A hand holding a globe of the Earth against a background of a beach and ocean. The globe is centered on the Americas, showing North and South America in green and brown, surrounded by blue oceans. The background is a blurred beach scene with waves and a blue sky with clouds. The image is overlaid with large, semi-transparent geometric shapes in shades of blue and green.

Q2-FY2022 results Earnings call presentation

Peter Brues, President and Chief Executive Officer
Donald LeCavalier, Chief Financial Officer
Yan Lapointe, Director, Investor Relations

June 8, 2022

Note to readers

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Standards (IFRS) and the term “dollars” as well as the symbol “\$” designate Canadian dollars. In this document, we also use non-IFRS financial measures for which a complete definition is presented below and for which a reconciliation to financial information in accordance with IFRS is presented at the end of this presentation and in Note 3 "Segmented Information" to unaudited interim condensed consolidated financial statements for the second quarter ended May 1st, 2022. These measures should be considered as a complement to financial performance measures in accordance with IFRS. They do not substitute and are not superior to them.

Terms used	Definitions
Adjusted operating earnings before depreciation and amortization (Adjusted EBITDA)	Operating earnings before depreciation and amortization as well as restructuring and other costs (revenues) and impairment of assets
Adjusted EBITDA margin	Adjusted operating earnings before depreciation and amortization divided by revenues
Adjusted net earnings attributable to shareholders of the Corporation per share (Adjusted EPS)	Net earnings attributable to shareholders of the Corporation before restructuring and other costs (revenues), amortization of intangible assets arising from business combinations and impairment of assets, net of related income taxes as well as the adjustment on additional income taxes in other jurisdictions resulting from a prior year and the tax impact of an internal reorganization.
Net indebtedness	Total of long-term debt, of current portion of long-term debt, of lease liabilities and of current portion of lease liabilities, less cash
Net indebtedness ratio	Net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization

Forward-looking information

Our public communications often contain oral or written forward-looking statements which are based on the expectations of management and inherently subject to a certain number of risks and uncertainties, known and unknown. By their very nature, forward-looking statements are derived from both general and specific assumptions. The Corporation cautions against undue reliance on such statements since actual results or events may differ materially from the expectations expressed or implied in them. Forward-looking statements may include observations concerning the Corporation's objectives, strategy, anticipated financial results and business outlook. The Corporation's future performance may also be affected by a number of factors, many of which are beyond the Corporation's will or control. These factors include, but are not limited to, the economic situation in the world, structural changes in the industries in which the Corporation operates, the impact of digital product development and adoption on the demand for retailer-related services and other printed products, the Corporation's ability to generate organic growth in highly competitive industries, the Corporation's ability to complete acquisitions and properly integrate them, the inability to maintain or improve operational efficiency and avoid disruptions that could affect its ability to meet deadlines, cybersecurity and data protection, the political and social environment as well as regulatory and legislative changes, in particular with regard to the environment and door-to-door distribution, changes in consumption habits related, in particular, to issues involving sustainable development and the use of certain products or services such as door-to-door distribution, change in consumption habits or loss of a major customer, customer consolidation, the safety and quality of its packaging products used in the food industry, the protection of its intellectual property rights, the exchange rate, availability of capital at a reasonable cost, bad debts from certain customers, import and export controls, raw materials, transportation and consumed energy costs, availability of raw materials, recruiting and retaining qualified personnel, taxation, interest rates and the impact of the COVID-19 pandemic on its operations, facilities and financial results, changes in consumption habits from consumers and changes in the operations and financial position of the Corporation's customers due to the COVID-19 pandemic and the effectiveness of plans and measures implemented in response thereto. The main risks, uncertainties and factors that could influence actual results are described in the *Management's Discussion and Analysis* for the year ended October 31, 2021, and in the latest *Annual Information Form*.

Unless otherwise indicated by the Corporation, forward-looking statements do not take into account the potential impact of non-recurring or other unusual items, nor of disposals, business combinations, mergers or acquisitions which may be announced or entered into after the date of June 8, 2022. The forward-looking statements in this presentation are made pursuant to the "safe harbour" provisions of applicable Canadian securities legislation. The forward-looking statements in this presentation are based on current expectations and information available as at June 8, 2022. Such forward-looking information may also be found in other documents filed with Canadian securities regulators or in other communications. The Corporation's management disclaims any intention or obligation to update or revise these statements unless otherwise required by the securities authorities.

Q2-FY2022 Highlights

Packaging

- ▶ Revenues grew by 21% from price increases, acquisition of H.S. Crocker and higher volume
- ▶ Profitability improved but full impact of cost recovery actions to be realized in H2-2022

Printing

- ▶ Revenues grew by 9% from acquisition of BGI Retail and increased volume in our in-store marketing (ISM) and book printing activities
- ▶ Actions taken to offset inflationary pressures

Q2-FY2022 Financial Results

	<u>Q2-FY2022</u>	<u>Q2-FY2021</u>	
Revenues	\$715.5M	\$623.3M	▶ +\$92M (+15%) from higher volume in our 2 main sectors, price increases, and acquisitions of BGI Retail (Print), H.S. Crocker (Packaging) and Scolab (Media)
Adj. EBITDA ⁽¹⁾	\$103.6M	\$109.4M ⁽²⁾	▶ Lower subsidy (\$7.5M), partially offset by strong growth in our 2 main sectors ▶ Higher volume in Packaging resulting in Adj. EBITDA growth for the sector
Adj. EPS ⁽¹⁾	\$0.48	\$0.55	▶ Lower Adj. EBITDA partially offset by lower income taxes

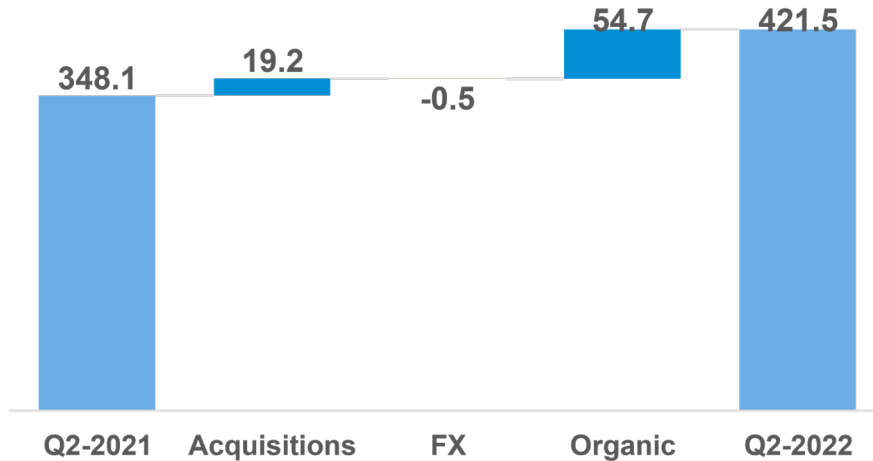
(1) Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures

(2) Included \$7.5 million in Canada Emergency Wage Subsidy

Q2-2022 Financial Results

Packaging

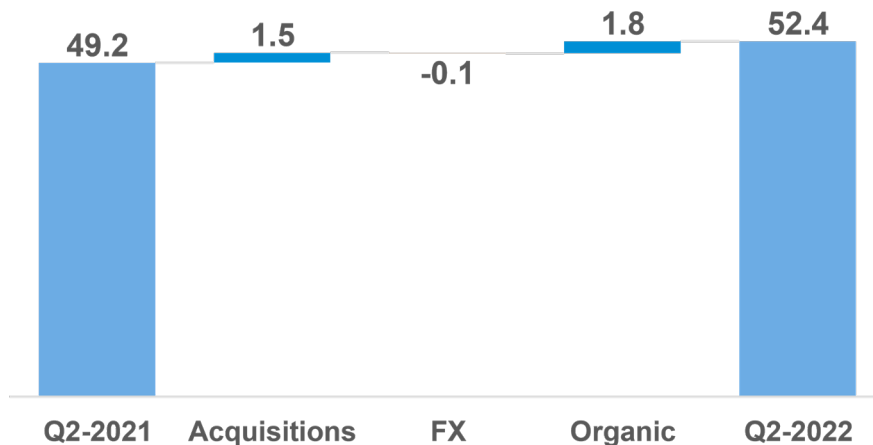
Revenues (in millions of \$)



Highlights

- ~5% volume growth from new business and strong customer demand
- Significant impact of pass-through of raw material and inflationary costs

Adj. EBITDA⁽¹⁾ (in millions of \$)



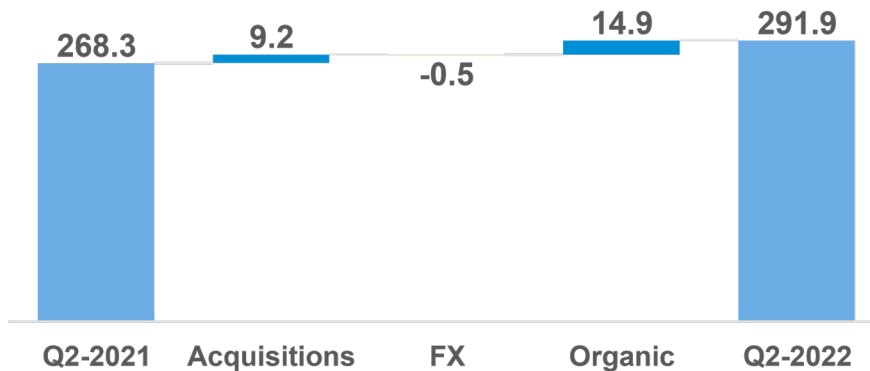
- Profit improvement reflecting volume increase
- Full impact of cost recovery actions in H2

(1) Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures.

Q2-2022 Financial Results

Printing

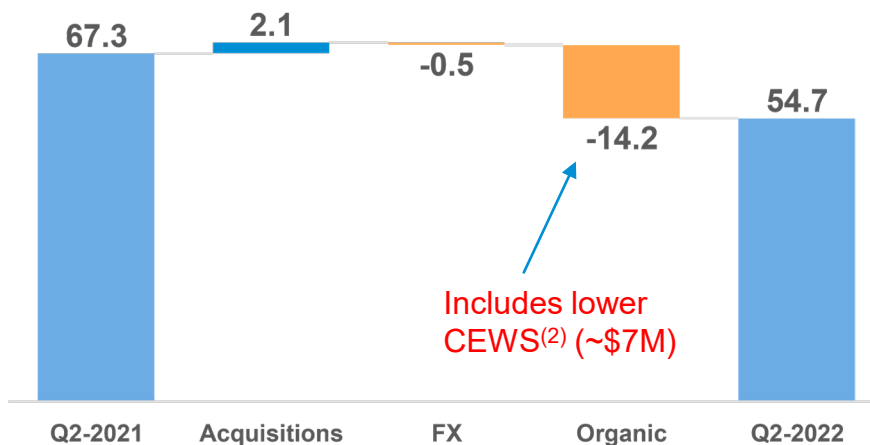
Revenues (in millions of \$)



Highlights

- Fifth consecutive quarter of organic growth
- Including price increases related to inflation pass-through

Adj. EBITDA⁽¹⁾ (in millions of \$)



Lower profitability from:

- End of CEWS⁽²⁾
- Lag in recovering inflationary cost increases
- Additional costs related to onboarding new business and building capacity to further grow in H2

(1) Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures.

(2) Canada Emergency Wage Subsidy

FY2022 Outlook

Packaging

- ▶ Generating organic growth⁽¹⁾
- ▶ Increasing adjusted EBITDA⁽²⁾

Printing

- ▶ Higher revenues from growth in ISM and book printing activities⁽¹⁾
- ▶ Increasing adjusted EBITDA^(2,3)

Encouraged by Q2 results and
positioned for improved H2-FY2022

(1) Excluding the positive impact of the 53rd week on the results for FY2021

(2) Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures

(3) Excluding the amounts related to the Canada Emergency Wage Subsidy and the impact of the 53rd week on the results for FY2021

Appendix

Reconciliation of Non-IFRS Financial Measures

Reconciliation of operating earnings - Second quarter and cumulative

(in millions of dollars)	Three months ended		Six months ended	
	May 1, 2022	April 25, 2021	May 1, 2022	April 25, 2021
Operating earnings	\$46.1	\$55.9	\$79.9	\$103.1
Restructuring and other costs (revenues)	0.8	0.5	(0.9)	5.3
Amortization of intangible assets arising from business combinations ⁽¹⁾	17.2	16.2	34.4	32.8
Adjusted operating earnings	\$64.1	\$72.6	\$113.4	\$141.2
Depreciation and amortization ^{(2) (3)}	39.5	36.8	79.2	76.3
Adjusted operating earnings before depreciation and amortization ⁽³⁾	\$103.6	\$109.4	\$192.6	\$217.5

(1) Intangible assets arising from business combinations include our customer relationships, trademarks and non-compete agreements.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

(3) Depreciation and amortization and Adjusted operating earnings before depreciation and amortization have been restated to conform to the presentation adopted in the current period.

Reconciliation of operating earnings - Second quarter and cumulative for the Packaging Sector

(in millions of dollars)	Three months ended		Six months ended	
	May 1, 2022	April 25, 2021	May 1, 2022	April 25, 2021
Operating earnings	\$11.1	\$18.2	\$17.1	\$33.4
Restructuring and other costs (revenues)	5.6	(1.9)	2.7	(1.8)
Amortization of intangible assets arising from business combinations ⁽¹⁾	15.1	14.9	30.3	30.3
Adjusted operating earnings	\$31.8	\$31.2	\$50.1	\$61.9
Depreciation and amortization ⁽²⁾	20.6	18.0	41.2	37.4
Adjusted operating earnings before depreciation and amortization	\$52.4	\$49.2	\$91.3	\$99.3

(1) Intangible assets arising from business combinations include our customer relationships, trademarks and non-compete agreements.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of Non-IFRS Financial Measures (cont'd)

Reconciliation of operating earnings - Second quarter and cumulative for the Printing Sector

(in millions of dollars)	Three months ended		Six months ended	
	May 1, 2022	April 25, 2021	May 1, 2022	April 25, 2021
Operating earnings	\$37.8	\$50.4	\$77.1	\$92.4
Restructuring and other costs	0.8	1.9	1.8	5.0
Amortization of intangible assets arising from business combinations ⁽¹⁾	2.0	1.2	4.0	2.4
Adjusted operating earnings	\$40.6	\$53.5	\$82.9	\$99.8
Depreciation and amortization ⁽²⁾	14.1	13.8	28.6	28.6
Adjusted operating earnings before depreciation and amortization	\$54.7	\$67.3	\$111.5	\$128.4

(1) Intangible assets arising from business combinations include our customer relationships, trademarks and non-compete agreements.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of operating earnings - Second quarter and cumulative for the Other Sector

(in millions of dollars)	Three months ended		Six months ended	
	May 1, 2022	April 25, 2021	May 1, 2022	April 25, 2021
Operating earnings	(\$2.8)	(\$12.7)	(\$14.3)	(\$22.7)
Restructuring and other costs (revenues)	(5.6)	0.5	(5.4)	2.1
Amortization of intangible assets arising from business combinations ⁽¹⁾	0.1	0.1	0.1	0.1
Adjusted operating earnings	(\$8.3)	(\$12.1)	(\$19.6)	(\$20.5)
Depreciation and amortization ^{(2) (3)}	4.8	5.0	9.4	10.3
Adjusted operating earnings before depreciation and amortization ⁽³⁾	(\$3.5)	(\$7.1)	(\$10.2)	-\$10.2

(1) Intangible assets arising from business combinations include our customer relationships, trademarks and non-compete agreements.

(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

(3) Depreciation and amortization and Adjusted operating earnings before depreciation and amortization have been restated to conform to the presentation adopted in the current period.

Reconciliation of Non-IFRS Financial Measures (cont'd)

Reconciliation of net earnings attributable to shareholders of the Corporation - Second quarter

(in millions of dollars, except per share amounts)	Three months ended	
	May 1, 2022	April 25, 2021
Net earnings attributable to shareholders of the Corporation	\$28.3	\$35.6
Restructuring and other costs	0.8	0.5
Tax on restructuring and other costs	(0.4)	(0.6)
Amortization of intangible assets arising from business combinations ⁽¹⁾	17.2	16.2
Tax on amortization of intangible assets arising from business combinations	(4.2)	(3.9)
Adjusted net earnings attributable to shareholders of the Corporation	\$41.7	\$47.8
Net earnings attributable to shareholders of the Corporation per share	\$0.33	\$0.41
Adjusted net earnings attributable to shareholders of the Corporation per share	\$0.48	\$0.55
Weighted average number of shares outstanding	86.8	87.0

(1) Intangible assets arising from business combinations include our customer relationships, trademarks and non-compete agreements.

Reconciliation of Non-IFRS Financial Measures (cont'd)

Reconciliation of net earnings attributable to shareholders of the Corporation - Cumulative

(in millions of dollars, except per share amounts)	Six months ended	
	May 1, 2022	April 25, 2021
Net earnings attributable to shareholders of the Corporation	\$46.7	\$63.3
Restructuring and other costs (revenues)	(0.9)	5.3
Tax on restructuring and other costs	—	(1.9)
Amortization of intangible assets arising from business combinations ⁽¹⁾	34.4	32.8
Tax on amortization of intangible assets arising from business combinations	(8.5)	(7.9)
Adjusted net earnings attributable to shareholders of the Corporation	\$71.7	\$91.6
Net earnings attributable to shareholders of the Corporation per share	\$0.54	\$0.73
Adjusted net earnings attributable to shareholders of the Corporation per share	\$0.83	\$1.05
Weighted average number of shares outstanding	86.9	87.0

(1) Intangible assets arising from business combinations include our customer relationships, trademarks and non-compete agreements.

Reconciliation of net indebtedness

(in millions of dollars, except ratios)	As at May 1, 2022	As at October 31, 2021
Long-term debt	\$743.7	\$778.2
Current portion of long-term debt	149.9	187.3
Lease liabilities	142.1	137.3
Current portion of lease liabilities	24.1	23.1
Cash	(24.8)	(231.1)
Net indebtedness	\$1,035.0	\$894.8
Adjusted operating earnings before depreciation and amortization (last 12 months)	\$439.9	\$464.8
Net indebtedness ratio	2.35 x	1.93 x

