



PRESS RELEASE

## **SUPREMEX ANNOUNCES THE ACQUISITION OF ROYAL ENVELOPE STRENGTHENING ITS OPERATIONS IN EASTERN CANADA**

**Montreal, Quebec, February 18, 2020** – Supremex Inc. (“Supremex” or the “Company”) (TSX: SXP), a leading North American manufacturer and marketer of envelopes and a growing provider of paper-based packaging solutions, today announced the acquisition of substantially all of the assets of Royal Envelope Ltd and Envelope Royal Inc. (together “Royal Envelope”), a leading Eastern Canada based envelope manufacturer and printer, for a total purchase price of \$27.4 million.

“The acquisition of Royal Envelope allows us to optimize the operations cost-base in Eastern Canada and enhance cash-flow generation capacity, which in turn will provide us with the necessary means and time to continue to diversify into packaging,” said Stewart Emerson, President and CEO of Supremex. “This acquisition also provides the necessary capacity and capabilities to support our envelope growth strategy in the U.S.”

“We are excited to be joining the Supremex group of companies. In doing so, we are better equipped to face our industry’s underlying trends and can continue to offer the same level of service and quality products that our customers have been accustomed to. In addition, we are joining a strong organization that will strategically grow our activities into new and diversified markets and allow us to bring new value-added products to our customers” said Lou Tucci, Co-founder and President of Royal Envelope Ltd., who will stay with the combined entity as President, Royal Envelope. “I would also like to thank all our dedicated employees that contributed to making this venture a success and welcome this opportunity to create more value for all our stakeholders.”

Founded in 1989 by Peter Bowles and Lou Tucci, Royal Envelope generated approximately \$30 million of revenue during their most recent fiscal year mainly from the direct sale of envelopes and printing services. Royal Envelope employs approximately 135 people at its two primary facilities located in Concord (Ontario) and LaSalle (Quebec).

### **Forward-Looking Information**

This press release contains “forward-looking information” within the meaning of applicable Canadian securities laws, including (but not limited to) statements about the EBITDA, 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 press release. Such assumptions, expectations and estimates are discussed throughout our MD&A for the year ended December 31, 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 fluctuations, raw material increases, credit risks with respect to trade receivables, interest rates fluctuations and potential risk of litigation. Such risks and uncertainties are discussed throughout our MD&A for the year ended December 31, 2018 and in particular, in "Risk Factors". Consequently, we cannot guarantee that any forward-looking 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.

The Management Discussion and Analysis and Financial Statements can be found on [www.sedar.com](http://www.sedar.com) and on Supremex' website.

### **About Supremex**

Supremex Inc. is a leading North American manufacturer and marketer of envelopes and a growing provider of paper-based packaging solutions. Including its most recent acquisition, Supremex operates 13 facilities across seven provinces in Canada and three facilities in the United States employing approximately 935 people. Supremex' growing footprint allows it to efficiently manufacture and distribute paper and packaging solutions designed to the specifications of major national and multinational corporations, resellers, government entities, SMEs and solutions providers. For more information, please visit [www.supremex.com](http://www.supremex.com).

Contact:

Stewart Emerson  
President and CEO

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

514 595-0555, extension 2316