Richards Packaging Income Fund (RPKIF)

Updated May 21st, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$20.10	**5 Year Annual Expected Total Return:**	1.3%	**Market Cap:**	$224 M
Fair Value Price:	$14.00	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	05/29/2026
% Fair Value:	144%	**5 Year Valuation Multiple Estimate:**	-7.0%	**Dividend Payment Date:**	06/12/2026
Dividend Yield:	4.8%	**5 Year Price Target**	$16.23	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**Sector:**	Consumer Discretionary	**Rating:**	Sell

Overview & Current Events

Richards Packaging Income Fund is a Canada-based distributor of specialty packaging solutions. The company has more than 18,000 customers across the healthcare, food & beverage, and cosmetics sectors. It sources over 8,000 packaging SKUs from over 900 suppliers globally and operates three manufacturing facilities, which account for a small portion of total revenue. Richards Packaging is the largest packaging distributor in Canada and the third largest in North America, with operations concentrated in major logistics hubs across Canada and the U.S. Its healthcare vertical makes up over half of its revenue, supported by growing demand for medical, vision, and surgical packaging supplies. Food & beverage and cosmetics make up the balance. Its model emphasizes distribution scale, diversified end-markets, and stable cash generation, underpinned by a conservative balance sheet and strong insider ownership now standing at 15%. Richards has a market cap of about $224 million and pays distributions monthly. The Fund reports its financials in CAD, but all figured in this report have been converted to USD unless otherwise noted.

On May 4th, 2026, Richards Group released its Q1 results for the quarter ended March 31st, 2026. Revenue rose 5.0% to $77.1 million, driven by $9.3 million of acquisition growth and $1.4 million of organic healthcare growth, partially offset by a $7.0 million decline in packaging. Management pointed to a market-wide pullback in U.S. rigid packaging demand, with food & beverage and cosmetics packaging revenue down 18.1% and 15.7%, respectively, while healthcare distribution benefited from stronger pharmacy, aesthetic, dental and surgical demand. Gross margin improved to 43.5% from 40.4% last year, driven by healthcare acquisitions and higher OEM margins, although Adjusted EBITDAaL was flat at $8.7 million as packaging weakness and higher healthcare investment costs offset healthcare gains. Adjusted free cash flow was $5.5 million. EPU was $0.38. For FY2026, we see EPU of $2.00.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPU	$0.54	$1.22	$1.62	$1.52	$3.51	$0.14	$2.43	$2.35	$2.08	$1.04	***$2.00***	***$2.32***
DPS	$0.81	$1.02	$0.97	$1.02	$1.04	$1.04	$0.97	$1.00	$0.92	$0.96	***$0.96***	***$1.11***
Units[1]	10.8	10.9	10.9	11.0	11.2	11.6	11.4	11.4	11.4	11.4	***11.4***	***11.5***

Around 2017 and 2018, Richards Packaging posted steady EPU growth, driven by organic growth, modest margin expansion, and cost control. The business benefited from its defensive exposure to healthcare and food packaging, which provided stability even as broader economic conditions fluctuated.

In 2019, EPU remained strong, supported by steady demand and margin resilience. The breakout came in 2020, with EPU surging as COVID-19 drove an exceptional spike in healthcare-related packaging volumes and margin expansion. This momentum reversed sharply in 2021, with EPU dropping to just $0.14 due to a one-time $48 million contingent consideration related to the Clarion acquisition. Excluding that, core profitability was more stable.

EPU rebounded in 2022 and 2023, as demand normalized but remained elevated relative to pre-COVID levels. However, in 2024, EPU fell due to volume softness across all verticals and reduced mark-to-market gains. That pressure continued

[1] Share count is in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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through 2025, as acquisitions offset weak organic demand and earnings remained under pressure. Moving forward, we expect EPU growth CAGR of 3%, which we expect to be driven by modest volume recovery in healthcare packaging, gradual margin normalization, and disciplined cost management, with upside tied to potential tuck-in acquisitions and stable end-market demand across food, pharma, and personal care. We have applied the same rate to our distribution growth estimates, which the company can easily afford after paying down its debt recently, even though the distribution per share level has remained stable since 2018.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	33.3	19.7	17.9	20.4	12.3	---	15.2	13.2	11.5	20.4	***10.1***	***7.0***
Avg. Yld.	4.5%	4.3%	3.3%	3.3%	2.4%	2.1%	2.6%	3.2%	3.8%	4.5%	***4.8%***	***6.9%***

Richards Packaging's valuation has normalized post-pandemic, with recent P/E multiples in the low teens reflecting its stable, but slower earnings growth. Today, the valuation appears slightly rich given Richards' defensive profile. Along with the fact that we demand and higher dividend yield in the current market environment, we have set our fair multiple at 7.0 times earnings. This implies the possibility of a valuation headwind ahead.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	150%	84%	60%	67%	30%	---	40%	43%	44%	92%	***48%***	***48%***

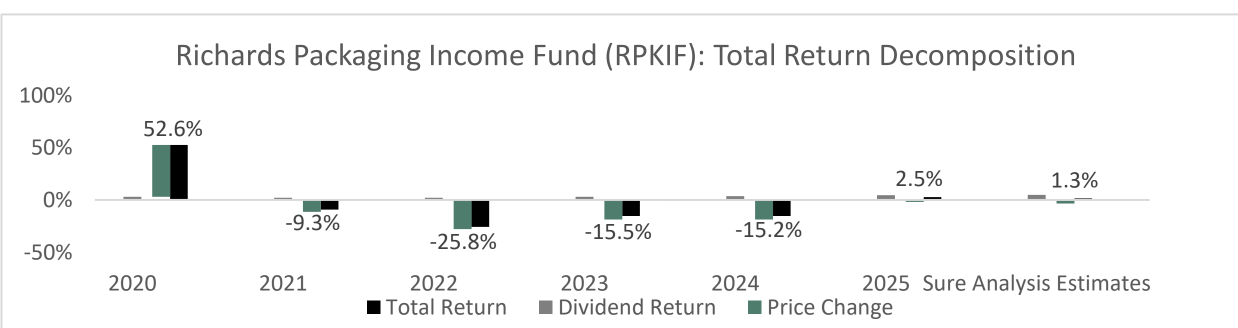
Richards Packaging benefits from a stable, low-risk model built on recurring demand from healthcare, personal care, and food end-markets. It maintains a conservative balance sheet, consistently low payout ratio, and prudent cost structure, contributing to steady free cash flow. Also, its strong insider ownership further supports long-term capital discipline and alignment with unit holders. Its competitive edge lies in its scale as Canada's largest packaging distributor and its broad supplier and customer base, which reduces concentration risk.

Note that during the COVID-19 pandemic, Richards saw record earnings due to a surge in healthcare packaging demand. However, during the 2008 financial crisis, revenues softened, showing that while the business is relatively insulated, it is not immune to downturns. Overall, its essential end-market mix and asset-light model offer a high degree of stability through economic cycles.

Final Thoughts & Recommendation

Richards Packaging offers stable cash flow, low leverage, and defensive end-market exposure, powered by strong insider alignment and a consistent distribution. Still, given its modest growth outlook and current valuation, we would require a higher yield to be attracted to the stock despite its multiple strengths. Given the lack of dividend growth in recent years and the lack of a meaningful dividend yield at today's valuation, we rate Richards Packaging as a sell.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	217	229	245	252	365	360	343	315	297	308
Gross Profit	34	38	43	43	84	71	61	58	57	114
Gross Margin	15.9%	16.7%	17.4%	17.2%	23.0%	19.6%	17.7%	18.3%	19.2%	37.0%
SG&A Exp.	9	10	10	10	15	17	17	17	20	86
D&A Exp.	3	3	3	7	9	10	10	9	10	14
Operating Profit	26	29	33	33	70	53	44	41	38	29
Operating Margin	11.8%	12.5%	13.5%	13.2%	19.1%	14.8%	12.9%	13.1%	12.6%	9.4%
Net Profit	6	13	19	16	37	2	35	29	26	12
Net Margin	2.8%	5.6%	7.6%	6.5%	10.2%	0.5%	10.1%	9.1%	8.8%	3.9%
Free Cash Flow	25	23	18	29	54	43	30	60	36	24
Income Tax	8	9	9	9	17	14	11	11	10	8

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	152	153	156	190	277	280	258	240	231	294
Cash & Equivalents	10	5	5	6	6	7	4	6	4	4
Accounts Receivable	24	23	25	25	39	39	41	41	37	36
Inventories	35	39	45	45	69	79	72	54	54	73
Goodwill & Int. Ass.	77	78	74	74	112	110	104	105	101	136
Total Liabilities	83	79	76	93	151	177	139	104	89	136
Accounts Payable	22	20	23	21	37	45	29	33	31	31
Long-Term Debt	31	27	20	11	18	18	48	14	-	76
Shareholder's Equity	69	73	80	97	126	103	119	136	142	158
LTD/E Ratio	0.45	0.36	0.25	0.12	0.15	0.17	0.40	0.10	-	0.48

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.0%	8.4%	12.1%	9.5%	16.0%	0.6%	12.9%	11.6%	11.1%	4.5%
Return on Equity	8.4%	18.0%	24.3%	18.5%	33.6%	1.4%	31.3%	22.6%	18.8%	7.8%
ROIC	5.5%	12.8%	18.6%	15.7%	29.6%	1.2%	24.2%	18.2%	17.9%	5.7%
Shares Out.	10.8	10.9	10.9	11.0	11.2	11.6	11.4	11.4	11.4	11.4
Revenue/Share	19.98	19.57	20.99	21.53	31.23	30.96	30.08	27.63	26.05	26.96
FCF/Share	2.30	1.95	1.50	2.46	4.58	3.74	2.61	5.22	3.14	2.09

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.