

REVIEW OF Q1 2019 FINANCIAL RESULTS

May 9, 2019





DISCLAIMER

FORWARD-LOOKING STATEMENT

Certain statements in this presentation, including statements regarding future results and performance, are forward-looking statements within the meaning of securities legislation based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, decreases in demand for Cascades Inc.'s ("Cascades," "CAS," the "Company," the "Corporation," "us" or "we") products, the prices and availability of raw materials, changes in the relative values of certain currencies, fluctuations in selling prices and adverse changes in general market and industry conditions. This presentation may also include price indices as well as variance and sensitivity analyses that are intended to provide the reader with a better understanding of the trends related to our business activities. These items are based on the best estimates available to the Corporation.

SUPPLEMENTAL INFORMATION ON NON-IFRS MEASURES – SPECIFIC ITEMS

The Corporation incurs some specific items that adversely or positively affected its operating results. We believe it is useful for readers to be aware of these items, as they provide additional information to measure the performance, compare the Corporation's results between periods and to assess operating results and liquidity, notwithstanding these specific items. Management believes these specific items are not necessarily reflective of the Corporation underlying business operations in measuring and comparing its performance and analyzing future trends. Our definition of specific items may differ from those of other corporations and some of them may arise in the future and may reduce the cash available to us.

They include, but are not limited to, charges for (reversals of) impairment of assets, restructuring gains or costs, loss on refinancing and repurchase of long-term debt, some deferred tax assets provisions or reversals, premiums paid on long-term debt refinancing, gains or losses on the acquisition or sale of a business unit, gains or losses on the share of results of associates and joint ventures, unrealized gains or losses on derivative financial instruments that do not qualify for hedge accounting, unrealized gains or losses on interest rate swaps, foreign exchange gains or losses on long-term debt, specific items of discontinued operations and other significant items of an unusual, non-cash or non-recurring nature.

RECONCILIATION OF NON-IFRS MEASURES

To provide more information for evaluating the Corporation's performance, the financial information included in this analysis contains certain data that are not performance measures under IFRS ("non-IFRS measures") which are also calculated on an adjusted basis to exclude specific items. We believe that providing certain key performance measures and non-IFRS measures is useful to both management and investors as they provide additional information to measure the performance and financial position of the Corporation. It also increases the transparency and clarity of the financial information. The following non-IFRS measures are used in our financial disclosures:

- Operating income before depreciation and amortization (OIBD): Used to assess operating performance and contribution of each segment when excluding depreciation & amortization. OIBD is widely used by investors as a measure of a corporation ability to incur and service debt and as an evaluation metric.
- Adjusted OIBD: Used to assess operating performance and contribution of each segment on a comparable basis.
- Adjusted operating income: Used to assess operating performance of each segment on a comparable basis.
- Adjusted net earnings: Used to assess the Corporation's consolidated financial performance on a comparable basis.
- Adjusted free cash flow: Used to assess the Corporation's capacity to generate cash flows to meet financial obligation and/or discretionary items such as share repurchase, dividend increase and strategic investments.
- Net debt to adjusted OIBD ratio: Used to measure the Corporation's credit performance and evaluate the financial leverage.
- Net debt to adjusted OIBD ratio on a pro forma basis: Used to measure the Corporation's credit performance and evaluate the financial leverage on a comparable basis including significant business acquisitions and excluding significant business disposals, if any.

Non-IFRS measures are mainly derived from the consolidated financial statements but do not have meanings prescribed by IFRS. These measures have limitations as an analytical tool, and should not be considered on their own or as a substitute for an analysis of our results as reported under IFRS. In addition, our definitions of non-IFRS measures may differ from those of other corporations. Any such modification or reformulation may be significant.

All amounts in this presentation are in Canadian dollars unless otherwise indicated.

Please click [here](#) for supplemental information on non-IFRS measures.

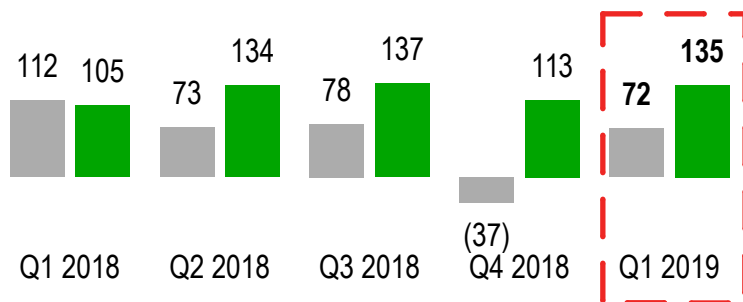


IMPACT OF NEW IFRS 16 - ACCOUNTING FOR LEASES

| Impact on the Statements of Earnings* (in millions of Canadian dollars) | Q1-2019 | 2019 annualized impact |
|--|---------|------------------------|
| OIBD | | |
| Containerboard | 3 | 12 |
| Europe | 1 | 4 |
| Specialty Products | 2 | 7 |
| Tissue Papers | 1 | 4 |
| Corporate | 1 | 3 |
| Increase in OIBD (total) | 8 | 30 |
| Increase in depreciation | 7 | 27 |
| Increase in financial expenses | 1 | 3 |

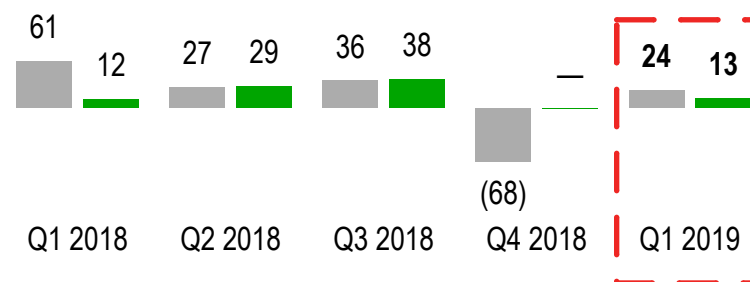
| Impact on the Balance Sheet* | As of January 1 st , 2019 |
|---|--------------------------------------|
| Increase in assets | 87 |
| Increase in debt | 99 |
| Decrease in deferred income tax liabilities | (3) |
| Decrease in equity | (9) |

SUMMARY OF QUARTERLY FINANCIAL RESULTS



■ Operating Income (loss) ■ Adjusted OIBD 1

Figures above in millions of CAN\$



■ Net Earnings (loss) ■ Adjusted Net Earnings 1

Figures above in millions of CAN\$

| (In millions of CAN\$, except amount per share) | | | | | 2017 | | | | | 2018 | 2019 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-------------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | Year | Q1 | Q2 | Q3 | Q4 ² | Year ² | Q1 |
| Financial results | | | | | | | | | | | |
| Sales | 1,006 | 1,130 | 1,103 | 1,082 | 4,321 | 1,098 | 1,180 | 1,175 | 1,196 | 4,649 | 1,230 |
| Operating income (loss) | 31 | 48 | 51 | 45 | 175 | 112 | 73 | 78 | (37) | 226 | 72 |
| Adjusted OIBD ¹ | 75 | 107 | 106 | 105 | 393 | 105 | 134 | 137 | 113 | 489 | 135 |
| Net earnings (loss) | 161 | 256 | 33 | 57 | 507 | 61 | 27 | 36 | (68) | 56 | 24 |
| Adjusted net earnings ¹ | 12 | 24 | 19 | 13 | 68 | 12 | 29 | 38 | — | 79 | 13 |
| Net earnings (loss) per share | \$1.70 | \$2.70 | \$0.35 | \$0.60 | \$5.35 | \$0.65 | \$0.28 | \$0.38 | \$(0.72) | \$0.59 | \$0.26 |
| Adjusted net earnings per share ¹ | \$0.13 | \$0.25 | \$0.20 | \$0.14 | \$0.72 | \$0.13 | \$0.30 | \$0.40 | — | \$0.83 | \$0.14 |

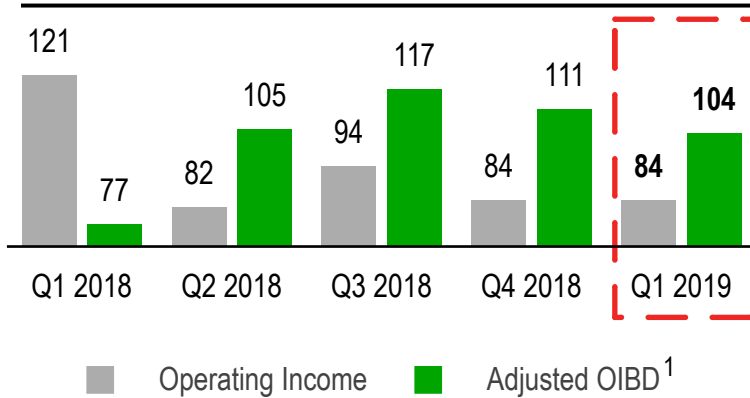
Solid increases generated in sales and adjusted OIBD both sequentially and year-over-year in Q1 2019

(1) Please click [here](#) for supplemental information on non-IFRS measures.

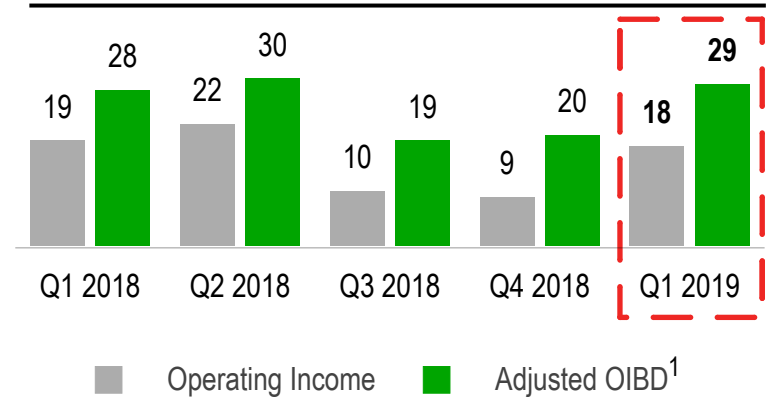
(2) 2018 fourth quarter results have been adjusted to reflect retrospective adjustments of purchase price allocation. Please refer to Note 5 of the unaudited condensed interim consolidated financial statements for more details.

HISTORICAL SEGMENTED QUARTERLY OPERATING INCOME (LOSS) & ADJUSTED OIBD¹

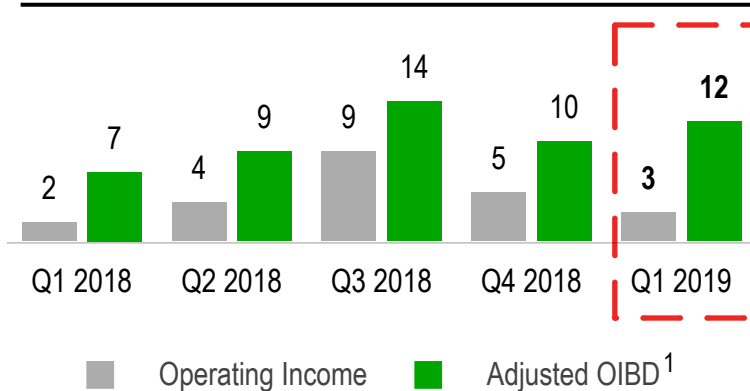
Containerboard (millions of CAN\$)



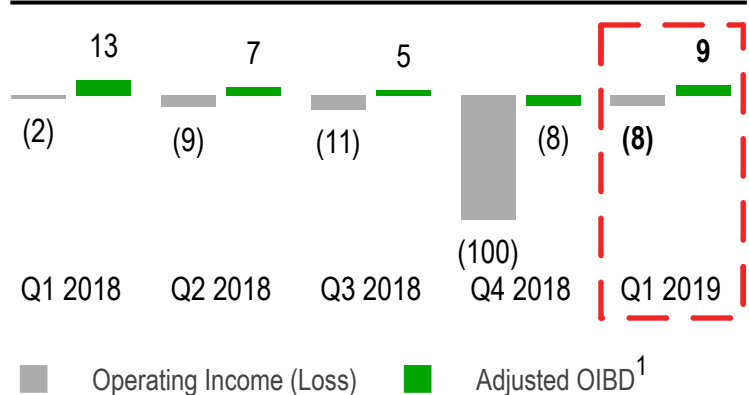
Boxboard Europe (millions of CAN\$)



Specialty Products² (millions of CAN\$)



Tissue Papers (millions of CAN\$)



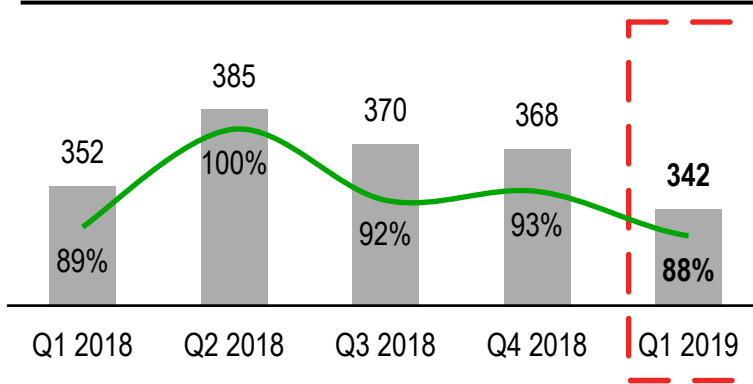
(1) Please click [here](#) for supplemental information on non-IFRS measures.

(2) 2018 fourth quarter results have been adjusted to reflect retrospective adjustments of purchase price allocation. Please refer to Note 5 of the unaudited condensed interim consolidated financial statements for more details.

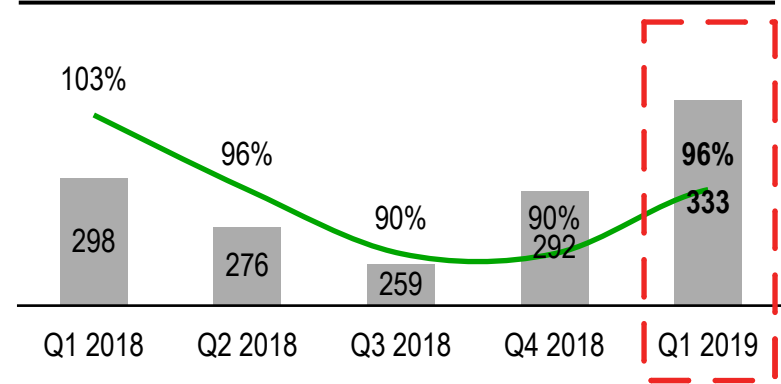


HISTORICAL SEGMENTED QUARTERLY SHIPMENTS

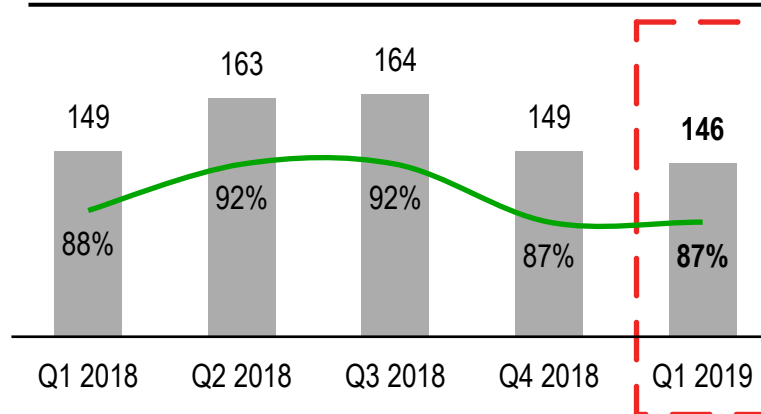
Containerboard ('000 s.t. and % capacity utilization¹)



Boxboard Europe ('000 s.t. and % capacity utilization¹)



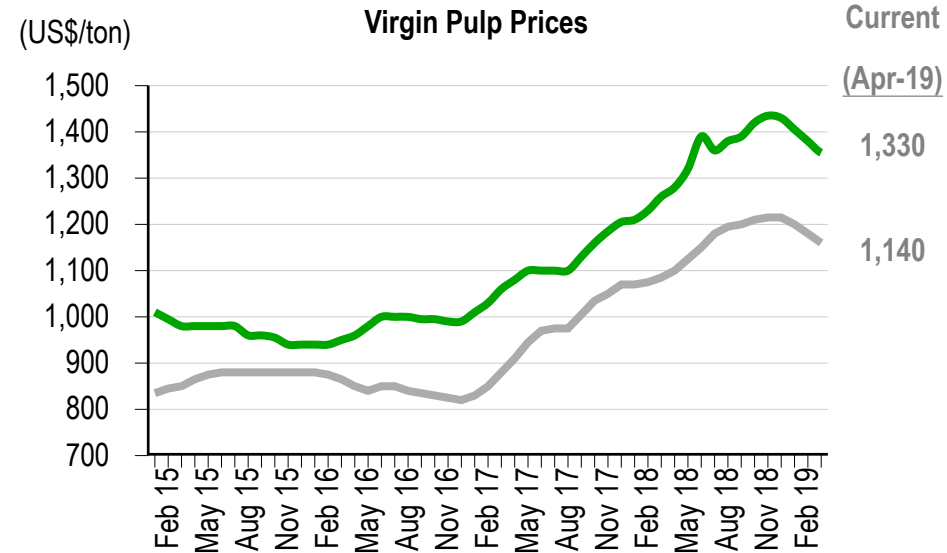
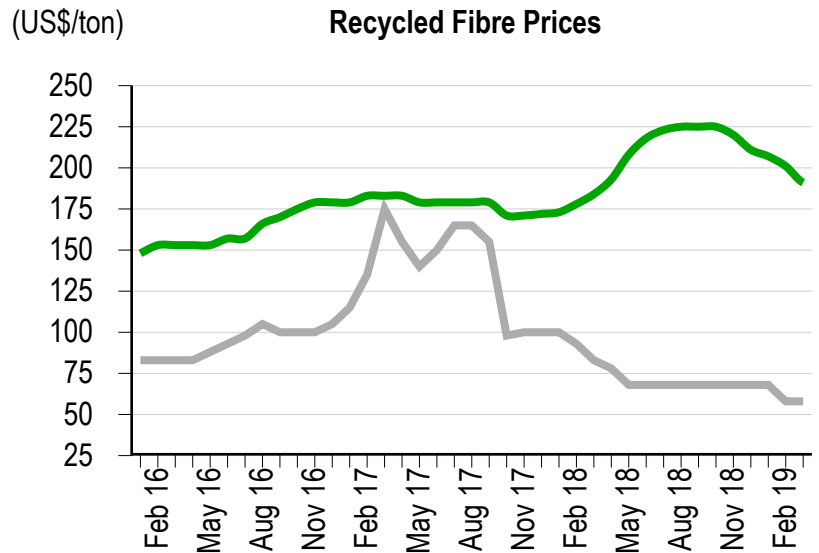
Tissue Papers ('000 s.t. and % capacity utilization¹)



(1) Utilization rate defined as total manufacturing shipments divided by practical capacity.



RAW MATERIAL COSTS - INDEX LIST PRICES



■ White grades (Basket of products)
 ■ Brown grades (OCC)

■ NBSK
 ■ NBHK

Recovered Paper Prices

| | Q1-2018 | Q4-2018 | Q1-2019 | Q1/Q1 | Q1/Q4 |
|--|---------|---------|---------|-------|-------|
| White grades - Basket of products (Northeast average) ¹ | 178 | 219 | 204 | 15% | (7)% |
| Brown grades - OCC No. 11 (Northeast average) | 92 | 68 | 61 | (34)% | (10)% |

Virgin Pulp Prices

| | | | | | |
|--|-------|-------|-------|-----|------|
| NBSK (Canadian sources delivered to Eastern US) | 1,233 | 1,428 | 1,380 | 12% | (3)% |
| NBHK (Canada/US sources delivered to Eastern US) | 1,077 | 1,213 | 1,180 | 10% | (3)% |

More favourable OCC pricing on a sequential and year-over-year basis; White recycled paper grades and virgin pulp prices up year-over-year, but registered sequential decreases in Q1

Source: RISI.

(1) Basket of white recycled paper, including grades such as SOP, Hard White Envelope and Coated Book Stock; Northeast average. Weighted average based on Cascades' consumption of each grade.

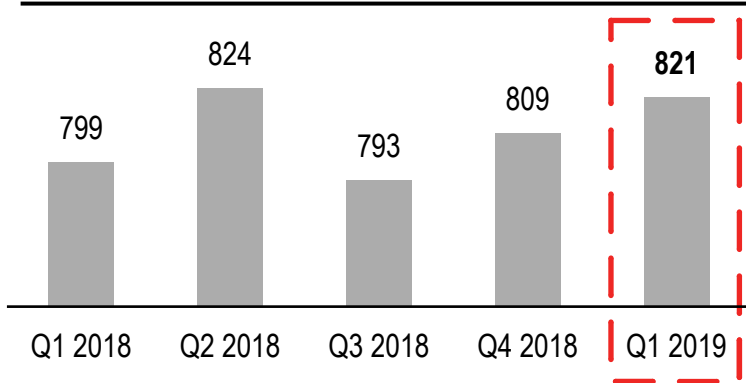
FINANCIAL REVIEW



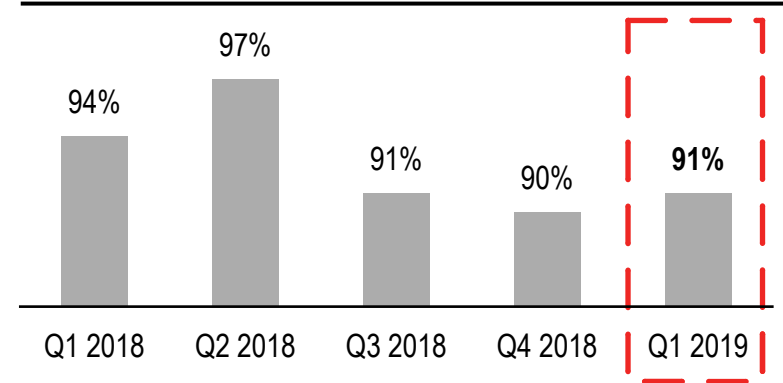


KEY PERFORMANCE INDICATORS (KPIs)

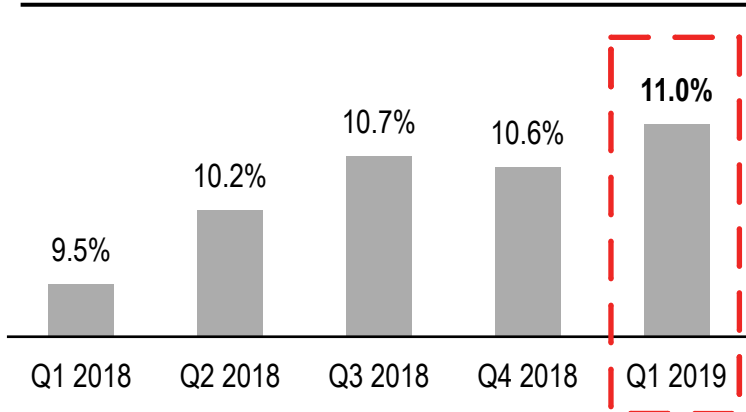
Total Shipments¹ ('000 s.t.)



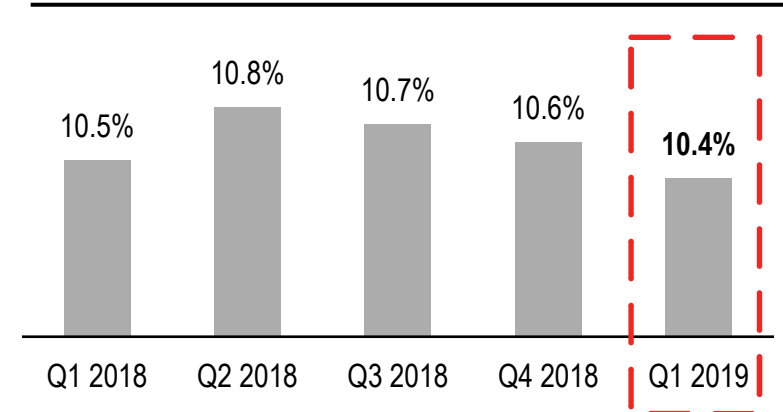
Capacity Utilization Rate¹⁻² (manufacturing only)



LTM Return on Assets



LTM Working Capital (% of LTM Sales)

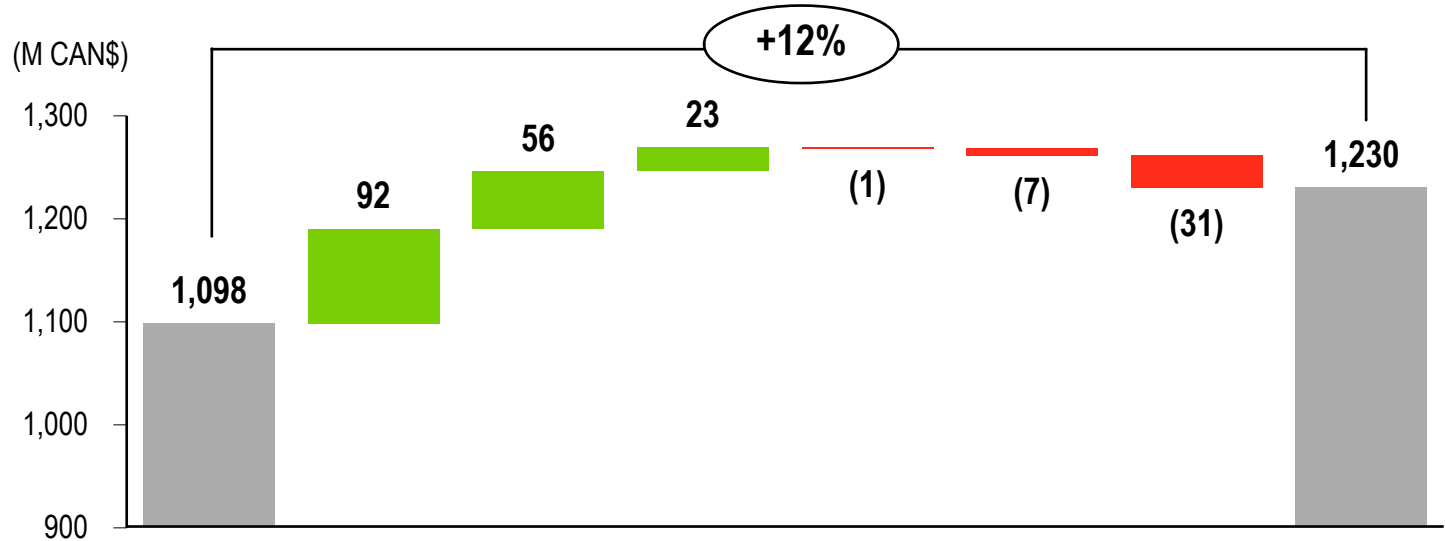


(1) Not including the Specialty Products segment.

(2) Utilization rate defined as total manufacturing shipments divided by practical capacity.

Please refer to the 2019 First Quarter Report for definitions of the KPIs.

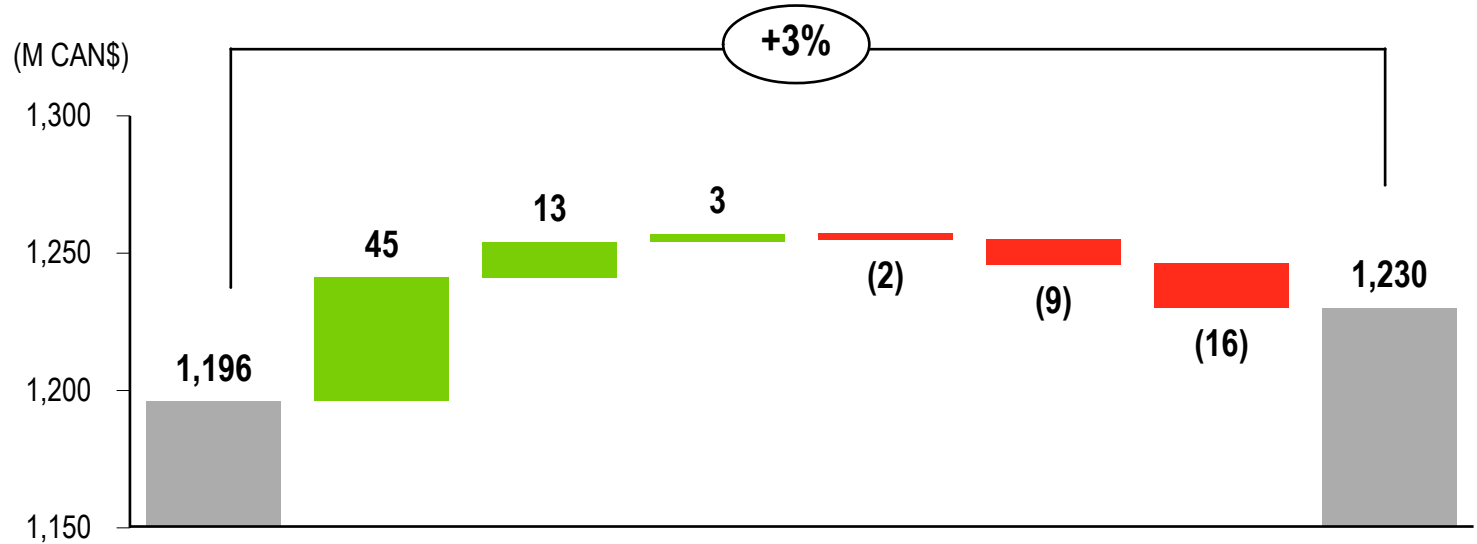
YEAR OVER YEAR SALES RECONCILIATION



| (M CAN\$) | Sales Q1-2018 | Business acquisitions | Price & Mix | F/X CAN\$ | Other Variances | Recovery & Recycling | Volume | Sales Q1-2019 |
|--------------------|---------------|-----------------------|-------------|-----------|-----------------|----------------------|-------------|---------------|
| Containerboard | 421 | — | 19 | 13 | — | — | (12) | 441 |
| Boxboard Europe | 246 | 52 | (1) | (6) | — | — | (12) | 279 |
| Specialty Products | 159 | 40 | 5 | 1 | — | (7) | (2) | 196 |
| Tissue Papers | 305 | — | 33 | 15 | — | — | (5) | 348 |
| Corporate & Elim. | (33) | — | — | — | (1) | — | — | (34) |
| Total | 1,098 | 92 | 56 | 23 | (1) | (7) | (31) | 1,230 |

Strong sales driven by recent business acquisitions and more favourable sales mix and FX for North American operations; Offsetting this were lower volumes in all segments year-over-year, and lower results in Recovery activities

SEQUENTIAL SALES RECONCILIATION

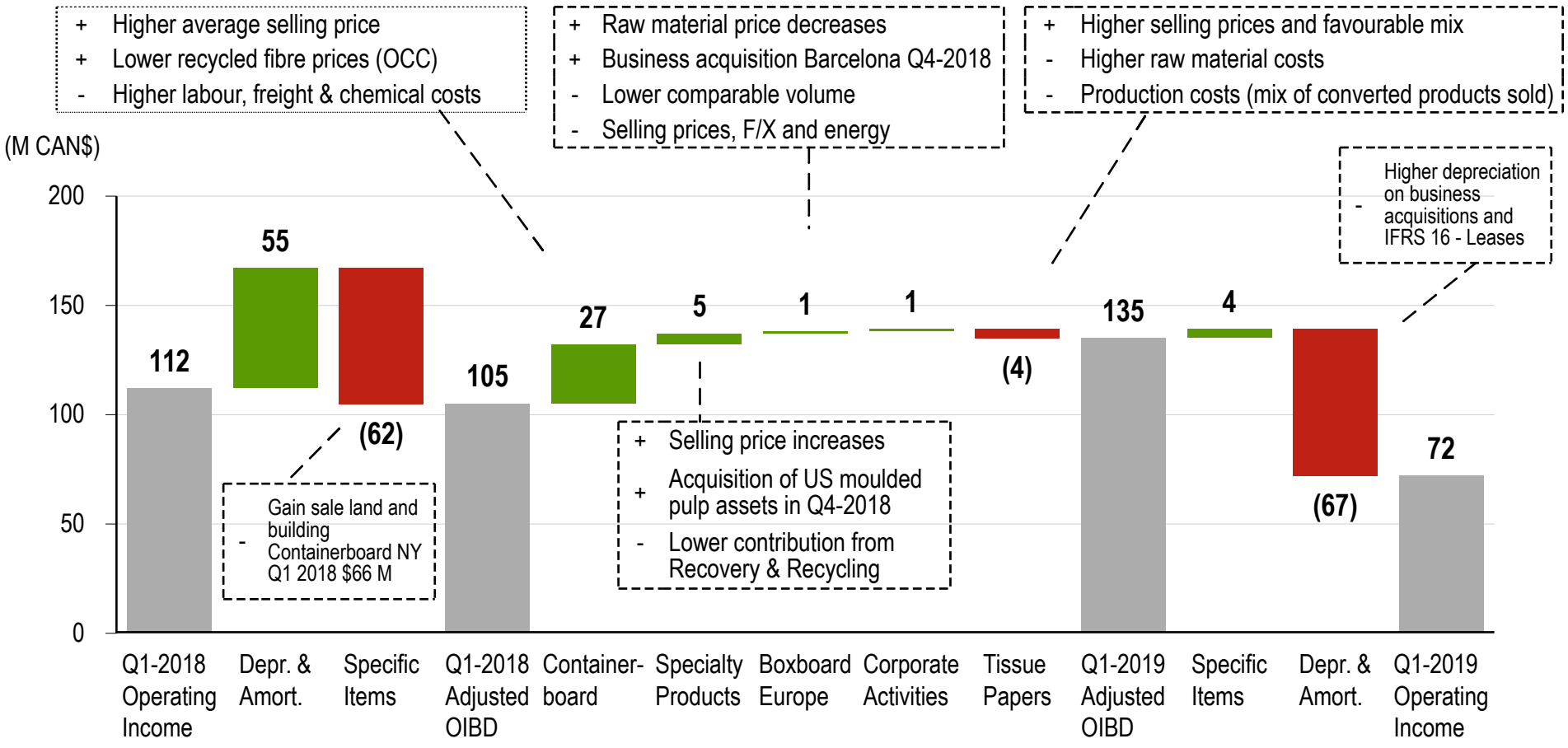


| (M CAN\$) | Sales Q4-2018 | Business acquisitions | Price & Mix | F/X CAN\$ | Other variances | Recovery & Recycling | Volume | Sales Q1-2019 |
|--------------------|---------------|-----------------------|-------------|-----------|-----------------|----------------------|-------------|---------------|
| Containerboard | 472 | — | 3 | 1 | — | — | (35) | 441 |
| Boxboard Europe | 245 | 18 | (3) | — | — | — | 19 | 279 |
| Specialty Products | 172 | 27 | — | — | — | (9) | 6 | 196 |
| Tissue Papers | 340 | — | 12 | 2 | — | — | (6) | 348 |
| Corporate & Elim. | (33) | — | 1 | — | (2) | — | — | (34) |
| Total | 1,196 | 45 | 13 | 3 | (2) | (9) | (16) | 1,230 |

Business acquisitions, favourable sales mix and FX for N.A. segments drove sequential increase; Lower Containerboard & Tissue volumes partially offset by increases in Europe & Specialty Products; Lower recycled fibre pricing negatively impacted recovery results



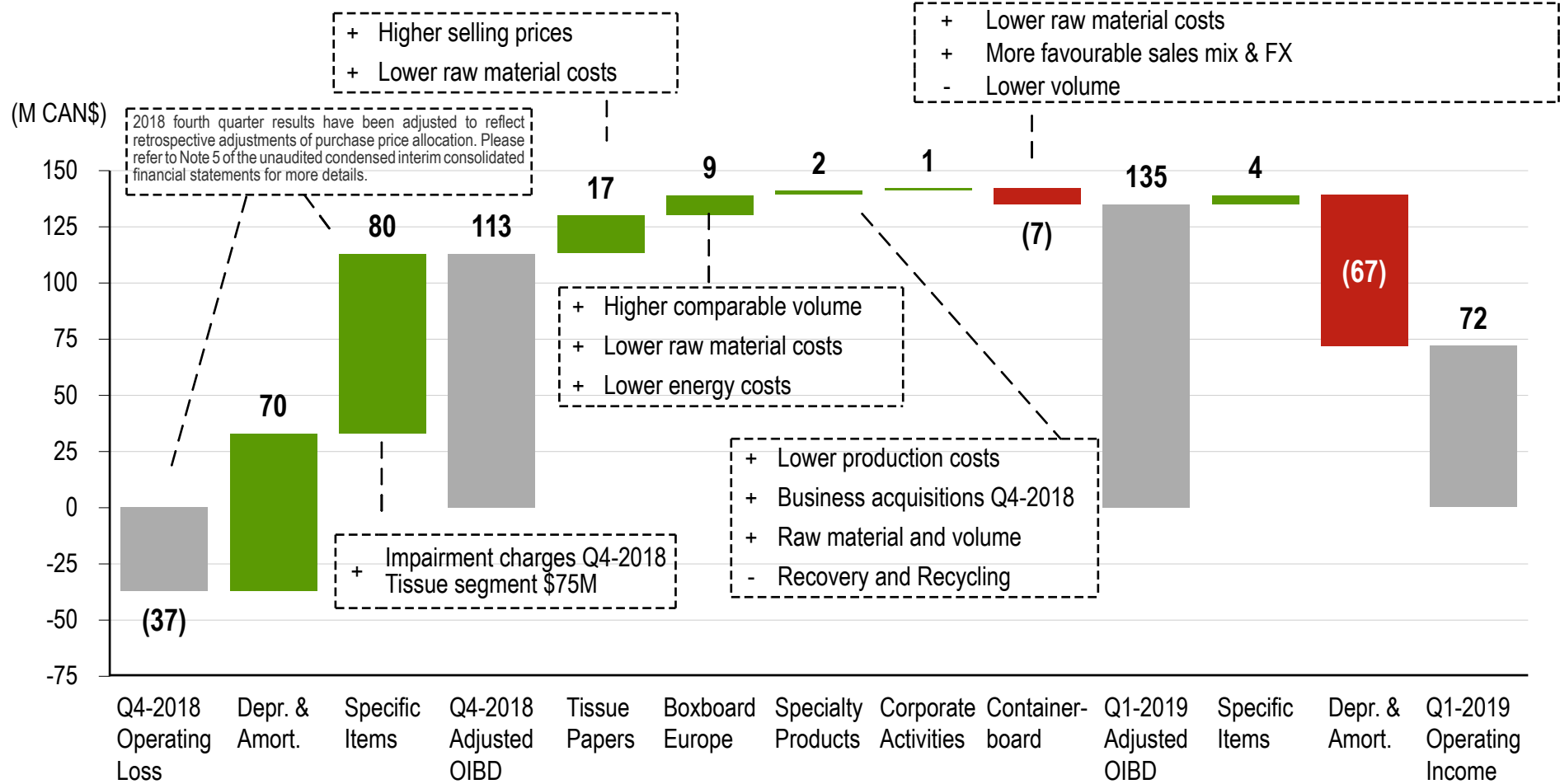
YEAR-OVER-YEAR OPERATING INCOME RECONCILIATION



Solid Containerboard results, driven by higher prices & lower raw material costs, offset weakness in Tissue Papers largely due to higher production costs

(1) Please click [here](#) for supplemental information on non-IFRS measures.

SEQUENTIAL OPERATING INCOME (LOSS) RECONCILIATION



Sequential Containerboard decrease reflects lower volumes; Improvement in Tissue driven by lower raw material prices and higher average selling price; Europe results benefited from higher volume, and lower raw material & energy costs

QUARTERLY YEAR-OVER-YEAR EPS VARIANCE

| | Q1-2018 | | | Q1-2019 | | |
|---|-----------------------|------------------------|----------------|-----------------------|------------------------|----------------|
| | Adjusted ¹ | Specifics ¹ | As reported | Adjusted ¹ | Specifics ¹ | As reported |
| OIBD ¹ | 105 | 62 | 167 | 135 | 4 | 139 |
| Depreciation | (55) | — | (55) | (67) | — | (67) |
| Operating income | 50 | 62 | 112 | 68 | 4 | 72 |
| Financing expenses & interest expense on employee future benefits and other liabilities | (23) | — | (23) | (39) | — | (39) |
| FX gain on LT debt and financial instruments | — | 1 | 1 | — | 6 | 6 |
| Fair value revaluation gain on investments | — | 5 | 5 | — | — | — |
| Share of results of associates and JVs | 1 | — | 1 | 2 | — | 2 |
| Profit before tax | 28 | 68 | 96 | 31 | 10 | 41 |
| Recovery of (provision for) income taxes | (5) | (19) | (24) | (9) | 1 | (8) |
| Non-controlling interests | (11) | — | (11) | (9) | — | (9) |
| Net earnings | 12 | 49 | 61 | 13 | 11 | 24 |
| per share | \$ 0.13 | \$ 0.52 | \$ 0.65 | \$ 0.14 | \$ 0.12 | \$ 0.26 |

| | | |
|---|----------------|---|
| Change in after-tax results normalized at 26% | \$ 0.02 | Higher OIBD partly offset by higher interest expense of \$10 million on CDPQ put option in Greenpac as a result Greenpac's improving financial performance and by higher depreciation resulting from 2018 investments |
| Change in income taxes provision vs normalized tax rate at 26% | \$ (0.04) | Utilization of unrecognized tax losses in Europe in Q1-18 and higher non deductible interest on CDPQ put option in Greenpac |
| Change in share of results of Associates and JVs - net of taxes and non-controlling interests | \$ 0.03 | Lower contribution from European subsidiary Reno de Medici partly offset by higher financial performance from Greenpac |
| | \$ 0.01 | |

(1) Please click [here](#) for supplemental information on non-IFRS measures.

QUARTERLY SEQUENTIAL EPS VARIANCE

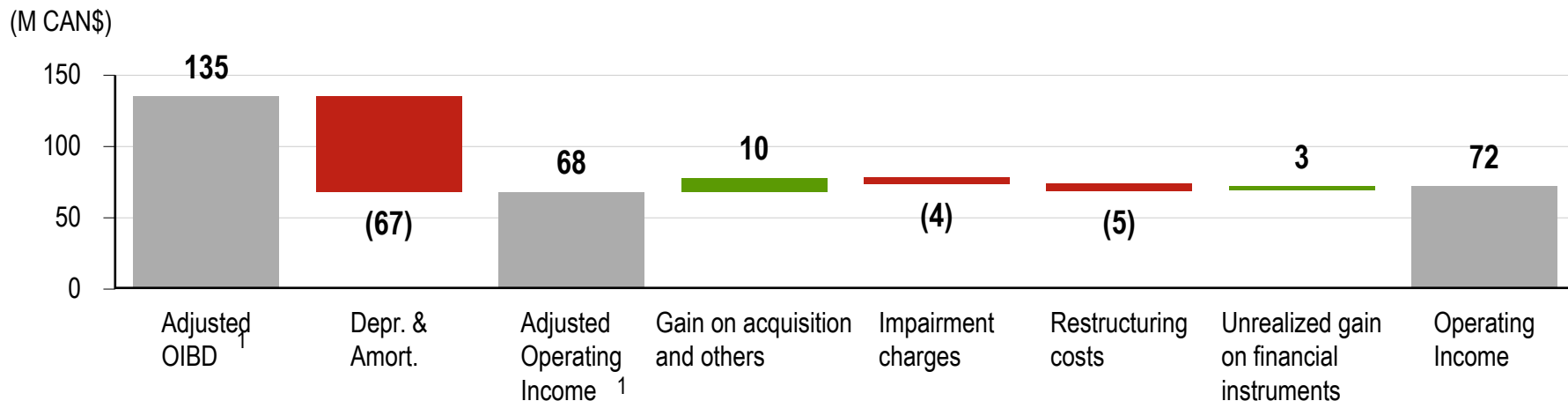
| | Q4-2018 ² | | | Q1-2019 | | |
|---|-----------------------|------------------------|---------------|-----------------------|------------------------|----------------|
| | Adjusted ¹ | Specifics ¹ | As reported | Adjusted ¹ | Specifics ¹ | As reported |
| OIBD ¹ | 113 | (80) | 33 | 135 | 4 | 139 |
| Depreciation | (70) | — | (70) | (67) | — | (67) |
| Operating income (loss) | 43 | (80) | (37) | 68 | 4 | 72 |
| Financing expenses & interest expense on employee future benefits and other liabilities | (29) | — | (29) | (39) | — | (39) |
| FX gain (loss) on LT debt and financial instruments | — | (8) | (8) | — | 6 | 6 |
| Share of results of associates and JVs | 4 | — | 4 | 2 | — | 2 |
| Profit before tax | 18 | (88) | (70) | 31 | 10 | 41 |
| Recovery of (provision for) income taxes | (11) | 20 | 9 | (9) | 1 | (8) |
| Non-controlling interests | (7) | — | (7) | (9) | — | (9) |
| Net earnings (loss) | — | (68) | (68) | 13 | 11 | 24 |
| per share | — \$ | (0.72) \$ | (0.72) | \$ 0.14 | \$ 0.12 | \$ 0.26 |

| | | |
|---|----------------|---|
| Change in after-tax results normalized at 26% | \$ 0.12 | Higher operating income partly offset by higher interest expense of \$8 million on CDPQ put option in Greenpac as a result Greenpac's improving financial performance |
| Change in income taxes provision vs normalized tax rate at 26% | \$ 0.06 | Derecognition of tax losses in Q4-18 |
| Change in share of results of Associates and JVs - net of taxes and non-controlling interests | \$ (0.04) | Lower contribution from our subsidiary Reno de Medici in Europe and lower contribution from joint ventures and associates |
| | \$ 0.14 | |

(1) Please click [here](#) for supplemental information on non-IFRS measures.

(2) 2018 fourth quarter results have been adjusted to reflect retrospective adjustments of purchase price allocation. Please refer to Note 5 of the unaudited condensed interim consolidated financial statements for more details.

Q1-19 ADJUSTED OIBD TO OPERATING INCOME RECONCILIATION



| (M CAN\$) | Container-board | Boxboard Europe | Specialty Products | Tissue Papers | Corporate Activities | Total |
|---|-----------------|-----------------|--------------------|---------------|----------------------|------------|
| Operating income (loss) | 84 | 18 | 3 | (8) | (25) | 72 |
| Specific items: | | | | | | |
| Gain on acquisitions, disposals and others | (10) | — | — | — | — | (10) |
| Impairment charges | 3 | — | — | 1 | — | 4 |
| Restructuring costs | — | — | 1 | 4 | — | 5 |
| Unrealized gain on financial instruments | — | — | — | — | (3) | (3) |
| Total Specific items | (7) | — | 1 | 5 | (3) | (4) |
| Adjusted operating income (loss)¹ | 77 | 18 | 4 | (3) | (28) | 68 |
| Depreciation and amortization | 27 | 11 | 8 | 12 | 9 | 67 |
| Adjusted OIBD¹ | 104 | 29 | 12 | 9 | (19) | 135 |



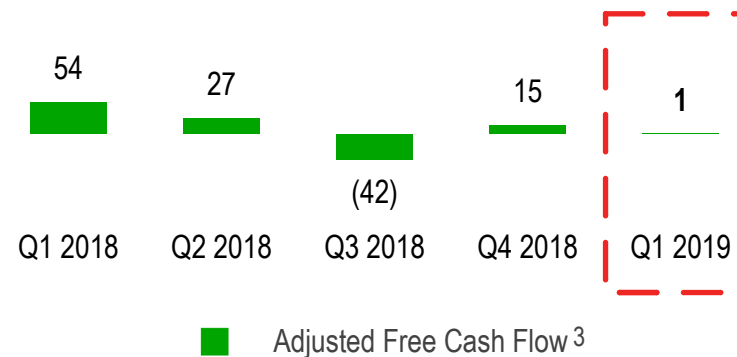
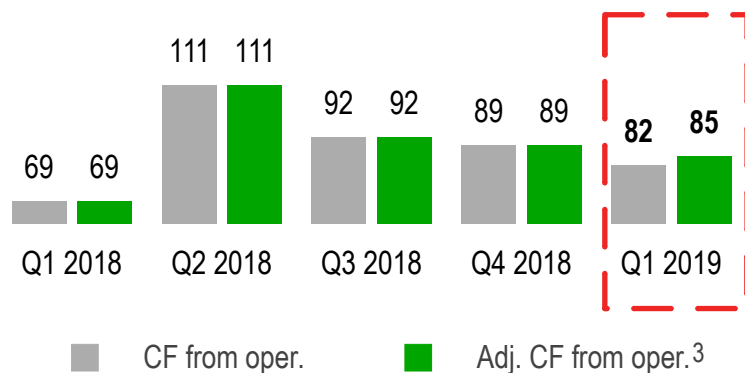
NET EARNINGS - IFRS VS ADJUSTED

| | NET EARNINGS | NET EARNINGS PER SHARE ¹ |
|---|--------------|-------------------------------------|
| (in millions of Canadian dollars, except amount per share) | Q1-2019 | Q1-2019 |
| As per IFRS | 24 | \$ 0.26 |
| Specific items: | | |
| Gain on acquisitions, disposals and others | (10) | \$ (0.11) |
| Impairment charges | 4 | \$ 0.03 |
| Restructuring costs | 5 | \$ 0.04 |
| Unrealized gain on financial instruments | (3) | \$ (0.02) |
| Foreign exchange gain on long-term debt & financial instruments | (6) | \$ (0.06) |
| Tax effect on specific items, other tax adjustments and attributable to non-controlling interest ¹ | (1) | — |
| | (11) | \$ (0.12) |
| Adjusted² | 13 | 0.14 |

(1) Specific amounts per share are calculated on an after-tax basis and are net of the portion attributable to non-controlling interest.

(2) Please click [here](#) for supplemental information on non-IFRS measures.

CASH FLOW OVERVIEW



Figures above in millions of CAN\$

Figures above in millions of CAN\$

| (In millions of CAN\$, except amount per share) | 2017 | | | | | 2018 | | | | 2019 | |
|---|----------|--------|--------|--------|--------|------------------|--------|----------|--------|--------|--------|
| | Q1 | Q2 | Q3 | Q4 | Year | Q1 | Q2 | Q3 | Q4 | Year | Q1 |
| Cash flow from operations | 33 | 89 | 61 | 77 | 260 | 69 | 111 | 92 | 89 | 361 | 82 |
| Specific items ¹ | 1 | 2 | 2 | 12 | 17 | — | — | — | — | — | 3 |
| Adjusted cash flow from operations ³ | 34 | 91 | 63 | 89 | 277 | 69 | 111 | 92 | 89 | 361 | 85 |
| <i>Including: Net financing expense paid</i> | (38) | (10) | (40) | (11) | (99) | (37) | (18) | (39) | (13) | (107) | (43) |
| Capital expenditures & other assets ² , capital lease payments, net of disposals | (64) | (32) | (46) | (63) | (205) | (9) ⁵ | (72) | (129) | (66) | (276) | (76) |
| Dividends ⁴ | (4) | (7) | (5) | (4) | (20) | (6) | (12) | (5) | (8) | (31) | (8) |
| Adjusted free cash flow ³ | (34) | 52 | 12 | 22 | 52 | 54 | 27 | (42) | 15 | 54 | 1 |
| Adjusted free cash flow per share ³ | \$(0.36) | \$0.55 | \$0.13 | \$0.24 | \$0.56 | \$0.56 | \$0.29 | \$(0.44) | \$0.16 | \$0.57 | \$0.01 |

Lower Q1 adjusted FCF year-over-year reflects planned higher capital payments, which offset higher Cash Flow from Operations

(1) Specific items: premiums paid on the repurchase of long-term debt and restructuring costs.

(2) Excluding increase in investments.

(3) Please click [here](#) for supplemental information on non-IFRS measures.

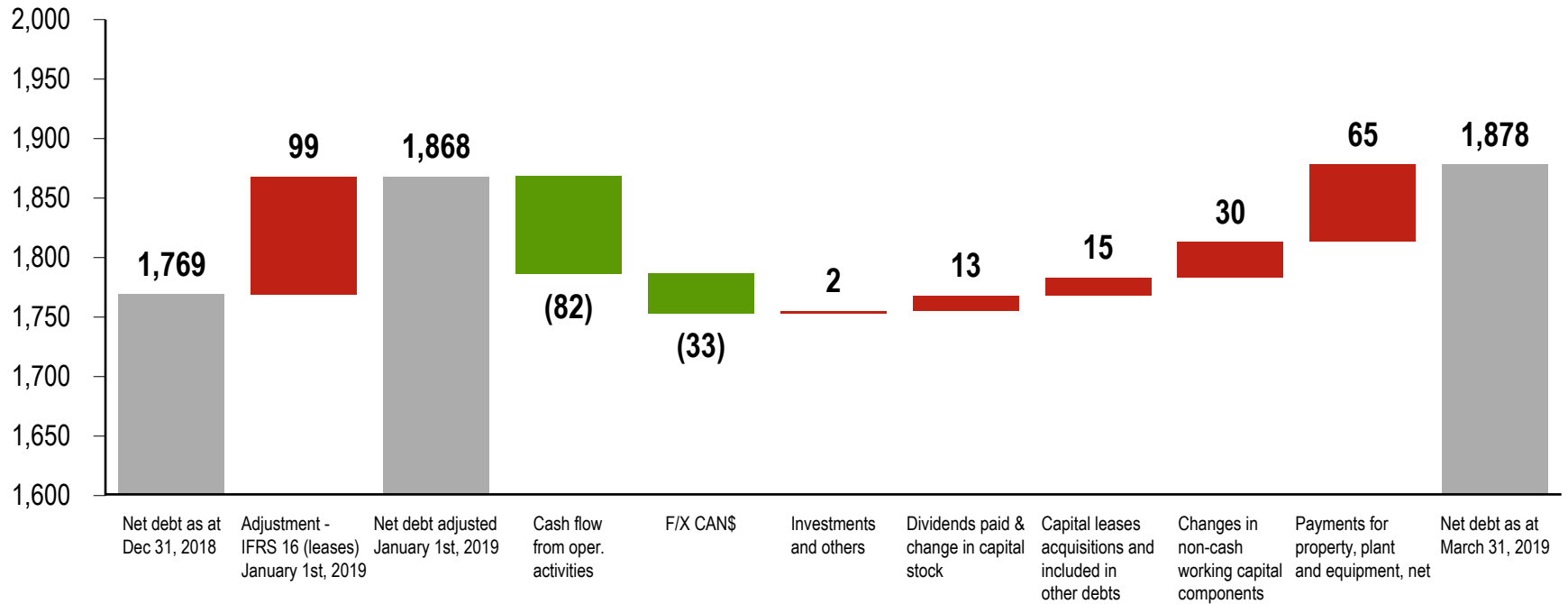
(4) Paid to our shareholders and to non-controlling interests.

(5) Net of disposals of \$81 million.



NET DEBT¹ RECONCILIATION - Q1 2019

(M CAN\$)



Q4-2018
\$505 million²
3.5x

LTM adjusted OIBD¹
Net debt/LTM adjusted OIBD¹

Q1-2019
\$553 million²
3.4x

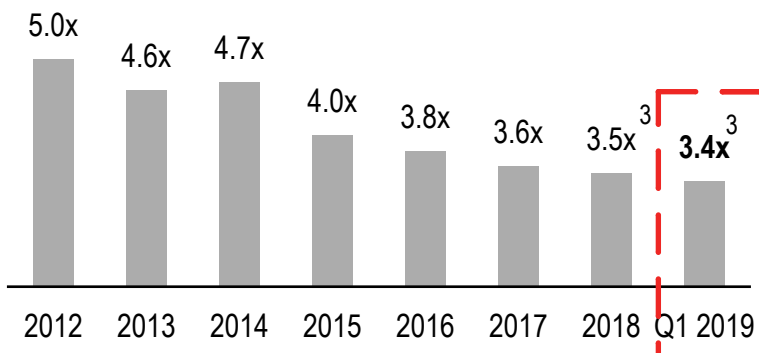
Strong Cash Flow from Operations and favourable FX rate offset by higher capital expenditures, capital lease acquisitions, and changes in non-cash WC components

(1) Please click [here](#) for supplemental information on non-IFRS measures.
 (2) Adjusted OIBD (last twelve months) including business combinations on a pro-forma basis as well as IFRS 16 annualized impact for 2019.

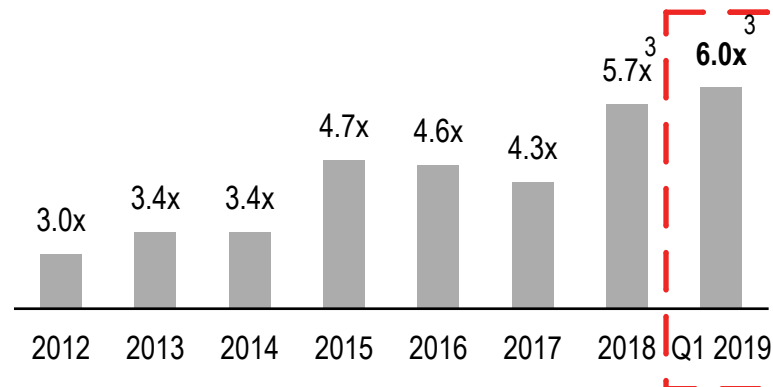


CONSOLIDATED FINANCIAL RATIOS & DEBT MATURITIES

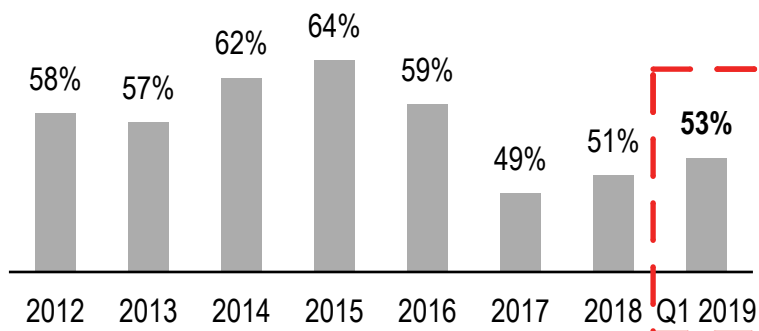
Net Debt / LTM Adjusted OIBD¹



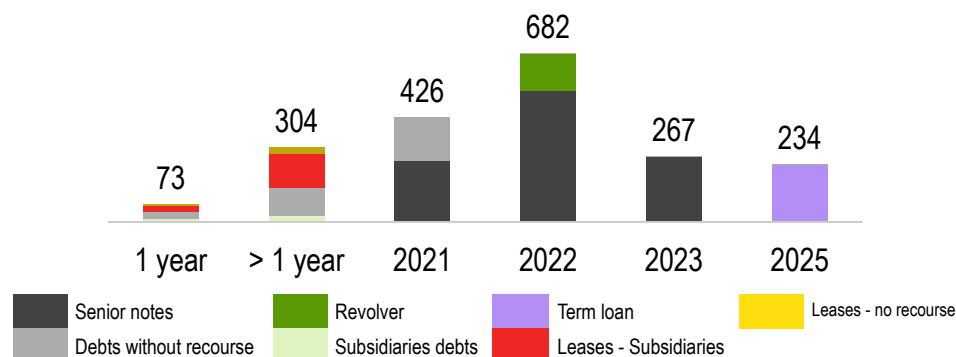
Interest Coverage Ratio²



Net Debt / Net Debt + Total Equity



Long-Term Debt Maturities (as at March 31, 2019)



Q1 2019 leverage ratio of 3.4x³ ; Targeting leverage ratio of 2.5x

Bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 49.17%), interest coverage ratio > 2.25x (currently at 4.53x).

(1) Please click [here](#) for supplemental information on non-IFRS measures.

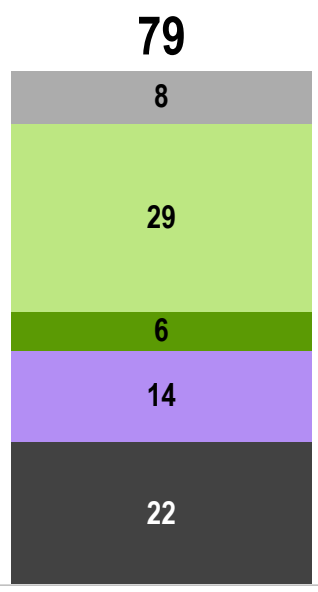
(2) Last twelve months adjusted OIBD to financing expense.

(3) Pro-forma to include 2017 and 2018 business acquisitions on a LTM basis as well as IFRS 16 annualized impact for 2019.



CAPITAL INVESTMENTS

(in millions of Canadian dollars, including capitalization of IT projects and value of leases)



Q1 2019



2019 planned capital expenditures

| | | | |
|--------------------|---------------|-----------|---------------|
| Containerboard | \$110M | to | \$125M |
| Boxboard Europe | \$35M | to | \$45M |
| Specialty Products | \$35M | to | \$45M |
| Tissue Papers | \$110M | to | \$135M |
| Corporate & IT | \$40M | to | \$50M |
| TOTAL | \$330M | to | \$400M |

Including major projects:

- Modernization of Tissue converting assets (± \$80-100M)
- Start of the conversion of the Bear Island facility to containerboard (± \$60M)
- Warehouse & rolling equipment replacement (± \$45M)

SEGMENTED REVIEW





PACKAGING PRODUCTS / CONTAINERBOARD

| Results | Change vs. | | |
|--|-------------------|---------|---------|
| | Q1 2019 | Q4 2018 | Q1 2018 |
| Shipments ('000 s.t.) | | | |
| 342 | (7)% | (3)% | |
| Average selling price (CAN\$/unit) | | | |
| 1,288 | 1% | 8% | |
| Sales (M\$) | | | |
| 441 | (7)% | 5% | |
| Operating income (M\$) | | | |
| 84 | — | 31% | |
| Adjusted OIBD¹ (M\$) | | | |
| 104 | (6)% | 35% | |
| % of sales | | | |
| 23.6% | | | |

Comments on sequential performance

- ➔ Shipments decreased sequentially. This reflects a 7% decrease in external mill shipment levels and a 7% decrease in converted product shipments in millions of square feet, both attributable to lower market demand levels.
- ➔ The average selling price increased slightly on a sequential basis, reflecting a more favourable sales mix and a 1% depreciation of the Canadian dollar.
- ➔ The lower sequential sales is largely attributable to the lower shipment volumes in the current period.
- ➔ Adjusted OIBD decreased by 6% sequentially as a result of lower volumes, the effects of which were partially offset by lower raw material prices and more favourable sales mix.

Scheduled maintenance and capital investment downtime (in s.t.)

| Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | FY 2019 |
|---------|-----------------|----------------|---------------|------------------------|
| ~7,000 | 10,500 - 11,500 | 9,000 - 10,000 | 8,000 - 9,000 | 34,500 - 37,500 |

PACKAGING PRODUCTS / BOXBOARD EUROPE

| Results | Change vs. | | |
|--|-------------------|---------|---------|
| | Q1 2019 | Q4 2018 | Q1 2018 |
| Shipments ('000 s.t.) | | | |
| 333 | 14% | 12% | |
| Average selling price¹ | | | |
| (CAN\$/unit) | | | |
| 796 | (1)% | (4)% | |
| (Euro€/unit) | | | |
| 527 | (1)% | (1)% | |
| Sales (M\$) | | | |
| 279 | 14% | 13% | |
| Operating income (M\$) | | | |
| 18 | 100% | (5)% | |
| Adjusted OIBD¹ (M\$) | | | |
| 29 | 45% | 4% | |
| % of sales | | | |
| 10.4% | | | |

(1) Average selling price for manufacturing and converting activities only

Comments on sequential performance

- ➔ Higher sequential shipments reflect the acquisition of Barcelona Cartonboard, which provided 22,000 short tons of external shipments, and seasonally slower shipments in December. Compared to the prior quarter, external virgin boxboard shipments increased by 2,000 s.t., or 4%, recycled boxboard shipments increased by 39,000 s.t., or 16%, and shipments of converted products remained stable.
- ➔ The slight sequential decrease in the average selling price was largely driven by the 5% appreciation of the Canadian dollar. The average selling price of virgin boxboard increased 4% sequentially, while that of recycled boxboard decreased by 2%. Additionally, the overall proportion of recycled boxboard sales was higher than in the previous period.
- ➔ The sales increase reflects the acquisition of Barcelona Cartonboard during the fourth quarter, which contributed an additional 1 month of results in the current period, in addition to the comparably higher shipment levels. These benefits were partially offset by the lower average selling price in the period.
- ➔ Despite the lower average selling price, adjusted OIBD increased notably compared to the prior period. This was driven by the consolidation of Barcelona, lower energy costs, and a reduction in virgin pulp prices.



PACKAGING PRODUCTS / SPECIALTY PRODUCTS

| Results | Change vs. | | |
|--|-------------------|---------|---------|
| | Q1 2019 | Q4 2018 | Q1 2018 |
| Sales (M\$) | | | |
| 196 | 14% | 23% | |
| Operating income (M\$) | | | |
| 3 | (40)% | 50% | |
| Adjusted OIBD¹ (M\$) | | | |
| 12 | 20% | 71% | |
| % of sales | | | |
| 6.1% | | | |

Comments on sequential performance

- The sales increase is largely attributable to the acquisition of two moulded pulp plants and a majority stake in a distribution company in the U.S. in December 2018. Sales levels also benefited from higher volumes in Industrial Packaging. Offsetting this were lower shipment levels in the recovery operations, and the reduction in prices of recycled fibre.
- The sequential increase in adjusted OIBD reflects the better realized spreads in packaging activities, the recent business acquisition, and lower operational and administrative expenses. These benefits were partially mitigated by lower realized margins in the Recovery & Recycling sub-segment.

Specialty products segment adjusted OIBD is attributable to sub-segments as follows (in M\$):

| | Q1-18 | Q4-18 | Q1-19 |
|----------------------|----------|-----------|-----------|
| Packaging | 7 | 7 | 14 |
| Recovery & Recycling | — | 3 | (2) |
| Total | 7 | 10 | 12 |

Specialty products segment sales are attributable to sub-segments as follows (in M\$):

| | Q1-18 | Q4-18 | Q1-19 |
|----------------------------|------------|------------|------------|
| Packaging | 85 | 95 | 129 |
| Recovery & Recycling | 75 | 77 | 68 |
| Inter-segment eliminations | (1) | — | (1) |
| Total | 159 | 172 | 196 |



TISSUE PAPERS

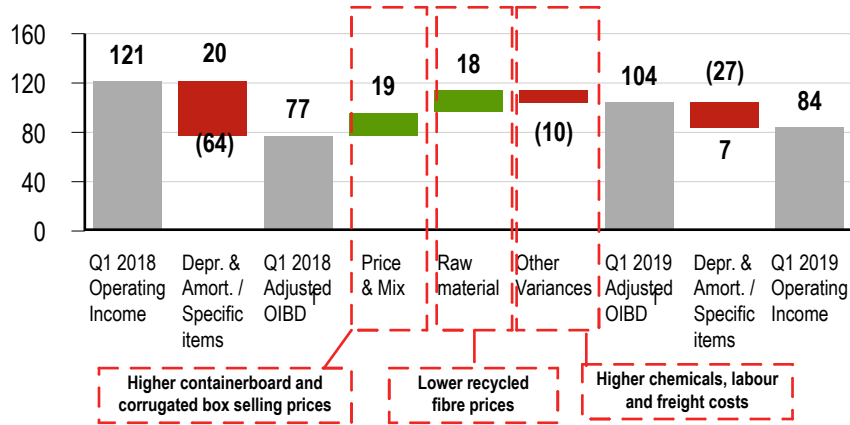
| Results | Change vs. | | |
|--|-------------------|---------|---------|
| | Q1 2019 | Q4 2018 | Q1 2018 |
| Shipments ('000 s.t.) | | | |
| 146 | (2)% | (2)% | |
| Average selling price (CAN\$/unit) | | | |
| 2,386 | 5% | 16% | |
| Sales (M\$) | | | |
| 348 | 2% | 14% | |
| Operating loss (M\$) | | | |
| (8) | 92% | (300)% | |
| Adjusted OIBD¹ (M\$) | | | |
| 9 | 213% | (31)% | |
| % of sales | | | |
| 2.6% | | | |

Comments on sequential performance

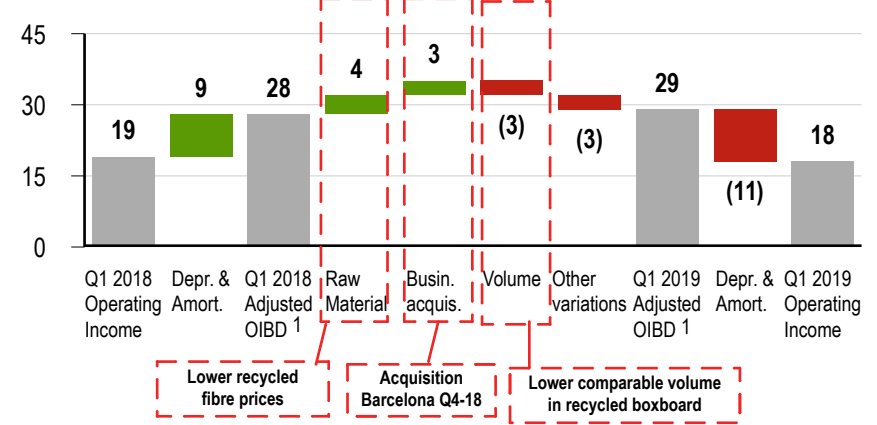
- The sequential decrease in shipments reflects a 1% decrease in converted product shipments, attributable to usual seasonality partially offset by volume gains in the U.S., and a 4% decrease in jumbo roll shipments, linked to a higher integration rate and strategic customer realignment.
- The increase in the average selling price was driven by the appreciation of the Canadian dollar, the favourable impact of the implementation of sales price increases announced in 2018, and a higher percentage of converted products sold in the current period.
- The sequentially higher sales levels reflect the beneficial impact of the higher average selling price and the depreciation of the Canadian dollar. These benefits more than offset seasonally slower volumes.
- The increase in first quarter adjusted OIBD is attributable to the higher average selling price and the lower cost of raw materials (both virgin pulp and white grades of recycled fibres). OIBD levels similarly benefited from improved productivity levels at the primary mills in the current period.

SEGMENTED YoY OPERATING INCOME (LOSS) WATERFALLS

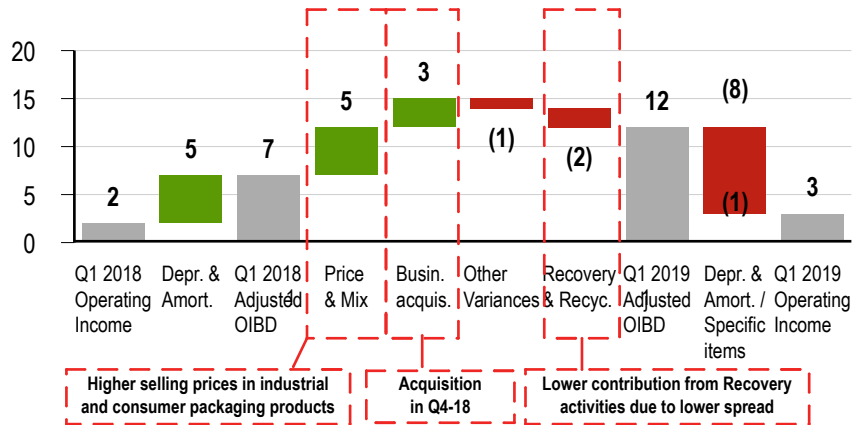
Containerboard (millions of CAN\$)



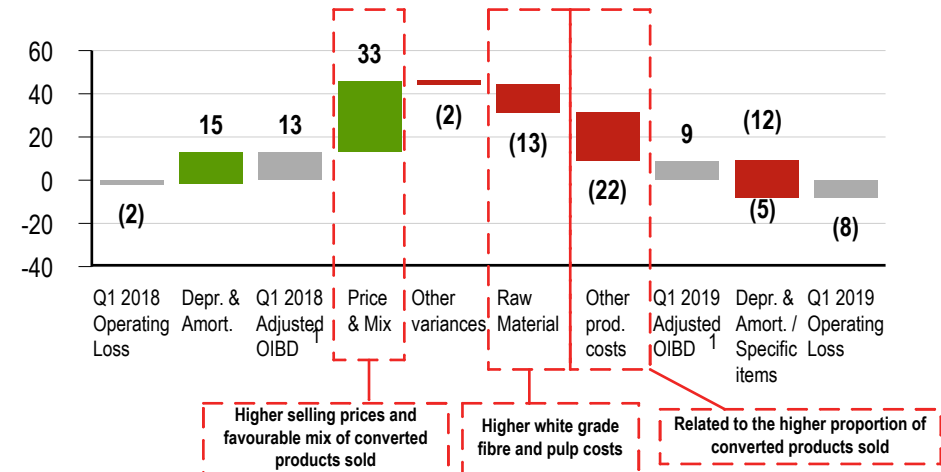
Boxboard Europe (millions of CAN\$)



Specialty Products (millions of CAN\$)



Tissue Papers (millions of CAN\$)

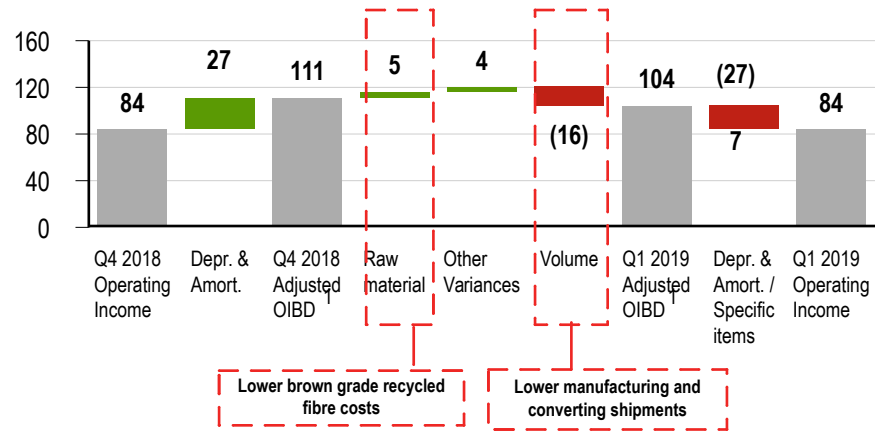


(1) Please click [here](#) for supplemental information on non-IFRS measures.

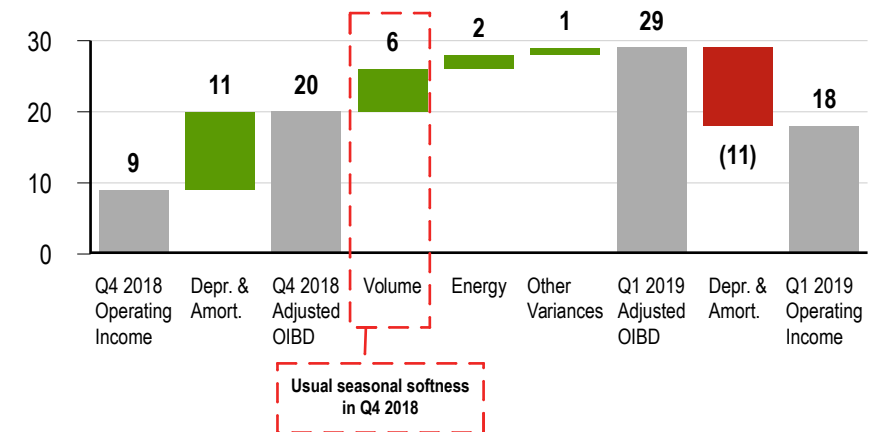


SEGMENTED SEQUENTIAL OPERATING INCOME (LOSS) WATERFALLS

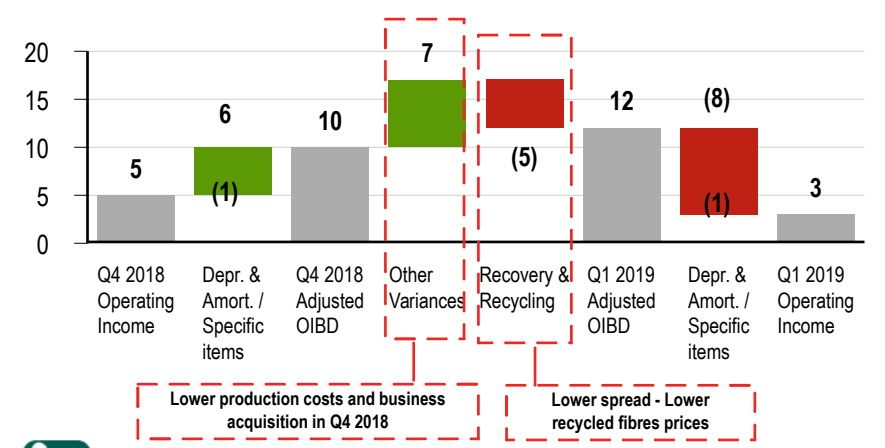
Containerboard (millions of CAN\$)



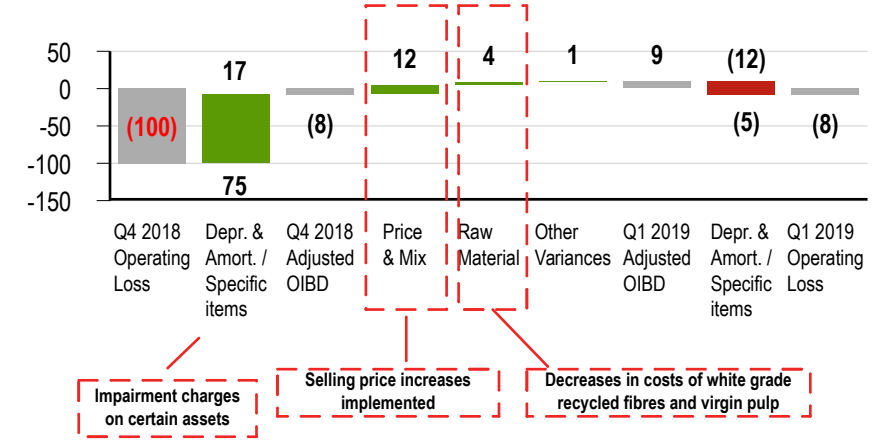
Boxboard Europe (millions of CAN\$)



Specialty Products (millions of CAN\$)



Tissue Papers (millions of CAN\$)



CONCLUDING REMARKS

AND

Q&A





NEAR TERM FACTORS



- **Raw materials:** lower OCC price, positive trends in virgin pulp and SOP white recycled fiber grade
- **Tissue:** price increases announced in various products and sub-segments
- **Boxboard Europe:** volume benefit related to acquisition of Barcelona Cartonboard
- **Specialty Products:** contribution from recent U.S. acquisition



- **Tissue:** ongoing market-related challenges
- **Containerboard:** potential for pricing & volume headwinds
- **Specialty Products:** negative impact of lower recycled fibre prices on Recovery sub-segment performance

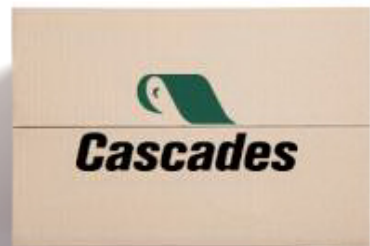
| Q2 2019 | Containerboard Packaging | | Boxboard Europe ¹ | | Specialty Products | | Tissue Papers | |
|--------------------------------|--------------------------|----------|------------------------------|----------|--------------------|----------|---------------|----------|
| OIBD ² Trend | YoY ↑ | QoQ ↑ | YoY ↔ | QoQ ↔ | YoY ↑ | QoQ ↔ | YoY ↑ | QoQ ↑ |
| REFLECTING: | | | | | | | | |
| VOLUME | ↗ | ↗ | ↗ | ↗ | ↗ | ↗ | ↗ | ↔ |
| SELLING PRICE | ↗ | ↘ | ↗ | ↔ | ↗ | ↔ | ↗ | ↗ |
| RAW MATERIAL COST ³ | ↘ | ↘ | ↗ | ↔ | ↔ | ↘ | ↗ | ↘ |
| EXCHANGE RATE | ↗ | ↔ | ↘ | ↔ | ↗ | ↔ | ↗ | ↔ |
| ENERGY COST | ↔ | ↔ | ↗ | ↘ | ↔ | ↔ | ↔ | ↔ |

(1) Including the contribution of Barcelona Cartonboard as of November 1, 2018

(2) Please click [here](#) for supplemental information on non-IFRS measures.

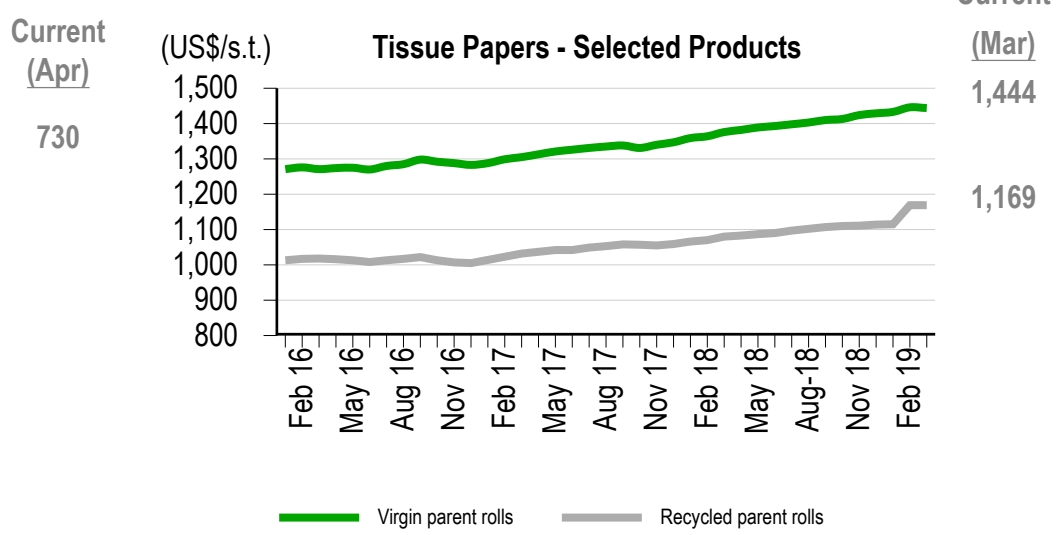
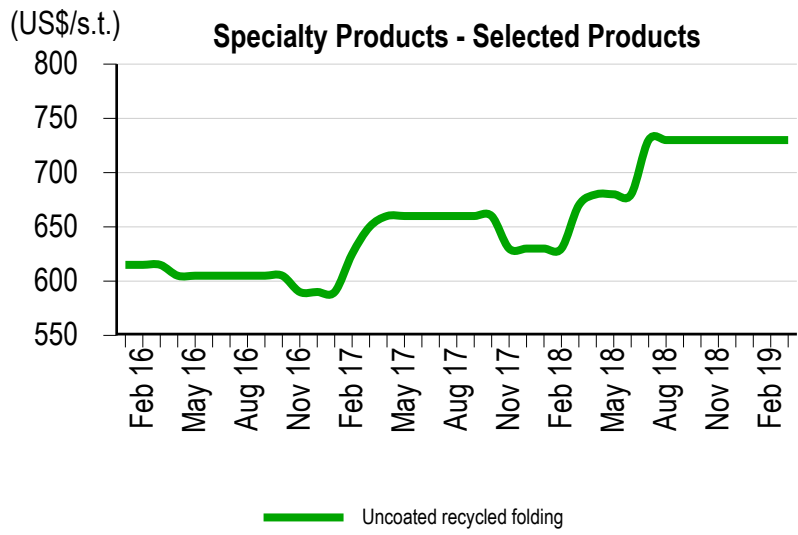
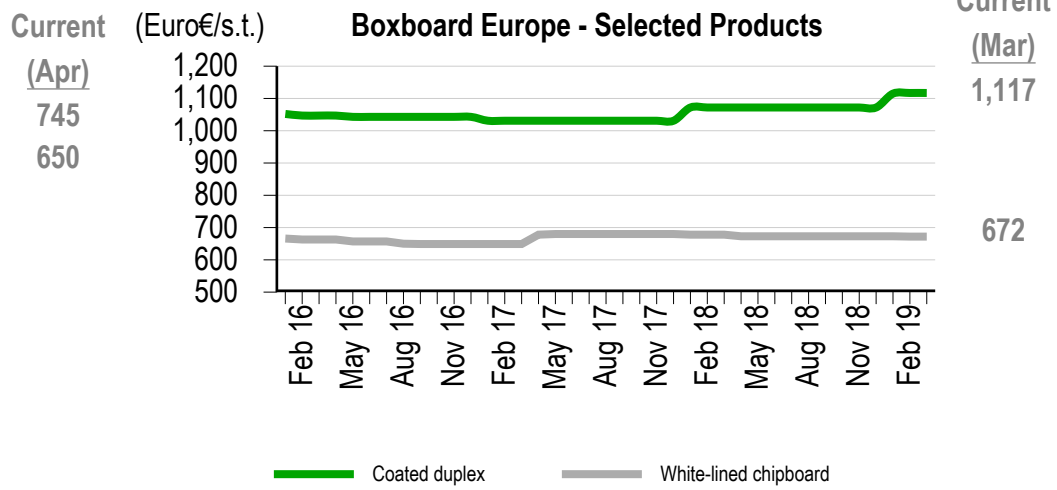
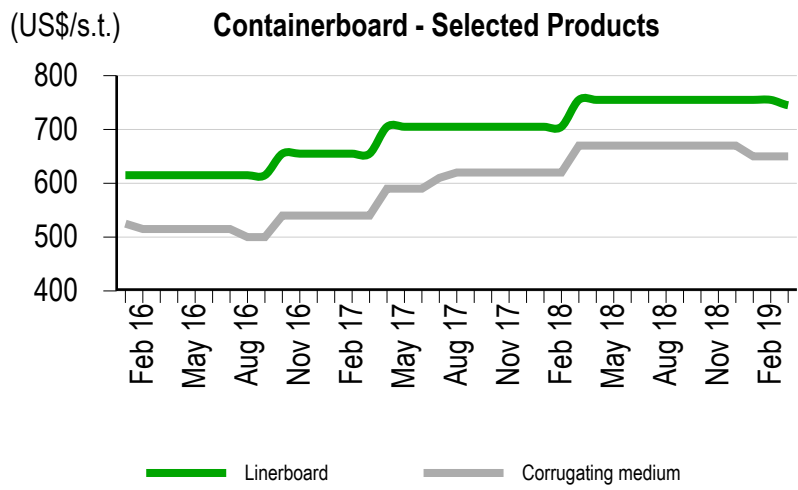
(3) For Specialty Products Segment, raw material cost trend excludes recycled fibre pricing impact on Recovery & Recycling activities.

APPENDIX





SELECTED REFERENCE PRICES



SELECTED REFERENCE PRICES AND FIBRE COSTS

| | 2017 | | | | | | | | | | 2018 | 2019 | Q1 2019 vs Q1 2018 | | Q1 2019 vs Q4 2018 | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|--------------------|---------|--------------------|--|
| | Q1 | Q2 | Q3 | Q4 | Year | Q1 | Q2 | Q3 | Q4 | Year | Q1 | (units) | (%) | (units) | (%) | |
| These indexes should only be used as an indicator of trends and they may be different than our actual selling prices or purchasing costs. | | | | | | | | | | | | | | | | |
| Selling prices (average) | | | | | | | | | | | | | | | | |
| PACKAGING PRODUCTS | | | | | | | | | | | | | | | | |
| Containerboard (US\$/short ton) | | | | | | | | | | | | | | | | |
| Linerboard 42-lb. unbleached kraft, Eastern US (open market) | 655 | 705 | 705 | 705 | 693 | 722 | 755 | 755 | 755 | 747 | 752 | 30 | 4% | (3) | — | |
| Corrugating medium 26-lb. semichemical, Eastern US (open market) | 540 | 590 | 617 | 620 | 592 | 637 | 670 | 670 | 670 | 662 | 650 | 13 | 2% | (20) | (3)% | |
| Boxboard Europe (euro/metric ton) | | | | | | | | | | | | | | | | |
| Recycled white-lined chipboard (WLC) index ¹ | 649 | 680 | 680 | 680 | 672 | 678 | 673 | 673 | 673 | 674 | 672 | (6) | (1)% | (1) | — | |
| Virgin coated duplex boxboard (FBB) index ² | 1,031 | 1,031 | 1,031 | 1,031 | 1,031 | 1,072 | 1,072 | 1,072 | 1,072 | 1,072 | 1,117 | 45 | 4% | 45 | 4% | |
| Specialty Products (US\$/short ton) | | | | | | | | | | | | | | | | |
| Uncoated recycled boxboard - 20-pt. bending chip (series B) | 622 | 660 | 660 | 640 | 645 | 643 | 680 | 730 | 730 | 696 | 730 | 87 | 14% | — | — | |
| TISSUE PAPERS (US\$/short ton) | | | | | | | | | | | | | | | | |
| Parent rolls, recycled fibres (transaction) | 1,023 | 1,040 | 1,053 | 1,057 | 1,043 | 1,072 | 1,087 | 1,102 | 1,112 | 1,093 | 1,151 | 79 | 7% | 39 | 4% | |
| Parent rolls, virgin fibres (transaction) | 1,297 | 1,320 | 1,334 | 1,339 | 1,323 | 1,366 | 1,388 | 1,404 | 1,422 | 1,395 | 1,441 | 75 | 5% | 19 | 1% | |
| Raw material (average) | | | | | | | | | | | | | | | | |
| RECYCLED PAPER | | | | | | | | | | | | | | | | |
| North America (US\$/short ton) | | | | | | | | | | | | | | | | |
| Sorted residential papers, No. 56 (SRP - Northeast average) | 92 | 76 | 86 | 63 | 79 | 59 | 31 | 28 | 28 | 36 | 24 | (35) | (59)% | (4) | (14)% | |
| Old corrugated containers, No. 11 (OCC - Northeast average) | 142 | 148 | 162 | 99 | 138 | 92 | 71 | 68 | 68 | 74 | 61 | (31) | (34)% | (7) | (10)% | |
| Sorted office papers, No. 37 (SOP - Northeast average) | 173 | 172 | 170 | 160 | 169 | 165 | 193 | 210 | 203 | 193 | 183 | 18 | 11% | (20) | (10)% | |
| Europe (euro/metric ton) | | | | | | | | | | | | | | | | |
| Recovered paper index ³ | 147 | 138 | 147 | 135 | 142 | 111 | 99 | 103 | 106 | 105 | 98 | (13) | (12)% | (8) | (8)% | |
| VIRGIN PULP (US\$/metric ton) | | | | | | | | | | | | | | | | |
| Northern bleached softwood kraft, Canada | 1,033 | 1,093 | 1,110 | 1,183 | 1,105 | 1,233 | 1,310 | 1,377 | 1,428 | 1,342 | 1,380 | 147 | 12% | (48) | (3)% | |
| Bleached hardwood kraft, mixed, Canada/US | 853 | 942 | 985 | 1,052 | 958 | 1,077 | 1,125 | 1,192 | 1,213 | 1,152 | 1,180 | 103 | 10% | (33) | (3)% | |

Sources: RISI, Cascades and Reno de Medici.

(1) The index is based on publication prices and represents an approximation of Cascades' recycled grades selling prices in Europe. It is weighted by country.

(2) The index is based on publication prices and represents an approximation of Cascades' virgin grades selling prices in Europe. It is weighted by country.

(3) The recovered paper index is based on publication prices and represents an approximation of Cascades' recovered paper purchase prices in Europe. It is weighted by country.



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