

Winpak Reports 2020 Second Quarter Results

Winnipeg, Manitoba, July 23, 2020 - Winpak Ltd. (WPK) today reports consolidated results in US dollars for the second quarter of 2020, which ended on June 28, 2020.

	Quarter Ended		Year-To-Date Ended	
	June 28 2020	June 30 2019	June 28 2020	June 30 2019
<i>(thousands of US dollars, except per share amounts)</i>				
Revenue	216,201	219,618	429,797	443,653
Net income	29,920	31,893	53,466	61,081
Income tax expense	10,597	11,247	19,202	21,782
Net finance income	(131)	(1,304)	(1,161)	(2,441)
Depreciation and amortization	11,170	10,205	22,005	20,363
EBITDA (1)	51,556	52,041	93,512	100,785
Net income attributable to equity holders of the Company	29,226	31,086	52,381	59,515
Net income attributable to non-controlling interests	694	807	1,085	1,566
Net income	29,920	31,893	53,466	61,081
Basic and diluted earnings per share (cents)	45	48	81	92

Winpak Ltd. manufactures and distributes high-quality packaging materials and related packaging machines. The Company's products are used primarily for the packaging of perishable foods, beverages and in healthcare applications.

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¹ EBITDA is not a recognized measure under International Financial Reporting Standards (IFRS). Management believes that in addition to net income, this measure provides useful supplemental information to investors including an indication of cash available for distribution prior to debt service, capital expenditures, payment of lease liabilities and income taxes. Investors should be cautioned, however, that this measure should not be construed as an alternative to net income, determined in accordance with IFRS, as an indicator of the Company's performance. The Company's method of calculating this measure may differ from other companies and, accordingly, the results may not be comparable.

Forward-looking statements: Certain statements made in the following report contain forward-looking statements including, but not limited to, statements concerning possible or assumed future results of operations of the Company. Forward-looking statements represent the Company's intentions, plans, expectations and beliefs, and are not guarantees of future performance. Such forward-looking statements represent Winpak's current views based on information as at the date of this report. They involve risks, uncertainties and assumptions and the Company's actual results could differ, which in some cases may be material, from those anticipated in these forward-looking statements. Factors that could cause results to differ from those expected include, but are not limited to: the terms, availability and costs of acquiring raw materials and the ability to pass on price increases to customers; ability to negotiate contracts with new customers or renew existing customer contracts with less favorable terms; timely response to changes in customer product needs and market acceptance of our products; the potential loss of business or increased costs due to customer or vendor consolidation; competitive pressures, including new product development; industry capacity, and changes in competitors' pricing; ability to maintain or increase productivity levels; ability to contain or reduce costs; foreign currency exchange rate fluctuations; changes in governmental regulations, including environmental, health and safety; changes in Canadian and foreign income tax rates, income tax laws and regulations. In addition, factors arising as a result of the Coronavirus (COVID-19) global pandemic that could cause results to differ from those expected include, but are not limited to: potential government actions, changes in consumer behaviors and demand, changes in customer requirements, disruptions of the Company's suppliers and supply chain, availability of personnel and uncertainty about the extent and duration of the pandemic. Unless otherwise required by applicable securities law, Winpak disclaims any intention or obligation to publicly update or revise this information, whether as a result of new information, future events or otherwise. The Company cautions investors not to place undue reliance upon forward-looking statements.

Financial Performance

Net income attributable to equity holders of the Company for the second quarter of 2020 of \$29.2 million or 45 cents in earnings per share (EPS) decreased by 6.0 percent from the \$31.1 million or 48 cents per share recorded in the corresponding quarter in 2019. A contraction in sales volumes caused EPS to decline by 1.5 cents, of which 1.0 cent is estimated to be attributed to COVID-19. Lower gross profit margins negatively impacted EPS by 2.0 cents. Furthermore, a reduction in net finance income dampened EPS 1.5 cents. Conversely, lower operating expenses added 1.5 cents to EPS. Foreign exchange raised EPS by 0.5 cents.

For the six months ended June 28, 2020, net income attributable to equity holders of the Company amounted to \$52.4 million or 81 cents per share, a decrease of 12.0 percent compared to the 2019 first half result of \$59.5 million or 92 cents per share. Weaker sales volumes lowered EPS by 4.0 cents. It is estimated that COVID-19 accounted for 1.0 cent. Also impactful were lower gross profit margins and foreign exchange, which subtracted 4.5 cents and 3.0 cents respectively from EPS. The reduction in net finance income further decreased EPS by 1.5 cents. Operating expenses and net income attributable to non-controlling interests had the opposite effect with both items augmenting EPS by 1.0 cent each.

Operating Segments and Product Groups

The Company provides three distinct types of packaging technologies: a) flexible packaging, b) rigid packaging and flexible lidding and c) packaging machinery. Each is deemed to be a separate operating segment.

The flexible packaging segment includes the modified atmosphere packaging, specialty films and biaxially oriented nylon product groups. Modified atmosphere packaging extends the shelf life of perishable foods, while at the same time maintains or improves the quality of the product. The packaging is used for a wide range of markets and applications, including fresh and processed meats, poultry, cheese, medical device packaging, high performance pouch applications and high-barrier films for converting applications. Specialty films include a full line of barrier and non-barrier films which are ideal for converting applications such as printing, laminating and bag making, including shrink bags. Biaxially oriented nylon film is stretched by length and width to add stability for further conversion using printing, metalizing or laminating processes and is ideal for food packaging applications such as cheese, fluid and viscous liquids, and industrial applications such as book covers and balloons.

The rigid packaging and flexible lidding segment includes the rigid containers, lidding and specialized printed packaging product groups. Rigid containers include portion control and single-serve containers, as well as plastic sheet, custom and retort trays, which are used for applications such as food, pet food, beverage, dairy, industrial and healthcare. Lidding products are available in die-cut, daisy chain and rollstock formats and are used for applications such as food, dairy, beverage, industrial and healthcare. Specialized printed packaging provides packaging solutions to the pharmaceutical, healthcare, nutraceutical, cosmetic and personal care markets.

Packaging machinery includes a full line of horizontal fill/seal machines for preformed containers and vertical form/fill/seal pouch machines for pumpable liquid and semi-liquid products and certain dry products.

Revenue

The impact of COVID-19 varied amongst the Company's product groups. It is estimated that COVID-19 reduced second quarter sales volumes between 1.0 to 2.0 percent and lowered year-to-date sales volumes between 0.5 to 1.0 percent. Order levels with respect to customers that serve the restaurant and food service industries were severely restrained due to shelter-in-place orders instituted across North America. In contrast, for customers that serve the retail food industry, overall volumes were elevated despite the prevalence of temporary plant closures within the protein sector from the pandemic.

Revenue in the second quarter of 2020 was \$216.2 million, \$3.4 million or 1.6 percent less than the second quarter of 2019. Volumes, in total, declined by 3.4 percent from the prior year comparable quarter after adjusting for the incremental volume from the Control Group acquisition in October 2019. The flexible packaging operating segment realized limited volume growth of 2 percent in the quarter. For the modified atmosphere packaging product group, modest volume growth reflected expansion within the Mexican market and heightened

demand with respect to certain customers that service the retail meat and cheese markets. Notable increases were realized in printed films and stand-up pouches. Conversely, biaxially oriented nylon volumes decreased moderately as several major customers in food services and non-food retail were negatively impacted by COVID-19. Within the rigid packaging and flexible lidding operating segment, volumes contracted by 10 percent in the quarter after adjusting for the acquisition of Control Group. The pronounced decline in rigid container volumes was mainly a consequence of the reduced level of involvement in supplying the specialty beverage business with the new recyclable polypropylene cup. Additionally, the shelter-in-place orders significantly affected the restaurant industry, weakening the demand for condiment and creamer containers. Positive volume gains were achieved relating to dessert containers and meat trays. The lidding product group volumes were relatively equal to the prior year as advances in dessert lidding were nearly offset by lower condiment and creamer lidding shipments. For the packaging machinery operating segment, solid volume growth of 6 percent was achieved in comparison to the second quarter of 2019. Selling price and mix changes, as well as the slight depreciation of the Canadian dollar relative to the US dollar, had a minor unfavorable impact on revenue.

For the first six months of 2020, revenue decreased by 3.1 percent to \$429.8 million from \$443.7 million in the corresponding prior year period. Normalizing for the acquisition of Control Group, volumes contracted by 4.5 percent. The flexible packaging operating segment attained volume growth of 3 percent. In particular, modified atmosphere packaging volumes accelerated due to both the overall enhanced demand for retail meat and cheese products and the inroads made within the Mexican market. Volumes within the rigid packaging and flexible lidding operating segment retreated by 11 percent after adjusting for the Control Group acquisition. Rigid container volumes decreased significantly due to the lower market share retained with respect to specialty beverages following the major customer's transition to a new recyclable cup. For the lidding product group, healthy first half volumes were attributable to food rollstock applications as well as specialty beverage and dessert lidding. Due to the exceptionally high number of machines shipped in the first half of the prior year, the packaging machinery operating segment's volumes dropped by 25 percent. The current machinery sales order backlog is exceptional, which should positively influence revenue for the remainder of 2020. Selling price and mix changes lowered revenue by 1.0 percent. Foreign exchange had virtually no effect on revenue.

Gross Profit Margins

Gross profit margins fell to 31.5 percent of revenue in the second quarter of 2020, down from the 32.4 percent of revenue recorded in the same quarter of 2019. The decrease in sales volumes, predominantly within the rigid container product group, led to under-utilized equipment capacity, causing a reduction in gross profit margins. This was largely offset by raw material costs declining to a much greater extent than the related selling price adjustments. The normal delayed timing of selling price pass-through adjustments to customers on formal price indexing programs led to this inequity.

For the first six months of 2020, gross profit margins of 30.8 percent of revenue narrowed by 0.8 percentage points from the 31.6 percent of revenue recorded in the 2019 year-to-date comparable period. The reduction in sales volumes, combined with the expansion in fixed manufacturing costs, lowered gross profit margins. However, this was tempered by the degree to which the decline in raw material costs exceeded the corresponding selling price adjustments.

The raw material purchase price index dropped by 5.9 percent compared to the first quarter of 2020. In the past 12 months, the decrease in the index was more noteworthy at 12.4 percent. During the second quarter, polypropylene resin costs declined by an additional 12 percent. The other major raw materials experienced moderate reductions.

Expenses and Other

Operating expenses, exclusive of foreign exchange and the acquisition of Control Group, in the second quarter of 2020 receded at a greater rate relative to the decline in sales volumes, thereby contributing 1.5 cents to EPS. As a direct consequence of the pandemic, travel related spending was significantly curtailed. Foreign exchange elevated EPS by 0.5 cents. Lower net finance income subtracted 1.5 cents from EPS and was the outcome of the substantial decline in the rate of interest earned on the Company's cash and cash equivalent amounts.

On a year-to-date basis, operating expenses, adjusted for foreign exchange and the Control Group acquisition, decreased at a rate of 6.4 percent in relation to the drop in sales volumes, generating an increase in EPS of 1.0 cent. Foreign exchange dampened EPS by 3.0 cents due to the large unfavorable translation differences recorded on the revaluation of monetary assets and liabilities denominated in Canadian dollars and Mexican pesos. Both currencies experienced a sizeable devaluation in relation to the US dollar since the start of the year. Additionally, the much lower rate of interest applied to the cash and cash equivalent amounts led to a contraction in EPS of 1.5 cents. In contrast, a lower proportion of earnings attributable to non-controlling interests elevated EPS by 1.0 cent.

Capital Resources, Cash Flow and Liquidity

The Company's cash and cash equivalents balance ended the second quarter of 2020 at \$455.7 million, an increase of \$38.3 million from the end of the prior quarter. Winpak generated strong cash flows from operating activities before changes in working capital of \$52.0 million. Working capital provided \$8.5 million in cash. Trade payables and other liabilities advanced by \$7.7 million, reflecting the magnitude of raw material purchases and the timing of supplier payments. Similarly, inventory levels climbed by \$3.8 million as a result of the level of raw material procurement. Trade and other receivables declined by \$3.8 million following the collection of value added taxes owing from government authorities in relation to recent capital expansion projects. Cash was used for plant and equipment additions of \$10.9 million, income tax payments of \$9.9 million, dividend payments of \$1.4 million and other items totaling \$0.3 million while net finance income provided cash of \$0.3 million.

For the first half of 2020, the cash and cash equivalents balance advanced by \$58.5 million as a result of the significant cash flow provided by operating activities before changes in working capital of \$94.5 million. Working capital generated \$1.7 million in cash. Cash outflows included: \$17.3 million in plant and equipment additions, income tax payments of \$17.2 million, dividend payments of \$2.9 million, employee defined benefit plan contributions of \$1.4 million and other items amounting to \$0.3 million. Net finance income had a positive impact of \$1.4 million.

Summary of Quarterly Results

	Thousands of US dollars, except per share amounts (US cents)							
	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Revenue	216,201	213,596	217,456	212,734	219,618	224,035	222,138	220,647
Net income attributable to equity holders of the Company	29,226	23,155	26,679	28,578	31,086	28,429	26,683	27,835
EPS	45	36	41	44	48	44	41	43

The Company initially applied IFRS 16 “Leases” at December 31, 2018. Under the transition method chosen by the Company, comparative information has not been restated.

Looking Forward

Along with most other North American businesses, Winpak continues to deal with the effects of the Coronavirus (COVID-19) pandemic. The Company is deemed an essential supplier of packaging materials and machinery for our customers in the food, beverage and healthcare industries. Winpak fully embraces its responsibility to undertake all the necessary measures to help minimize the impact of COVID-19 in its communities and ensures that all the necessary health and safety protocols are updated, followed and maintained at our production sites to protect our dedicated employees and their families. The Company has been able to keep all its plants operational with relatively minor issues during the pandemic. Winpak is closely following the various effects from the lifting of the shelter-in-place orders across North America with the resurgence and potential second wave of COVID-19 cases in certain parts of the United States. The extent and duration of the pandemic remains uncertain, making it difficult to predict the ongoing effects on Winpak’s operations and financial results.

Starting in the latter part of the second quarter, the removal of shelter-in-place orders and the different stages of reopenings across North America has resulted in some varied shifting of customer order patterns. The flexible packaging segment has benefitted from heightened buying by consumers at the retail level from pantry filling and elevated at-home food consumption, most notably with printed films and stand-up pouches. However, there has been recent softness in customer order levels in the protein and cheese markets. Almost all customers’ protein plants that were previously shut down due to COVID-19 cases within their facilities have since been able to reopen, however, the increased level of safety measures to protect their employees has reduced their output capabilities. Winpak is starting to experience lighter order volumes with a few of these customers. This segment has started to realize a marginal recovery in order activity in the food service and non-food retail markets. The demand for single-serve products in the rigid packaging and flexible lidding segment with customers in the restaurant and food service industries has slowly started to rebound with the expectation that volumes will remain muted in the near term. Rigid container products continue to benefit from elevated volumes in fresh meat trays and dessert containers. New pet food retort tray business was scheduled to scale-up in the second quarter along with two new dessert tray products that were to commence in the third quarter. However, due to the pandemic, all three product launches have been deferred until early 2021. Separate from COVID-19, rigid containers continued to experience a sizeable reduction in volumes due to the reduced supply position of the recyclable specialty beverage polypropylene cup which will continue to impact year-over-year comparisons through the third quarter. The lidding product group continues to experience modest volume gains within the food rollstock, specialty beverage and dessert lidding products. The packaging machinery segment continues to benefit from a robust machine order backlog which will keep it very busy for the remainder of the year. During the pandemic, the raw material supply chain has remained consistent and reliable which has enabled all plants to remain fully operational. The significant drop in oil prices earlier in the year, from over supply and reduced demand due to COVID-19, has lowered the Company’s raw material resin costs with the three primary resins experiencing moderate reductions during the second quarter. This trend is forecasted to start reversing in the last six months of the year due in part to resin suppliers curtailing production levels in order to support price increases. The timing and magnitude of these future increases is difficult to predict. These potential raw material cost increases would be a headwind to gross profit margins moving forward. In the first half of 2020, Winpak’s gross profit margins have benefitted from lower raw material prices, however, in the second half of the year, these declines will result in notably reduced selling prices to customers due to the pass-through of lower raw material costs as 65 percent of the Company’s revenues are indexed albeit with a 90 to 120-day time lag. These lower selling prices will put downward pressure on Winpak’s gross profit margins in the second half of the year. Should the current level of the Canadian dollar versus the US dollar persist for the balance of the year, the overall effect from foreign exchange on net income should not be significant after considering the foreign exchange hedges that have been executed. Finance income earned on the cash and cash equivalent amounts will continue to be minimal due to the negligible North American interest rates.

Capital expenditures remained relatively light in the second quarter with spending expected to accelerate in the second half of the year and be in the area of \$45 to \$55 million for 2020. COVID-19 has created disruptions with certain larger scale projects and there is now some uncertainty as to the timing of completion due to possible further delays from labor shortages and equipment suppliers in North America and Europe. The new biaxially oriented polyamide (BOPA) line and building expansion in Winnipeg, Manitoba continues to progress but has encountered some pandemic related setbacks and commercial start-up is expected to commence mid-year 2021. At the Winnipeg,

Manitoba modified atmosphere packaging plant, projects include: adding capacity with a new cast co-extrusion line, new conversion capabilities for resealable lidding and spouted pouches and modifications to two of the cast co-extrusion lines, which will elevate Wipak's competencies and product offerings with a new generation of reusable/recyclable high-barrier thermoformable films. Other initiatives to note include: the relocation of the packaging machinery operation to Rialto, California with an expanded leased facility and additional slitting capabilities at the Norwood, New Jersey site. For the time being, COVID-19 has put any potential acquisition opportunities on hold as there has been limited activity in this regard. Wipak continues to generate strong cash flows from operations with sizeable cash resources on hand, along with unused operating lines of credit totaling \$38 million, which has permitted the Company to operate successfully during the pandemic.

Winpak Ltd.
Interim Condensed Consolidated Financial Statements
Second Quarter Ended: June 28, 2020

These interim condensed consolidated financial statements have not been audited or reviewed by the Company's independent external auditors, KPMG LLP. For a complete set of notes to the condensed consolidated financial statements, refer to www.sedar.com or the Company's website, www.winpak.com.

Winpak Ltd.
Condensed Consolidated Balance Sheets
(thousands of US dollars) (unaudited)

	June 28 2020	December 29 2019
Assets		
Current assets:		
Cash and cash equivalents	455,673	397,159
Trade and other receivables	137,683	141,855
Income taxes receivable	6,120	1,253
Inventories	130,906	130,467
Prepaid expenses	4,550	2,715
Derivative financial instruments	29	527
	<u>734,961</u>	<u>673,976</u>
Non-current assets:		
Property, plant and equipment	494,630	489,267
Intangible assets	36,584	37,326
Employee benefit plan assets	11,062	11,131
Deferred tax assets	649	688
	<u>542,925</u>	<u>538,412</u>
Total assets	<u>1,277,886</u>	<u>1,212,388</u>
Equity and Liabilities		
Current liabilities:		
Trade payables and other liabilities	65,244	64,134
Contract liabilities	2,931	3,715
Provisions	149	149
Income taxes payable	727	3,529
Derivative financial instruments	742	8
	<u>69,793</u>	<u>71,535</u>
Non-current liabilities:		
Employee benefit plan liabilities	12,350	11,411
Deferred income	13,535	14,237
Provisions and other long-term liabilities	14,018	4,839
Deferred tax liabilities	52,685	44,604
	<u>92,588</u>	<u>75,091</u>
Total liabilities	<u>162,381</u>	<u>146,626</u>
Equity:		
Share capital	29,195	29,195
Reserves	(523)	380
Retained earnings	1,054,763	1,005,202
Total equity attributable to equity holders of the Company	<u>1,083,435</u>	<u>1,034,777</u>
Non-controlling interests	<u>32,070</u>	<u>30,985</u>
Total equity	<u>1,115,505</u>	<u>1,065,762</u>
Total equity and liabilities	<u>1,277,886</u>	<u>1,212,388</u>

Winpak Ltd.**Condensed Consolidated Statements of Income***(thousands of US dollars, except per share amounts) (unaudited)*

	Quarter Ended		Year-To-Date Ended	
	June 28 2020	June 30 2019	June 28 2020	June 30 2019
Revenue	216,201	219,618	429,797	443,653
Cost of sales	(148,156)	(148,359)	(297,583)	(303,264)
Gross profit	68,045	71,259	132,214	140,389
Sales, marketing and distribution expenses	(16,407)	(17,230)	(34,108)	(34,919)
General and administrative expenses	(7,607)	(7,985)	(15,700)	(16,619)
Research and technical expenses	(3,859)	(4,381)	(7,912)	(8,458)
Pre-production expenses	-	(160)	(178)	(160)
Other income (expenses)	214	333	(2,809)	189
Income from operations	40,386	41,836	71,507	80,422
Finance income	744	2,285	2,403	4,391
Finance expense	(613)	(981)	(1,242)	(1,950)
Income before income taxes	40,517	43,140	72,668	82,863
Income tax expense	(10,597)	(11,247)	(19,202)	(21,782)
Net income for the period	29,920	31,893	53,466	61,081
Attributable to:				
Equity holders of the Company	29,226	31,086	52,381	59,515
Non-controlling interests	694	807	1,085	1,566
	29,920	31,893	53,466	61,081
Basic and diluted earnings per share - cents	45	48	81	92

Condensed Consolidated Statements of Comprehensive Income*(thousands of US dollars) (unaudited)*

	Quarter Ended		Year-To-Date Ended	
	June 28 2020	June 30 2019	June 28 2020	June 30 2019
Net income for the period	29,920	31,893	53,466	61,081
<u>Items that will not be reclassified to the statements of income:</u>				
Cash flow hedge gains recognized	-	43	-	502
Cash flow hedge losses transferred to property, plant and equipment	-	413	-	508
Income tax effect	-	-	-	-
	-	456	-	1,010
<u>Items that are or may be reclassified subsequently to the statements of income:</u>				
Cash flow hedge gains (losses) recognized	520	585	(1,623)	1,276
Cash flow hedge losses transferred to the statements of income	464	309	391	855
Income tax effect	(264)	(239)	329	(570)
	720	655	(903)	1,561
Other comprehensive income (loss) for the period - net of income tax	720	1,111	(903)	2,571
Comprehensive income for the period	30,640	33,004	52,563	63,652
Attributable to:				
Equity holders of the Company	29,946	32,197	51,478	62,086
Non-controlling interests	694	807	1,085	1,566
	30,640	33,004	52,563	63,652

Winpak Ltd.
Condensed Consolidated Statements of Changes in Equity
(thousands of US dollars) (unaudited)

	Attributable to equity holders of the Company					
	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at December 31, 2018	29,195	(2,264)	893,279	920,210	27,693	947,903
Comprehensive income for the period						
Cash flow hedge gains, net of tax	-	1,437	-	1,437	-	1,437
Cash flow hedge losses transferred to the statements of income, net of tax	-	626	-	626	-	626
Cash flow hedge losses transferred to property, plant and equipment	-	508	-	508	-	508
Other comprehensive income	-	2,571	-	2,571	-	2,571
Net income for the period	-	-	59,515	59,515	1,566	61,081
Comprehensive income for the period	-	2,571	59,515	62,086	1,566	63,652
Dividends	-	-	(2,948)	(2,948)	-	(2,948)
Balance at June 30, 2019	29,195	307	949,846	979,348	29,259	1,008,607
Balance at December 30, 2019	29,195	380	1,005,202	1,034,777	30,985	1,065,762
Comprehensive (loss) income for the period						
Cash flow hedge losses, net of tax	-	(1,189)	-	(1,189)	-	(1,189)
Cash flow hedge losses transferred to the statements of income, net of tax	-	286	-	286	-	286
Other comprehensive loss	-	(903)	-	(903)	-	(903)
Net income for the period	-	-	52,381	52,381	1,085	53,466
Comprehensive (loss) income for the period	-	(903)	52,381	51,478	1,085	52,563
Dividends	-	-	(2,820)	(2,820)	-	(2,820)
Balance at June 28, 2020	29,195	(523)	1,054,763	1,083,435	32,070	1,115,505

Winpak Ltd.**Condensed Consolidated Statements of Cash Flows***(thousands of US dollars) (unaudited)*

	Quarter Ended		Year-To-Date Ended	
	June 28 2020	June 30 2019	June 28 2020	June 30 2019
Cash provided by (used in):				
Operating activities:				
Net income for the period	29,920	31,893	53,466	61,081
Items not involving cash:				
Depreciation	11,142	10,468	21,944	20,886
Amortization - deferred income	(382)	(383)	(770)	(755)
Amortization - intangible assets	410	120	831	232
Employee defined benefit plan expenses	855	908	1,770	1,764
Net finance income	(131)	(1,304)	(1,161)	(2,441)
Income tax expense	10,597	11,247	19,202	21,782
Other	(441)	(444)	(782)	(1,183)
Cash flow from operating activities before the following	51,970	52,505	94,500	101,366
Change in working capital:				
Trade and other receivables	3,784	3,532	4,172	1,722
Inventories	(3,797)	(2,909)	(439)	710
Prepaid expenses	309	(170)	(1,835)	(1,383)
Trade payables and other liabilities	7,717	3,995	566	2,671
Contract liabilities	442	394	(784)	(1,564)
Employee defined benefit plan contributions	(109)	(107)	(1,408)	(2,091)
Income tax paid	(9,908)	(12,652)	(17,200)	(20,903)
Interest received	735	2,227	2,284	4,359
Interest paid	(443)	(880)	(920)	(1,769)
Net cash from operating activities	50,700	45,935	78,936	83,118
Investing activities:				
Acquisition of property, plant and equipment - net	(10,864)	(11,547)	(17,251)	(28,862)
Acquisition of intangible assets	(57)	(17)	(88)	(35)
	(10,921)	(11,564)	(17,339)	(28,897)
Financing activities:				
Payment of lease liabilities	(97)	(105)	(198)	(209)
Dividends paid	(1,394)	(1,460)	(2,885)	(2,889)
	(1,491)	(1,565)	(3,083)	(3,098)
Change in cash and cash equivalents	38,288	32,806	58,514	51,123
Cash and cash equivalents, beginning of period	417,385	362,639	397,159	344,322
Cash and cash equivalents, end of period	455,673	395,445	455,673	395,445