

**TSX: SXP****Price: \$3.87**

(as at February 22, 2024)

High: \$7.49**Low: \$3.58**

(Intraday, 52 weeks ended February 22, 2024)

Number of Shares Outstanding:**25,410,869** (February 21, 2024)

INVESTOR FACT SHEET

Q4 2023: ENDED DECEMBER 31

FOURTH QUARTER FINANCIAL HIGHLIGHTS AND RECENT EVENTS

- Total revenue of \$72.3 million, compared to \$78.8 million in the fourth quarter of 2022.
- Envelope segment revenue of \$50.6 million, down from \$60.7 million in the fourth quarter of 2022.
- Packaging & Specialty Products segment revenue increased 20.2% to \$21.7 million, from \$18.1 million last year.
- Net earnings were \$0.7 million, compared to \$6.7 million in the fourth quarter of 2022.
- Adjusted EBITDA⁽¹⁾ was \$9.0 million, or 12.4% of revenue, versus \$15.3 million, or 19.5% of revenue, last year.
- Earnings per share was to \$0.03, versus \$0.26 in the fourth quarter of 2022.
- Solid free cash flow at \$15.1 million, compared to \$10.2 million in the fourth quarter of 2022.
- Departure of the President of the Packaging and Specialty Products segment on October 17, 2023.
- On February 21, 2024, the Board of Directors declared an increased quarterly dividend of \$0.04 per common share, payable on April 5, 2024 to shareholders of record at the close of business on March 21, 2024.

⁽¹⁾ This is a non-IFRS financial measure. Please refer to the Q4-23 MD&A for a definition and reconciliation.

A WORD FROM MANAGEMENT

After a record 2022, calendar 2023 has been challenging for Supremex as a result of the slower than expected pace at which the industries we serve have been recovering, and to a lesser extent, operational inefficiencies in previous quarters after relocating certain Packaging operations. While the sales landscape continues to improve, market conditions remain very weak. That said, Supremex enters 2024 with solid operating teams in both business segments after its third quarter packaging segment reorganization. In envelopes, we will continue to nurture the Canadian market while driving expansion in the U.S. On the packaging side, the combination of improved efficiency and quality of execution should enable us to resume positive momentum. Given our solid cash flow and healthy balance sheet, we remain well positioned to take advantage of growth opportunities, while continuing to methodically pay down debt, repurchase shares and pay increased dividends.

Stewart Emerson
President and CEO
February 22, 2024

FINANCIAL HIGHLIGHTS

(in thousands of Canadian dollars, except per share data and margins)

	Quarters ended		Twelve-month periods ended	
	December 31, (unaudited)		December 31, (audited)	
	2023	2022	2023	2022
Revenue	72,301	78,761	302,187	272,467
Operating earnings	1,936	10,075	28,942	40,664
Adjusted EBITDA ⁽¹⁾	8,986	15,332	49,119	56,841
Adjusted EBITDA margin ⁽¹⁾	12.4%	19.5%	16.3%	20.9%
Net earnings	724	6,660	17,334	28,436
Basic and diluted net earnings per share	0.03	0.26	0.67	1.09
Adjusted net earnings ⁽¹⁾	2,236	7,854	18,335	29,980
Adjusted net earnings per share ⁽¹⁾	0.09	0.31	0.71	1.15
Weighted average number of shares outstanding	25,763,407	26,041,258	25,898,269	26,152,557

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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
May 8, 2023	Graf-Pak Inc.	Pointe-Claire, QC	Provider of folding carton packaging solutions to a variety of commercial markets
January 16, 2023	Impression Paragraph Inc.	Ville-St-Laurent, QC	Integrated provider of paper-based packaging, print and point-of-sale products
November 1, 2022	Royal Envelope Corporation	Chicago, Illinois	Envelope manufacturer and lithography company focused on direct mail applications for the financial services sector

5-YEAR FINANCIAL REVIEW

(in millions of Canadian dollars, except per share data and margins)	2023	2022	2021	2020	2019
Revenue	302.2	272.5	226.4	204.6	191.7
Operating earnings	28.9	40.7	23.3	13.4	13.6
Adjusted EBITDA ⁽¹⁾	49.1	56.8	39.0	32.5	25.4
Adjusted EBITDA margin ⁽¹⁾	16.3%	20.9%	17.2%	15.9%	13.2%
Net earnings	17.3	28.4	15.8	7.5	7.1
Basic and diluted net earnings per share	0.67	1.09	0.58	0.27	0.25
Adjusted net earnings ⁽¹⁾	18.3	30.0	17.4	11.4	7.1
Adjusted net earnings per share ⁽¹⁾	0.71	1.15	0.64	0.41	0.25

⁽¹⁾ This is a non-IFRS financial measure. Please refer to the Q4-23 MD&A for a definition and reconciliation.

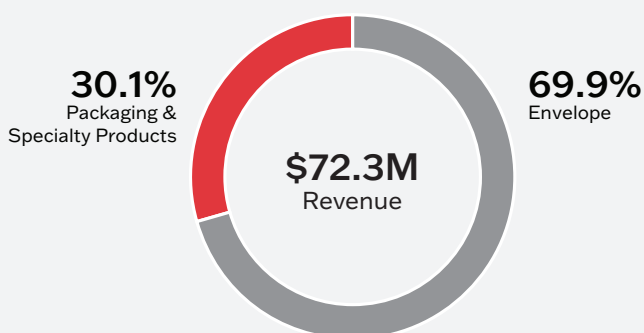
OUTLOOK

Following a challenging market environment year in 2023, the Company anticipates demand to gradually return to historical patterns, although the pace of market recovery could be further impacted by persisting high interest rates and inflation. As it continues to expand in the vast and fragmented U.S. envelope market, Supremex will be increasingly subject to competitive pressures, but the Company will rely on its solid reputation and geographic reach to stimulate sales while continuing to proactively control expenses.

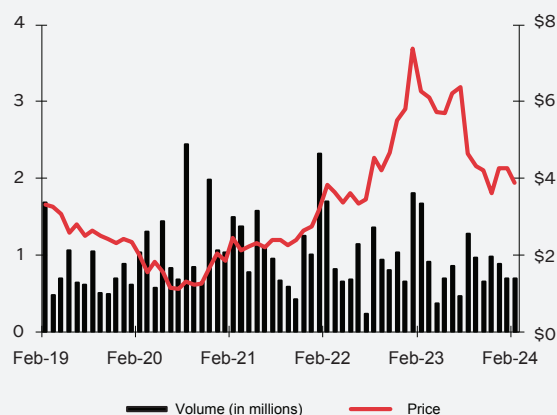
The Company remains focused on capturing all sales and cost synergies from recent business acquisitions. As such, the optimization initiatives announced in October 2023 for the Packaging and specialty products segment are expected to yield annual cost savings of approximately \$1.5 million once all measures are implemented, while a new management structure will enhance capacity to drive value in each target market and maintain proximity with customers.

With respect to capital deployment, the Company will continue to look for strategic acquisitions, mainly in the Packaging and specialty products segment, while sustaining capital returns to shareholders.

REVENUE SEGMENTATION (in % of Q4 2023)



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 six manufacturing facilities in four states in the United States employing approximately 1,000 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, direct mailers, resellers, government entities, SMEs and solutions providers.