

**Winpak Reports 2025 First Quarter Results**

**Winnipeg, Manitoba, April 24, 2025** - Winpak Ltd. (WPK) today reports consolidated results in US dollars for the first quarter of 2025, which ended on March 30, 2025.

	Quarter Ended	
	March 30 2025	March 31 2024
<i>(thousands of US dollars, except per share amounts)</i>		
Revenue	284,802	276,783
Net income	34,445	35,775
Income tax expense	12,849	13,647
Net finance income	(2,760)	(6,174)
Depreciation and amortization	13,570	12,653
EBITDA (1)	58,104	55,901
Net income attributable to equity holders of the Company	34,576	35,522
Net (loss) income attributable to non-controlling interests	(131)	253
Net income	34,445	35,775
Basic and diluted earnings per share (cents)	56	55

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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<sup>1</sup> EBITDA is not a recognized measure under IFRS Accounting 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 Wipak'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 tariff rates; changes in Canadian and foreign income tax rates, income tax laws and regulations. Unless otherwise required by applicable securities law, Wipak 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 (Earnings) for the first quarter of 2025 of \$34.6 million declined by \$0.9 million or 2.7 percent from the comparable 2024 quarter. The growth in sales volumes raised Earnings by \$0.9 million. Conversely, net finance income reduced Earnings by \$2.7 million. In total, all remaining items elevated Earnings by \$0.9 million.

### 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, pet food, 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

Revenue in the first quarter of 2025 was \$284.8 million, \$8.0 million or 2.9 percent above the first quarter of 2024. Volume growth of 2.5 percent was realized compared to the initial quarter of 2024. Within the flexible packaging operating segment, volume expansion of 5 percent was achieved. Volume growth of 7 percent was attained by the modified atmosphere packaging product group, reflecting healthy gains with meat applications. Biaxially oriented nylon product group volumes retreated by 8 percent as suboptimal machine operating performance negatively impacted available capacity. The rigid packaging and flexible lidding operating segment posted volume losses of 1 percent. For the lidding product group, volumes fell by 6 percent because of lower applesauce and specialty beverage activity. Rigid container volumes improved by 3 percent due to higher snack food container shipments. Building on the success achieved with pharmaceutical accounts in 2024, the specialized printed packaging product group's volumes surpassed the prior year by 6 percent. Packaging machinery volumes increased by 19 percent as an unusually low number of machines were delivered to customers in the first quarter of 2024. Selling price and mix changes had a modest positive effect on revenue of 1.1 percent. Foreign exchange had a minor negative influence on revenue.

### Gross Profit Margins

Gross profit margins in the current quarter of 31.1 percent of revenue were equivalent to the 2024 first quarter result. Higher selling prices, driven by the shift in product mix, combined with a decline in raw material costs, raised Earnings by \$5.6 million. In total, all remaining items lowered Earnings by \$5.5 million. The Company's cost structure was adversely affected by elevated production waste and inventory obsolescence expenses. In addition, during the second half of 2024, higher than normal quantities of semi-finished inventories were purchased from third parties to supplement ongoing capacity constraints. During the initial quarter of 2025, the majority of these inventories were converted to finished goods and sold to customers, thereby tempering gross profit margins.

In the first quarter of the year, the raw material purchase price index advanced by 2 percent compared to the fourth quarter of 2024. In the past 12 months, the index declined by 5 percent. During the first quarter, aluminum foil increased by 18 percent while polyethylene and nylon resins experienced decreases of 6 percent and 5 percent, respectively.

### Expenses and Other

Operating expenses in the first quarter of 2025, adjusted for foreign exchange, decreased at a rate of 0.5 percent in comparison to the 2.5 percent growth in sales volumes, thereby having a favorable impact on Earnings of \$0.2 million. Despite the continued inflationary impact on personnel expenses, cost containment in most spending categories was achieved. Expenses pertaining to the enterprise resource planning (ERP) project were influential but were comparable to the first quarter of 2024. Foreign exchange had a modest negative effect on Earnings of \$0.2 million. The increase in unfavorable translation differences recorded on the revaluation of monetary assets and liabilities was nearly offset by the positive impact arising from the rate at which Canadian dollar transactions were converted to US dollars. The significant return of capital to shareholders over the past twelve months reduced the level of cash invested in short-term deposits and money market accounts. Consequently, net finance income lowered Earnings by \$2.7 million.

### Capital Resources, Cash Flow and Liquidity

On March 24, 2025, the Toronto Stock Exchange (the "TSX") accepted a notice filed by Winpak of its intention to renew its normal course issuer bid (the "NCIB") with respect to its outstanding common shares. The notice provided that Winpak may, during the 12-month period commencing March 26, 2025 and ending no later than March 25, 2026, purchase through the facilities of the TSX and other alternative Canadian trading systems up to a maximum of 3,087,500 common shares in total, being 5.0 percent of the issued and outstanding shares of Winpak as of March 18, 2025. The price which Winpak will pay for any common shares will be the market price at the time of acquisition. Daily purchases under the NCIB will be generally limited to 13,761 common shares, other than block purchases. All shares purchased will be canceled. In connection with the NCIB, Winpak has entered into an ASPP with CIBC World Markets Inc. to facilitate the purchase of common shares under the NCIB, including at times when Winpak would ordinarily not be permitted to purchase its common shares due to regulatory restrictions or self-imposed blackout periods. As at March 30, 2025, the Company had purchased 39,122 common shares under its current NCIB.

During the third quarter of 2024, the quarterly dividend was raised to 5 cents (Canadian dollars) per common share, a significant increase from the 3 cents (Canadian dollars) per common share that had been paid on a quarterly basis since 2007. In addition, the Company paid a special dividend of \$3.00 (Canadian dollars) per common share on January 10, 2025. Sufficient cash resources are available to fund both capital expenditures for organic growth and potential acquisition opportunities.

The Company's cash and cash equivalents balance ended the first quarter of 2025 at \$356.5 million, a decrease of \$140.8 million from the end of the prior year. Winpak continued to generate strong cash flow from operating activities before changes in working capital of \$58.4 million. Working capital consumed \$19.8 million in cash. In order to minimize the impact of tariffs that were scheduled to go into effect on April 2, 2025, various raw material and finished goods inventories were stockpiled, increasing overall inventories by \$10.2 million. Stemming from the timing of equipment purchases, trade payables and other liabilities declined by \$7.6 million. Cash was utilized for dividend payments of \$133.2 million, property, plant and equipment expenditures of \$19.4 million, income tax payments of \$15.0 million, common share repurchases of \$13.7 million and other items totaling \$0.7 million. Net finance income provided incremental cash of \$2.6 million.

### Summary of Quarterly Results

Thousands of US dollars, except per share amounts (US cents)

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue	284,802	285,143	285,473	283,496	276,783	275,637	273,790	287,464
Net income attributable to equity holders of the Company	34,576	36,622	38,486	38,825	35,522	34,846	33,991	40,006
EPS	56	58	61	61	55	54	52	62

### Looking Forward

The first quarter provided solid earnings and sales volume growth. Despite the challenges and uncertainties relating to the current trade environment, Winpak has the potential to set a new all-time high for net income attributable to equity holders for the full year 2025. Revisions to the currently enacted tariffs could have a significant impact on the Company's growth aspirations and manufacturing costs.

With the exception of foil-based products, the Company's entire product portfolio is presently exempt from tariffs under the United States-Mexico-Canada Agreement (USMCA). Similarly, nearly all raw materials sourced within North America are exempt from tariffs. Notwithstanding, several suppliers have recently levied price increases, citing the impact of tariffs on their overall supply chain. During the first quarter, the Company implemented various counter measures to minimize the impact of tariffs in both the short and long-term. In addition, the Company is constructing a strategic roadmap to enhance its resilience to a more protectionist trade environment. This includes enhancing manufacturing capabilities within each of the United States, Canada and Mexico.

Capitalizing on new business opportunities will be the key to growing the business in 2025. After successfully commercializing new extrusion capacity within the modified atmosphere packaging facility in the fourth quarter of 2024, sales to the dairy market should grow appreciably. In addition, the onboarding of new pet food and healthcare business will enhance volumes. Winpak expects sales volume growth for the remainder of 2025 to be in the range of 4 to 6 percent.

Over the past six months, raw material costs have been relatively stable. This trend is expected to continue for the balance of 2025. The Company is optimistic that the majority of the foil import tariffs and recent cost increases will be passed through to customers. Certain manufacturing inefficiencies that were prevalent in 2024 carried over into the first quarter of 2025. Going forward, these should decline significantly. Based on the preceding factors, gross profit margins for the rest of 2025 should be within the range of 31 to 32 percent.

Capital expenditures for 2025 are forecast to be between \$110 and \$130 million. The extensive expansion of the Winnipeg, Manitoba modified atmosphere packaging facility will be completed by the end of 2025, facilitating significant volume growth from 2026 onwards. Winpak will continue to assess prospective acquisition opportunities that align strategically with the Company's core strengths. Based on the current share price, the Company's NCIB program will be fulfilled by the end of 2025.

**Winpak Ltd.**

**Interim Condensed Consolidated Financial Statements**

**First Quarter Ended: March 30, 2025**

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](http://www.sedar.com) or the Company's website, [www.winpak.com](http://www.winpak.com).

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

	March 30 2025	December 29 2024
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	356,458	497,261
Trade and other receivables	219,147	220,201
Income taxes receivable	4,923	8,749
Inventories	260,565	250,383
Prepaid expenses	9,243	6,710
Derivative financial instruments	33	-
	<u>850,369</u>	<u>983,304</u>
<b>Non-current assets:</b>		
Property, plant and equipment	628,535	622,666
Intangible assets and goodwill	29,628	29,709
Employee benefit plan assets	11,218	11,405
	<u>669,381</u>	<u>663,780</u>
<b>Total assets</b>	<u>1,519,750</u>	<u>1,647,084</u>
<b>Equity and Liabilities</b>		
<b>Current liabilities:</b>		
Trade payables and other liabilities	114,347	252,134
Contract liabilities	1,196	1,747
Income taxes payable	1,861	6,879
Derivative financial instruments	2,635	4,175
	<u>120,039</u>	<u>264,935</u>
<b>Non-current liabilities:</b>		
Employee benefit plan liabilities	5,107	4,774
Deferred income	19,498	19,721
Provisions and other long-term liabilities	15,941	16,781
Deferred tax liabilities	55,948	56,999
	<u>96,494</u>	<u>98,275</u>
<b>Total liabilities</b>	<u>216,533</u>	<u>363,210</u>
<b>Equity:</b>		
Share capital	27,504	27,735
Reserves	(1,906)	(3,174)
Retained earnings	1,242,534	1,224,097
<b>Total equity attributable to equity holders of the Company</b>	<u>1,268,132</u>	<u>1,248,658</u>
<b>Non-controlling interests</b>	<u>35,085</u>	<u>35,216</u>
<b>Total equity</b>	<u>1,303,217</u>	<u>1,283,874</u>
<b>Total equity and liabilities</b>	<u>1,519,750</u>	<u>1,647,084</u>

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

	Quarter Ended	
	March 30 2025	March 31 2024
Revenue	284,802	276,783
Cost of sales	(196,257)	(190,591)
Gross profit	88,545	86,192
Sales, marketing and distribution expenses	(24,323)	(24,649)
General and administrative expenses	(12,589)	(12,720)
Research and technical expenses	(5,578)	(5,296)
Pre-production expenses	(153)	-
Other expenses	(1,368)	(279)
<b>Income from operations</b>	<b>44,534</b>	<b>43,248</b>
Finance income	4,135	7,534
Finance expense	(1,375)	(1,360)
Income before income taxes	47,294	49,422
Income tax expense	(12,849)	(13,647)
<b>Net income for the period</b>	<b>34,445</b>	<b>35,775</b>
<b>Attributable to:</b>		
Equity holders of the Company	34,576	35,522
Non-controlling interests	(131)	253
	<b>34,445</b>	<b>35,775</b>
<b>Basic and diluted earnings per share - cents</b>	<b>56</b>	<b>55</b>

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

	Quarter Ended	
	March 30 2025	March 31 2024
<b>Net income for the period</b>	<b>34,445</b>	<b>35,775</b>
<u>Items that will not be reclassified to the statements of income:</u>		
Cash flow hedge gains (losses) recognized	57	(806)
Cash flow hedge losses (gains) transferred to property, plant and equipment	378	(51)
	<b>435</b>	<b>(857)</b>
<u>Items that are or may be reclassified subsequently to the statements of income:</u>		
Cash flow hedge gains (losses) recognized	292	(1,055)
Cash flow hedge losses transferred to the statements of income	846	8
Income tax effect	(305)	280
	<b>833</b>	<b>(767)</b>
<b>Other comprehensive income (loss) for the period - net of income tax</b>	<b>1,268</b>	<b>(1,624)</b>
<b>Comprehensive income for the period</b>	<b>35,713</b>	<b>34,151</b>
<b>Attributable to:</b>		
Equity holders of the Company	35,844	33,898
Non-controlling interests	(131)	253
	<b>35,713</b>	<b>34,151</b>

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
<b>Balance at January 1, 2024</b>	29,195	1,361	1,319,491	1,350,047	33,602	1,383,649
<b>Comprehensive (loss) income for the period</b>						
Cash flow hedge losses, net of tax	-	(1,579)	-	(1,579)	-	(1,579)
Cash flow hedge losses transferred to the statements of income, net of tax	-	6	-	6	-	6
Cash flow hedge gains transferred to property, plant and equipment	-	(51)	-	(51)	-	(51)
<b>Other comprehensive loss</b>	-	(1,624)	-	(1,624)	-	(1,624)
<b>Net income for the period</b>	-	-	35,522	35,522	253	35,775
<b>Comprehensive (loss) income for the period</b>	-	(1,624)	35,522	33,898	253	34,151
<b>Dividends</b>	-	-	(1,436)	(1,436)	-	(1,436)
<b>Repurchase of common shares</b>	(315)	-	(20,762)	(21,077)	-	(21,077)
<b>Balance at March 31, 2024</b>	28,880	(263)	1,332,815	1,361,432	33,855	1,395,287
<b>Balance at December 30, 2024</b>	27,735	(3,174)	1,224,097	1,248,658	35,216	1,283,874
<b>Comprehensive income (loss) for the period</b>						
Cash flow hedge losses, net of tax	-	270	-	270	-	270
Cash flow hedge losses transferred to the statements of income, net of tax	-	620	-	620	-	620
Cash flow hedge losses transferred to property, plant and equipment	-	378	-	378	-	378
<b>Other comprehensive income</b>	-	1,268	-	1,268	-	1,268
<b>Net income (loss) for the period</b>	-	-	34,576	34,576	(131)	34,445
<b>Comprehensive income (loss) for the period</b>	-	1,268	34,576	35,844	(131)	35,713
<b>Dividends</b>	-	-	(2,155)	(2,155)	-	(2,155)
<b>Repurchase of common shares</b>	(231)	-	(13,984)	(14,215)	-	(14,215)
<b>Balance at March 30, 2025</b>	27,504	(1,906)	1,242,534	1,268,132	35,085	1,303,217

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

	Quarter Ended	
	March 30 2025	March 31 2024
<b>Cash provided by (used in):</b>		
<b>Operating activities:</b>		
Net income for the period	34,445	35,775
Items not involving cash:		
Depreciation	13,686	12,680
Amortization - deferred income	(466)	(418)
Amortization - intangible assets	350	391
Employee defined benefit plan expenses	681	659
Net finance income	(2,760)	(6,174)
Income tax expense	12,849	13,647
Other	(362)	(365)
Cash flow from operating activities before the following	<u>58,423</u>	<u>56,195</u>
Change in working capital:		
Trade and other receivables	1,054	5,378
Inventories	(10,182)	2,631
Prepaid expenses	(2,533)	(1,595)
Trade payables and other liabilities	(7,583)	12,175
Contract liabilities	(551)	(919)
Employee defined benefit plan contributions	(18)	(1,155)
Income tax paid	(14,979)	(10,795)
Interest received	3,806	7,392
Interest paid	(1,231)	(1,266)
Net cash from operating activities	<u>26,206</u>	<u>68,041</u>
<b>Investing activities:</b>		
Acquisition of property, plant and equipment - net	(19,397)	(47,343)
Acquisition of intangible assets	(268)	(23)
	<u>(19,665)</u>	<u>(47,366)</u>
<b>Financing activities:</b>		
Payment of lease liabilities	(402)	(397)
Dividends paid	(133,244)	(1,471)
Repurchase of common shares	(13,698)	(6,311)
	<u>(147,344)</u>	<u>(8,179)</u>
<b>Change in cash and cash equivalents</b>	(140,803)	12,496
<b>Cash and cash equivalents, beginning of period</b>	<u>497,261</u>	<u>541,870</u>
<b>Cash and cash equivalents, end of period</b>	<u>356,458</u>	<u>554,366</u>