

## MANAGEMENT DISCUSSION & ANALYSIS

Cosmetics packaging decreased \$3 mil., excluding the impact of translation, mainly due to an oversupply in the pumps and sprayer market during the first half of 2023.

Healthcare increased \$13 mil. mainly due to capital and aesthetic lines. Capital sales increased in the fourth quarter to reflect the likely reduction in interest rates in 2024.

Food, beverage & other packaging decreased by \$31 mil., excluding the impact of translation, reflecting customer and competitor overstocking and changing consumer buying patterns in the US and Canada.

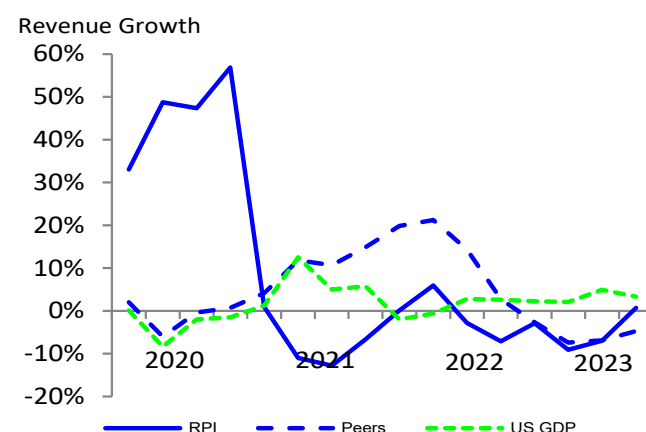
| Revenue trend<br>(\$ thousands)    | Qtr. 1         | Qtr. 2         | Qtr. 3         | Qtr. 4         | 2023           |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>2022</b>                        | 109,981        | 119,735        | 109,039        | 108,141        | 446,896        |
| Organic growth.....                | 1,987          | -3,940         | -3,372         | 2,468          | -2,857         |
|                                    | 1.8%           | -3.3%          | -3.1%          | 2.3%           | -0.6%          |
| Food & beverage lost.....          | -1,709         | -4,412         | -1,432         | -1,738         | -9,291         |
| Food & beverage inventory.....     | -840           | -1,826         | -3,453         | -2,123         | -8,242         |
| Oversupply of pumps & sprayers.... | -3,276         | -827           | 995            | 2,674          | -434           |
| Foreign exchange.....              | 690            | 136            | -397           | -574           | -145           |
| <b>2023</b>                        | <b>106,833</b> | <b>108,866</b> | <b>101,380</b> | <b>108,848</b> | <b>425,927</b> |

### CHANGES IN FINANCIAL MARKETS

Global economic markets, the impact of supply chain and consumer behavior following the coronavirus restrictions and the impending end to the current economic cycle reflect pressure on GDP, currency wars and divergent United States monetary policy from the rest of the first world. Policy shifts to government deficit spending and protectionism also impacted currency valuations and GDP growth.

### Gross Domestic Product

In Canada, 2023 GDP grew quarterly at rates of 0.6% and 0.3% then contracted by 0.1% and grew 0.2% in the back half of the year. The United States GDP grew 2.2%, 2.1%, 4.9% and 3.3% in each of the four quarters. We outperformed GDP and our peers in 2020 on the back of coronavirus revenues and the Clarion acquisition but have lagged behind since with the exception of Q4 mainly due to the oversupply in the pumps and sprayer markets and inventory overages throughout the food and beverage supply chain. Our higher healthcare exposure helped our performance in Q4 2023.



### Interest Rates and Foreign Exchange

The US Federal Reserve and The Bank of Canada both have resisted interest rate decreases, given the strength of the US economy and recent inflationary pressures. Exchange rates averaged U.S./Cdn. \$0.74 however a decrease in US denominated volumes has lead to a muted impact on both revenue and Adjusted EBITDA<sup>1</sup> in the year. Oil prices, after peaking at over \$110 mid-year in 2022 fell back to opening year levels and exchange rates were between U.S./Cdn. \$0.74-\$0.79 for the year.

| (\$ millions)            | 2021   | 2022  | 2023  |
|--------------------------|--------|-------|-------|
| <b>INTEREST RATES</b>    | 1.2%   | 3.4%  | 6.1%  |
| Impact on Interest       | (0.1)  | 1.5   | 1.3   |
| <b>F/X - U.S./Cdn.\$</b> | 0.80   | 0.77  | 0.74  |
| Impact on:               |        |       |       |
| Revenue                  | (31.5) | (0.8) | (0.1) |
| Adjusted EBITDA          | (11.3) | (1.5) | 0.5   |