modest quota of 200,000 tonnes is a measure that we see as positive to clear up surplus stocks and may have the effect of stimulating India’s local market. We still expect, later in 2017, a resumption of periods where imported products make up an abundance of the supply in deficit markets like India and Turkey. We are optimistic that margin constraints in this quarter will be moderated by new



crop supplies coming on stream. Better utilization going forward should allow for a return to more normalized margins and volumes in the traditional shipping periods of late Q3, Q4 and Q1,” said Mr. Murad Al-Katib, President and CEO of AGT.

“In AGT’s case, these conditions further demonstrate that our strategy of balance sheet initiatives, investment in logistics infrastructure and diversified operations and segments is the correct one. We are optimistic that our business will continue to grow and develop with strong, fundamental, long-term trends. Our short term position is solidified by our recent investments in packaged foods, food ingredients, bulk handling and ports. We believe AGT is well-positioned to capitalize on opportunities in future periods. We will stay the course with our strategy, focusing on disciplined capital allocation into projects that make our core processing and bulk handling infrastructure more efficient, and we will continue to grow more value added opportunities for our products globally,” added Mr. Huseyin Arslan, Chairman of the Board of Directors of AGT.

The financial statements and notes thereto for the three and six months ended June 30, 2017, 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.

AGT invites you to join our conference call to discuss Second Quarter 2017 results scheduled for Thursday, August 10, 2017 at 11:00 am EST. To join the conference, please dial 1-855-327-6838 (toll free from Canada & the U.S.) or +1-604-235-2082 (from outside Canada & the U.S.).

A recording of the call will be available at www.agtfoods.com on Thursday, August 10, 2017. A telephone replay will also be available until midnight Eastern time, Thursday, August 24, 2017. 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 1582, followed by the number sign (#).

AGT Food and Ingredients Inc. Profile

AGT Food and Ingredients Inc. (AGT) 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, production levels, crop quality, crop quantity, consumer markets, export markets, volumes, yields, margins, crop expectations, crop deliveries, prospects, demand fundamentals and the expected benefits of AGT's logistics and production facilities in response 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 43 in the related management's discussion and analysis for the three and six months ended June 30, 2017.

For further information:

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