

INVESTOR FACT SHEET

Q2 2022: ENDED JUNE 30

SECOND QUARTER HIGHLIGHTS

- Total revenue increased by 20.7% to \$62.5 million, from \$51.8 million in the second quarter of 2021.
- Packaging and specialty products segment revenue of \$16.6 million, a slight increase of 0.4% compared to last year.
- Envelope segment revenue up 30.2% to \$45.9 million, from \$35.2 million in the prior year.
- Adjusted EBITDA of \$13.9 million, or 22.3% of revenue, up from \$8.6 million, or 16.5% of revenue, a year ago.
- Net Earnings increased significantly to \$7.4 million, from \$3.4 million last year.
- Earnings per share of \$0.28, up sharply from \$0.12 a year ago.
- Recorded no assistance from the Canada Emergency Wage Subsidy (“CEWS”) and Canada Emergency Rent Subsidy (“CERS”) programs in the second quarter of 2022, compared to \$0.9 million in the equivalent quarter of 2021.
- Purchased 215,800 shares for a total consideration of \$0.7 million as part of the Company’s Normal Course Issuer Bid (“NCIB”) program.
- On August 10, 2022, the Board of Directors declared a quarterly dividend of \$0.03 per common share, an increase of 20.0% over the prior quarter.
- Appointment of Simon Provencher as President of the Packaging segment.

A WORD FROM MANAGEMENT

Supremex posted very strong financial results in the second quarter, reflecting solid execution by our teams. Revenue growth exceeded 20%, we generated robust EBITDA margins in both segments and net earnings more than doubled. This performance stems from both pricing and volume growth in the Envelope segment and a more favourable product mix in Packaging. Although the paper market remains tight, we expanded our sources of supply to meet growing customer demand, which speaks highly about our reputation in the marketplace as a trusted partner.

We recently appointed a new President for our Packaging segment. This nomination clearly reinforces our intention to further diversify and grow our presence in this market. In parallel, we took advantage of an opportunity to accelerate the planned transfer of our folding carton operations in Town Mount Royal, which should result in additional focus on value-added packaging solutions going forward.

Looking ahead, we believe revenues and profitability for 2022 should be ahead of 2021, but we anticipate the rate of improvement to moderate in the back half of the year as we begin to lap the recovery of certain markets more affected by the pandemic. Meanwhile, our strong balance sheet allows us to return more funds to shareholders, as evidenced by the increased dividend, while keeping a close eye on strategic acquisition opportunities.

Stewart Emerson
 President and CEO
 August 11, 2022

FINANCIAL HIGHLIGHTS

(in millions of Canadian dollars, except per share data and margin)

	Quarters ended		Six months ended	
	2022	2021	2022	2021
Revenue	62.5	51.8	125.8	105.4
Operating earnings	10.3	5.2	19.1	11.2
Adjusted EBITDA ⁽¹⁾	13.9	8.6	26.0	18.1
Adjusted EBITDA margin ⁽¹⁾	22.3%	16.5%	20.7%	17.2%
Net earnings	7.4	3.4	13.7	7.5
Basic and diluted net earnings per share	0.28	0.12	0.52	0.27
Adjusted net earnings ⁽¹⁾	7.4	3.4	13.7	7.6
Adjusted net earnings per share ⁽¹⁾	0.28	0.12	0.52	0.27
Weighted average shares outstanding	26,222,815	27,410,287	26,295,787	27,586,491

⁽¹⁾This is a non-IFRS financial measure. Please refer to the Q2-22 MD&A for a definition and reconciliation.

GROWTH STRATEGY

1. Strengthening its market-leading position in the Canadian envelope market by leveraging its national footprint through capacity allocation and consolidation opportunities.
2. Pursuing growth opportunities in the U.S. envelope market both organically and through acquisitions, focusing on a large and attractive market in the Northeastern and Midwestern United States.
3. Building Supremex’s packaging capabilities organically and through acquisitions, with the objective of growing its revenues from this attractive growth market, specifically in the value-added folding carton and e-commerce markets.

RECENT ACQUISITIONS

Date	Acquired Company	Location	Description
February 4, 2022	Niagara Envelope Inc.	Niagara, New York	Envelope manufacturer
March 8, 2021	Vista Graphic Communications	Indianapolis, Indiana	Printing and packaging solutions manufacturer.
February 18, 2020	Royal Envelope	Canada	A leading Eastern Canada based envelope manufacturer and printer.

5-YEAR FINANCIAL REVIEW

(in millions of Canadian dollars, except per share data and margin)	Trailing 12 months	2021	2020	2019	2018
Revenue	246.8	226.4	204.6	191.7	195.1
Operating earnings	31.2	23.3	13.4	13.6	1.1
Adjusted EBITDA ⁽¹⁾	46.9	39.0	32.5	25.3	26.0
Adjusted EBITDA margin ⁽¹⁾	19.0%	17.2%	15.9%	13.2%	13.4%
Net earnings	21.9	15.8	7.5	7.1	(4.8)
Basic and diluted net earnings per share	0.83	0.58	0.27	0.25	(0.17)
Adjusted net earnings ⁽¹⁾	23.5	17.4	11.4	7.1	14.1
Adjusted net earnings per share ⁽¹⁾	0.88	0.64	0.41	0.25	0.50

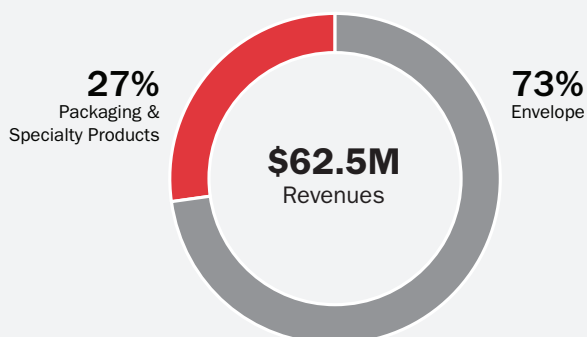
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OUTLOOK

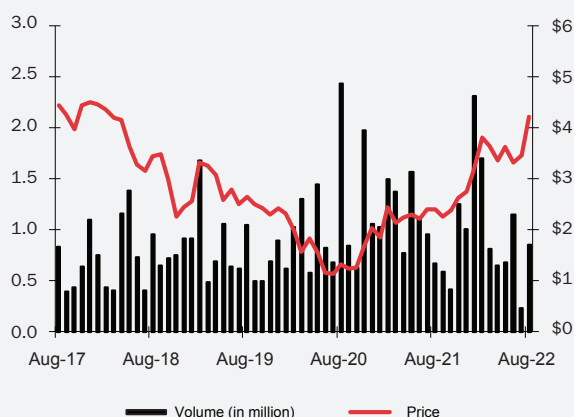
Reflecting solid demand for its products and strong backlogs, the Company is operating at full capacity given its current labor availability. Driven by proactive sourcing and its solid reputation in the marketplace, the Company has been able to secure raw material despite limited industry supply and to successfully pass through cost inflation. Labor and supply challenges could affect the Company's ability to meet its delivery schedule for certain orders and may also result in missed sales opportunities. The envelope acquisition in New York completed earlier this year should help to lessen these impacts in the short term.

The Company is committed to efficiently deploying its capital with the expected payment of quarterly dividends, investments in capital expenditures and the repurchase of common shares in line with its NCIB, which it intends to renew upon expiry of the current program on August 30, 2022. The Company also continues to look for strategic acquisitions, mainly in the packaging segment, while remaining focused on opportunistic expansion in the envelope segment.

REVENUE SEGMENTATION (in % of Q2 2022)



STOCK PERFORMANCE



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Supremex (TSX: SXP) is a leading North American manufacturer and marketer of envelopes and a growing provider of paper-based packaging solutions. Supremex operates ten manufacturing facilities across four provinces in Canada and four manufacturing facilities in the United States employing approximately 800 people. Supremex' growing footprint allows it to efficiently manufacture and distribute envelope and packaging solutions designed to the specifications of major national and multinational corporations, resellers, government entities, SMEs and solutions providers.