



Annual Meeting
July 18, 2018





FIRST QUARTER ENDED MAY 31, 2018

1ST QUARTER RESULTS

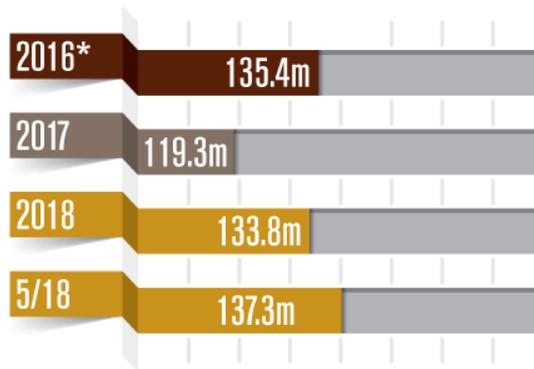
| | 5/31/18 | 5/31/17 |
|---------------------|----------|----------|
| Sales | \$ 93.4M | \$ 94.6M |
| Gross Profit Margin | \$ 30.2M | \$ 29.9M |
| GPM% | 32.3% | 31.6% |
| Operating Income | \$ 12.5M | \$ 12.7M |
| Net earnings | \$ 9.2M | \$ 7.8M |
| Diluted EPS | \$ 0.36 | \$ 0.31 |

We continue to emphasize our goal of last year – “refocus on our core” and build upon the momentum started last year by using our systems, strategic alliances, and other tools to further drive out costs where possible.

UPDATE FINANCIAL STRENGTH HIGHLIGHTS

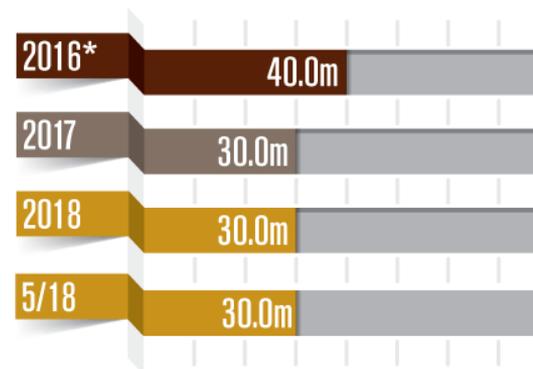
WORKING CAPITAL

— in millions —



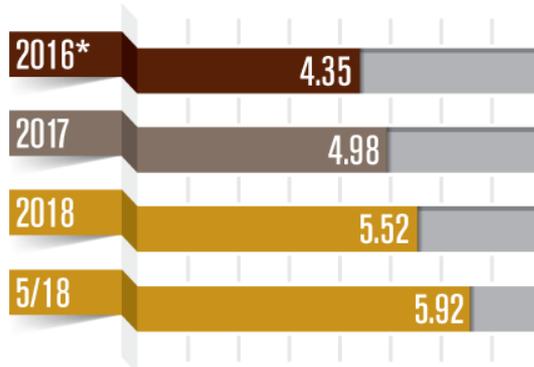
LONG-TERM DEBT

— in millions —



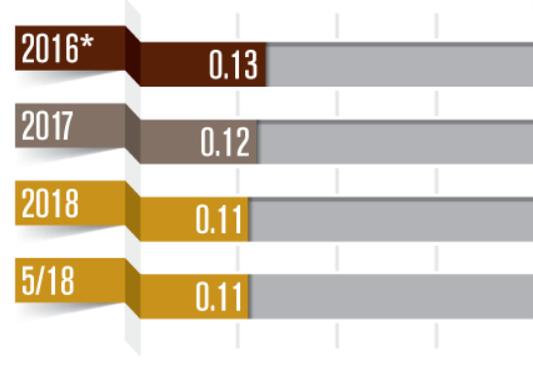
CURRENT RATIO

— to 1.0 —



LONG-TERM DEBT TO EQUITY RATIO

— to 1.0 —



OTHER ITEMS OF INTEREST

1. Our balance sheet continues to be one of the strongest, if not the strongest in the industry. We have almost \$95 million in cash, and total immediate availability of capital of well over \$200 million (when you take into account not only our cash but the total amount potentially available under our credit facility).
2. Fiscal year 2018 was all about refocusing on our core, which we feel we were successful in achieving as we increased our diluted EPS from continuing operations from \$1.03 to \$1.29. Fiscal year 2019 will be more of the same - where we will continue to concentrate on controlling/minimizing our operational costs while still looking for ways to strategically deploy our cash.
3. We completed the acquisition of Independent Printing in January 2017, another small tag operation in July 2017, and Allen-Bailey Tag and Label in May of 2018.
4. Board recently increased the dividend rate from \$.20/share to \$.225/share – making this the 2nd increase in our dividend rate in the last 3 years. In addition, last year a special dividend of \$.10/share was paid in connection with the Tax Act.
5. We repurchased approximately 191,000 shares during fiscal year 2018 and 38,000 shares so far this year. We have repurchased almost 1.5 million shares of our stock since the program's inception and will continue to be opportunistic with respect to our share repurchases in the future.

CHALLENGES IN THE YEAR AHEAD

FY 2019

1. A significant amount of capacity has come out of the domestic marketplace over the past 12 months. This has been either planned, i.e., where capacity formerly used for coated has been moved to uncoated, or unplanned, i.e., bankruptcy of several mills.
2. Weaker dollar has made domestic exports more attractive internationally, which has added to the paper issues here domestically.
3. The supply/demand curve is much more in balance than it has been for several years, with mills generally running in excess of 90% utilization.
4. At these levels – historically mills have been fairly successful in passing through paper price increases, and in fact, paper suppliers have announced increases across all grades.
5. A lot of ancillary suppliers are also taking the current environment as an opportunity to pass along price increases.
6. Also, some mfg. have experienced paper shortages and some grades are even being placed on allocations, given the tight supply environment.
7. Freight is also becoming a major concern across all industries. The lack of qualified drivers has created difficulty in just getting the product delivered, once it has been produced.



2018 ANNUAL MEETING

Thank you for your support!