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# INVESTOR PRESENTATION

2018 – SECOND QUARTER

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ENVELOPES  
PACKAGING &  
SPECIALTY PRODUCTS  
AUGUST 2018 –  
2018 Q2 RESULTS

**SupremeX**



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# FORWARD LOOKING STATEMENT

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This presentation contains “forward-looking information” within the meaning of applicable Canadian securities laws, including (but not limited to) statements about the Adjusted EBITDA and future performance of Supremex and similar statements or information concerning anticipated future results, circumstances, performance or expectations. Forward-looking information may include words such as anticipate, assumption, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, seek, should, strive, target and will. Such information relates to future events or future performance and reflects current assumptions, expectations and estimates of management regarding growth, results of operations, performance, business prospects and opportunities, Canadian economic environment and liability to attract and retain customers. Such forward-looking information reflects current assumptions, expectations and estimates of management and is based on information currently available to Supremex as at the date of this presentation. Such assumptions, expectations and estimates are discussed throughout our MD&A for fiscal 2017 and for the second quarter ended June 30, 2018.

Forward-looking information is subject to certain risks and uncertainties, and should not be read as a guarantee of future performance or results and actual results may differ materially from the conclusion, forecast or projection stated in such forward-looking information. These risks and uncertainties include but are not limited to the following: economic cycles, availability of capital, decline in envelope consumption, increase of competition, exchange rate fluctuation, raw material increases, credits risks with respect to trade receivables, increase in funding of pension plans, postal services deficiencies, interest rates fluctuation and potential risk of litigation. Such risks and uncertainties are discussed throughout our MD&A for fiscal 2017, in particular, in “Risk Factors”. Consequently, we cannot guarantee that any forward-looking statements or information will materialize. Readers should not place any undue reliance on such forward-looking information unless otherwise required by applicable securities legislation. The Company expressly disclaims any intention and assumes no obligation to update or revise any forward looking information, whether as a result of new information, future events or otherwise.



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# ABOUT SUPREMEX

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Supremex Inc. (TSX: SXP), is a leading North American manufacturer and marketer of envelopes and a growing provider of packaging and specialty products.



## ENVELOPES

Customized envelopes manufactured to specifications and broad range of stock envelopes

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≈ 70% OF REVENUES<sup>(1)</sup>

## MARKET IN SECULAR DECLINE

Canadian mail volumes declining at a quicker pace than U.S. mail volumes



## PACKAGING & SPECIALTY PRODUCTS

Value-added offering: Corrugated and Folding Carton Solutions, Conformer®, RFID, Sleeves, Membership Cards, Bubble Mailers, Medical Folders, X-Ray Envelopes, Labels

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≈ 30% OF REVENUES<sup>(1)</sup>

## GROWING MARKET

Double-digit growth  
In-line with e-commerce growth trends and other value-added end-markets

[Canada Post 2018 First Quarter Results \(Period ended March 31, 2018\)](#): Transactional mail volumes down 4.0%, Parcels up 33.0 %  
[USPS 2018 Second Quarter Results \(Period ended March 31, 2018\)](#): First Class Mail volumes down 3.4%, Shipping & Packages up 5.0%



# GROWING WHERE IT MATTERS

As market leader, Supremex can compete effectively within its local markets and nationwide. The Company is expanding its reach in strategic markets, quickly gaining market share in the United States, the world's largest envelope market and strengthening its packaging and specialty products offering.

<sup>(1)</sup>North-American Envelope Association estimate  
<http://www.envelope.org/shipments>

<sup>(2)</sup> Management estimate

<sup>(3)</sup> Last twelve months

<sup>(4)</sup> All YTD figures are for the six-month period ended June 30 2018 vs the equivalent period of 2017

**SupremeX**

## ENVELOPE ADDRESSABLE MARKET:

US\$2.46 B IN THE  
UNITED STATES<sup>(1)</sup>

### SUPREMEX CANADIAN ENVELOPE REVENUES

≈60% Market Share<sup>(2)</sup>

7.2% decrease in 2017

9.2% YTD<sup>(4)</sup> decrease

**STRATEGY:** Maintain market leading position

### SUPREMEX U.S. ENVELOPE REVENUES

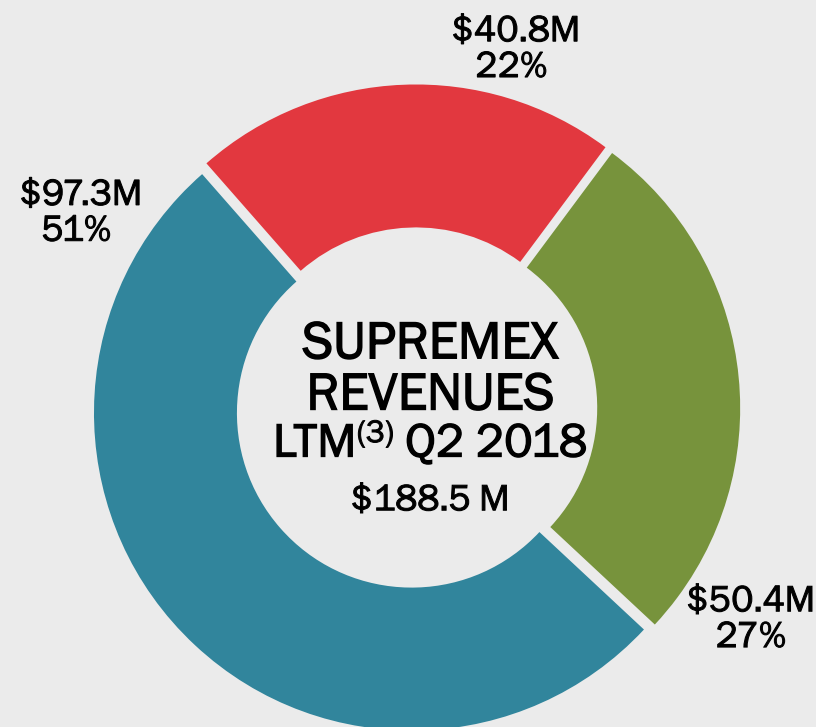
<5% North Eastern Market Share<sup>(2)</sup>

10.4% growth in 2017

7.2% YTD<sup>(4)</sup> decrease

**STRATEGY:** Grow in strategic markets

**SUPREMEX  
REVENUES  
LTM<sup>(3)</sup> Q2 2018**  
\$188.5 M



### SUPREMEX PACKAGING & SPECIALTY PRODUCT REVENUES

184.0% growth in 2017

129.5% YTD<sup>(4)</sup> growth

**STRATEGY:** Product diversification

# EXPANDING FOOTPRINT

## 15 MANUFACTURING FACILITIES

12 in Canada and 3 in U.S.  
(of which 3 facilities are owned)  
≈ 851,000 square feet  
≈ 830 employees

## RECENT ACQUISITIONS

**May 2018:** Groupe Deux Printing Inc. and its  
related company Pharmaflex Labels Inc.  
Laval, Quebec

**July 2017:** Stuart Packaging Inc.  
Montreal, Quebec

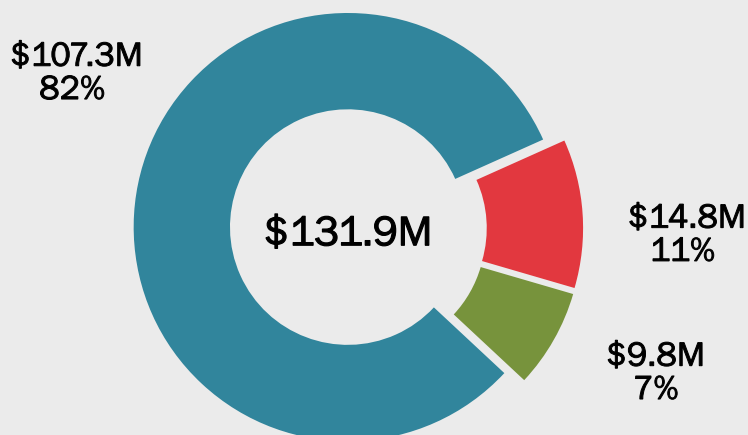
**November 2016:** Durabox Paper Inc.  
Lachine, Quebec

**August 2016:** Bowers Envelope Company, Inc.  
Indianapolis, Indiana



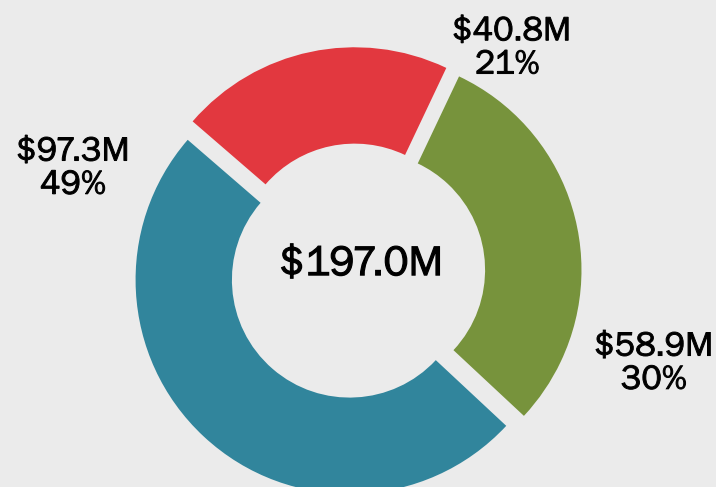
# 2014 - 2018 M&A: DIVERSIFICATION EFFECT

## 2014 FY REVENUES



## 2018

INCLUDING PRO-FORMA REVENUES  
FROM THE ACQUISITIONS CONCLUDED IN 2017 and 2018



**SUPREMEX CANADIAN ENVELOPE  
REVENUES**

9.3% decrease during the projected  
period

**SUPREMEX U.S. ENVELOPE  
REVENUES**

175.7% growth during the projected  
period

**SUPREMEX PACKAGING &  
SPECIALTY PRODUCT REVENUES**

501.0% growth during the projected  
period

Pro-forma revenues are based on current revenue levels of envelope and do not reflect the market's rate of decline.

# BUILDING A STRONG PLATFORM

Supremex leverages its national presence to efficiently allocate capacity. By tightly controlling costs and maximizing operational leverage, it can:

- Maximize cash flows generation from the envelope platform
- Use financial capabilities to support accretive growth projects
- Maintain a healthy debt leverage
- Maximize shareholder returns with a mix of dividend/share buybacks

RESULTS	FINANCIAL DISCIPLINE	4 YEAR CAGR TREND
REVENUE	13.5% LTM growth \$188.5 M LTM	9.3%
Adjusted EBITDA	5.9% LTM growth ≈14.4% LTM Margin	0.5% <sup>(1)</sup>
CASH FLOWS (FROM OPERATIONS AFTER W.C. ADJUSTMENTS)	4.5% LTM decrease ≈44.3% Cash flow conversion	-5.6%
DIVIDEND	8.5% LTM dividend growth 7.9% yield	9.9%
NET DEBT	1.9x Net Debt/Adjusted EBITDA	26.1% <sup>(1)</sup> increase

<sup>(1)</sup> Adjusted EBITDA are earnings before financing charges, income tax expense and amortization of property, plant and equipment and of intangible assets, adjusted to remove the gain or loss on disposal of property, plant and equipment and to remove charges that are considered non-recurring. Adjusted EBITDA excludes the following non-recurring items ; the gains related to the amendments made to the pension and post retirements benefits in 2013 to 2015, a \$0.7 claim settlement charge in 2014, a \$2.2 M of expenses related to the shutdown of non-core operations of Printer Gateway in 2017 and a \$0.8 M and \$0.5 M of contingent consideration for remuneration in connection with business combinations in 2017 and 2018, respectively. See MD&A for those periods.

# SOLID CUSTOMER BASE

ENVELOPE MARKET LEADER  
≈ 60% OF TOTAL CANADIAN  
MARKET BY REVENUE

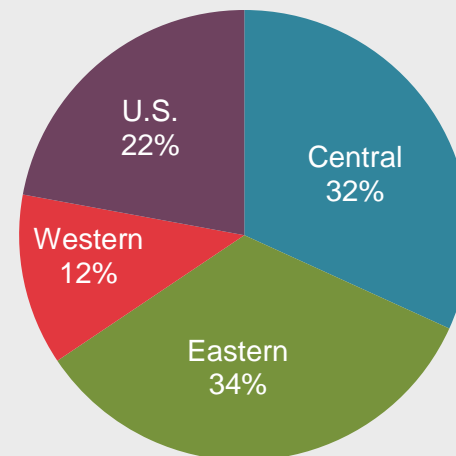
TOP 5 IN NORTH AMERICA

DIVERSIFIED CUSTOMER BASE  
8,000  
CLIENTS AND NONE REPRESENTS  
MORE THAN 10% OF REVENUES

**SupremeX**

## NATIONAL FOOTPRINT + LOCAL DISTRIBUTION:

- Local market intimacy
- Cost effective delivery within 800 km
- Responsiveness
- Barriers to entry



## REGIONAL REVENUE DISTRIBUTION<sup>(1)</sup>

## STRONG CUSTOMER-BASE:

### Envelope

- Large leading corporations
- National resellers
- Government entities
- Merchants, solutions providers and others

### Packaging

- Pharmaceuticals, cosmetics, nutraceutical, fragrance multinational companies
- Food packaging, delivery market
- e-commerce retailers

<sup>(1)</sup> For the six-month period ended June 30, 2018



## GROWING IN A CHALLENGING ENVIRONMENT

# OUR STRATEGY

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### 1. MAINTAIN MARKET LEADING POSITION

#### → CANADIAN ENVELOPE

- Optimize capacity allocation
- Protect market share and bottom-line

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### 2. ENVELOPE GROWTH IN STRATEGIC MARKETS

#### → U.S.

- Geographic diversification

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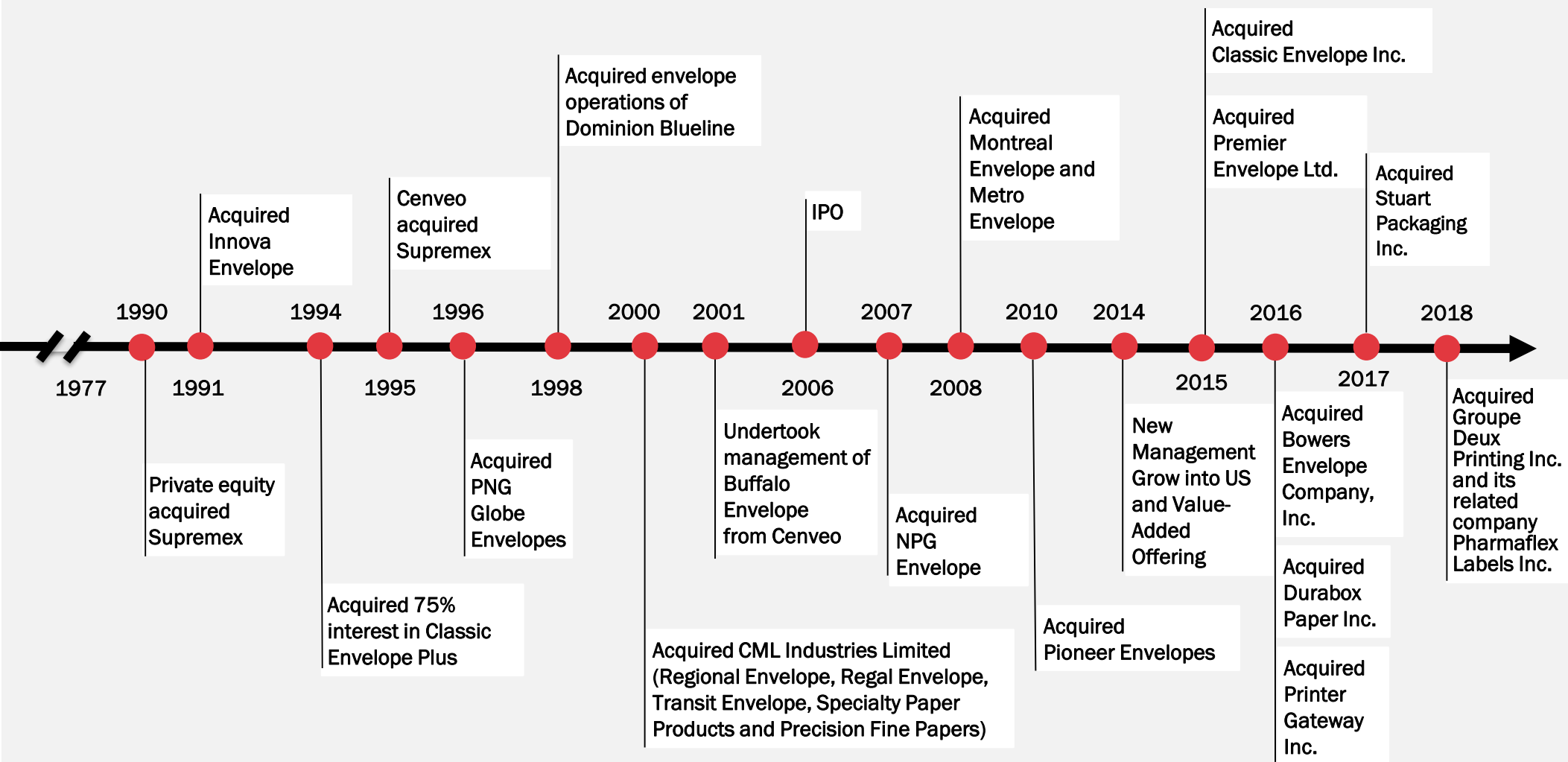
### 3. PRODUCT DIVERSIFICATION

#### → PACKAGING & SPECIALTY PRODUCTS

- Large and growing markets
  - Value-added offering
  - Canadian-centric
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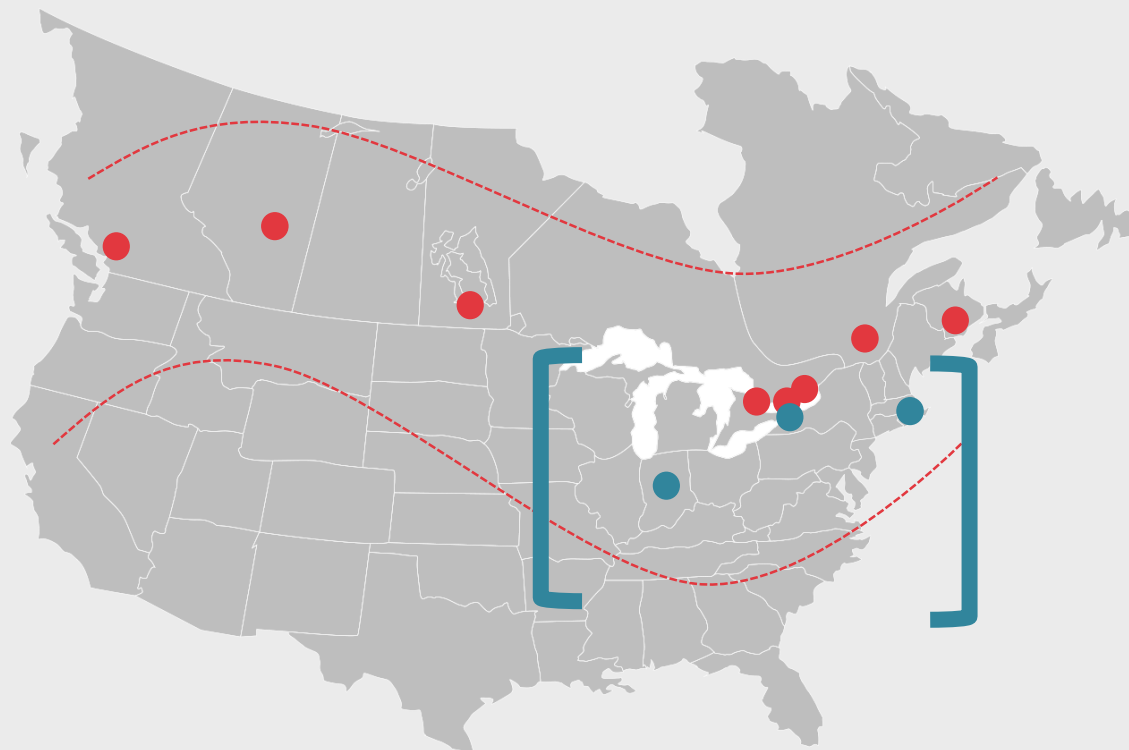
# A HISTORY OF SUCCESSFUL ACQUISITIONS



# CANADA: MAINTAIN MARKET LEADING POSITION IN ENVELOPE

## OPTIMIZE ENVELOPE PLATFORM

- Redistribute volumes across facilities
  - Optimize production
  - Improve utilization rates
  - Unlock capacity to sell into growth markets
- Manufacturing excellence
- Enhanced service and product offering
- Focus on margins



● PRODUCT CAN BE  
SHIPPED  
EFFICIENTLY  
WITHIN AN 800 KM  
RADIUS

■ LARGEST  
ENVELOPE  
MARKET IN  
NORTH AMERICA

The Company has 4 manufacturing & distribution facilities of packaging and specialty products that are not displayed here.



# U.S. ENVELOPE: GROW IN STRATEGIC MARKETS

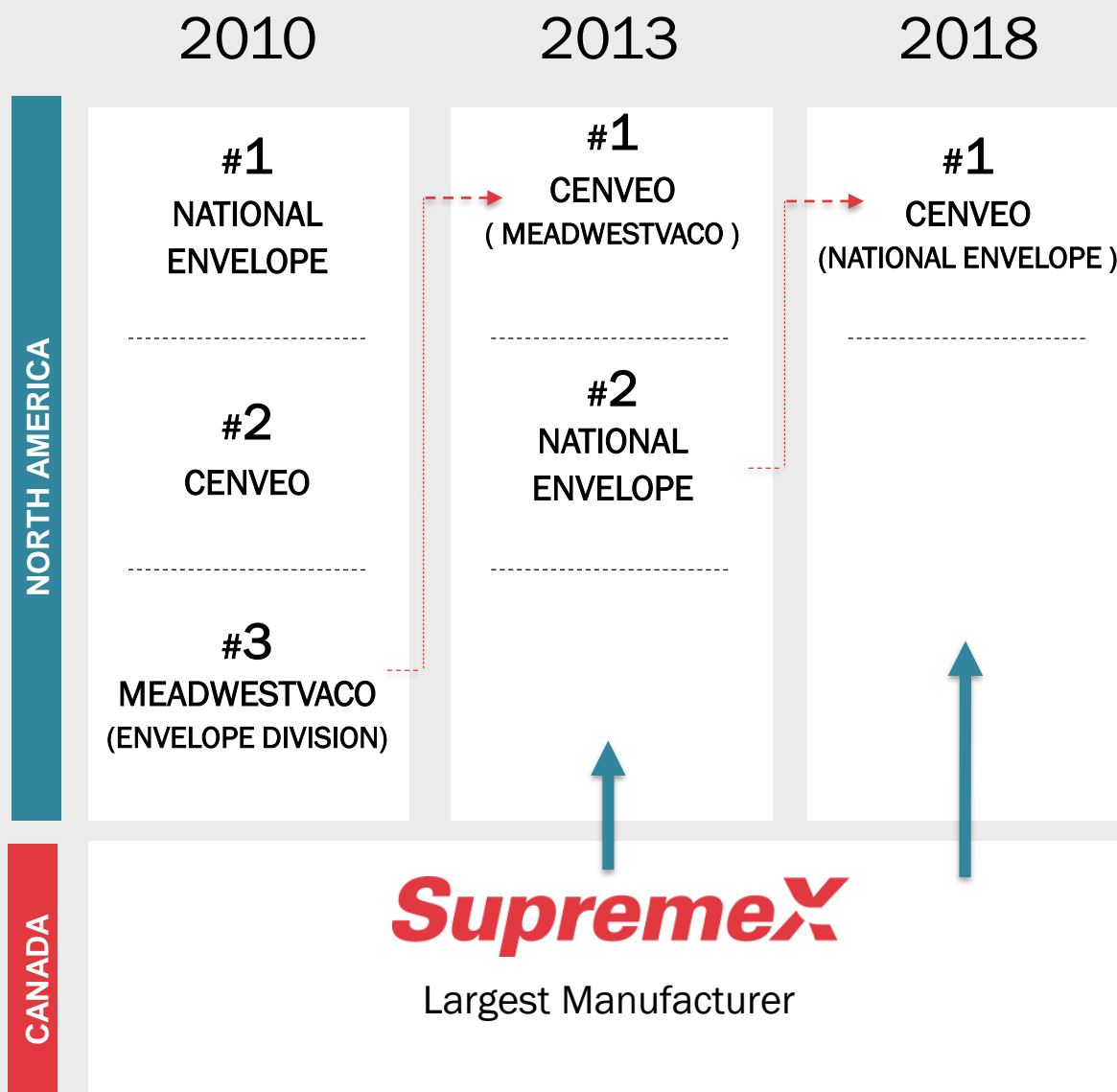
## MARKET OPPORTUNITY

- Structural changes
  - Fragmented landscape
  - Product sourcing issues for customers

## ROOM TO GROW

- The U.S. envelope market is estimated at US\$2.46 B
- Bowers acquisition provides a platform to address ~60% of the U.S. envelope market

## NORTH AMERICAN COMPETITIVE LANDSCAPE



## PRODUCT DIVERSIFICATION: PACKAGING & SPECIALTY PRODUCTS

### VALUE-ADDED OFFERING

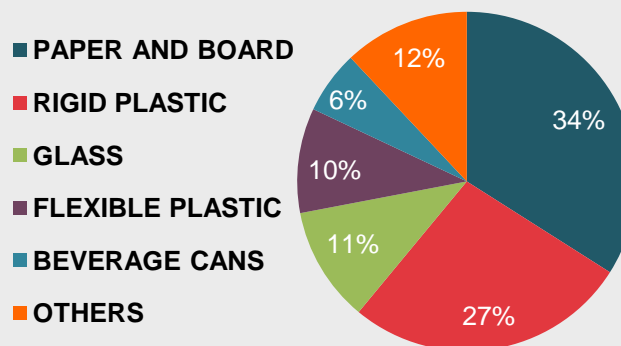
- Aligned with e-commerce/digital growth
- Small player in large and growing markets
- High gross margin potential

### NATURAL FIT

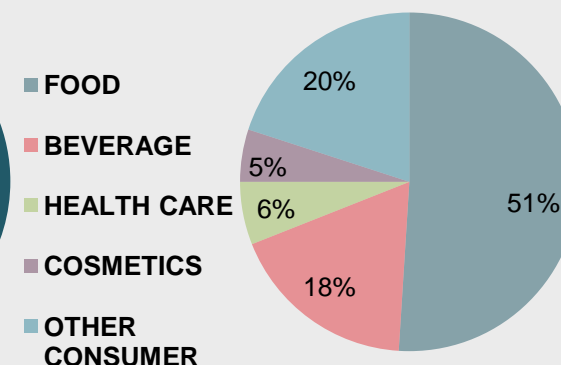
- Paperboard, folding carton
- Similar core competencies
  - Supply chain and processes
  - Market dynamics
  - Manufacturing similarities

## LARGE AND ATTRACTIVE END MARKETS

PACKAGING TYPE:



PRODUCT TYPE:



Ernst & Young « Unwrapping the packaging industry » report, 2012

### STRATEGY

- Pursue organic growth and M&A focused on fast growing consumer end markets in the folding carton sub-segment of paper and board packaging.
- Execute same successful growth strategy as pursued in envelope to build a strong national packaging platform

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## PACKAGING : NOVEMBER 2016 ACQUISITION

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- 
- Announced on November 28, 2016
  - \$8 M annual revenue
  - 50 employees
  - 35,000 square feet facility
  - Lachine, Quebec

### PRODUCT DIVERSIFICATION WITH VERTICAL INTEGRATION POTENTIAL IN E-COMMERCE MARKET

- Vertically integrated corrugated packaging manufacturer focused on packaged foods (pizza, meats)
- Supports organic growth opportunities in e-commerce space (Conformer®)
- CAPEX program (\$5 M in 2017-2018) to significantly grow capacity and internal procurement capabilities

# PACKAGING :

## JULY 2017

## ACQUISITION



- Announced on July 20, 2017
- \$18 M annual revenue
- 65 employees
- 68,000 state-of-the-art square feet facility
- Montreal, Quebec

### FIRST BUILDING BLOCK IN PREMIUM FOLDING CARTON

- Manufacturer of premium packaging solutions for leading multinational corporations
  - Cosmetics, Health & Beauty / Personal Care, Nutraceutical, Fragrance
  - Pharmaceutical
- Strong “moat”
  - Extensive customer audits, certification and integrated quality systems
  - Certified products: “Line-to-Line”
- CAPEX program (\$1.2 M in 2017-2018) to significantly grow capacity
  - Ability to grow share of wallet of existing customers

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# PACKAGING :

## MAY 2018

## ACQUISITION

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- 
- Groupe Deux Printing Inc. & its related company Pharmaflex Labels Inc.
  - Announced on May 1, 2018
  - \$10 M annual revenue
  - 60 employees
  - 2 state-of-the-art facilities (56,000 square feet total)
  - Laval, Quebec

### ONE-STOP-SHOP FOR PHARMACEUTICAL MARKET

### COMPLEMENTARY TO STUART PACKAGING

- Fully integrated carton manufacturer offering packaging and finishing solutions
- Reputable superior quality supplier with leading edge manufacturing and printing technology
- Almost exclusively dedicated to the pharmaceutical market
- Large multinational clients
- Perfectly complements existing packaging operations and legacy labels business
- Becoming a one-stop—shop for folding packaging, labels and inserts for the pharmaceutical and cosmeceutical markets



# OPERATIONAL MANDATE

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1. REVENUE GROWTH AND  
DIVERSIFICATION

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2. PROFITABILITY TREND IN  
DOLLARS

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3. STRONG CASH FLOWS GENERATION

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4. FOCUS ON FINANCIAL DISCIPLINE

- Maintain a healthy balance sheet and leverage position
  - Optimize capital allocation
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DELIVERING  
RESULTS

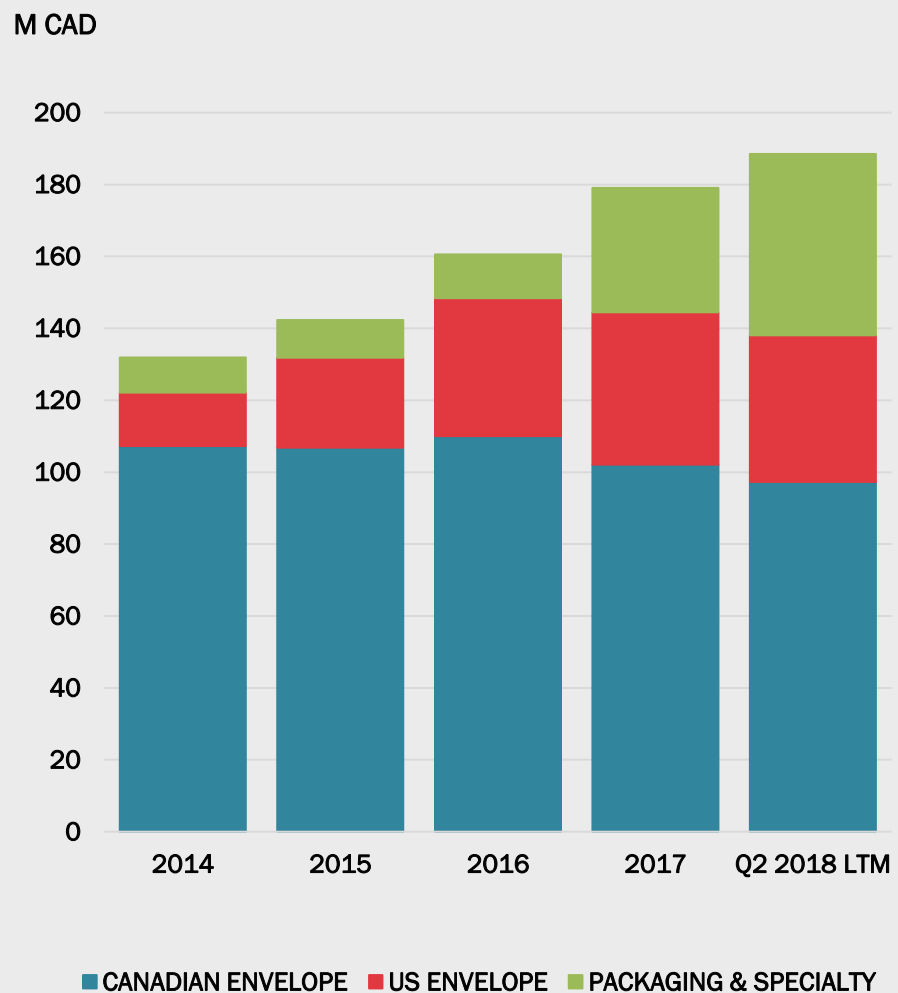
# REVENUE GROWTH & DIVERSIFICATION

## COMPOUND ANNUAL GROWTH RATES

(2014-2018 Q2 LTM)

- 50.6% Packaging & Specialty Products
- 28.9% U.S. Envelope

## 2014–Q2 2018 LTM REVENUE GROWTH



# PROFITABILITY TREND

## ADJUSTED EBITDA<sup>(1)</sup> IN \$

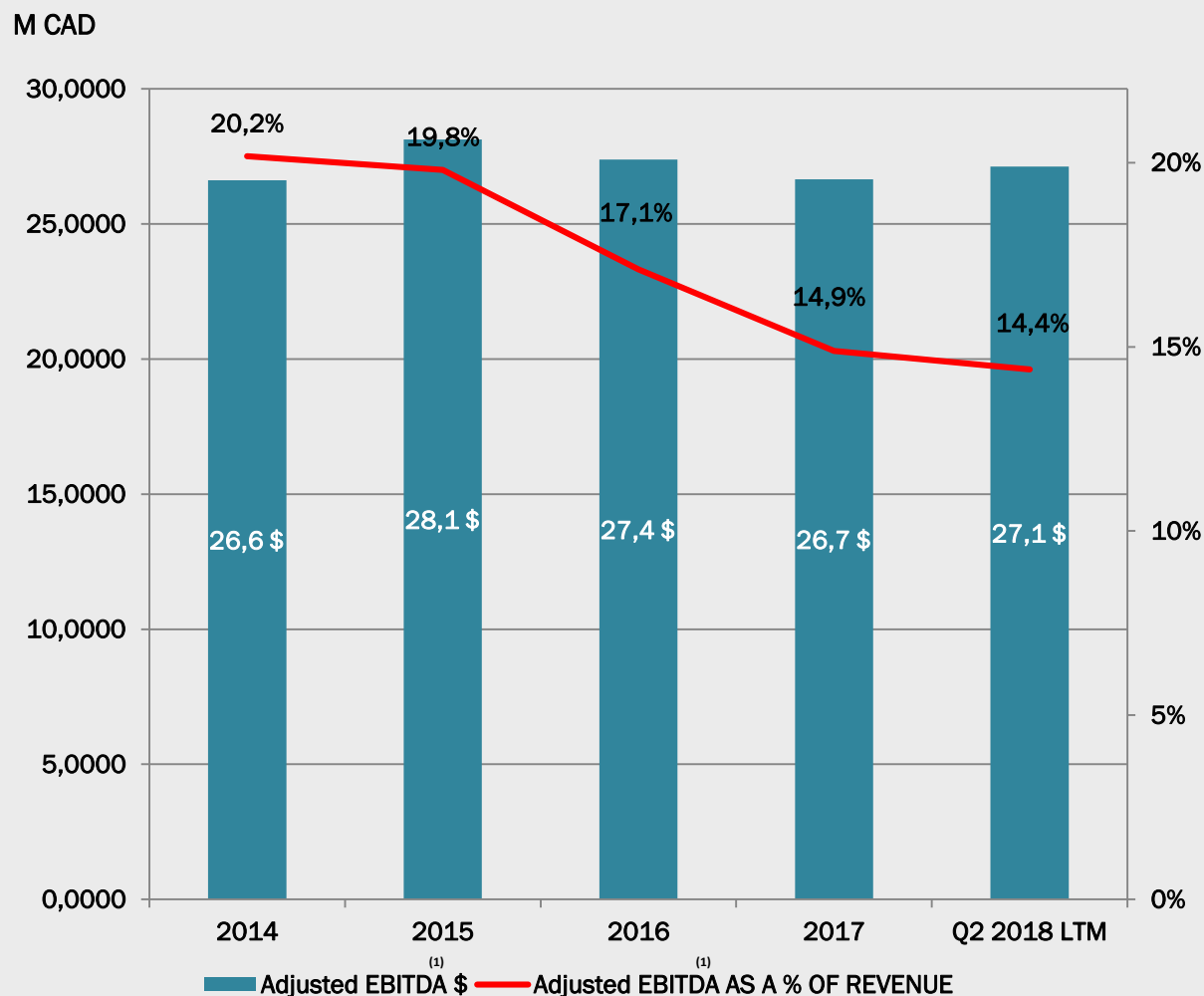
- 1.9% Adjusted EBITDA<sup>(1)</sup> growth since 2014

## ADJUSTED EBITDA<sup>(1)</sup> MARGIN

Growing exposure to more competitive U.S. envelope market

- In 2017 & 2016, 24% of annual revenues from U.S.

## 2014– Q2 2018 LTM ADJUSTED EBITDA<sup>(1)</sup> TREND



<sup>(1)</sup> Adjusted EBITDA are earnings before financing charges, income tax expense and amortization of property, plant and equipment and of intangible assets, adjusted to remove the gain or loss on disposal of property, plant and equipment and to remove charges that are considered non-recurring. Adjusted EBITDA excludes the following non-recurring items ; the gains related to the amendments made to the pension and post retirements benefits in 2013 to 2015, a \$0.7 claim settlement charge in 2014, a \$2.2 M of expenses related to the shutdown of non-core operations of Printer Gateway in 2017 and a \$0.8 M and \$0.5 M of contingent consideration for remuneration in connection with business combinations in 2017 and 2018, respectively. See MD&A for those periods.

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# STRONG CASH FLOWS

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## FINANCIAL FLEXIBILITY

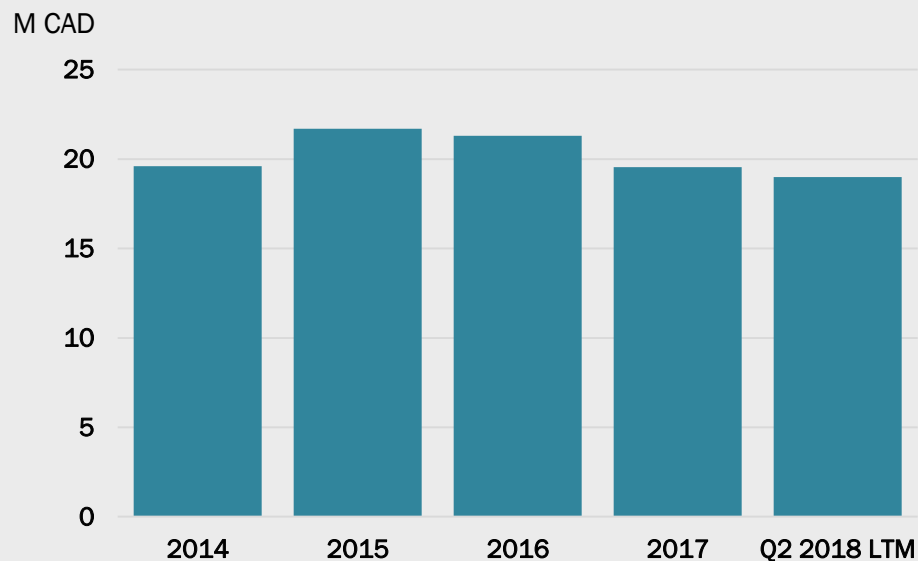
### Cash position

- \$0.4 M Free Cash Flow Q2 2018 (\$12.0 M LTM)
- \$28.7 M Working Capital

### Available credit

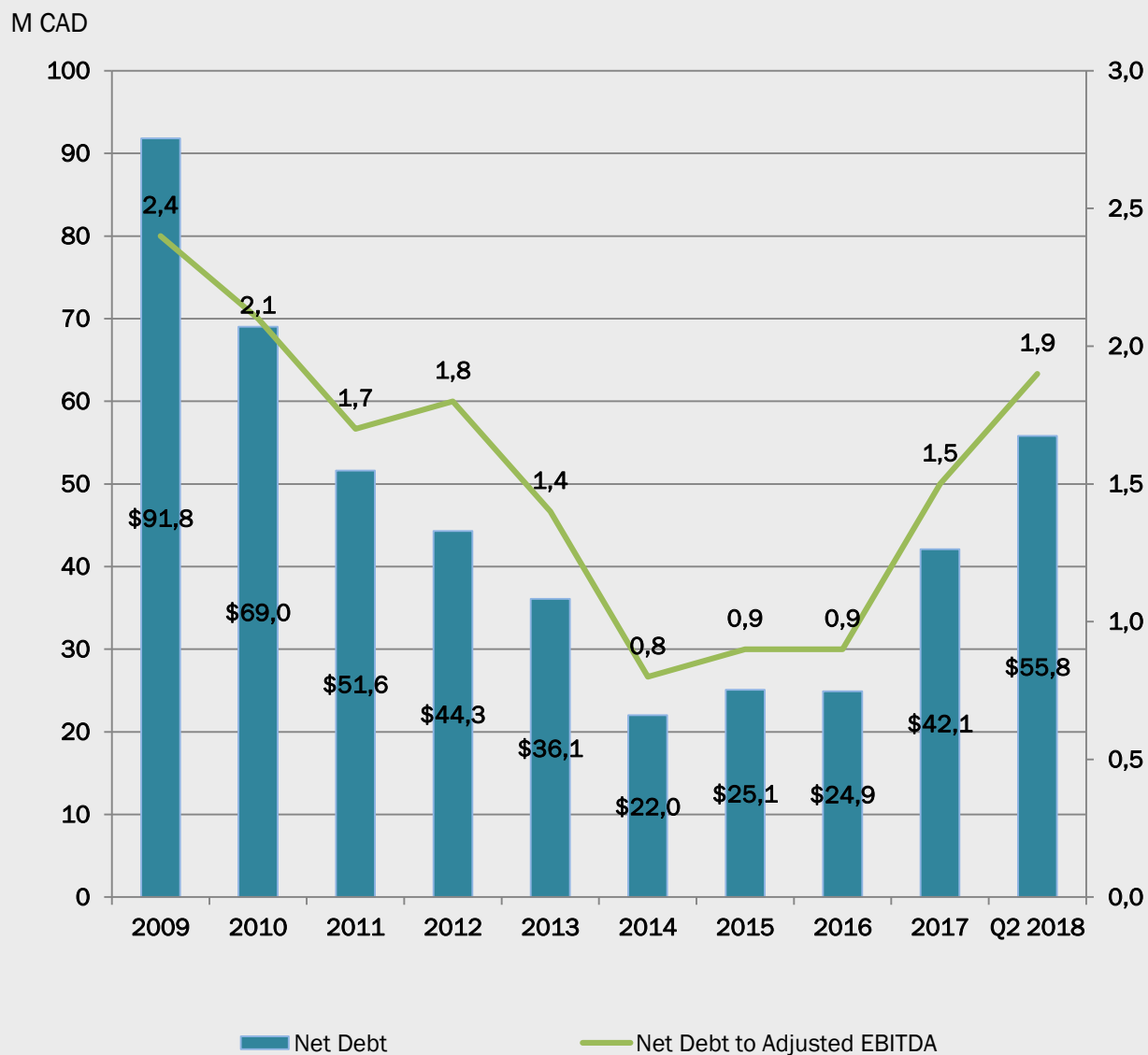
- 5 Year Committed \$75 million Senior Secured Revolving Facility maturing in October 2020
  - With Bank of Montreal
  - No scheduled repayments prior to maturity

## 2014– Q2 2018 LTM CASH FLOWS FROM OPERATIONS BEFORE WORKING CAPITAL ADJ.



# FOCUS ON FINANCIAL DISCIPLINE

## MAINTAIN A HEALTHY BALANCE SHEET AND LEVERAGE POSITION

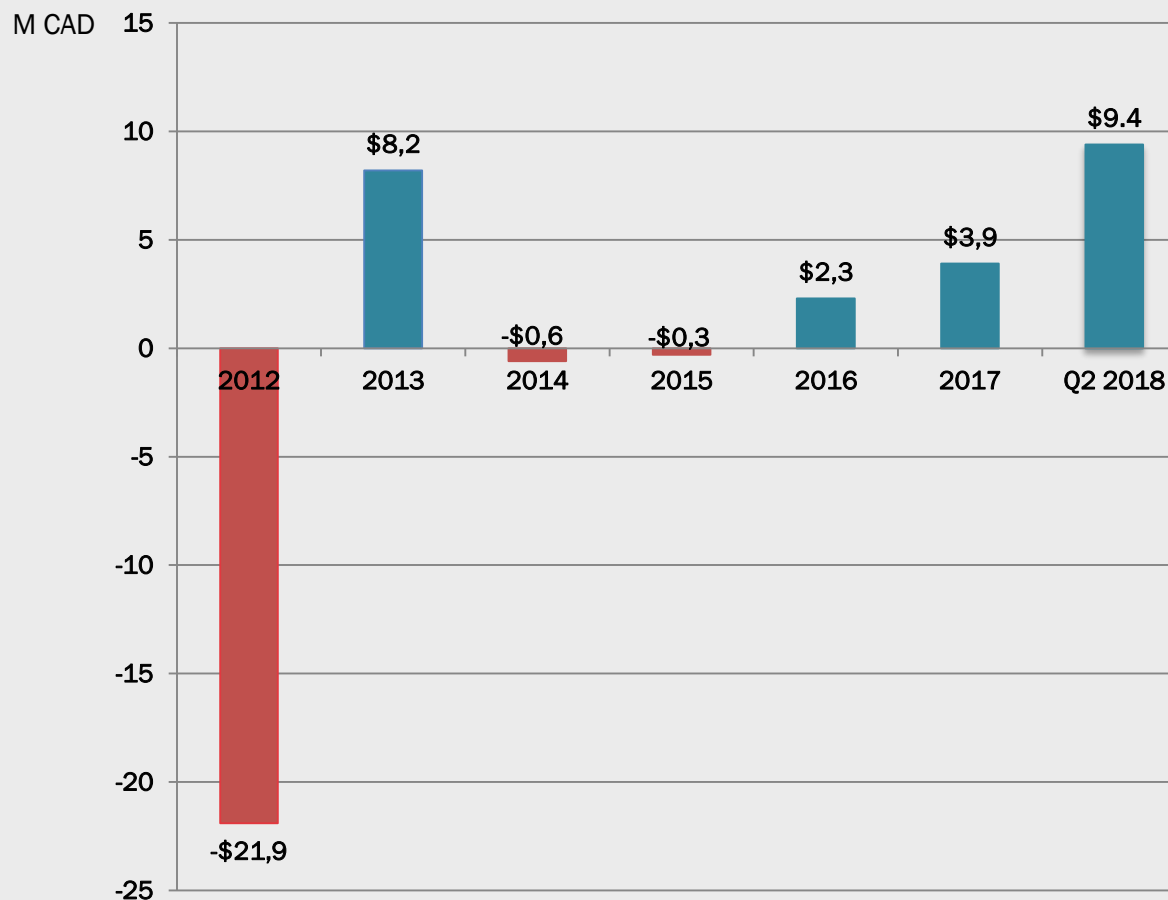


# PENSION PLANS EFFECT

## DEFINED BENEFITS PENSION PLANS

- Employee Benefits Reviewed
  - Conversion of defined benefits plans into defined contributions plan in 2012
  - Defined benefits plans' past service frozen as at Jan 1, 2014

### ACCRUED PENSION BENEFIT LIABILITY/ASSET



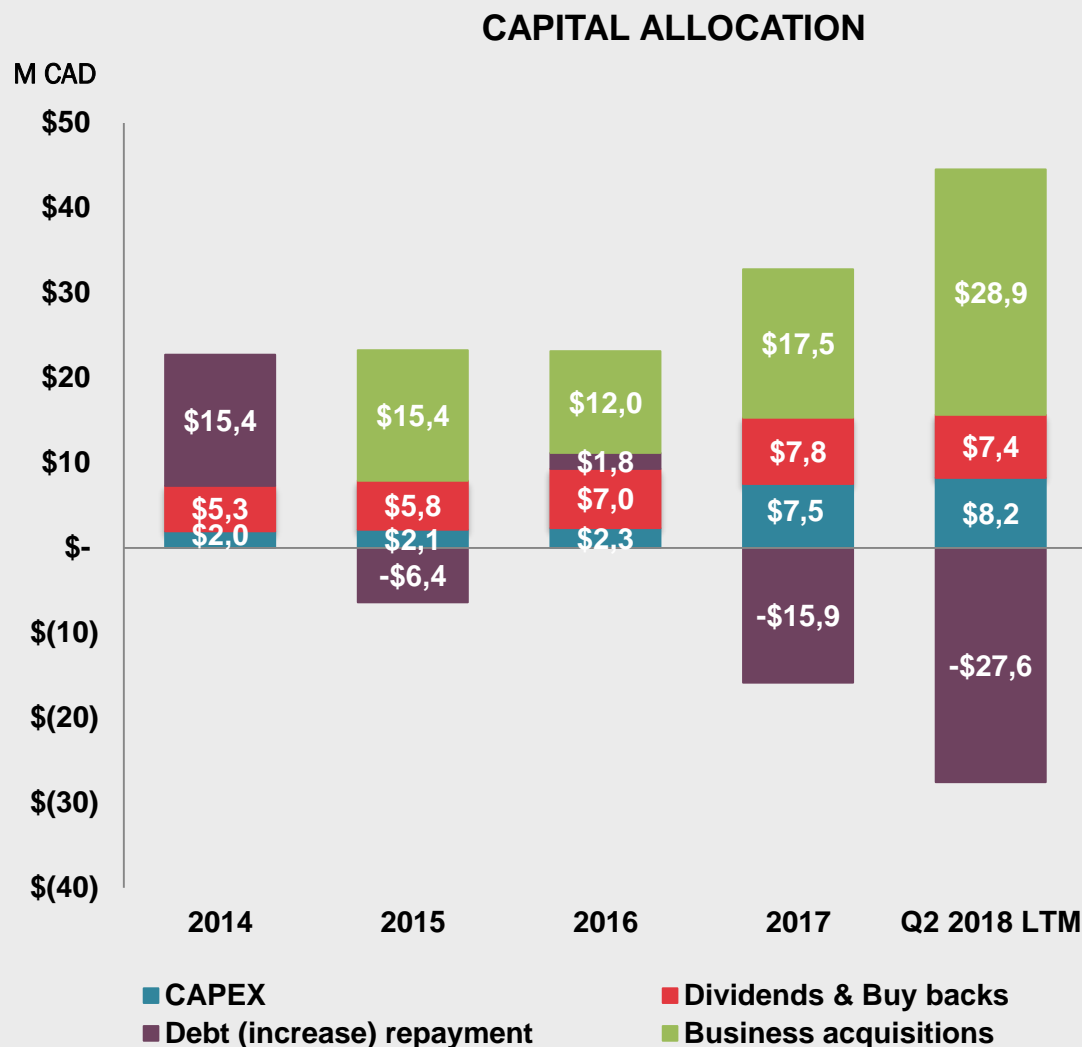
# OPTIMIZE CAPITAL ALLOCATION

## RETURNING CASH

- 7.9% dividend yield
- NCIB buyback program in effect for up to 1.7% of outstanding shares until August 2018
  - Since its renewal on August 1, 2017, the Company repurchased a total of 177,142 common shares for cancellation.
- Renewed NCIB buyback program, allows up to 1.8% of outstanding shares until August 2019

## SUSTAINED CASHFLOW HAS ALLOWED:

- \$17.5 M towards M&A strategy in 2017
- \$7.5 M for CAPEX in 2017 (including intangible assets)
- \$6.8 M dividends paid in 2017





## Q2 2018 RESULTS

# TRENDS & RESULTS

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1. MANAGING & DIVERSIFYING

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2. Q2-2018 RESULTS

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3. KEY TRENDS

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# MANAGING & DIVERSIFYING

## FOCUSED ON GROWTH AND VALUE-ADDED MARKET PENETRATION

- Accelerate growth in packaging & specialty value-add market

REVENUE (IN MILLIONS OF DOLLARS)	2018 Q2	2017 Q2	2018 YTD	2017 YTD
<b>Canadian envelope</b>	21.9	24.5	47.8	52.6
Volume variation	(12.4)%	(14.9)%	(10.9)%	(10.0)%
Average selling price variation	1.8%	1.6%	1.9%	1.1%
TOTAL VARIATION	(10.9)%	(13.5)%	(9.2)%	(9.0)%
<b>U.S. envelope</b>	9.7	10.4	19.9	21.4
Volume variation	(6.5)%	16.1%	(7.2)%	20.4%
Average selling price variation (in CAD)	(0.4)%	(9.5)%	0.0%	2.1%
TOTAL VARIATION	(6.9)%	27.1%	(7.2)%	22.9%
<b>Packaging &amp; Specialty Products (Canada &amp; U.S.)</b>	15.2	6.2	28.1	12.3
TOTAL VARIATION	147.3%	117.6%	129.5%	127.2%
<b>TOTAL REVENUE</b>	46.8	41.1	95.8	86.3
REVENUE VARIATION	13.8%	4.4%	11.0%	7.0%



# Q2-2018 RESULTS

## SUMMARY OF OPERATING RESULTS

- Tightly monitoring the effects of a growing organization on costs
- Diversifying into packaging & specialty products for growth and margin potential
- Managing the effects of growing presence in U.S. (tighter margins) and FX

### SELECT FINANCIAL INFORMATION (IN THOUSANDS OF DOLLARS)

#### THREE-MONTH PERIODS ENDED JUNE 30

#### SIX-MONTH PERIODS ENDED JUNE 30

	2018	2017	2018	2017
Revenue	46,845	41,147	95,779	86,298
Operating Expenses	35,016	30,299	71,554	62,972
Selling, General and Admin. Expenses	5,945	5,451	11,969	11,034
Adjusted EBITDA <sup>(1)</sup>	6,140	5,397	12,768	12,292
Adjusted EBITDA Margin %	13.1%	13.1%	13.3%	14.2%
Cash Flows from Operating Activities (before W.C. adjustments)	4,142	4,081	8,753	9,306
Free Cash Flows <sup>(2)</sup>	419	(937)	3,629	3,872

(1) See "Definition of Adjusted EBITDA" in Company's MD&A

(2) Computed as Adjusted EBITDA less CAPEX, Interest and Income Tax paid



# Q2-2018 RESULTS

## FOCUSED ON EFFICIENT CAPITAL MANAGEMENT AND ALLOCATION

- Invest to upgrade infrastructure and capabilities to remain competitive
- Efficiently allocate capital between growth projects, dividends and NCIB

### SELECT FINANCIAL INFORMATION

(IN THOUSANDS OF DOLLARS EXCEPT FOR PER SHARE AMOUNTS)

THREE-MONTH PERIODS  
ENDED JUNE 30

SIX-MONTH PERIODS  
ENDED JUNE 30

	2018	2017	2018	2017
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>6,140</b>	<b>5,397</b>	<b>12,768</b>	<b>12,292</b>
Provision for contingent remuneration related to business combination	256	—	512	—
Amortization of property, plant and equipment	1,007	817	1,974	1,640
Amortization of intangible assets	494	381	943	755
Gain on disposal of property, plant and equipment	(587)	(1)	(574)	(1)
<b>Operating earnings</b>	<b>4,970</b>	<b>4,200</b>	<b>9,913</b>	<b>9,898</b>
Financing charges, net	443	183	807	367
<b>Earnings before income taxes</b>	<b>4,527</b>	<b>4,017</b>	<b>9,106</b>	<b>9,531</b>
Income taxes expenses	1,392	1,184	2,626	2,617
<b>Net Earnings</b>	<b>3,135</b>	<b>2,833</b>	<b>6,480</b>	<b>6,914</b>
Basic and diluted net earnings per share	0.11	0.10	0.23	0.24
Dividend declared per share	0.065	0.060	0.130	0.120
<b>Total assets</b>	<b>179,983</b>	<b>157,924</b>		

(1) See "Definition of Adjusted EBITDA." in Company's MD&A



## CORPORATE AND FINANCIAL INFORMATION

# SUMMARY

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1. 2018 PRIORITIES

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2. MANAGEMENT TEAM

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3. BOARD OF DIRECTORS

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4. INVESTMENT HIGHLIGHTS

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# 2018 PRIORITIES

## OPERATIONAL

1. Nurture packaging platform
  - Organic growth
  - Integrate G2 and Pharmaflex
  - Complete CAPEX investments in equipment (capacity)
  - Move Durabox to state-of-the-art facility
2. Manage decline of envelope industry
  - Diversification
  - Opportunistic M&A
3. Improve Adjusted EBITDA
  - Increase share of packaging revenue
  - Operational leverage

## FINANCIAL

1. Maintain a healthy balance sheet
  - Low debt to Adjusted EBITDA ratio
  - Strong cash flows
  - Financial capabilities to support accretive growth projects
2. CAPEX:
  - Annual maintenance \$2.0M
  - ≈ \$6.0M towards growth and efficiency initiatives on packaging equipment
3. Optimize shareholder value



# INDUSTRY EXPERTISE

## MANAGEMENT TEAM

### STEWART EMERSON

President & CEO  
(Director of SXP)

### 28 YEARS INDUSTRY EXPERIENCE

Started at predecessor to Supremex in 1990. Previously VP and GM Central Region and Buffalo Envelope. Responsible for leading many successful M&A integrations.

### GUY PRENEVOST

CFO & Corporate Secretary

### 20 YEARS OF ACCOUNTING & INDUSTRY EXPERIENCE

Joined Supremex in 2018. Previously CFO of Rolland Enterprises Inc., a commercial paper supplier. Also held various finance positions at Cascades Inc. Holds an MBA and CPA, CMA designation.

### SUZIE GAUDREAU

Vice-President & General Manager, Eastern Region

### 22 YEARS OF INDUSTRY EXPERIENCE

Joined Supremex in 1996 and was previously Administration Manager for Eastern Region. Holds a CPA, CA designation.

### EDWARD GAUER

GM, Western Region

### 26 YEARS OF INDUSTRY EXPERIENCE

Joined Supremex in 1991. Held the position of General Manager of Manitoba/Saskatchewan at a predecessor to Supremex.



# CORPORATE GOVERNANCE

## BOARD OF DIRECTORS (NON-EXECUTIVE)

### ROBERT B. JOHNSTON CHAIRMAN

EVP and Chief Strategy Officer of The InterTech Group, Inc. Was CEO and Vice Chairman of The Hudson's Bay Company. Sits on the boards of Circa Enterprises Inc., Colabor Group Inc., Corning Natural Gas Holding Corporation, FIH group plc, Produce Investments plc and South Carolina Community Loan Fund. Holds an MBA from John Molson School of Business and a Master in Public Policy and Administration. Holds ICD.D designation.

### NICOLE BOIVIN

Strategic Consultant and Corporate Director. Started her independent practice in 2017 and acts as a strategic advisor dealing with disruption, emerging technologies, M&A and changes in leadership and strategy. Held various executive positions with Manulife. Holds an MBA and ICD.D designation from the Institute of Corporate Directors.

### GEORGES KOBRYNSKY

Corporate Director of Cascades Inc. Was SVP, Investments Forest Products at SGF and held various senior positions at Domtar Inc. Holds an MBA from McGill and 2 Bachelors degrees.

### DANY PARADIS

Senior VP, Sales and Customer Care at Yellow Pages Limited. Previously held senior executive and executive positions at Fibrek Inc. and Domtar Inc. He holds a Bachelor of Actuarial Sciences from Laval University and ICD.D designation from the Institute of Corporate Directors.

### STEVEN P. RICHARDSON

Corporate Director of Parkland Fuel Corporation. Was CFO and Director of Hudson's Bay Company, as well as CFO at Wells Fargo Financial Canada, Associates Financial Services of Canada and Beneficial Canada Inc. He is a CPA, CMA and holds a ICD.D designation from the Institute of Corporate Directors.

### ANDREW I. SULLIVAN

Senior VP of RR Donnelley Brazil. Previously President of RR Donnelley Canada. Held various sales executive positions with RR Donnelley/Moore Corporation and Relizon Canada. Has worked in the printing business since 1978.

### WARREN J. WHITE

Held many senior leadership positions for large international manufacturing organizations, CGI and Alcan. He sits on the Board of Circa Enterprises Inc., Colabor Group Inc., Titan Logix Corp. and Vicon Industries, Inc. He is a CPA and an MBA graduate from Concordia University.

# INVESTMENT HIGHLIGHTS

## MARKET LEADER

≈ 60%

of Canadian envelope  
market

**11.0%**

YTD consolidated revenue  
growth

## KEY MARKET GROWTH

**129.5%**

YTD revenue growth in  
packaging

## FINANCIAL DISCIPLINE

**1.9x**

Debt /Adjusted EBITDA

**\$12.0 M**

Q2-18 free cash flow LTM

## RETURNED VALUE

**7.9%**

Dividend yield

**8.5 %**

LTM Dividend growth

## MARKET DATA (TSX: SXP) (August 1, 2018)

• Shares Outstanding:	28,305,469
• Last Price :	\$3.23
• Market Cap:	\$91.4 M
• Average Daily Volume (10d):	11,913
• High-Low (52w):	\$3.07 - \$4.83

## KEY METRICS (Q2-2018)

• P/E:	7.8x
• EPS (LTM):	\$0.42
• Debt/Adjusted EBITDA <sup>(1)</sup> :	1.9x
• Dividend Yield:	7.9%
• Adjusted EBITDA Margin LTM:	14.4%

## ANALYSTS COVERAGE

- **Beacon Securities**  
Ahmad Shaath, MBA
- **Industrial Alliance**  
Neil Linsdell, CFA
- **Cormark Securities**  
Analyst change, under review

## SHAREHOLDERSHIP

- Zucker Trust<sup>(2)</sup>: 19%
- Management and BOD: 1%

<sup>(1)</sup>This ratio is calculated in accordance with the definition in the Company's credit agreement as total debt net of cash divided by Adjusted EBITDA.

<sup>(2)</sup>The Article 6 Marital Trust created under the First Amended and Restated Jerry Zucker Revocable Trust dated 4-2-07



# SupremeX

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Stewart Emerson

[investors@supremex.com](mailto:investors@supremex.com)

Tel: (514) 595-0555 extension 2316

HEAD OFFICE

7213 Cordner Street  
LaSalle, Quebec H8N 2J7

Tel: (514) 595-0555  
[www.supremex.com](http://www.supremex.com)

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