Rogers Sugar Delivers Strong First Quarter Results, Driven by Focus on Execution in Both Business Segments

Rogers Sugar Inc.'s (the "Company", "Rogers", "RSI" or "our," "we", "us") (TSX: RSI) today reported strong first quarter fiscal 2026 results, with consolidated adjusted EBITDA increasing by 18% to $46.9 million.

"The first quarter represents another great performance by our team, delivering strong financial results powered by our unwavering focus on operations and on serving our customers," said Mike Walton, President and Chief Executive Officer of Rogers and its operating subsidiary, Lantic Inc., "Our LEAP Project is progressing as expected, and we remain well positioned to serve our customers in the future and build value for our shareholders."

First Quarter 2026 Consolidated Highlights (unaudited)	**Q1 2026**	Q1 2025
Financials ($000s)		
Revenues[(2)]	**298,189**	331,329
Gross margin	**65,902**	46,740
Adjusted gross margin[(1)]	**60,782**	51,731
Results from operating activities	**44,753**	27,006
EBITDA[(1)]	**52,017**	34,624
Adjusted EBITDA[(1)]	**46,897**	39,615
Net earnings	**28,549**	15,808
per share (basic)	**0.22**	0.12
per share (diluted)	**0.21**	0.11
Adjusted net earnings[(1)]	**24,849**	19,517
Adjusted net earnings per share (basic)[(1)]	**0.19**	0.15
Trailing twelve months free cash flow[(1)]	**89,311**	86,173
Dividends per share	**0.09**	0.09
Volumes		
Sugar (metric tonnes)	**175,000**	196,100
Maple Syrup (thousand pounds)	**14,400**	13,400

(1) See "Non-IFRS Measures" section of this press release for definition and reconciliation to IFRS measures.

(2) In the fourth quarter of 2025, The Corporation changed the presentation for high-tier duties on US exports sales for the Sugar segment. Accordingly, related amounts charged to customers were recognized as revenues, with a corresponding offset to cost of sales. The comparative quarterly financial information for fiscal year 2025 has been adjusted for this immaterial presentation adjustment. The impacts to total revenues for the first quarter of 2025, with a corresponding offset in cost of sales, was $8.2 million.

- The current market volatility associated with the trade conditions related to the new US tariffs on imports has had a limited impact on our business. We are closely monitoring this evolving situation and engaging with the different stakeholders involved.
- Consolidated adjusted net earnings[(1)] for the first quarter amounted to $24.8 million, compared to $19.5 million for the same period last year.
- Consolidated adjusted EBITDA[(1)] for the first quarter amounted to $46.9 million, compared to $39.6 million for the same period last year. The favourable variance was mainly driven by stronger results from our Sugar segment.
- Adjusted EBITDA[(1)] in the Sugar segment was $41.1 million in the first quarter, an increase of $7.2 million compared to the same period last year, mainly due to higher adjusted gross margin per metric tonne due to timing and non-recuring favourable adjustments, partially offset by lower volume sold.
- Sales volume in the Sugar segment was 175,000 metric tonnes for the first quarter of 2026, a decrease of 21,100 metric tonnes compared to the same period last year, due to declines in the Industrial and Exports customer segments.
- Adjusted EBITDA[(1)] in the Maple segment was $5.8 million in the first quarter, an increase of $0.1 million compared to the same period last year.
- During the first quarter of 2026, we spent $25.0 million on additions to property, plant and equipment, of which $21.1 million was spent in connection with the expansion of our Eastern sugar refining and logistic capacity (the "LEAP Project").
- The LEAP Project is progressing as planned. During the first quarter of fiscal 2026, we advanced the construction phase of the project, including the installation of sugar refining equipment and logistics infrastructure. We continue to expect the total cost of the project to range between $280 million and $300 million, with an anticipated in-service date in the first half of calendar 2027.

- Free cash flow(1) for the trailing 12 months ended December 27, 2025, was $89.3 million, an increase of $3.1 million from the same period last year, largely driven by higher adjusted EBITDA(1) and lower capital expenditures for operations, excluding LEAP, partially offset by timing of income tax payments and higher interest paid.
- On January 12, 2026, the Company issued $57.5 million of Ninth series convertible unsecured subordinated debentures ("Ninth series debentures"), maturing on January 31, 2033, with interest payable semi-annually in arrears at a rate of 5.5% on July 31 and January 31 of each year.
- In the first quarter of 2026, we distributed $0.09 per share to our shareholders for a total of $11.5 million.
- On February 4, 2026, the Board of Directors declared a quarterly dividend of $0.09 per share, payable on or before April 15, 2026.

(1) See "Non-IFRS Measures" section for definition and reconciliation to IFRS measures

Sugar

First Quarter 2026 Sugar Highlights (unaudited)	**Q1 2026**	Q1 2025
Financials ($000s)		
Revenues(2)	**226,247**	264,948
Gross margin	**57,269**	42,827
Adjusted gross margin(1)	**53,186**	44,103
Per metric tonne ($/ mt) (1)	**304**	225
Administration and selling expenses	**10,556**	10,202
Distribution costs	**6,963**	5,917
Results from operating activities	**39,750**	26,708
EBITDA(1)	**45,228**	32,627
Adjusted EBITDA(1)	**41,145**	33,903
Volumes (metric tonnes)		
Total volumes	**175,000**	196,100

(1) See "Non-IFRS Measures" section of this press release for definition and reconciliation to IFRS measures.

(2) In the fourth quarter of 2025, The Corporation changed the presentation for high-tier duties on US exports sales for the Sugar segment. Accordingly, related amounts charged to customers were recognized as revenues, with a corresponding offset to cost of sales. The comparative quarterly financial information for fiscal year 2025 has been adjusted for this immaterial presentation adjustment. The impacts to total revenues for the first quarter of 2025, with a corresponding offset in cost of sales, was $8.2 million.

In the first quarter of 2026, revenues decreased by $38.7 million, compared to the same period last year, largely driven by a lower average price for Raw #11 and lower sales volume. The average price for Raw #11 decreased by US 6.5 cents per lb to US 15.1 cents per lb for the current quarter, compared to the same period last year. The negative variance in revenues was partially offset by higher pricing for refining-related activities.

In the first quarter of fiscal 2026, sugar sales volume totaled approximately 175,000 metric tonnes, a decrease of approximately 11% or 21,100 metric tonnes compared to the same period last year. The decrease was largely due to unexpected non-recurring issues encountered by one of our large industrial customers in Montréal and lower demand from confectionery customers due to timing. The negative variance was also related to a decrease in export volume, reflecting lower opportunistic sales to existing customers in the US market.

Gross margin was $57.3 million for the current quarter and included a gain of $4.1 million for the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $42.8 million with a mark-to-market loss of $1.3 million.

Adjusted gross margin was $53.2 million for the first quarter of 2026 compared to $44.1 million for the same period last year, representing an increase of $9.1 million. The favourable variance was mostly related to timing and non-recuring favourable adjustments. During the first quarter, production costs and receiving costs for raw sugar were lower by approximately $8.0 million as a result of timing of major maintenance activities, which were mostly completed early in the second quarter, and timing in the pricing of raw sugar freight to our plants. In addition, non-recurring gains of approximately $4.5 million were recorded during the first quarter of 2026 related to procurement of raw sugar activities, mainly from penalties received and pricing adjustments. On a lesser basis, improved sales margin also contributed to our favourable variance. These favourable variances were partially offset by lower sales volume which negatively impacted adjusted gross margin by $5.2 million in the first quarter of 2026.

On a per-unit basis, adjusted gross margin for the first quarter, at $304 per metric tonne, was $79 per metric tonne higher than the same quarter last year. The increase was mainly related to the favourable net impact of non-recurring items, timing of maintenance activities, and improved average pricing.

EBITDA for the first quarter of fiscal 2026 was $45.2 million compared to $32.6 million in the same period last year. These results include gains and losses from the mark-to-market of derivative financial instruments.

Adjusted EBITDA for the current quarter increased by $7.2 million compared to the same period last year, mainly due to higher adjusted gross margin, partially offset by higher administration and selling expenses and higher distribution costs.

Maple

First Quarter 2026 Maple Highlights (unaudited)	**Q1 2026**	Q1 2025
Financials ($000s)		
Revenues	**71,942**	66,381
Gross margin	**8,633**	3,913
Adjusted gross margin[1]	**7,596**	7,628
As a percentage of revenues (%) [1]	**10.6%**	11.5%
Administration and selling expenses	**3,400**	3,320
Distribution costs	**230**	295
Results from operating activities	**5,003**	298
EBITDA[1]	**6,789**	1,997
Adjusted EBITDA[1]	**5,752**	5,712
Volumes (thousand pounds)		
Total volumes	**14,400**	13,400

(1) See "Non-IFRS Measures" section of this press release for definition and reconciliation to IFRS measures.

Revenues for the first quarter of the current fiscal year were $5.6 million higher than the same period last year, driven mainly by higher sales to existing customers.

Gross margin was $8.6 million for the first three months of the current fiscal year, including a gain of $1.0 million from the mark-to-market of derivative financial instruments. For the same period last year, gross margin was $3.9 million with a mark-to-market loss of $3.7 million.

Adjusted gross margin for the first quarter of fiscal 2026 was $7.6 million, consistent with the same period last year. The incremental adjusted gross margin related to the higher volume sold in the first quarter of fiscal 2026 was offset by higher costs for the purchase of maple syrup and higher production costs, both associated with the mix of products sold during the quarter.

EBITDA for the first quarter of fiscal 2026 amounted to $6.8 million compared to $2.0 million for the same period last year. These results include gains from the mark-to-market of derivative financial instruments.

Adjusted EBITDA for the first quarter of fiscal 2026 was $5.8 million compared to $5.7 million for the same period last year, reflecting a strong margin and stable distribution costs and administration and selling expenses.

LEAP PROJECT

On August 11, 2023, the Board of Directors of Lantic approved the LEAP Project. The LEAP Project is expected to provide approximately 100,000 metric tonnes of incremental refined sugar capacity to the growing Canadian market and includes sugar refining assets, along with logistics assets to increase the delivery capacity to the Ontario market. The total cost for the LEAP Project is expected to range between $280 million and $300 million, and we anticipate the incremental sugar refining capacity related to the LEAP Project to be in service in the first half of calendar 2027.

During the first quarter of fiscal 2026, we advanced the activities related to the installation of new sugar refining equipment in the main expansion building in Montréal. We continued the work related to the construction of new logistics infrastructure aimed at increasing the delivery capacity to the Ontario market and we made good progress on the supporting assets such as electrical connection and other utilities requirements.

As at December 27, 2025, an accumulated amount of $149.5 million, including $4.7 million in interest costs, had been capitalized as construction in progress on the balance sheet in connection with the LEAP Project, of which $21.1 million was capitalized in the first quarter of 2026.

We are funding the LEAP Project with a combination of debt, equity, cash flow from operations and our revolving credit facility. In connection with the financing plan for the LEAP Project, we issued 22,769,000 common shares of RSI in fiscal 2024, for net proceeds of $112.5 million. We also increased the amount available under our revolving credit facility by $75 million, to $340 million.

In fiscal 2023, also in connection with the financing of the LEAP Project, Lantic entered into two secured loan agreements with Investissement Québec ("IQ Loans") for up to $65 million. These are a first loan in the amount of up to $40.0 million under the ESSOR program, a Québec government program designed to provide favourable financing to Québec businesses ("IQ Essor Loan"), and a second term loan in the amount of up to $25.0 million (the "IQ Term Loan"). As of December 27, 2025, $23.9 million had been drawn under the IQ Loans.

See "Forward-Looking Statements" and "Risks and Uncertainties".

OUTLOOK

Following a strong performance in both of our business segments over the last two years, we expect to continue to deliver strong financial results in 2026. The current market dynamics associated with the revised trade conditions related to US tariffs on imports have had a limited impact on our business thus far. Our assumption is that this will continue throughout the 2026 fiscal year, and that no significant unfavourable changes to the Canada-United States-Mexico Agreement ("CUSMA") will be adopted. We are closely monitoring this evolving situation together with the different stakeholders for both of our business segments, and we will adjust our business strategy as required.

We are moving forward with our LEAP Project and expect to significantly advance the construction phase of the project in 2026, as we continue to install new sugar refining equipment and logistics infrastructure. In relation to this project, we anticipate spending approximately $116 million in fiscal 2026. These expenditures are supported by the financing plan of the project that we have put in place over the last three years.

Sugar

We expect the Sugar segment to perform well in fiscal 2026. In recent months, we have seen a slight softening in global demand for sugar due to general food inflation and changes in consumption habits for some customers. Going forward, we anticipate pricing increases to align with inflation for the domestic Canadian market. Our forecast volume for 2026 is 750,000 metric tonnes, which is at the lower end of the sales volume outlook previously provided. This represents a reduction of approximately 4% compared to 2025, with the reduction mainly attributable to lower volume of export sales. For 2026, we anticipate a reduction in lower-margin export sales volume associated with the current market dynamics, and we expect the domestic market sales volume to be stable.

We anticipate that the Montréal refinery will continue to operate at full capacity and continue to leverage production from our other facilities in Western Canada with the objective of consistently meeting our commitments to our customers.

The harvest period for our sugar beet facility in Taber was completed in early November, with the expected quantity of beets received from the Growers. We are currently in the later portion of the processing stage of the 2025 sugar beet campaign, with expected completion by the end of February. We anticipate the 2025 crop to deliver approximately 100,000 metric tonnes of beet sugar, consistent with our expectations.

Production and maintenance costs for our three production facilities are expected to increase slightly in 2026 due to market-based increases in external costs and annual wage increases for employees. For 2026, we plan to continue to perform the necessary maintenance activities to ensure a smooth production process to meet the needs of our customers. We remain committed to managing our costs responsibly to properly maintain our production assets and related facilities.

Distribution costs are expected to increase slightly in 2026. These expenditures reflect the current market dynamics requiring the transfer of sugar produced between our refineries to meet demand from customers, pending the completion of our LEAP Project.

Administration and selling expenses are expected to increase slightly in 2026 compared to 2025, reflecting general market increases and incremental costs associated with the planned review of The Canadian International Trade Tribunal ("CITT") scheduled for the second half of 2026.

We anticipate our financing costs to increase in fiscal 2026, as we increase our borrowings in connection with the LEAP Project. We have mitigated our exposure to short-term interest rate variation on our revolving credit facility through our multi-year hedging strategy.

Spending on non-LEAP Project related capital projects is expected to slightly increase in fiscal 2026 compared to 2025. We anticipate spending approximately $25.0 million on various initiatives mainly related to regulatory compliance initiatives and strengthening of our current production infrastructure.

Maple

We expect financial results in our Maple segment to continue to be strong in 2026, reflecting the improved performance seen over the last two years. With our available production capacity, we expect to capture a good portion of the growing global demand for maple syrup and maple products.

We currently anticipate sales volume at 56.0 million lbs for the 2026 fiscal year, representing a growth of approximately 5% over last year. The expected growth of our Maple segment is subject to the possible adverse impact of the potential imposition of US tariffs. The sales volume expectation reflects current global market conditions, and the anticipated availability of maple syrup from producers.

The 2025 maple syrup crop produced 4.1 lbs of maple syrup per tap in Québec, which is considered higher than average for the industry. We have been able to secure enough maple syrup to meet the expected demand from our customers for most of the 2026 fiscal year. We anticipate covering the remaining volume requirement with maple syrup from the upcoming 2026 crop and/or from the current PPAQ reserve.

We expect to spend between $1.0 million and $2.0 million on capital projects for the Maple business segment in 2026. The main driver for the selected projects is improvement in productivity and profitability through automation.

See "Forward-Looking Statements" and "Risks and Uncertainties".

A full copy of Rogers first quarter 2026, including management's discussion and analysis and unaudited condensed consolidated interim financial statements, can be found at www.LanticRogers.com or on SEDAR+ at www.sedarplus.ca.

Cautionary Statement Regarding Non-IFRS Measures

In analyzing results, we supplement the use of financial measures that are calculated and presented in accordance with IFRS with a number of non-IFRS financial measures. A non-IFRS financial measure is a numerical measure of a company's performance, financial position or cash flow that excludes (includes) amounts or is subject to adjustments that have the effect of excluding (including) amounts, that are included (excluded) in most directly comparable measures calculated and presented in accordance with IFRS. Non-IFRS financial measures are not standardized; therefore, it may not be possible to compare these financial measures with the non-IFRS financial measures of other companies having the same or similar businesses. We strongly encourage investors to review the audited consolidated financial statements and publicly filed reports in their entirety, and not to rely on any single financial measure.

We use these non-IFRS financial measures in addition to, and in conjunction with, results presented in accordance with IFRS. These non-IFRS financial measures reflect an additional way of viewing aspects of the operations that, when viewed with the IFRS results and the accompanying reconciliations to corresponding IFRS financial measures, may provide a more complete understanding of factors and trends affecting our business.

The following is a description of the non-IFRS measures we used in this press release:

- Adjusted gross margin is defined as gross margin adjusted for "the adjustment to cost of sales", which comprises the mark-to-market gains or losses on sugar futures and foreign exchange forward contracts as shown in the notes to the consolidated financial statements and the cumulative timing differences as a result of mark-to-market gains or losses on sugar futures and foreign exchange forward contracts.
- Adjusted results from operating activities are defined as results from operating activities adjusted for the adjustment to cost of sales.
- EBITDA is defined as results from operating activities adjusted to add back depreciation and amortization expenses.
- Adjusted EBITDA is defined as adjusted results from operating activities adjusted to add back depreciation and amortization expenses.
- Adjusted net earnings is defined as net earnings adjusted for the adjustment to cost of sales and the income tax impact on these adjustments.
- Adjusted gross margin rate per MT is defined as adjusted gross margin of the Sugar segment divided by the sales volume of the Sugar segment.
- Adjusted gross margin percentage is defined as the adjusted gross margin of the Maple segment divided by the revenues generated by the Maple segment.
- Adjusted net earnings per share is defined as adjusted net earnings divided by the weighted average number of shares outstanding.
- Free cash flow is defined as cash flow from operations excluding changes in non-cash working capital, mark-to-market and derivative timing adjustments, financial instruments non-cash amount, and includes deferred financing charges, funds received from stock options exercised, capital and intangible assets expenditures, net of value-added capital expenditures and capital expenditures associated with the LEAP Project, and payments of capital leases.

In this press release, we discuss the non-IFRS financial measures, including the reasons why we believe these measures provide useful information regarding the financial condition, results of operations, cash flows and financial position, as applicable. We also discuss, to the extent material, the additional purposes, if any, for which these measures are used. These non-IFRS measures should not be considered in isolation, or as a substitute for analysis of our results as reported under IFRS. Reconciliations of non-IFRS financial measures to the most directly comparable IFRS financial measures are as follows:

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES TO IFRS FINANCIAL MEASURES

	Q1 2026			Q1 2025		
Consolidated results (In thousands of dollars)	**Sugar**	**Maple Products**	**Total**	Sugar	Maple Products	Total
Gross margin	**57,269**	**8,633**	**65,902**	42,827	3,913	46,740
Total adjustment to the cost of sales[1]	**(4,083)**	**(1,037)**	**(5,120)**	1,276	3,715	4,991
Adjusted Gross Margin	**53,186**	**7,596**	**60,782**	44,103	7,628	51,731
Results from operating activities	**39,750**	**5,003**	**44,753**	26,708	298	27,006
Total adjustment to the cost of sales[1]	**(4,083)**	**(1,037)**	**(5,120)**	1,276	3,715	4,991
Adjusted results from operating activities	**35,667**	**3,966**	**39,633**	27,984	4,013	31,997
Results from operating activities	**39,750**	**5,003**	**44,753**	26,708	298	27,006
Depreciation of property, plant and equipment, amortization of intangible assets and right-of-use assets	**5,478**	**1,786**	**7,264**	5,919	1,699	7,618
EBITDA[1]	**45,228**	**6,789**	**52,017**	32,627	1,997	34,624
EBITDA[1]	**45,228**	**6,789**	**52,017**	32,627	1,997	34,624
Total adjustment to the cost of sales[1]	**(4,083)**	**(1,037)**	**(5,120)**	1,276	3,715	4,991
Adjusted EBITDA	**41,145**	**5,752**	**46,897**	33,903	5,712	39,615
Net earnings			**28,549**			15,808
Total adjustment to the cost of sales[1]			**(5,120)**			4,991
Net change in fair value in interest rate swaps[1]			**153**			-
Income taxes on above adjustments			**1,267**			(1,282)
Adjusted net earnings			**24,849**			19,517
Net earnings per share (basic)			**0.22**			0.12
Adjustment for the above			**(0.03)**			0.03
Adjusted net earnings per share (basic)			**0.19**			0.15

(1) See "Adjusted results" section of the MD&A for additional information

Conference Call and Webcast

Rogers will host a conference call to discuss its first quarter fiscal 2026 results on February 5, 2026, starting at 8:00a.m. ET. To participate, please dial 1-800-717-1738. To access the live webcast presentation, please click on the link below:

https://onlinexperiences.com/Launch/QReg/ShowUUID=84F541BD-33ED-42FB-9485-45C72029717A&LangLocaleID=1033

A recording of the conference call will be accessible shortly after the conference, by dialing 1-888-660-6264, access code 92597#. This recording will be available until March 5, 2026. A live audio webcast of the conference call will also be available via www.LanticRogers.com.

About Rogers Sugar

Rogers is a corporation established under the laws of Canada. The Corporation holds all of the common shares of Lantic and its administrative office is in Montréal, Québec. Lantic operates cane sugar refineries in Montréal, Québec, and Vancouver, British Columbia, as well as the only Canadian sugar beet processing facility in Taber, Alberta. Lantic also operate a distribution center in Toronto, Ontario. Lantic's sugar products are mainly marketed under the "Lantic" trademark in Eastern Canada, and the "Rogers" trademark in Western Canada and include granulated, icing, cube, yellow and brown sugars, liquid sugars, and specialty syrups. Lantic owns all of the common shares of Lantic Maple Inc. (formerly known as The Maple Treat Corporation) and its head office is headquartered in Montréal, Québec. Lantic Maple Inc. operates bottling plants in Granby, Dégelis and in St-Honoré-de-Shenley, Québec, and in Websterville, Vermont. Lantic Maple Inc. products include maple syrup and derived maple syrup products supplied under retail private label brands in approximately fifty countries and sold under various brand names.

For more information about Rogers please visit our website at www.LanticRogers.com.

Cautionary Statement Regarding Forward-Looking Information

This report contains statements or information that are or may be "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian Securities laws. Forward-looking statements may include, without limitation, statements and information which reflect our current expectations with respect to future events and performance. Wherever used, the words "may," "will," "should," "anticipate," "intend," "assume," "expect," "plan," "believe," "estimate," and similar expressions and the negative of such expressions, identify forward-looking statements. Although this is not an exhaustive list, we caution investors that statements concerning the following subjects are, or are likely to be, forward-looking statements:

- the potential impact of US tariffs on export sales of refined sugar, sugar containing products and maple products;
- future demand and related sales volume for refined sugar and maple syrup;
- all disclosures related to our LEAP Project, including expected project total cost and expected in-service date;
- future prices of Raw #11;
- natural gas costs;
- beet sugar production forecast for our Taber facility;
- the level of future dividends;
- the status of government regulations and investigations; and
- projections regarding future financial performance.

Forward-looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Actual performance or results could differ materially from those reflected in the forward-looking statements, historical results, or current expectations.

Readers should also refer to the section "Risks and Uncertainties" in this current quarter MD&A and the 2025 fourth quarter MD&A for additional information on risk factors and other events that are not within our control. These risks are also referred to in our Annual Information Form in the "Risk Factors" section. Although we believe that the expectations and assumptions on which forward-looking information is based are reasonable under the current circumstances, readers are cautioned not to rely unduly on this forward-looking information as no assurance can be given that it will prove to be correct. Forward-looking information contained herein is made as at the date of this press release, and we do not undertake any obligation to update or revise any forward-looking information, whether a result of events or circumstances occurring after the date hereof, unless so required by law.

For further information

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