

RPI.UN Annual General Meeting – May 4, 2023

Good Things
Come in



Gerry Glynn – Director
Enzio Di Gennaro - CFO



DISCLAIMERS

Forward-looking statements

This presentation contains certain forward-looking statements regarding future growth potential, results of operations, performance and business prospects of the Fund. These statements contain management’s current beliefs and are based on information currently available to the management of the Company. A number of factors could cause actual events or results to differ materially from those discussed in the forward-looking statements. Although these statements are based upon what management believes to be reasonable assumptions, there can be no assurance that actual results will be consistent with these statements. These statements are made as of the date of the Fund’s 2022 Annual Report.

Non-IFRS financial measures

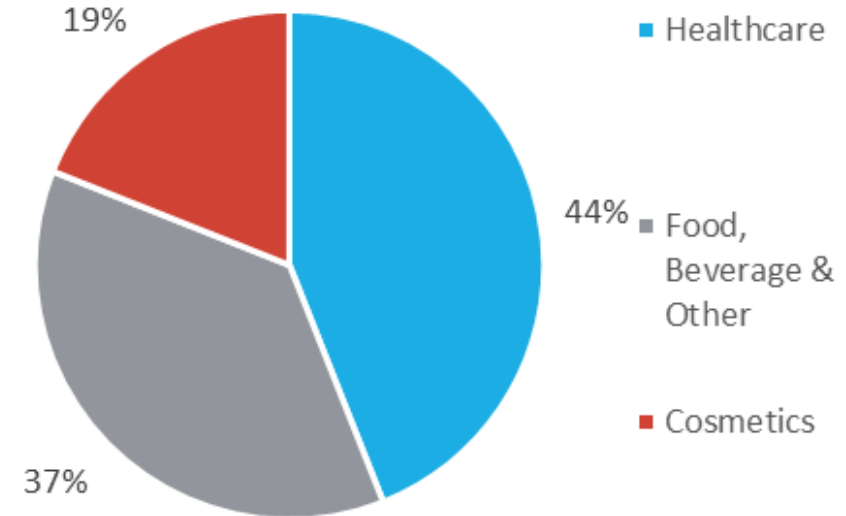
The Company reports its financial results in accordance with IFRS. However, the following non-IFRS measures are used by the Company: Adjusted EBITDA, Distributable Cash Flow, Free Cash Flow, and Payout Ratio. Additional details for these non-IFRS measures can be found in the Company’s Financial Statements and MD&A, which are available on the Company’s website at www.richardspackaging.com.

HIGHLIGHTS

- #1 packaging distributor in Canada; #3 in North America
- Healthcare footprint in Canada only (44% of total enterprise)
- Highly diversified geographically and by end customer markets
- Organic growth first half 8%, second half 2% - stalled with supply disruptions
- Adjusted EBITDA first half 15%, second half 13% as a % of sales
- History of accretive acquisitions
- Strong balance sheet with leverage at 0.9x adjusted EBITDA and 35% payout ratio at an 11¢/month distribution; special paid in March 2023 brings payout to 46%
- Minimal capital expenditure requirements – spending concentrated on technology upgrades

RICHARDS OVERVIEW – SINCE 1912

Richards continues focus in Healthcare and non-manufacturing assets



- Diversified Customer Base - over 17,000 customers
- 62% Canada & 38% US
- Distributor of over 8,000 items sourced from over 900 suppliers; 6% manufactured
- ~ 600 employees
- Sold Toronto manufacturing to strategic supplier

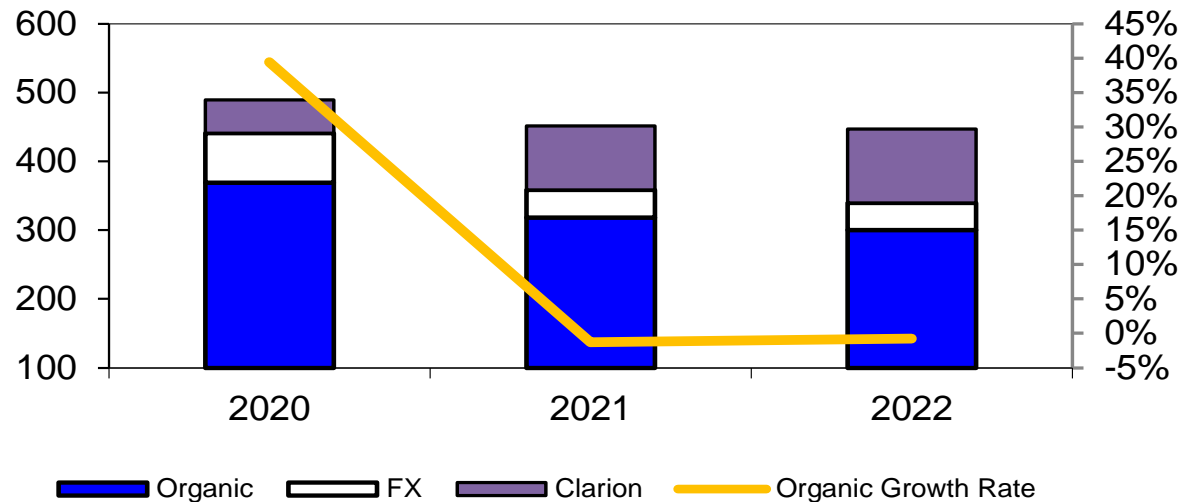
Revenue growth

(% change)	Qtr.1	Qtr.2	Qtr.3	Qtr.4	2022
Cosmetics.....	-22.1%	-16.9%	-33.4%	-34.1%	-26.4%
Healthcare.....	8.9%	17.2%	10.5%	2.8%	9.6%
Food, beverage & other.....	9.3%	5.2%	2.1%	-8.6%	2.0%
Exchange translation.....	-1.1%	0.7%	-5.0%	0.2%	-0.2%
Weighted average growth	0.1%	5.9%	-2.8%	-7.1%	-1.0%

REVENUE GROWTH AMIDST A CHALLENGING F/X ENVIRONMENT

Clarion contributing to Healthcare boost – cosmetics impacted by oversupply

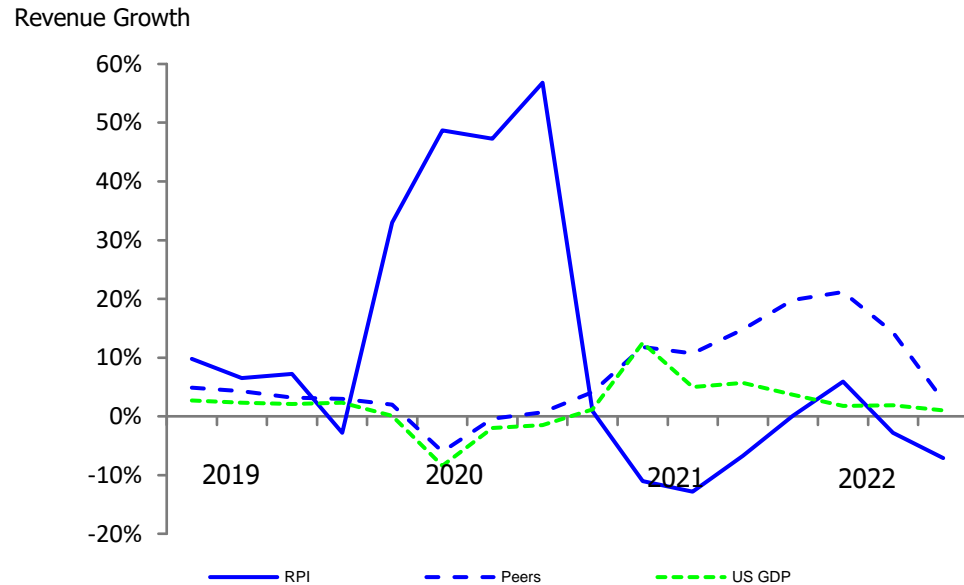
(\$ millions)



- CAGR on revenue of 10.2% pre coronavirus – acquisition driven
- 2022 FX annual = 77¢ - Revenue FX sensitivity - 1¢ movement = \$0.5 mil.
- 2022 Cosmetics down \$24 mil. due to oversupply of pumps and sprayers and unwinding of coronavirus impact
- 2022 Healthcare increased \$17 mil. on strong hospital pharmacy supply, vision care and aesthetics sales
- 2022 Food and beverage up \$3 mil. in line with GDP

GDP AND PACKAGING MARKETS

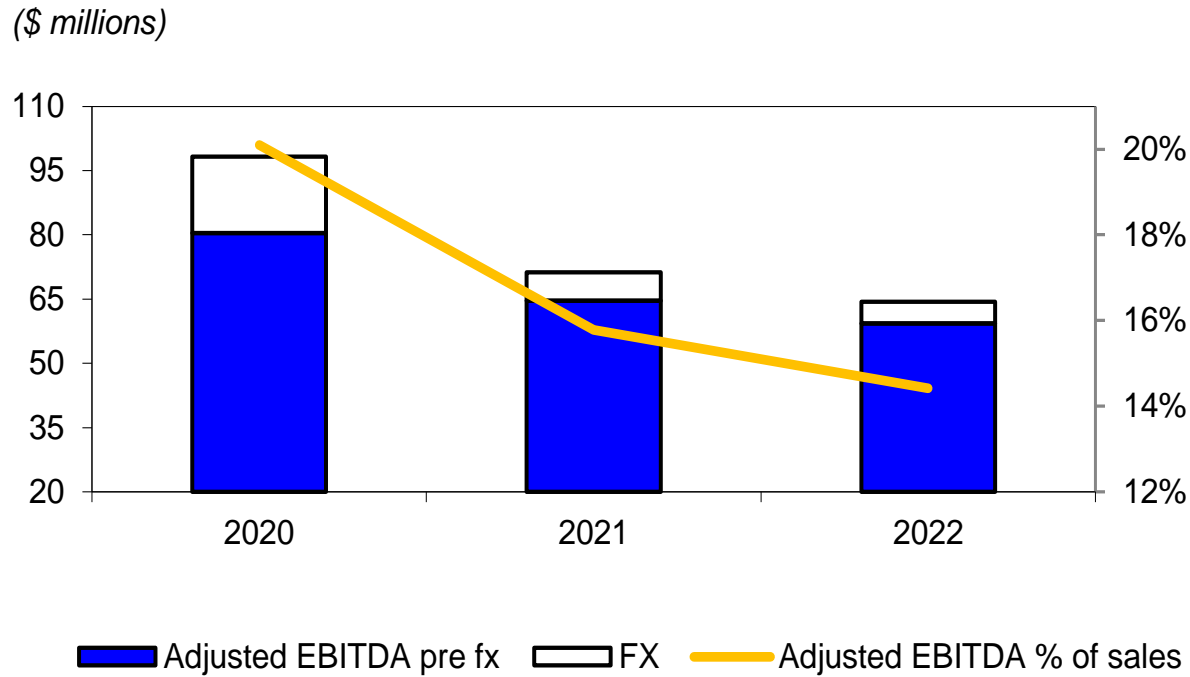
Softer GDP, oversupply putting pressure on revenue



- Packaging growth outpaced RPI and GDP in 2022
- RPI higher in Healthcare and cosmetics for 2020-2022
- Approximately 252 industry wide acquisitions annually; median multiple of 8x EBITDA (11x 2021)
- RPI Acquisition history:
 - Q2 2020 – Clarion
 - Q2 2015 – Healthmark
 - Q4 2007 – McKernan
 - Q3 2005 – Dispill
 - Q4 2004 – Kay Containers, Calgary Plastics, Foss Distributors
- Peer group includes 12 North American publicly traded packaging companies

ADJUSTED EBITDA¹

Product mix and lack of fixed cost absorption impacting margin



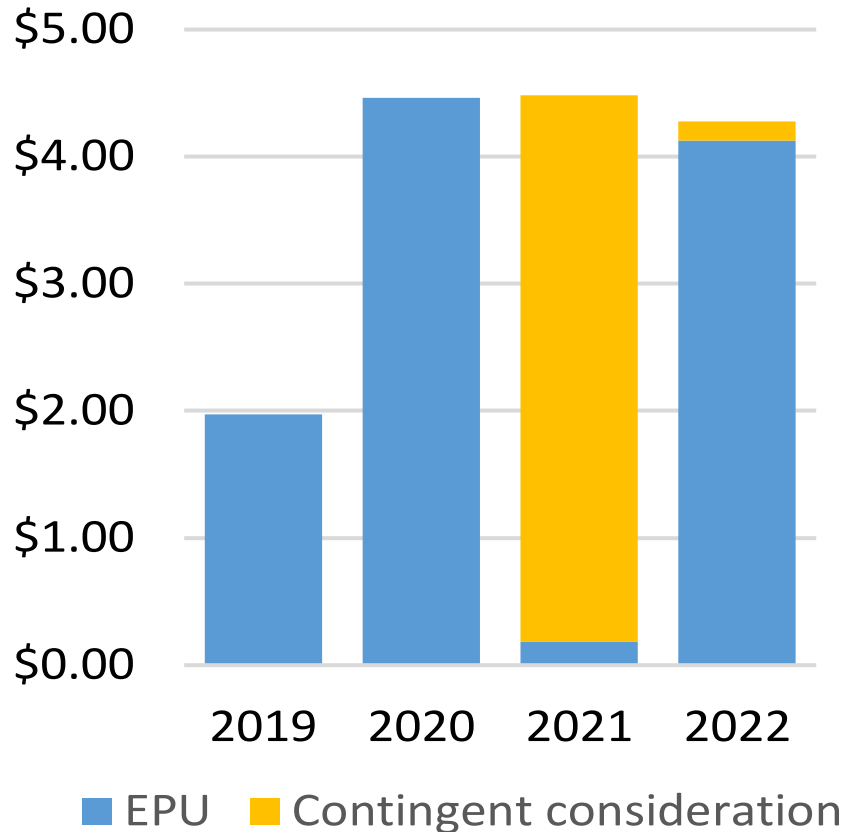
(\$ millions)	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenue	\$ 489.2	\$ 451.4	\$ 446.9
Margin	117.5	92.9	86.8
	% 24.0%	20.6%	19.4%
Admin. Exp	19.3	21.2	21.3
Adjusted EBITDA	\$ 98.3	\$ 71.2	\$ 64.4
	% 20.1%	15.8%	14.4%
<i>Diluted/Unit</i>	8.40	6.13	5.64

- Adjusted EBITDA as a % of sales down on change in mix and fixed cost burden on lower volumes
- Adjusted EBITDA FX sensitivity - 1¢ = 0.05 mil.
- 2022 FX impact down \$1.5 mil. (2021 – down \$11.3 mil.)

NET INCOME

Contingent consideration and Exchangeable share mark to market impact Net Income

Net Income Per Unit

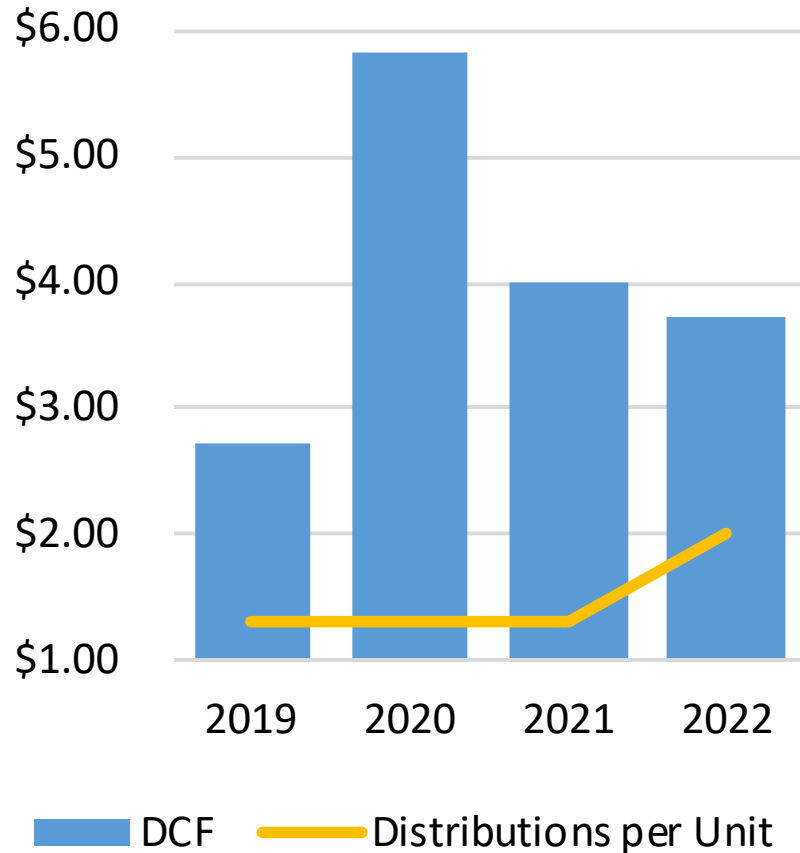


- Exceptional items = contingent consideration on Clarion earnout and restructuring fees - \$4.30/U in 2021
- Exchangeable shares treated as debt therefore impact is mark-to-market adjustments – no cash or tax effect - \$0.57/U & \$0.69/U in 2021 & 2022
- Debt up from 2019 to 2022 of \$50 mil.; starting in March of 2022, interest rates up 4% for the year;

DISTRIBUTABLE CASH FLOW (DCF)

Special distribution paid in March 2022 and March 2023

DCF Per Unit



Distributable Cash Flow

- Adjusted EBITDA down 50¢ in 2022
- Interest up on borrowing for Clarion earnout
- Maintenance capital – system upgrades
- Distributable cash flow FX sensitivity - 1¢ = \$0.03 mil.

Distributions

- Up on 69¢ special paid in March 2022
- Paid an additional 38¢ in March 2023

DISTRIBUTION POLICY STRESS TEST – RETAIN CAPITAL FOR OPPORTUNITIES

Well positioned to weather dramatic economic downdrafts

<i>(\$ millions)</i>	<u>2022</u>	<u>Adj's</u>	<u>Proforma</u>
Adjusted EBITDA	64.4	(0.8)	63.6
Interest	(5.3)	(1.0)	(6.3)
Taxes	(14.8)	(2.7)	(17.5)
Maintenance capital	<u>(1.5)</u>	0.4	<u>(1.1)</u>
Distributable cash flow	42.8		38.7
Current distribution level	15.1		15.1
Payout Ratio	35%		39%

- Pro forma distributable cash reflects impact of a long-term interest rates of 5% interest , higher US taxes at risk of being imposed and a U.S./Cdn. 80¢ exchange rate
- Distributions for 2023 will be taxable
- Special distribution paid in 2023 for 2022 takes payout ratio to 46%
- Acquisition capacity – Max. leverage 2.75x or an additional \$110 million of debt
- Distribution decision in March each year – paying specials in lieu of acquisitions

INVESTMENT PROPOSITION – RPI.UN UNIT PERFORMANCE

RPI Ownership – insiders and institutional



Ownership:

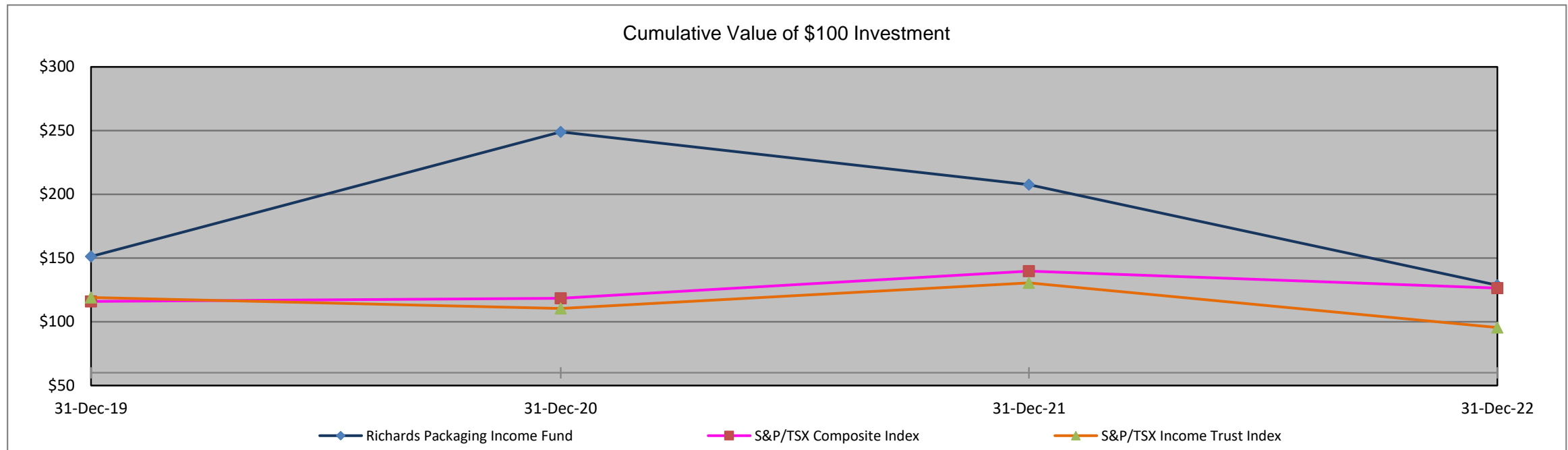
- 11.4 mil. Units o/s
- Directors & management currently 28%
- 9 institutions ~ 30%
- Retail Float ~ 42% (thinly traded)

Unit price movement:

- Pre-coronavirus pricing around \$40; dip in March 2020 due to market reaction
- Steep increase later in 2020 due to coronavirus bump and acquisition of Clarion
- Now down to pre-coronavirus levels

INVESTMENT PROPOSITION – CUMULATIVE VALUE

RPI value drop more severe than indices – yield pressure with rising interest rates



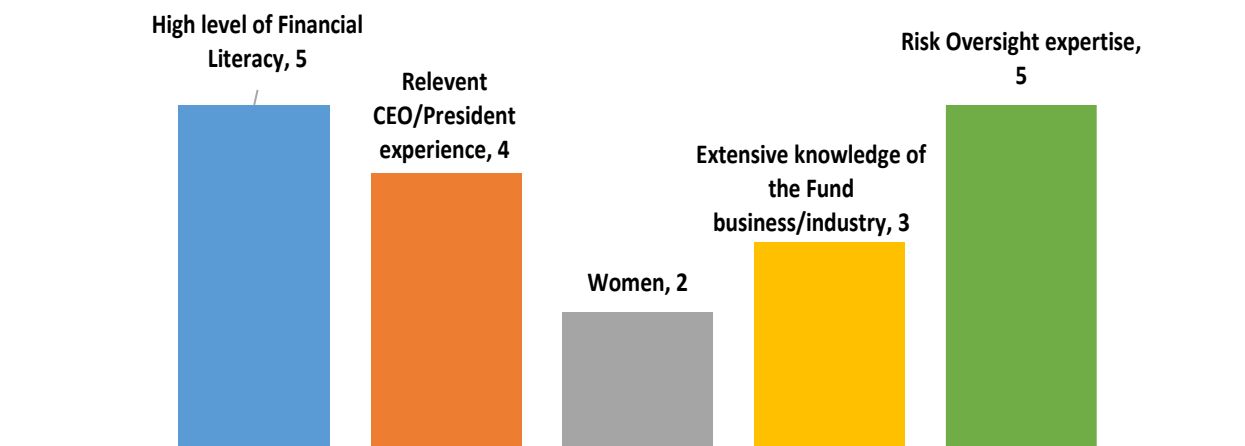
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Cumulative</u>
	<u>\$ per Unit</u>	<u>\$ per Unit</u>	<u>\$ per Unit</u>	<u>\$ per Unit</u>	<u>\$ per Unit</u>
Distributions	1.32	1.32	1.32	2.01	5.97
Unit Value	10.59	31.26	(15.09)	(18.36)	8.40
NCIB	-	-	1.44	-	1.44
LTIP	(0.02)	(0.02)	(0.02)	(0.02)	(0.06)
Total	11.89	32.56	(12.34)	(16.37)	15.75

- Opening price Jan. 2019 of \$35.00
- Dec. 31 closing price of \$43.40; current \$40
- 275,000 Units bought in NCIB in 2021; no tax basis left
- LTIP - \$0.2 mil per year

BOARD OF TRUSTEES/DIRECTORS

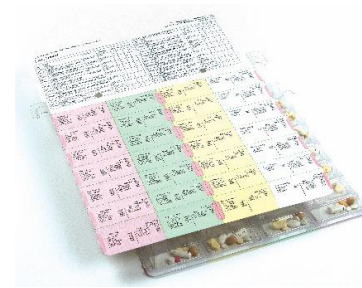
Darlene Dasent has been added in 2023 – Women represent 40%

Trustee/Director	Active Since	Background
Donald Wright Chair	2004	President and CEO of Winnington Capital Group Inc. Mr. Wright was Deputy Chairman of TD Bank Financial Group from 2001 to 2002 and Chairman and Chief Executive Officer of TD Securities Inc. from 1998 to 2002.
Susan Allen Chair – Audit Committee	2017	Director positions on various boards of directors, public and private, and has extensive experience with Audit Committees from her 34 year career with PricewaterhouseCoopers LLP, where she held both National and Global leadership positions as an audit partner until her retirement in 2016.
Rami Younes Chair – Compensation and Corporate Governance Committee	2005	Director positions on various boards of directors including Lancaster Technology Board, a private packaging business. Mr. Younes served as President of CCL Container, a division of CCL Industries Inc. from 1980 to 2006.
Gerry Glynn Director & Trustee	2004	Chief Executive Officer of Richards Packaging form November 2002 to December 2020. Subsequently entered into an independent contractor arrangement through to May 2024.
Darlene Dasent Director & Trustee	2023	Currently Executive Vice President and Chief Financial Officer at University Health Network (UHN), Canada’s largest academic health sciences hospital and has held senior financial roles across industries including a publicly traded manufacturer along with experience in public accounting and consulting.



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Thank you!

