MANAGEMENT DISCUSSION AND ANALYSIS

AMG Packaging & Paper Company Limited (AMG) presents its Unaudited Financial Statements for the 3rd Quarter ending May 31, 2026.

Revenues

Revenues for the 9 Month period ended May 31, 2026 was $648.48 million, representing a decrease of 15.11% below prior year to date (PYTD) of $763.87 million. For the 3-month period ending May 2026, revenues decreased by 11.04%, moving from $262.91 million to $233.88 million.

The installation and commissioning of the additional Corrugator parts in Q2 presented unexpected challenges which negatively impacted our operations in Q3.

We projected to complete the unfulfilled orders which were impacted by the aftermath of Hurricane Melissa, but the challenges we encountered prevailed.

Total Manufacturing Costs

Total Manufacturing Costs for the 9 Month period to May 31, 2026 compared to PYTD, decreased by 9.44%, moving from $501.76 million to $454.38 million. For the 3-month period ended May 2026 compared to PYTD. Total Manufacturing Costs decreased by 2.91%, moving from $166.63 million to $161.78 million.

While the decrease in Manufacturing Costs was favorable, it was not sufficient to offset the decrease in Gross Profit which resulted from the challenges stated above.

Despite the issues we faced, we managed to fulfill more than 70% of the orders we received within the quarter, which still resulted in a profitable position.

Gross Profit

Gross Profit for the 9 Month period to May 31, 2026, decreased by 25.95% below PYTD, moving from $262.10 million to $194.09 million. Gross Profit for Q3 2026 decreased by 25.11%, moving from $96.28 million to $72.1 million.

Expenses

Total Expenses for the 9 Month period to May 31, 2026, increased by 3.87% above PYTD, moving from $161.18 million to $167.42 million. Total Expenses for Q3 2026 increased by 11.53%, moving from $48.73 million to $54.35 million.

Net Income Before Tax

Net Income for the 9 Month period to May 31, 2026, showed a decrease of 67.57% below PYTD, moving from $111.72 million to $36.23 million. For Q3 2026, Net Income decreased by 57.52% below PYTD, moving from $49.82 million to $21.17 million.

The performance in Net Income resulted mainly from the 15% reduction in sales revenue partially resulted from the 42% decline in production units, due to the challenges we experienced with the Corrugator downtime.

As we move closer towards the expansion and relocation of our factory, we have made some strategic decisions which will allow us to alleviate some of the issues associated with our current production levels.

We wish to thank our devoted team members for their continued dedication and hard work.

We also thank our loyal customers, shareholders and suppliers for their continued support.

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George Hugh
Managing Director