



RPI.UN Investor Presentation



HEALTHMARK



Gerry Glynn – CEO
Enzio Di Gennaro - CFO

McKernan
PACKAGING CLEARING HOUSE

QUALITY DISCOUNT PACKAGING



DISPILL
MC #Emballages Richard Inc.



Richards



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 2018 Third Quarter 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

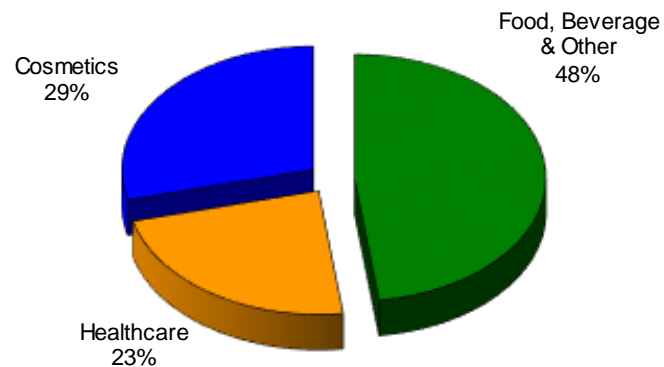
- #1 packaging distributor in Canada; #3 in North America
- Healthcare footprint in Canada only (23% of total enterprise)
- Highly diversified geographically and by end customer markets
- One-half in the US and one-half in Canada
- Higher than industry average organic growth over the last 5 years
- China represents approximately 30% of supplier base
- Track record of continued expansion in adjusted EBITDA as a % of sales
- History of accretive acquisitions
- Strong balance sheet with leverage at 0.6x adjusted EBITDA and 54% payout ratio at an 11¢/month distribution
- Minimal capital expenditure requirements



Richards Overview – since 1912



Revenue Categories



Diversified Customer Base

- Over 14,000 customers
- 45% Canada & 55% US
- Optimize concentration of small customers - 67%
- Distributor of over 5,000 items sourced from over 600 suppliers; 10% manufactured
- ~ 500 employees

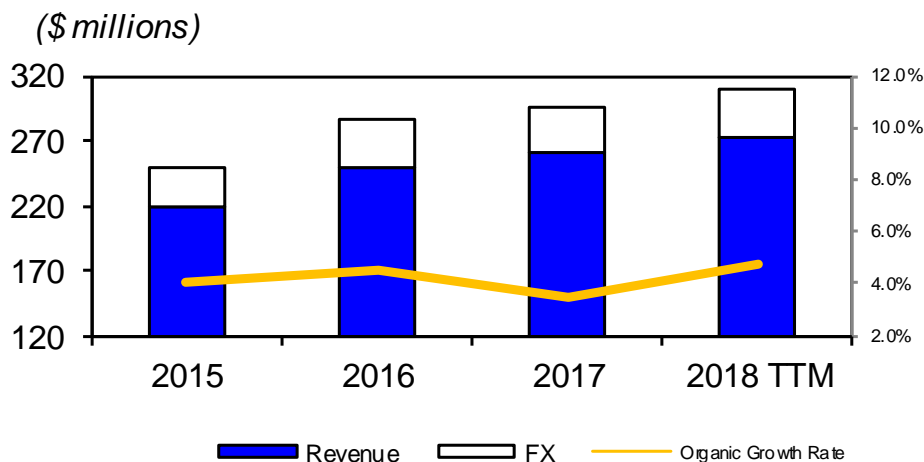
(2018 % change over 2017)

Revenue disaggregation

	Qtr. 3	Nine months
Cosmetics.....	12.1%	7.2%
Healthcare.....	10.0%	8.7%
Food, beverage & other.....	2.1%	2.5%
Exchange translation.....	3.9%	0.3%
Weighted average growth.....	10.7%	5.4%



Steady organic growth amidst a challenging F/X environment



- 5 year average historic organic revenue growth 4%
- 2015 currency translation impact 9.3%
- 2016 acquisition impact 12%
- 2018 FX annual = 77.5¢
- Revenue FX sensitivity - 1¢ movement = \$0.4 mil.
- 2018 Q3 Buying ahead of China tariffs and incremental sales from Healthmark supplier acquisition consolidation

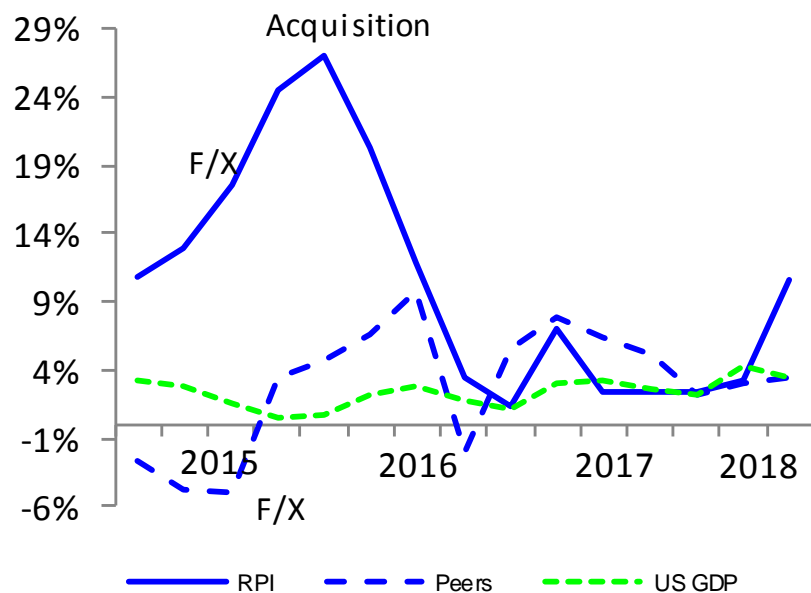
Quarterly Revenue Growth

	<u>Organic</u>	<u>Fx</u>	<u>Total</u>
2015 - Q1	3.7%	7.2%	10.9%
2015 - Q2	5.2%	7.6%	12.8%
2015 - Q3	5.0%	12.5%	17.5%
2015 - Q4	14.8%	9.8%	24.6%
2016 - Q1	19.5%	7.6%	27.1%
2016 - Q2	17.1%	3.2%	20.3%
2016 - Q3	12.1%	-0.2%	11.9%
2016 - Q4	3.1%	0.3%	3.4%
2017 - Q1	2.6%	-1.2%	1.4%
2017 - Q2	4.0%	3.1%	7.1%
2017 - Q3	3.7%	-1.3%	2.4%
2017 - Q4	3.6%	-1.2%	2.4%
2018 - Q1	3.8%	-1.5%	2.3%
2018 - Q2	4.7%	-1.4%	3.3%
2018 - Q3	6.8%	3.9%	10.7%



GDP and Packaging Markets

Revenue Growth

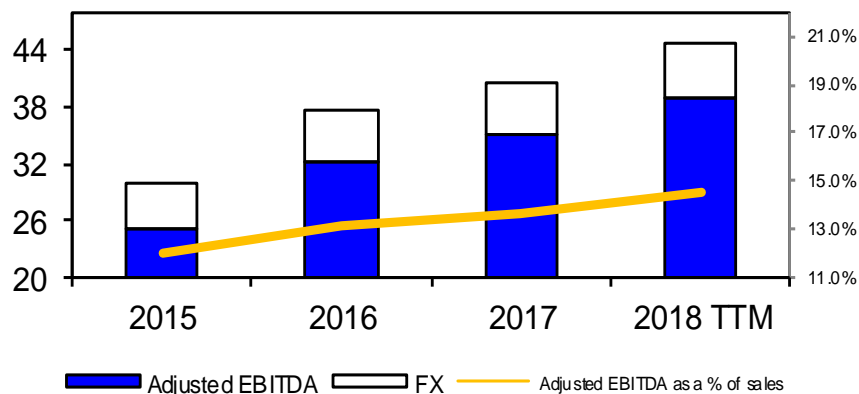


- GDP catalyst for packaging growth
- Higher in Healthcare and cosmetics
- Approximately 300 industry wide acquisitions annually; median multiple of 9x EBITDA
- RPI Acquisition history:
 - Q4 2015 – Healthmark
 - Q4 2007 – The E.J. McKernan Co.
 - Q3 2005 – Dispill
 - Q4 2004 – Kay Containers, Calgary Plastics, Foss Distributors
- Peer group includes 15 North American publicly traded packaging companies



Strengthening Adjusted EBITDA¹ on organic growth and mix

(\$millions)



		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u> <u>TTM</u>
Revenue	\$	249.4	287.0	296.6	308.7
Margin		41.3	49.5	52.6	56.7
	%	16.6%	17.2%	17.8%	18.4%
Admin. Exp		11.3	11.6	12.2	12.3
Adjusted EBITDA	\$	29.9	37.8	40.6	44.8
	%	12.0%	13.2%	13.7%	14.5%
Diluted/Unit		2.55	3.23	3.47	3.83

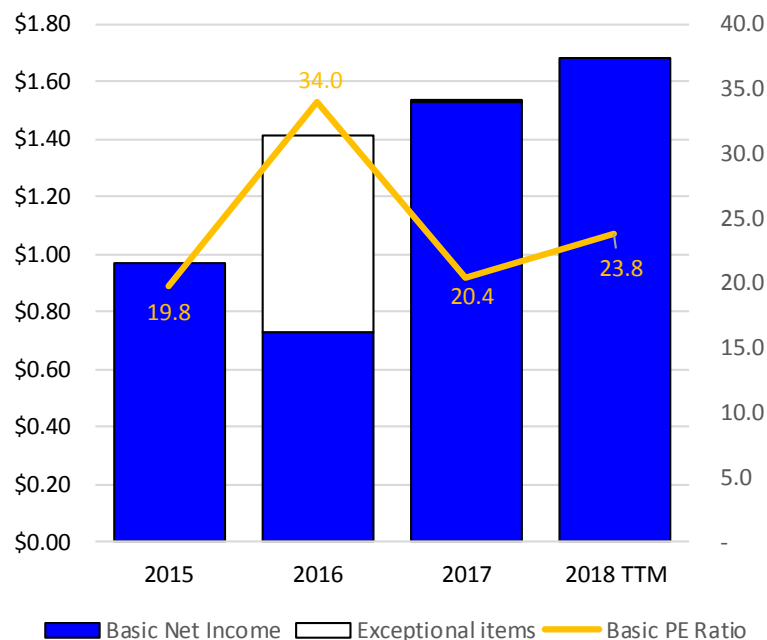
- Adjusted EBITDA growth mainly due to organic revenue growth
- 5 year average annual Adjusted EBITDA as a % of sales growth 0.5%
- Adjusted EBITDA FX sensitivity - 1¢ = 0.05 mil.

¹ Adjusted for contingent consideration revaluation, unrealized losses on exchangeable shares, share of income - Vision



Net Income

Basic Net Income Per Unit



(\$/Unit-basic)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u> <u>TTM</u>
Adjusted EBITDA	\$ 2.76	\$ 3.48	\$ 3.73	\$ 4.11
Amortization	0.29	0.36	0.30	0.26
Financial expenses	0.20	0.23	0.21	0.21
Exceptional items	-	0.68	0.01	-
Exchangeable shares	0.57	0.54	0.58	0.96
Income taxes	0.73	0.93	1.09	0.99
Basic Net Income	\$ 0.97	\$ 0.73	\$ 1.53	\$ 1.68
Fully diluted basis	\$ 1.42	\$ 1.18	\$ 1.97	\$ 2.46
Unit price	19.18	24.79	31.17	40.05
Diluted PE Ratio	13.51	21.04	15.85	16.28

- Exceptional items = contingent consideration net of exceptional gains
- Exchangeable shares treated as debt therefore impact above is mark-to-market adjustments – no cash or tax effect



Distributable Cash Flow (DCF)

DCF Per Unit



	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u> <u>TTM</u>
<i>(\$/Unit-fully diluted)</i>				
Adjusted EBITDA	\$ 2.55	\$ 3.23	\$ 3.47	\$ 3.83
Interest	0.19	0.22	0.20	0.19
Taxes	0.73	0.93	1.14	1.03
Mtce. capital	0.11	0.05	0.10	0.15
Distributable cash flow	\$ 1.52	\$ 2.02	\$ 2.03	\$ 2.46
Distributions	\$ 0.89	\$ 1.07	\$ 1.28	\$ 1.32
Free Cash Flow	\$ 0.63	\$ 0.95	\$ 0.75	\$ 1.14
<i>Payout Ratio</i>	58%	53%	63%	54%
<i>Debt/Adjusted EBITDA</i>	1.5	1.1	0.8	0.6

- Taxes – 2017 intercompany refinancing; 2018 US tax reform
- Maintenance capital - 2018 warehouse productivity system upgrade
- Distributable cash flow FX sensitivity - 1¢ = \$0.03 mil.



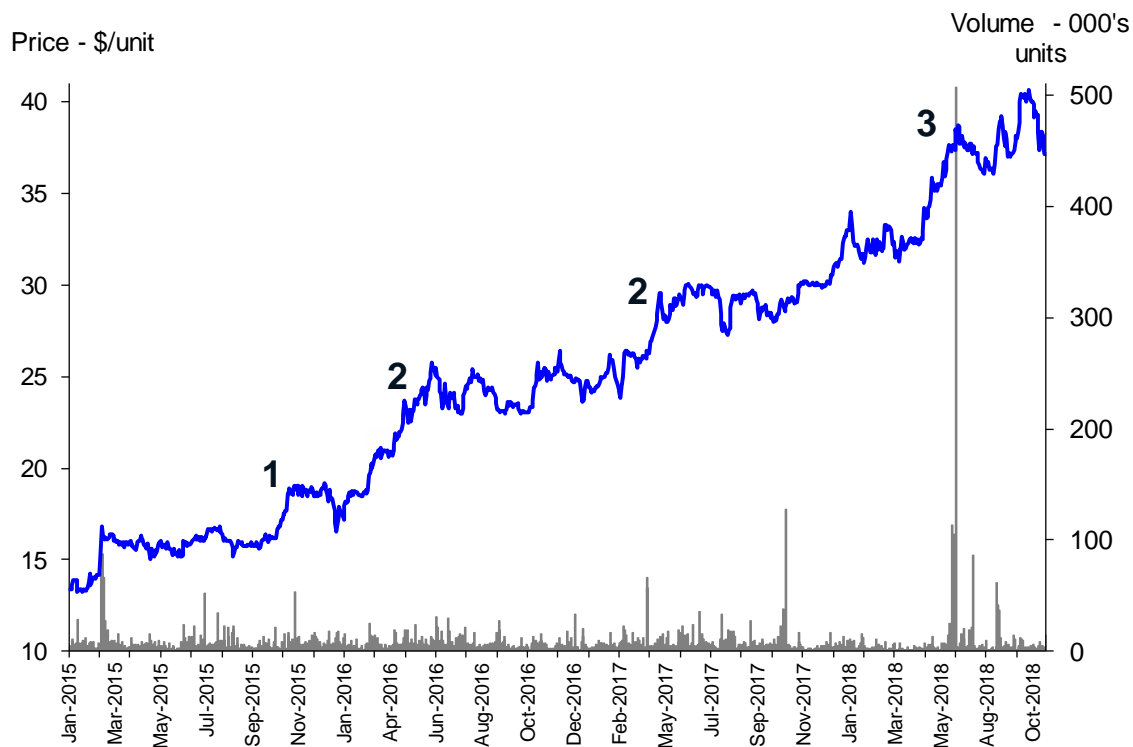
Distribution Policy – retain capital for opportunities

(\$ millions)	2018		
	TTM	Adj's	Proforma
Adjusted EBITDA	44.8	(6.0)	38.8
Interest	(2.3)	(0.5)	(2.8)
Taxes	(12.0)	1.5	(10.5)
Maintenance capital	(1.7)	(0.8)	(2.5)
Distributable cash flow	28.8		23.0
Current distribution level	15.4		15.4
Payout Ratio	54%		67%

- Pro forma distributable cash reflects impact of a recession similar to 2009 at -10%, long term rates of 3% interest and a U.S./Cdn. 84¢ exchange rate
- Distributions for 2018 will be capital dividends and return of capital
- Remaining paid up capital depleted in 2020
- 2018 monthly distribution increase decision deferred (up 1.65¢ in 2017)
- Current payout reflects uncertain times
- Acquisition capacity – Max. leverage 2.75x or an additional \$90 million of debt
- Distribution reset in March each year



Investment Proposition – RPI.UN Unit Performance

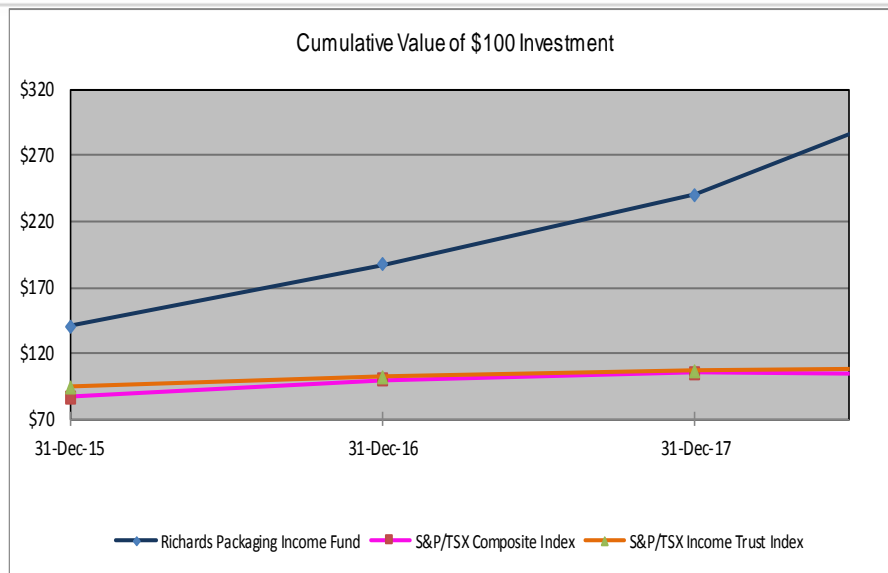


Ownership:

- 12 mil. Units o/s
 - Management = 31%
(Insider moves 700,000 the week of June 15/22)
 - 9 institutions ~ 25%
 - Retail Float ~ 44% (thinly traded 8k/day)
-
- **1.** Increase in Nov 2015 reflected the Healthmark acquisition and a favourable currency environment
 - **2.** Increase post March 2016 and March 2017 on increases of monthly distribution by 2¢ and 1.65¢ per Unit, respectively
 - **3.** Adjusted EBITDA as a % of sales and organic growth accelerate



Investment Proposition – Cumulative Value



<i>\$/Unit</i>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Sep-18</u>	<u>Cumulative</u>
Distributions	0.88	1.08	1.29	0.99	4.24
Unit Value	5.89	5.61	6.38	8.88	26.76
NCIB	0.02	0.02	-	-	0.04
LTIP	(0.01)	(0.01)	(0.01)	(0.01)	(0.04)
Total	6.78	6.71	7.66	9.86	31.01

- Opening price Jan. 2015 of \$13.29
- Sept. 30 closing price of \$40.05
- NCIB up to 0.5 mil. Units
- LTIP - \$0.2 mil per year



Board of Trustees/Directors

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	Board member and advisor in both corporate and not for profit sectors; retired from PWC 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 Chief Executive Officer	2004	Chief Executive Officer of Richards Packaging since November 2002.

High level of Financial Literacy, 4



Relevant CEO/President experience, 3



Extensive knowledge of the Fund business/industry, 2



Risk Oversight expertise, 4



