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# **ANNUAL SHAREHOLDERS MEETING**

## **PRESIDENT & CEO PRESENTATION**

**APRIL 26, 2022**

# Disclaimer



Certain statements made in the following discussion contain forward-looking statements including, but not limited to, statements concerning possible or assumed future results of operations of the Company. Forward-looking statements represent the Company's intentions, plans, expectations and beliefs, and are not guarantees of future performance. Such forward-looking statements represent our current views based on information as at the date of this report. They involve risks, uncertainties and assumptions and the Company's actual results could differ, which in some cases may be material, from those anticipated in these forward-looking statements. Unless otherwise required by applicable securities law, we disclaim any intention or obligation to publicly update or revise this information, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance upon forward-looking statements.

# To Our Valued Shareholders & Others



Winpak has established and published a Disclosure Policy. This Policy actively encourages meetings by investors, potential investors and others with Winpak's Spokespersons. When conducting such meetings, Spokespersons must not disclose material information that has not already been publicly disclosed. Those persons taking part in the discussions are duly advised of this Policy.



**2021**

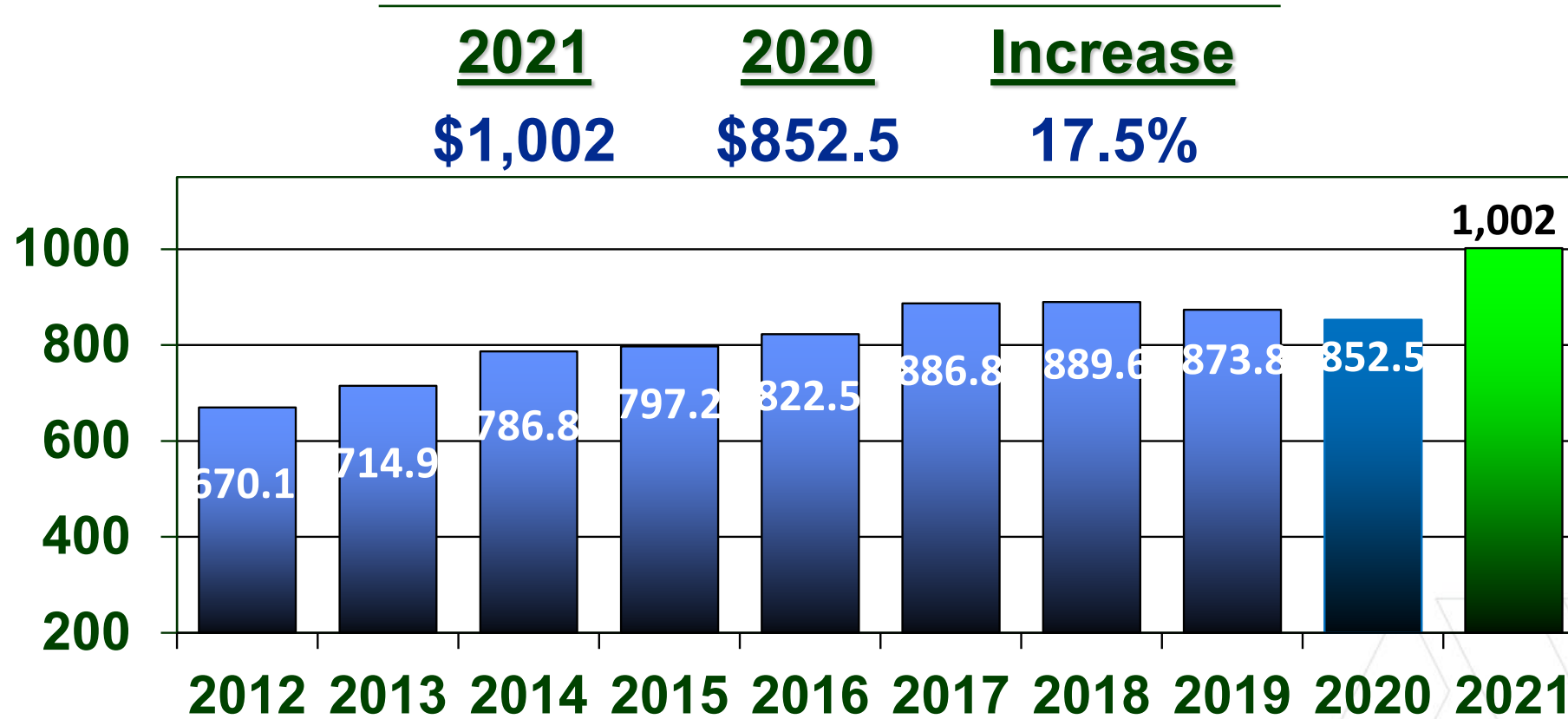
- RESULTS REVIEW

# REVENUE COMPARISON

2021



## \$US Millions



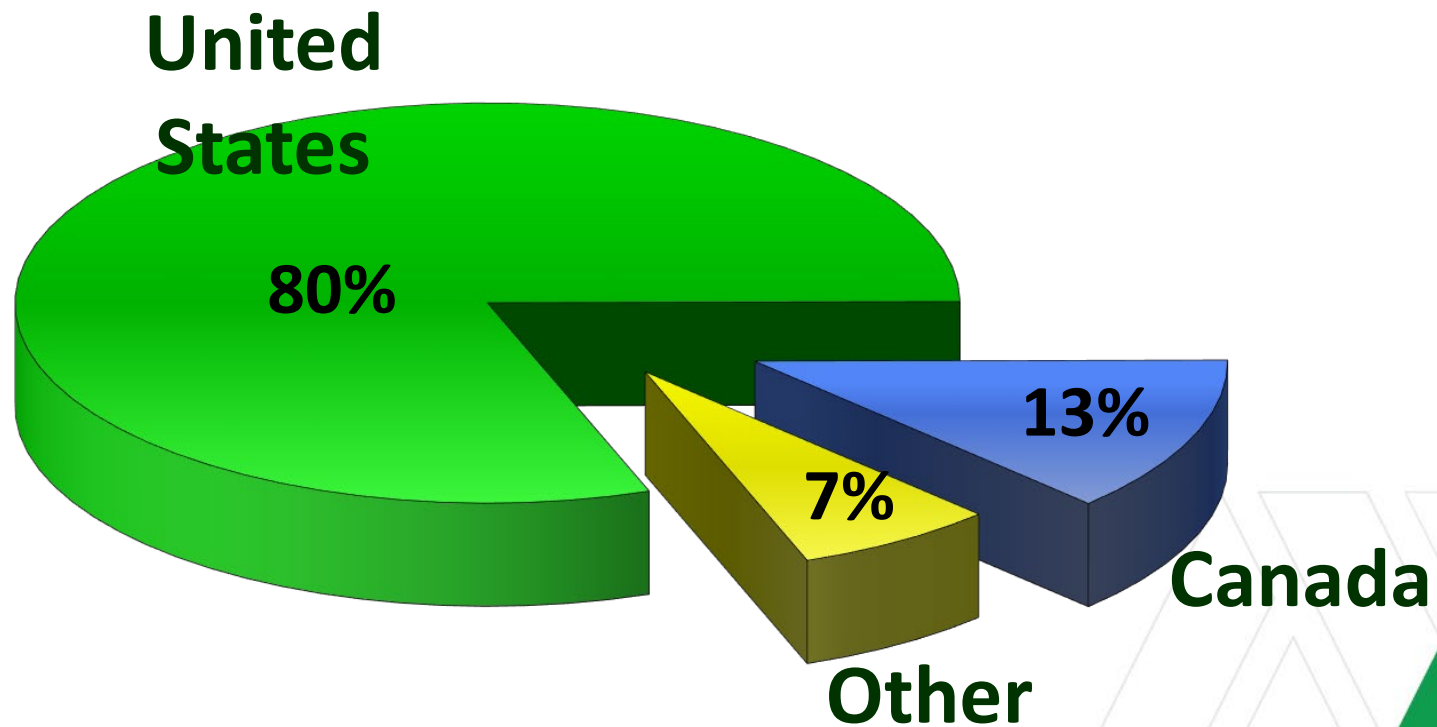
# GEOGRAPHIC MARKETS

2021



Winpak markets its products globally, with a prime focus on North America.

## Revenue



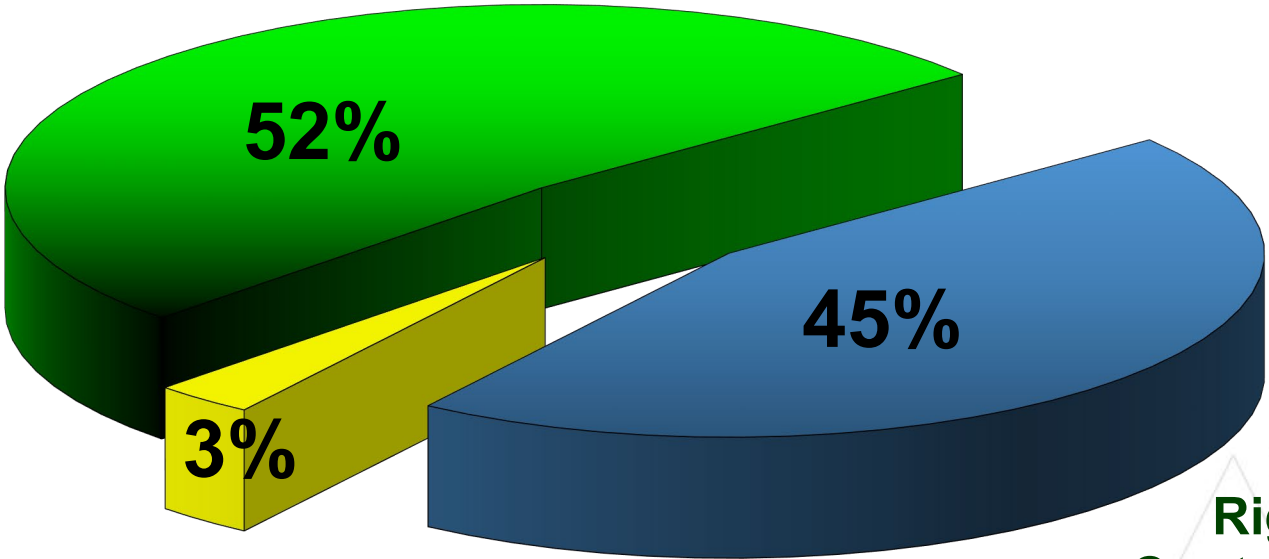
# PRODUCTS & MARKETS

2021



## Sales

Flexible  
Packaging



Packaging  
Machines

Rigid  
Container &  
Flexible  
Lidding

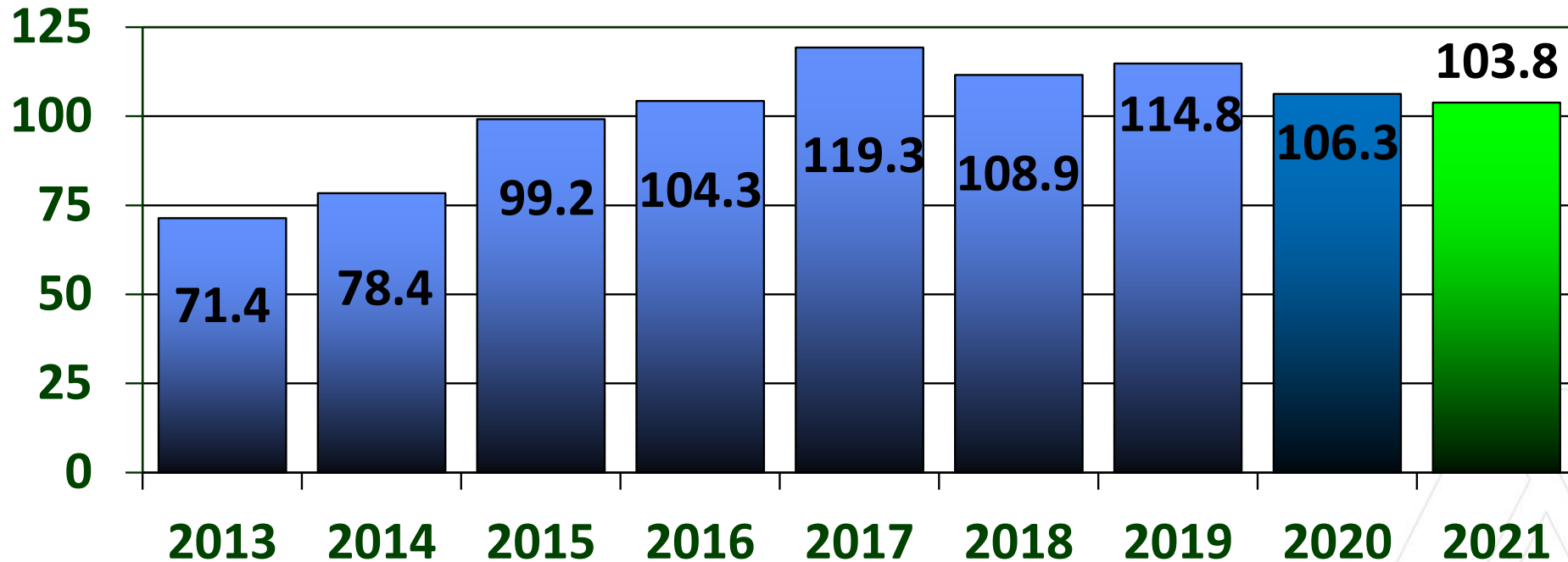
# NET INCOME COMPARISON

2021



**\$US Millions**

<u>2021</u>	<u>2020</u>	<u>Decrease</u>	
<b>\$103.8</b>	<b>\$106.3</b>	<b>\$2.5</b>	<b>2.4%</b>





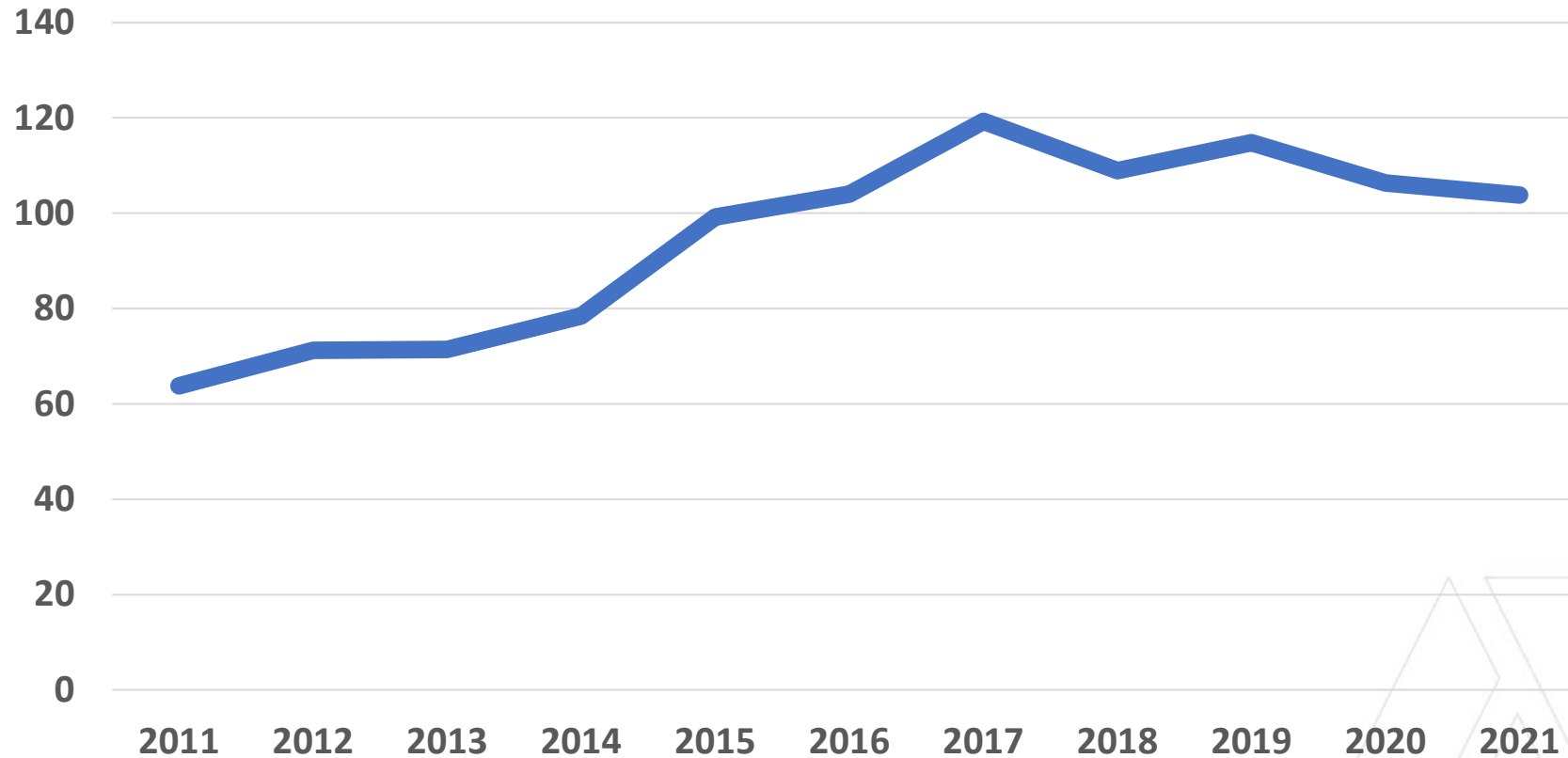
# NET INCOME COMPARISON

2021



10-Year Compound Annual Growth Rate (CAGR) of 5.6%

\$US Millions



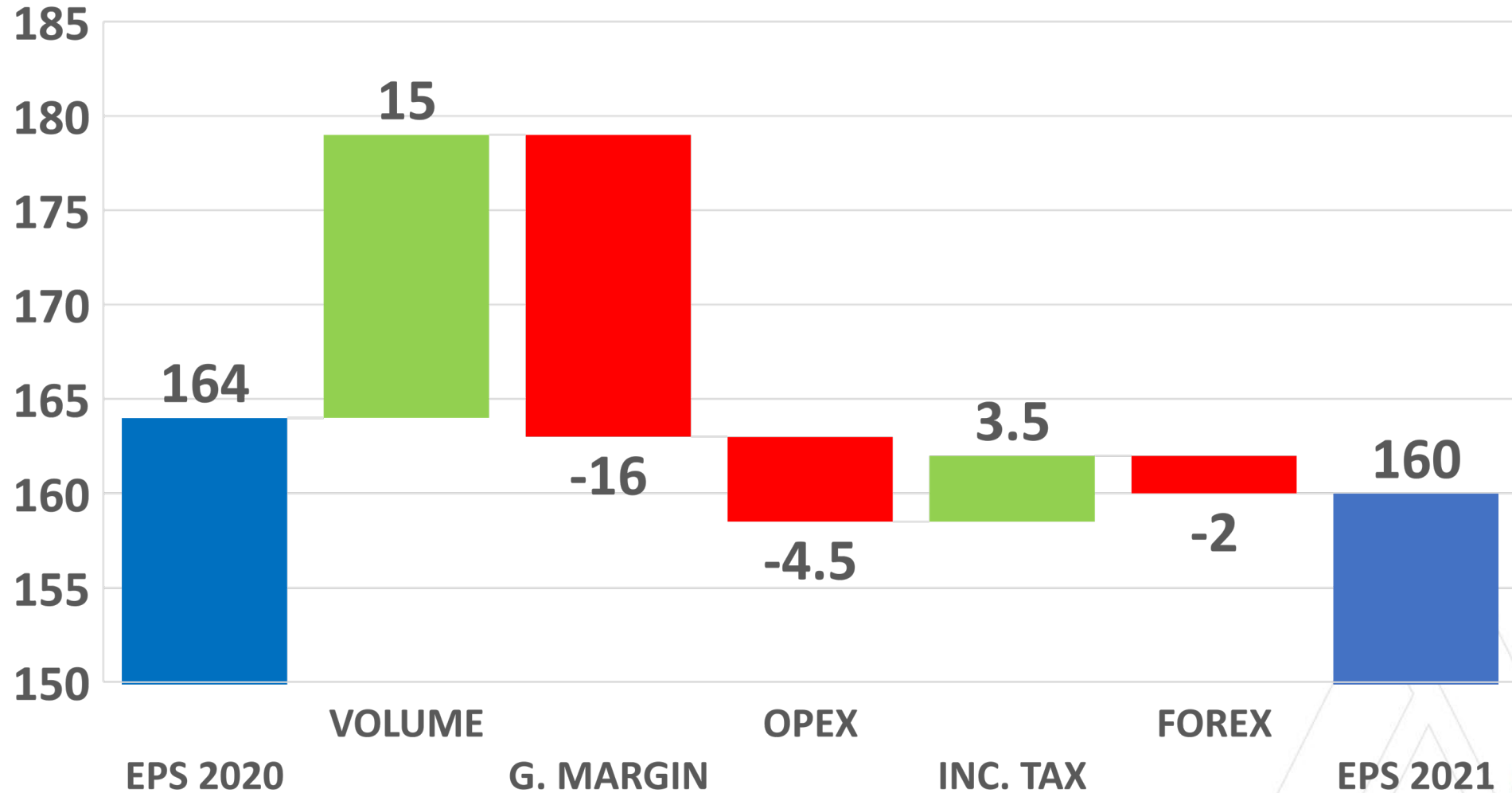
*All references to net income relate to net income attributable to equity holders.*

# NET EARNINGS PER SHARE 2019-20 COMPARISON



2021

(Cents)

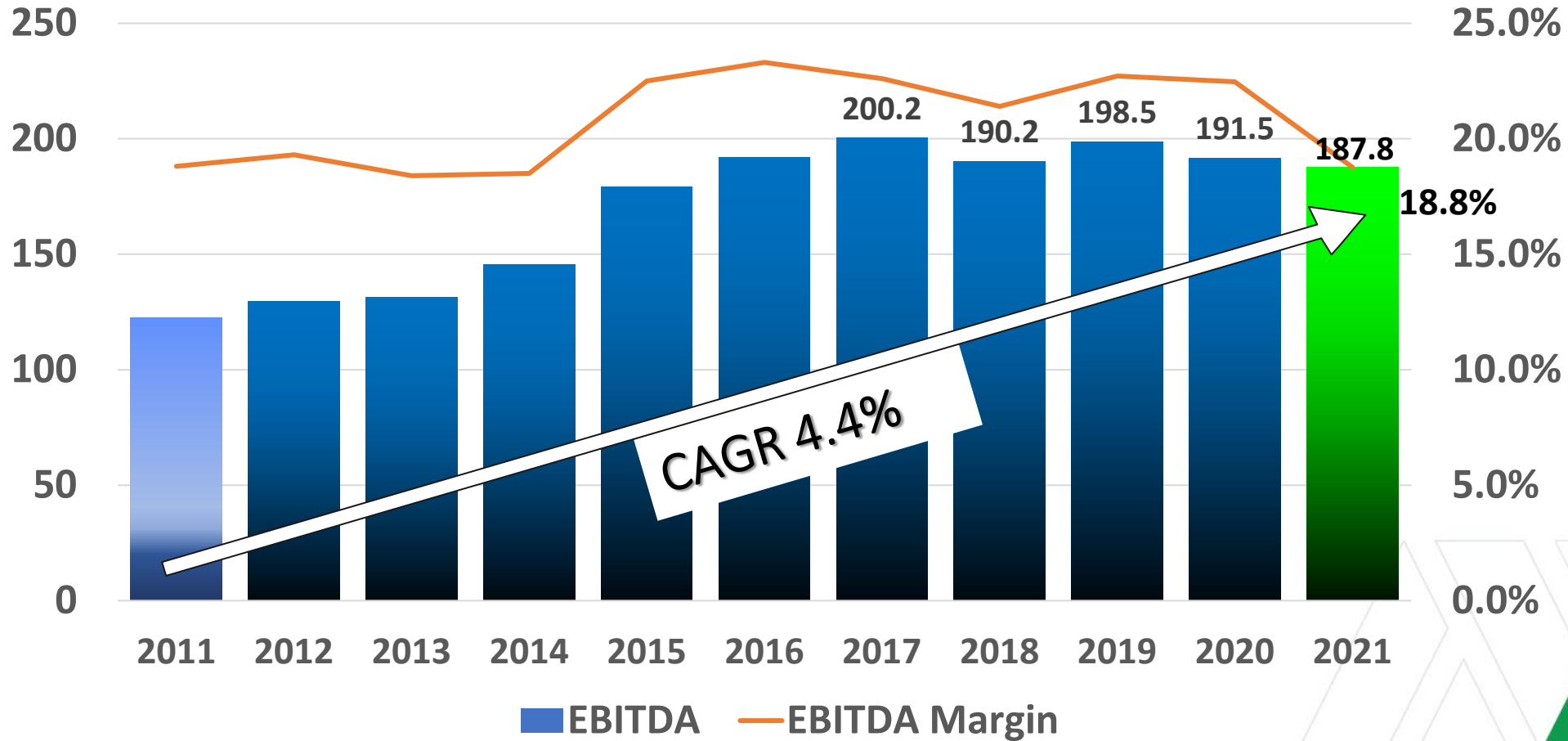


# EBITDA and EBITDA MARGIN

2021



(\$US Millions, %-age)



# 2021 RESULTS RECAP.

2021



## US \$ Millions

	<u>2021</u>	<u>2020</u>	<u>(De-)Increase</u>	
			<u>\$</u>	<u>%</u>
Revenue	\$1,002	\$852.5	\$149.6	17.5%
EBITDA	\$187.8	\$191.5	\$(3.7)	(1.9)%

*Volumes in 2021 increased by 9.7 percent from growth of 12 percent in our rigid and lidding business and 9 percent in flexibles. Machinery volume receded by 5% as machine shipments were delayed by Supply chain issues*



## 2022

- FIRST QUARTER RESULTS

# FIRST QUARTER REVENUE COMPARISON

2022 vs 2021

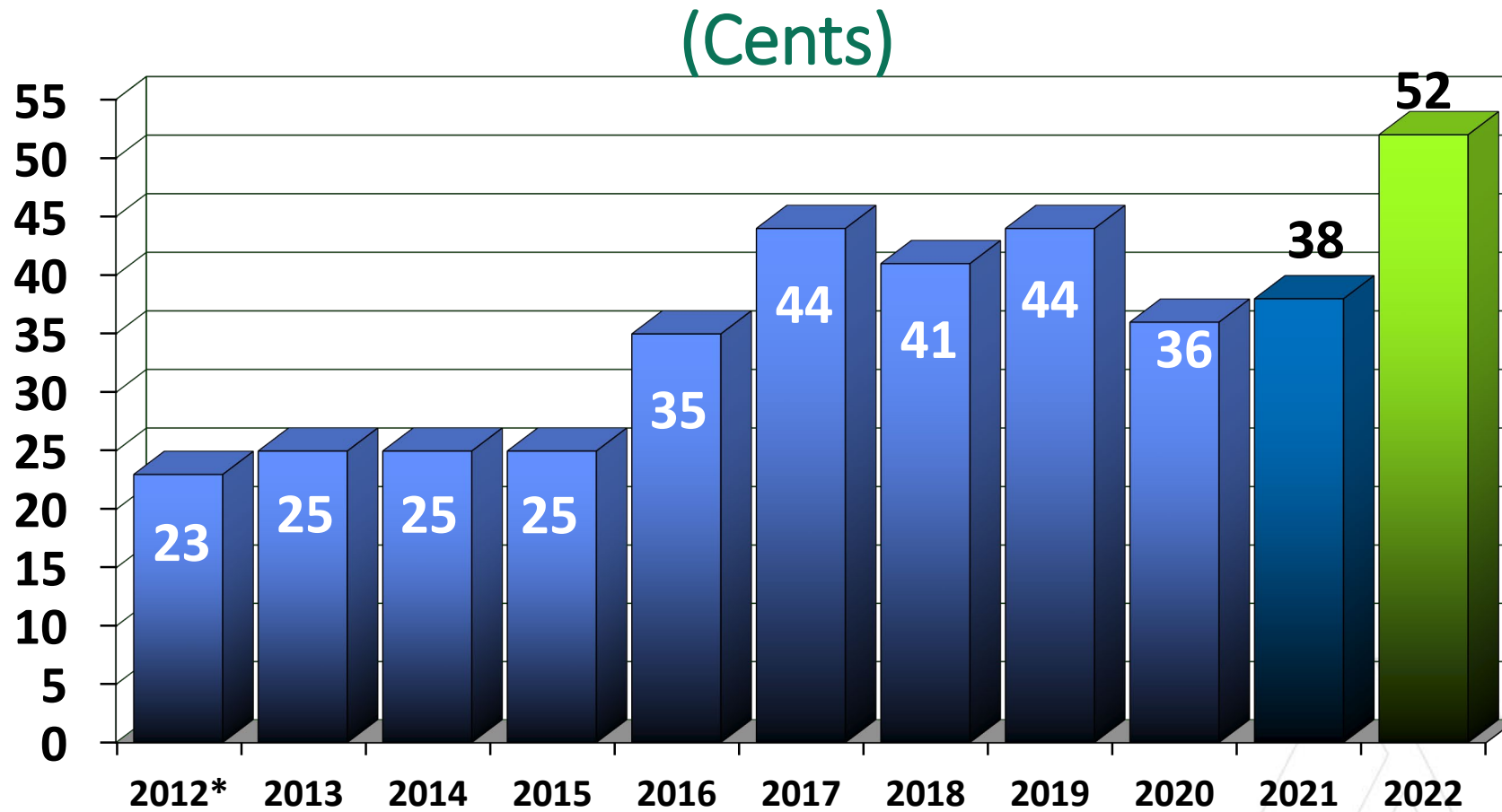


(\$US Millions)

<u>2022</u>	<u>2021</u>	<u>Increase</u>	
		<u>\$</u>	<u>%</u>
<b>\$276.0</b>	<b>\$224.8</b>	<b>\$51.2</b>	<b>22.8%</b>

# FIRST QUARTER NET EARNINGS PER SHARE COMPARISON

Q1 2022



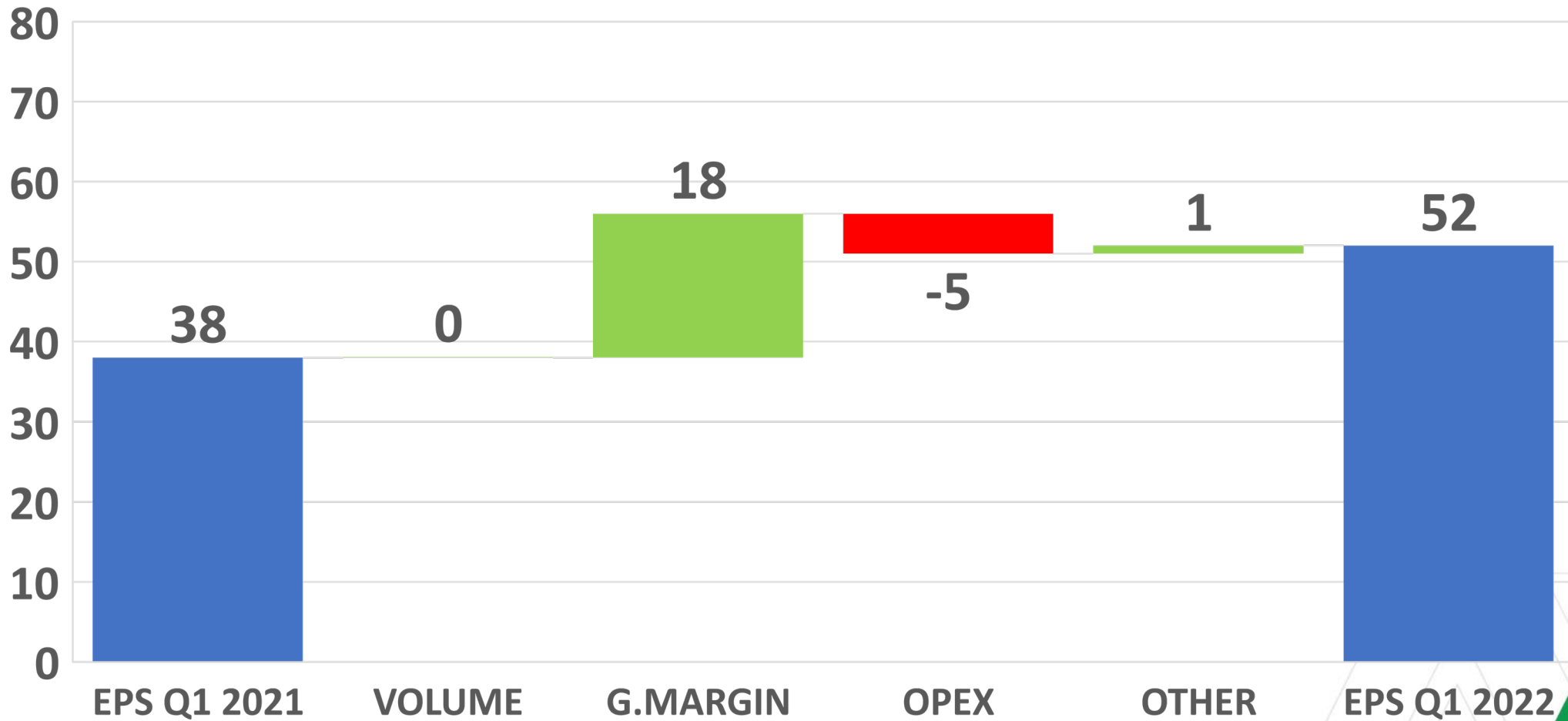
*\* Restated for retrospective application of IAS 19-Pensions*

# EARNINGS PER SHARE COMPARISON

Q1 2022 VS Q1 2021



(Cents)





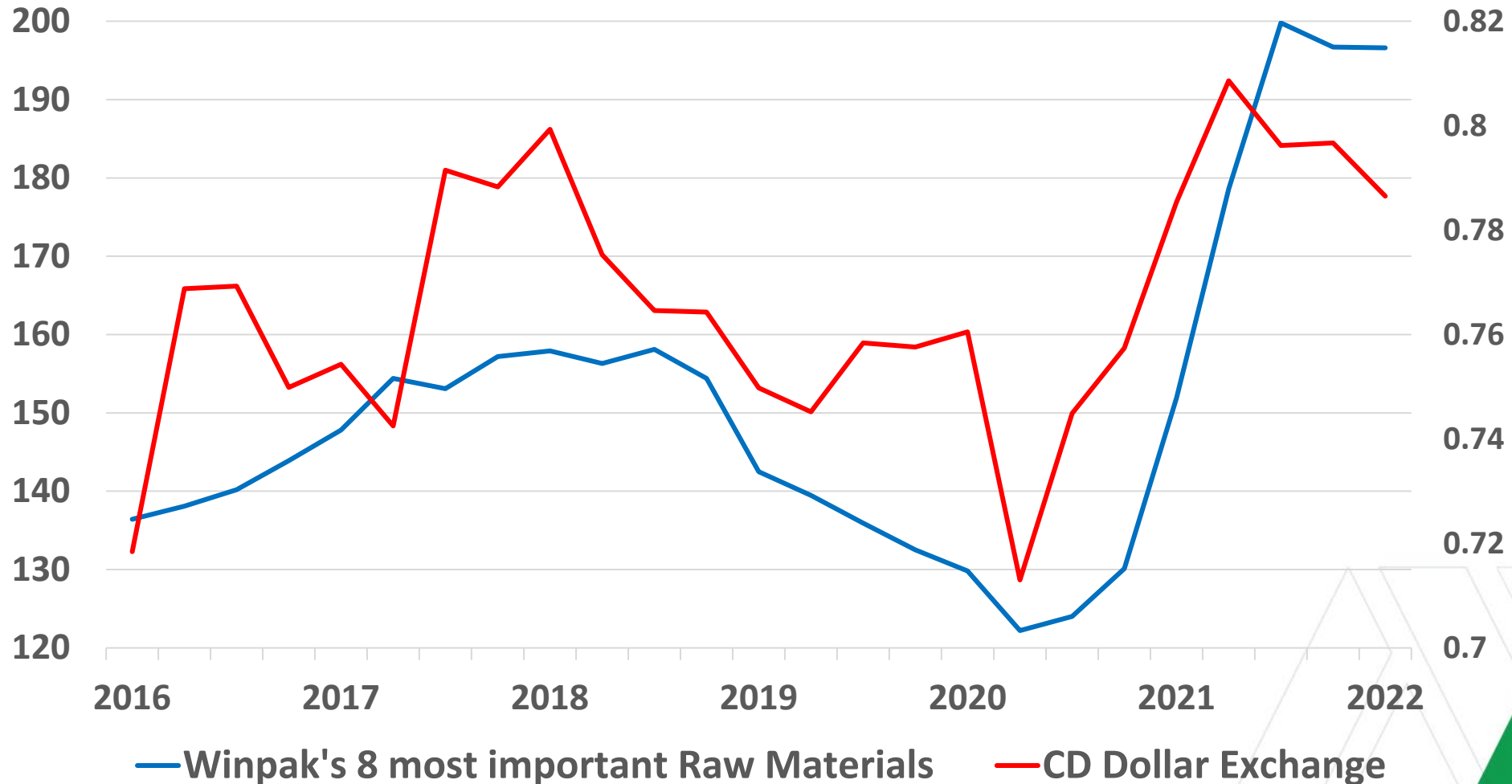
# RAW MATERIALS AND FOREIGN EXCHANGE INDEX



2020 - 2021

(Raw Materials Index)

(Exchange Rate)





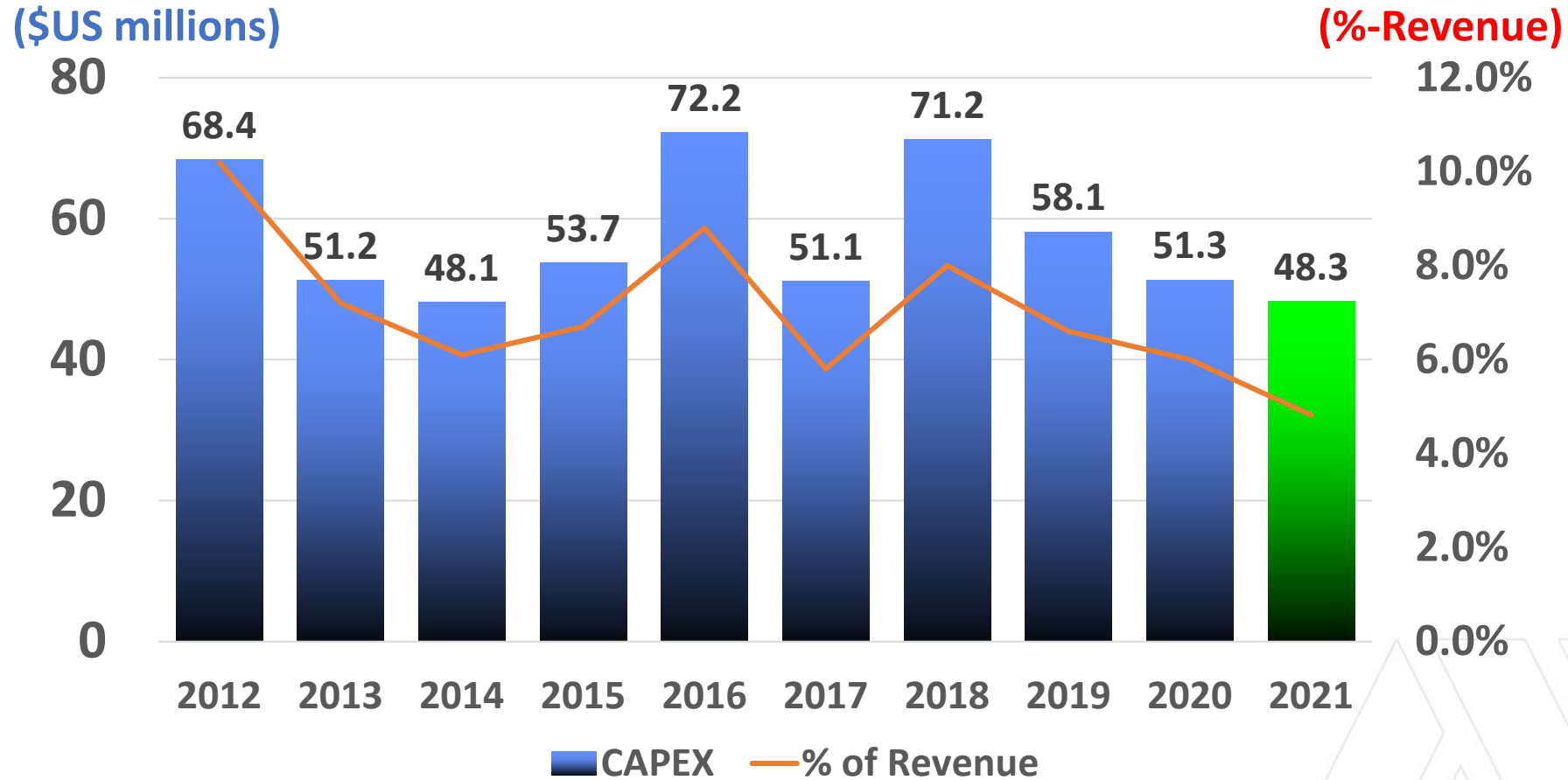
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# CAPITAL PROJECTS

# CAPEX

## INVESTMENTS REVIEW



Over the past decade, CAPEX of \$574 million has averaged 6.9% of revenue.

# AMERICAN BIAXIS

WINNIPEG



# AMERICAN BIAXIS

## EXAMPLES OF CURRENT BOPA USES



# AMERICAN BIAXIS

## BOPA 3 START-UP



# WINPAK DIVISION WINNIPEG, MB



# WD MULTIBARRIER LINE FOR RECYCLE-READY FILMS

2021





# WD NEW EXTRUSION LINE, NOW COMMERCIAL

2021



# WD: DCR AND POUCH-MAKING

2021



# WINPAK DIVISION WINNIPEG, MB

## EXAMPLES OF CURRENT PRODUCTS



# WINPAK PORTION PACKAGING

SAUK VILLAGE, IL



# WINPAK PORTION PACKAGING



## New In-Mold-Label (IML) Injection Molding Center



# WINPAK PORTION PACKAGING

## EXAMPLES OF CURRENT PRODUCTS



# WINPAK PORTION PACKAGING

## EXAMPLES OF CURRENT PRODUCTS



# WINPAK FILMS SENOIA GA

## EXPANDED SITE





# WINPAK FILMS SENOIA GA



# WINPAK FILMS SENOIA GA

## EXAMPLES OF CURRENT PRODUCTS



# NEW HOME FOR WINPAK LANE, Inc.

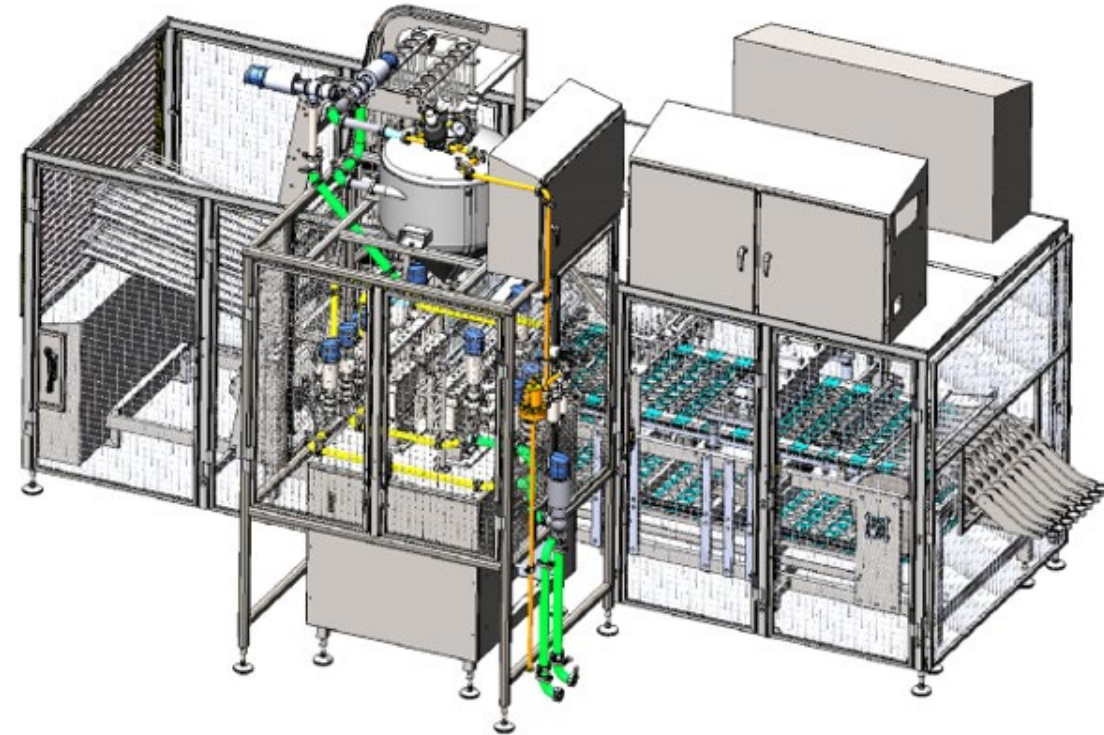
RIALTO, CA



# Products

## New Generation Round Cup Machine

- High throughput equipment to position Winpak in high performance value proposition and deliver a complete system offer
- Cup machines are relatively large pieces of equipment: offer maximum throughput per floor space allotment as industry's best
- Ease of operation and maintenance, designed in ergonomic improvements for repetitive actions of loading cups and lids. Full CIP capability.
- This machine platform is configured for various round cup sizes and be capable of running both die cut lidding and roll-fed lidding.



# WINPAK CONTROL GROUP, Inc.

## Healthcare Service Model



# Winpak ControlGroup

## Some Product Examples





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# SUSTAINABILITY MANDATE

# Company Overview

Sustainability values and pillars



## IT'S OUR NATURE TO PROTECT™

**Winpak's vision is to excel in sustainable business practices to create products, processes and services that deliver net positive economic, social and environmental benefits while growing profitably and responsibly.**





# Sustainability Pillars & KPIs



## Growing as a “Valued Partner”

- Customer Satisfaction
- Materials Management
- Sustainable Products



## Keeping our “Extended Family” Safe and Engaged

Health & Safety  
Employee Retention  
Employee Satisfaction



## Proud of our “Roots”

Code of Conduct  
Responsible Supply Chain  
Corporate Transparency



## “Planet” for Future Generations

Energy Intensity  
GHG Emissions Intensity: > 10% reduction  
Landfill Waste

# SUSTAINABLE PRODUCTS - GO FORWARD OUTLOOK



## Sustainable Product Platforms – Continued Focus in 2022





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# OVERVIEW AND FORWARD-LOOKING STATEMENTS

# COMPANY OVERVIEW



## Strong Financial Position

Debt-free

- Remaining long-term debt was retired in Q1/09
- Net cash position of \$377.5 million at end of 2021, despite extension of special dividend of \$159.4 million.

Shareholders' equity of \$1,080 million

Current ratio of 7.8 to 1

Consistent strong generation of cash flow from operations

Dividends

- Regular dividends of \$0.03 CDN per share are paid quarterly. The last increase in the regular dividend occurred in 2007 when it was doubled.
- Special dividends were declared in 2021, 2015 and 2014 of \$3.00, \$1.50 and \$1.00 CDN per share respectively.

# COMPANY OVERVIEW



## Looking Forward - 1

### Raw Materials

- Input costs have stabilized, but threaten to climb again with recent oil price spike and supply uncertainty as well as on-going logistics difficulties. On an annual average, raw materials increased by unprecedented 43.8 percent in 2021, following two years of decreases by 7.9 percent and 12.2 percent in 2020 resp. 2019.
- In any event, 69 percent of Winpak's revenues are indexed to raw material pricing, creating a partial hedge. However, a time lag exists before the customers' prices are affected, which average 3 – 4 months, depending on contract terms.

### Selling Prices

- 2021 experienced intense competitive pressures on pass through of higher input costs and while not at the same pace, the input cost pressure on gross profit margin is expected to persist in 2022.

### Sales Volumes

- Exceptional organic volume growth experienced in 2021 is expected to continue in 2022, however at a lower pace, still benefiting from new product introductions and re-emergence of food service, but continued risk of limited raw material availabilities for certain categories.

### Winpak's Core business is very stable

- Over 90 percent of sales are to food and healthcare markets, resistant to economic downturns.
- Top 15 customers account for approx. 35% of revenues, with the largest customer accounting for approx. 9.9% in 2021 (vs. 11.3% in 2020).

# COMPANY OVERVIEW



## Forward Looking - 2

### Foreign exchange impacts

- 1 cent increase in CDN \$ equates to approx. 0.8 of a cent decrease in EPS. However, the effect is not immediate due to the Company's hedging policy which covers 50% to 80% of conversion requirements for the ensuing 9 to 15 months.
- The current depreciation in the CDN \$, while a headwind to revenues, is a tailwind to Winpak's bottom line results as 19% of costs but only 11% of revenues are denominated in CDN \$. The Company's functional and reporting currency is USD.

### Capital spending

- For 2022, capital expenditures are expected to be \$60 to \$70 million, higher than 2021 spending level of \$48.3 million due to line expansion and new capacity (extrusion, injection molding and other converting additions).
- The focus of the capital expenditures is to expand on existing & new technology capabilities in extrusion and converting.

### Strong cash flow from operations

- Will allow for funding of organic CAPEX without the need for borrowing.

### Acquisitions

- On October 1, 2019, the Company acquired all of the business (net assets and building) of privately owned Cheringal Associates, Inc. and Norwood, Printing, Inc. collectively "Control Group" located in Norwood, New Jersey for US \$42.7 million. In its most recent fiscal year, Control Group had revenues approaching US \$25 million. The transaction was funded from cash resources on hand

The logo features a stylized 'W' icon on the left, composed of three overlapping chevron shapes in shades of green. To the right of the icon, the word 'WINPAK' is written in a bold, white, sans-serif font. The entire logo is set against a dark green background with a subtle geometric pattern of overlapping hexagons. A large, solid green chevron shape points from the right side of the frame towards the logo.

**WINPAK**

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