



IT'S OUR NATURE TO PROTECT

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# **ANNUAL SHAREHOLDERS MEETING**

**JUNE 23, 2021**

# 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.



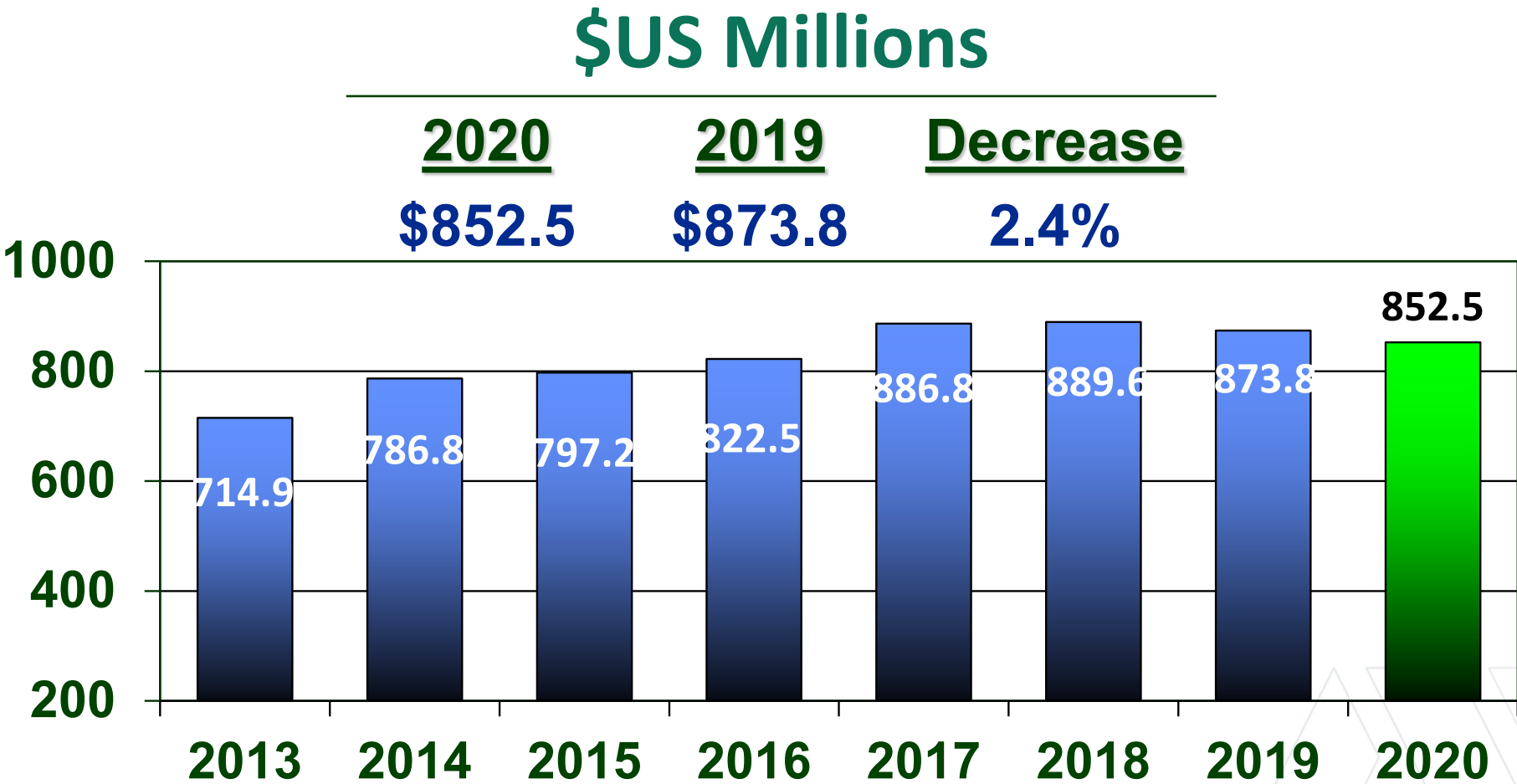


# 2020

- RESULTS REVIEW

# REVENUE COMPARISON

2020



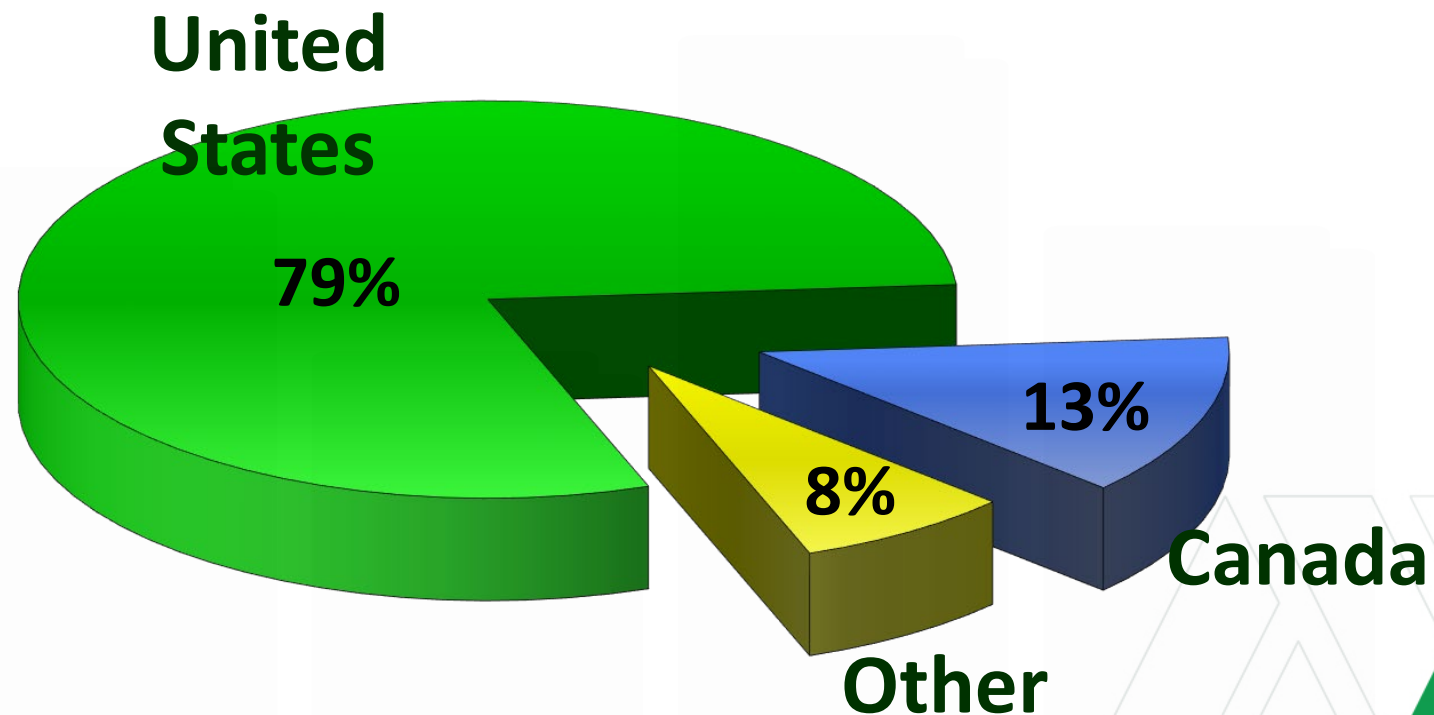
# GEOGRAPHIC MARKETS

2020



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

## Revenue



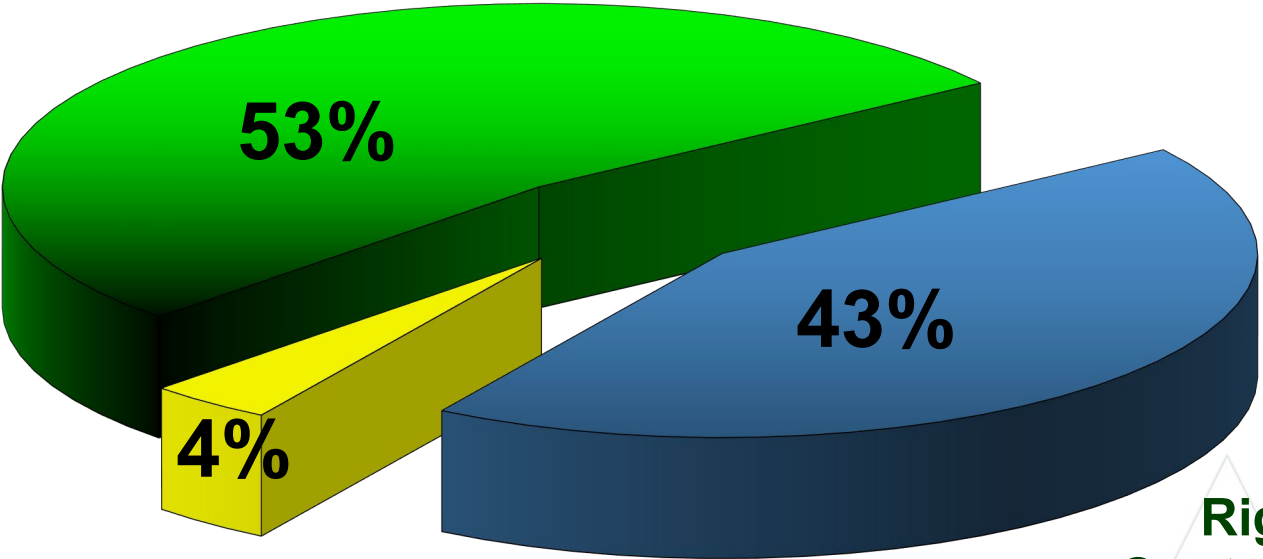
# PRODUCTS & MARKETS

2020



## Sales

Flexible  
Packaging



Packaging  
Machines

Rigid  
Container &  
Flexible  
Lidding

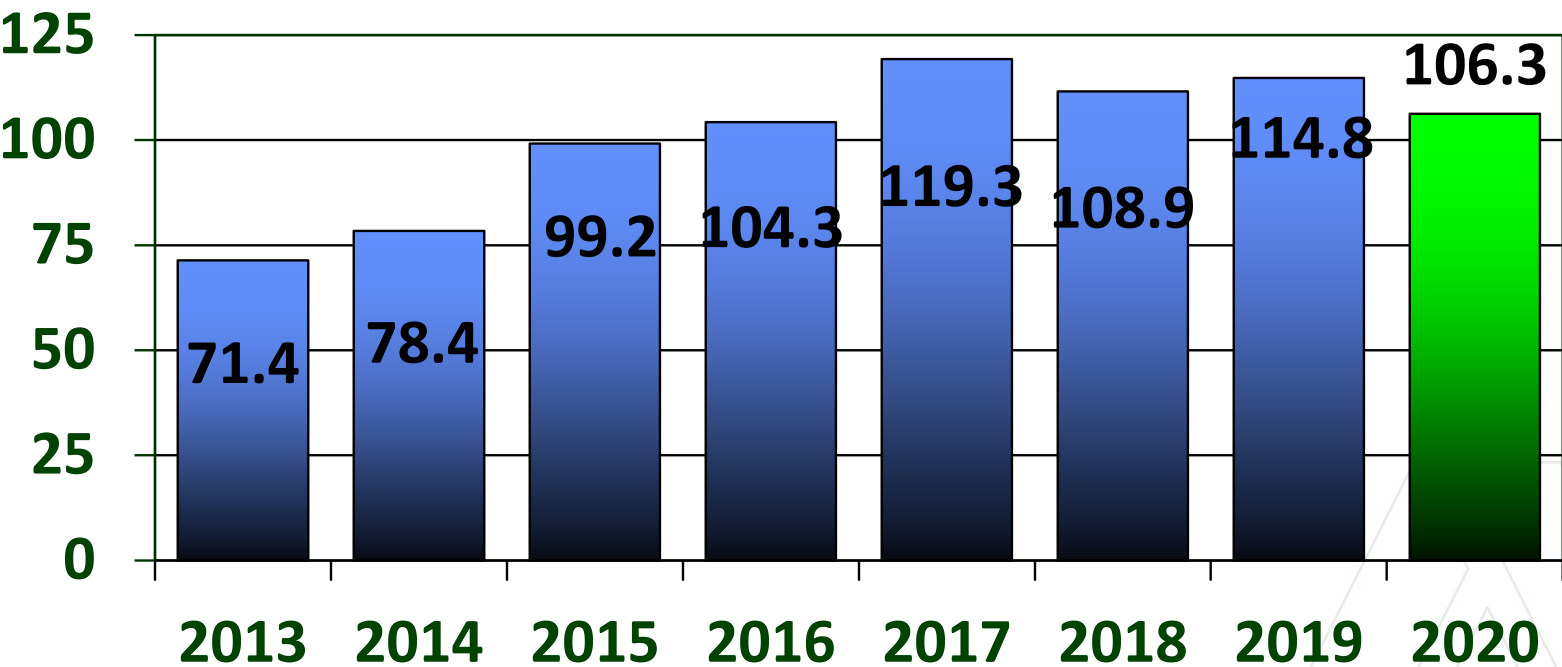
# NET INCOME COMPARISON

2020



\$US Millions

<u>2020</u>	<u>2019</u>	<u>Decrease</u>
\$106.3	\$114.8	\$8.5    7.4%





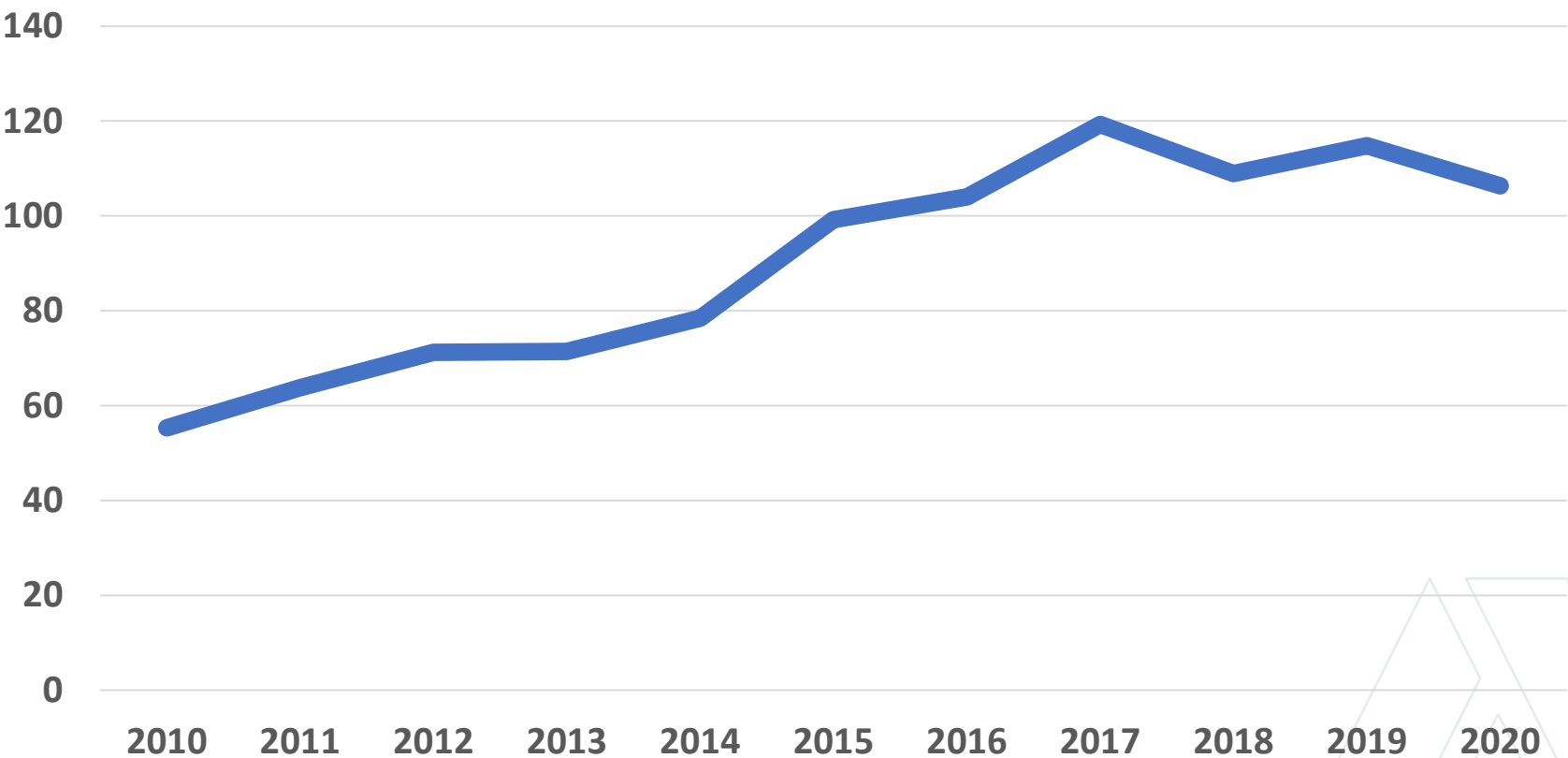
# NET INCOME COMPARISON

2020



10-Year Compound Annual Growth Rate (CAGR) of 6.8%

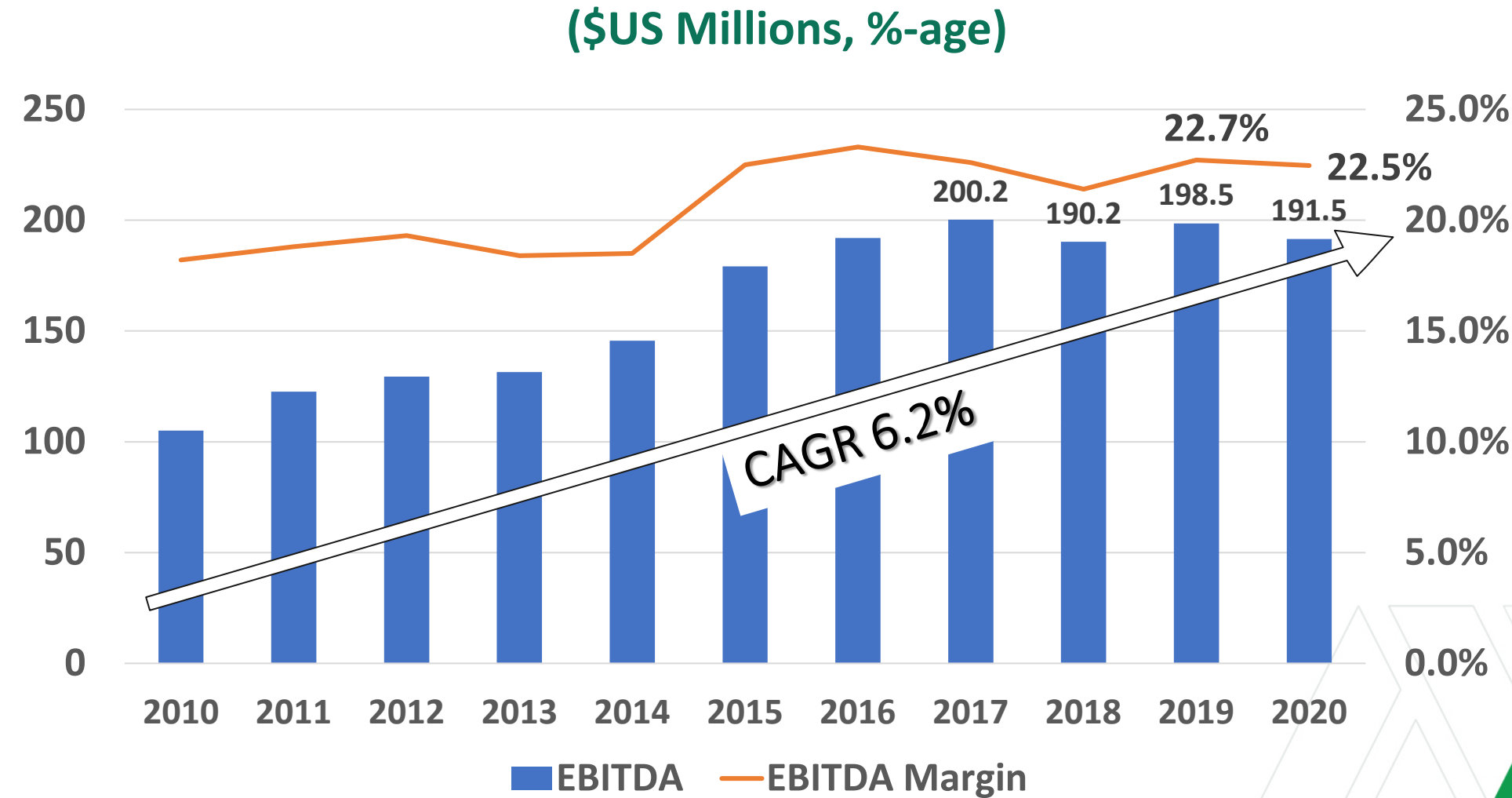
\$US Millions



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

# EBITDA and EBITDA MARGIN

2020



# 2020 RESULTS RECAP.

2020



## US \$ Millions

	<u>2020</u>	<u>2019</u>	<u>(De-)Increase</u>	
			<u>\$</u>	<u>%</u>
Revenue	\$852.5	\$873.9	\$(21.4)	(2.4)%
EBITDA	\$191.5	\$198.5	\$(7.0)	(3.5)%

*Volumes in 2020 decreased by 2.5 percent (normalized for the Control Group acquisition) as a mix result from growth in flexibles and a contraction in our rigid business*



## 2021

- FIRST QUARTER RESULTS

# FIRST QUARTER REVENUE COMPARISON

2021 vs 2020

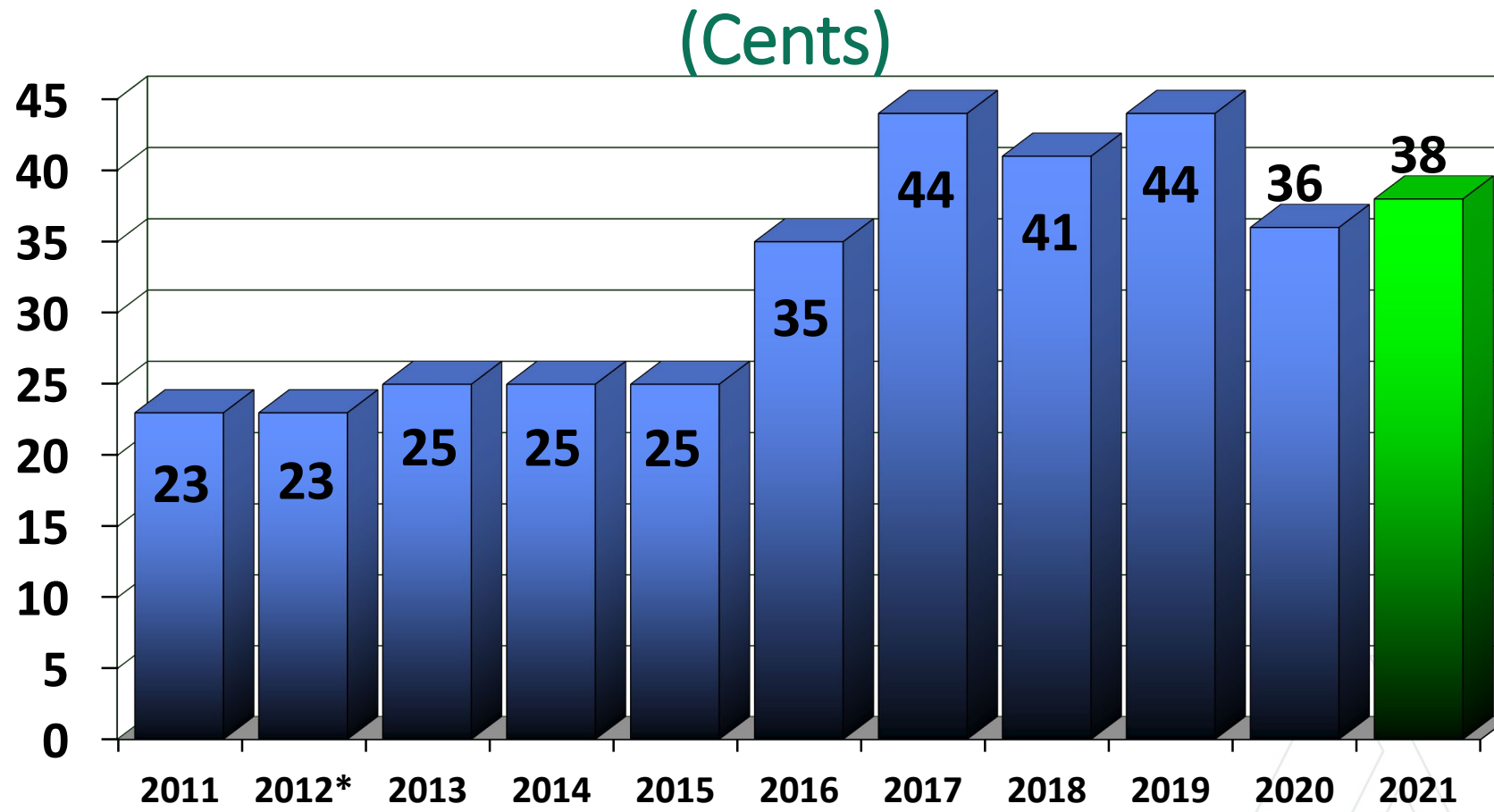


(\$US Millions)			
		Increase	
<u>2021</u>	<u>2020</u>	<u>\$</u>	<u>%</u>
\$224.8	\$213.6	\$11.2	5.2%



# FIRST QUARTER NET EARNINGS PER SHARE COMPARISON

2021

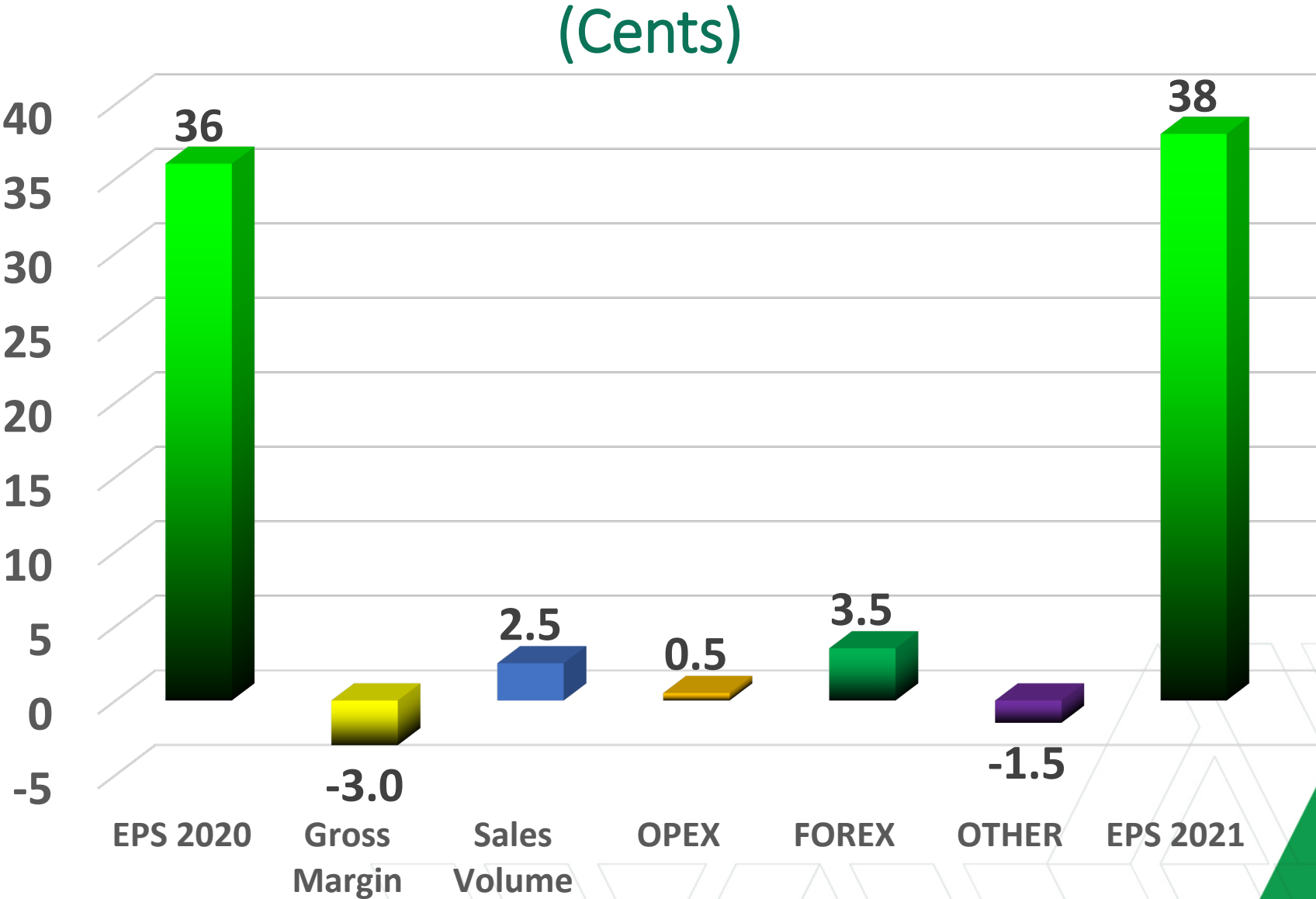


*\* Restated for retrospective application of IAS 19-Pensions*

# FIRST QUARTER NET EARNINGS PER SHARE COMPARISON



Q1 2020 to Q1 2021



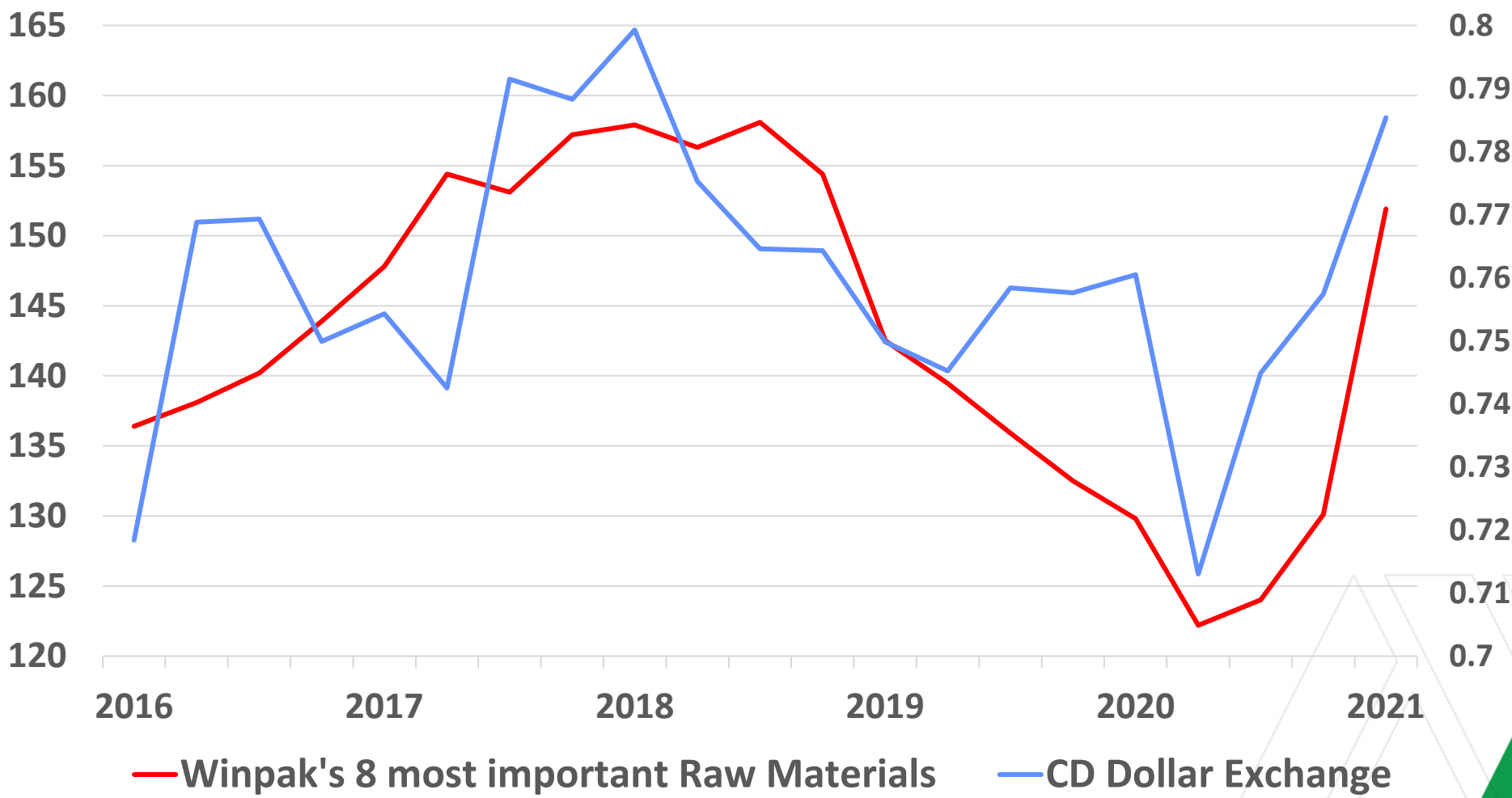
# RAW MATERIALS AND FOREIGN EXCHANGE INDEX



2020 - 2021

(Raw Materials Index)

(Exchange Rate)



# INTRODUCTION OF WIICARE

GLOBAL PROVIDER OF HEALTHCARE PACKAGING SOLUTIONS



# WIICARE

Together for safe packaging





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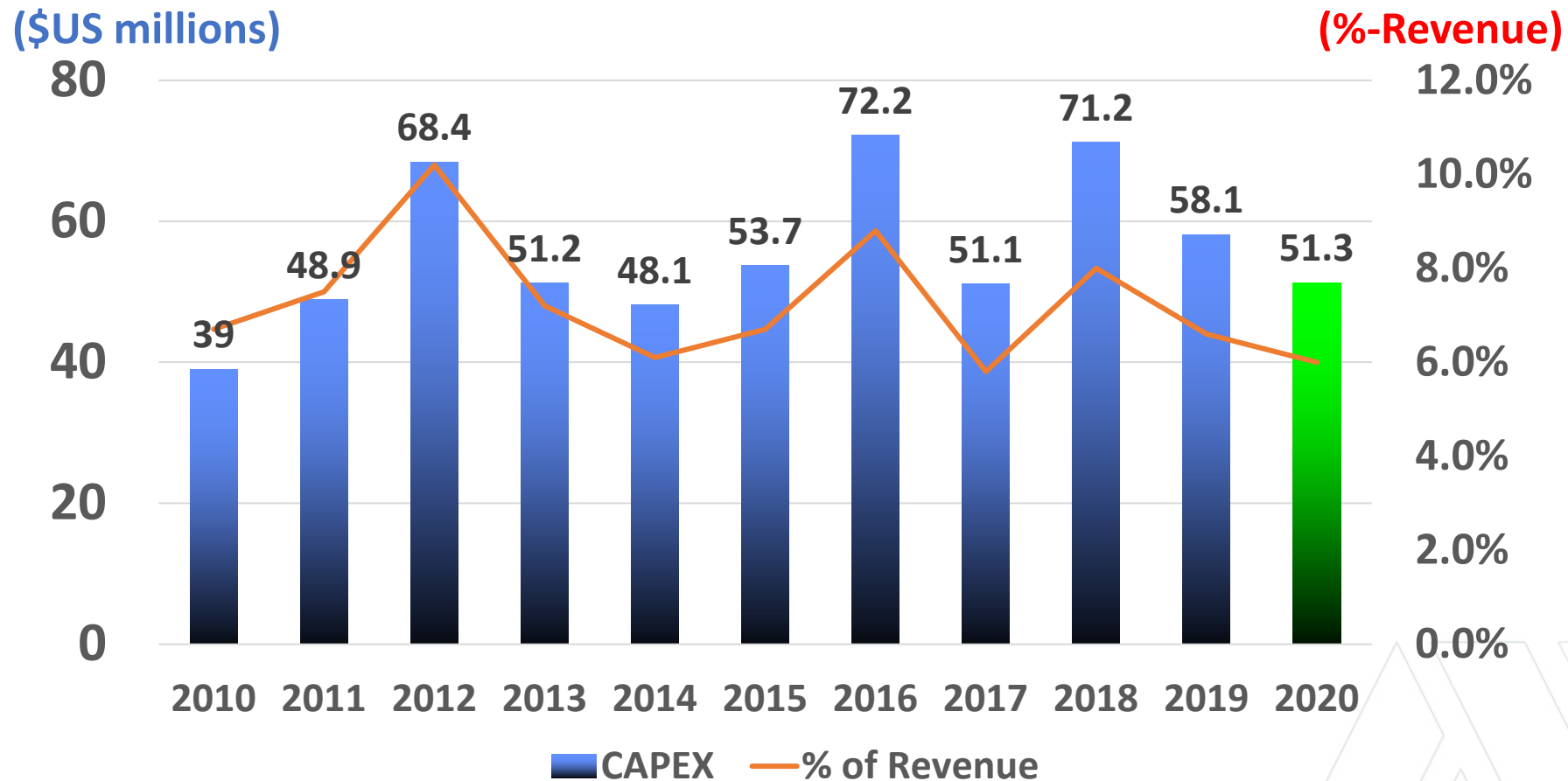
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# CAPITAL PROJECTS



# CAPEX

## INVESTMENTS REVIEW



Over the past decade, CAPEX of \$613 million has averaged 7.2% of revenue.

# AMERICAN BIAXIS

## WINNIPEG



# AMERICAN BIAXIS

## EXAMPLES OF CURRENT BOPA USES





# AMERICAN BIAXIS

## BOPA 3 CONSTRUCTION SITE





# WINPAK DIVISION WINNIPEG, MB





# WD RE-ENGINEERED MULTIBARRIER LINE

2021





# WD EXTRUSION LINE UNDER CONSTRUCTION

2021





# WD: DCR AND POUCH-MAKING

2021





# WINPAK DIVISION WINNIPEG, MB

## EXAMPLES OF CURRENT PRODUCTS



# WINPAK PORTION PACKAGING

SAUK VILLAGE, IL





# WINPAK PORTION PACKAGING

SAUK VILLAGE, IL PREPARATION FOR THE NEW 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





# WINPAK LANE, Inc., RIALTO CA.

## OUR MACHINERY BUSINESS



### PROPERTY HIGHLIGHTS

- +  $\pm 67,742$  SF Light Industrial
- +  $\pm 2,500$  SF Spec Office
- + 32' Clear Height
- + ESFR Sprinkler System
- + 15 Dock High Doors
- + 1 GL Ground Level Door
- + 9 Trailer Parking Spaces within Gated Yard
- + 72 Auto Parking Spaces
- + Minimum  $\pm 130'$  All Concrete Truck Court
- + 2.5% Skylights
- + Situated on  $\pm 4.32$  Acres of Land



# NEW HOME FOR WINPAK LANE, Inc.

RIALTO, CA





# 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

# Products



## ReFresh™ and EcoWrap™ - A Fresh Start to Sustainable Packaging

- **ReForm**

- Flexible thermoformable polyolefin-based film with low haze and high clarity

- **ReLam**

- Flexible non-forming polyolefin-based film with low haze and high clarity

- **ReLid**

- High speed heat sealable polyolefin-based lidding film with excellent gas, moisture and aroma barriers
- Designed to provide a complete recycle-ready packaging solution when paired with Winpak's recyclable high barrier MAPfresh® trays

- **RePouch**

- Available in high clarity polyolefin structures with oxygen, moisture and aroma barriers

- **EcoWrap**

- 100% curbside recyclable through the paper waste stream, EcoWrap is a paper-based flow wrap that can be used to protect food or non-food products





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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 over \$495 million at end of 2020.

Shareholders' equity of \$1,133 million

Current ratio of 11.5 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 2015 and 2014 of \$1.50 and \$1.00 CDN per share respectively.

# COMPANY OVERVIEW



## Looking Forward - 1

### Raw Materials

- Input costs declined in 2020 and started increasing in the fourth quarter. On an annual average, raw materials declined by 7.9 percent, following a decline of 12.2 percent the year before.
- In any event, 63 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

- Despite the Pandemic, 2020 experienced intense competitive pressures on lower selling prices in the Company's product markets and this environment is expected to persist, on top of the delay in pass-through for the dramatic input cost increases experienced thus far in 2021, putting pressure on profit margins.

### Sales Volumes

- Consumption patterns have changed with the Pandemic, higher at-home consumption compensating to some degree for the lower food service activity. A slow reversal is expected as the North American market slowly re-opens post Covid-19.

### 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. 12% in Q1 2021.

# COMPANY OVERVIEW



## Forward Looking - 2

### Foreign exchange impacts

- 1 cent increase in CDN \$ equates to approx. 0.7 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 appreciation in the CDN \$, while a tailwind to revenues, is a headwind to Winpak's bottom line results as 20% of costs but only 11% of revenues are denominated in CDN \$. The Company's functional and reporting currency is USD.

### Capital spending

- For 2021, capital expenditures are expected to be \$60 to \$70 million, a little higher than the 2020 spending level of \$51.3 million due to a building 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.





**WINPAK**

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