

REVIEW OF Q2 2019 FINANCIAL RESULTS

August 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:

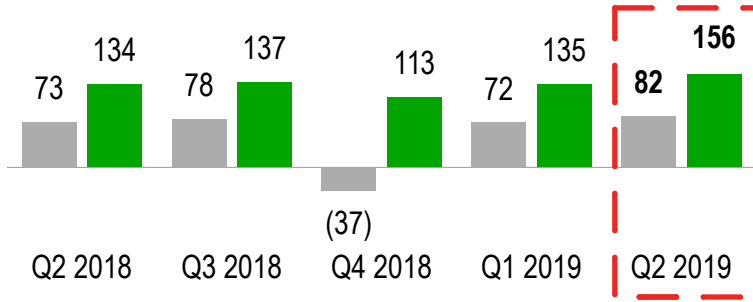
- Operating income before depreciation and amortization (OIBD): Used to assess operating performance and contribution of each segment when excluding depreciation & amortization. OIBD is widely used by investors as a measure of a corporation ability to incur and service debt and as an evaluation metric.
- 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.

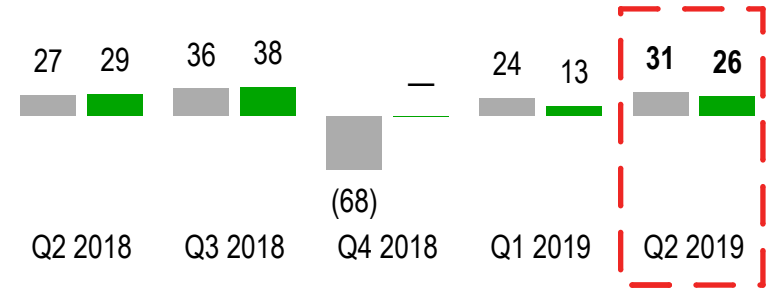
Please click [here](#) for supplemental information on non-IFRS measures.

SUMMARY OF QUARTERLY FINANCIAL RESULTS



■ Operating Income (loss) ■ Adjusted OIBD¹

Figures above in millions of CAN\$



■ Net Earnings (loss) ■ Adjusted Net Earnings¹

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	Q2
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	1,275
Operating income (loss)	31	48	51	45	175	112	73	78	(37)	226	72	82
Adjusted OIBD ¹	75	107	106	105	393	105	134	137	113	489	135	156
Net earnings (loss)	161	256	33	57	507	61	27	36	(68)	56	24	31
Adjusted net earnings ¹	12	24	19	13	68	12	29	38	—	79	13	26
Net earnings (loss) per share	\$1.70	\$2.70	\$0.35	\$0.60	\$5.35	\$0.65	\$0.28	\$0.38	\$(0.72)	\$0.25	\$0.26	\$0.33
Adjusted net earnings per share ¹	\$0.13	\$0.25	\$0.20	\$0.14	\$0.72	\$0.13	\$0.30	\$0.40	—	\$0.82	\$0.14	\$0.28

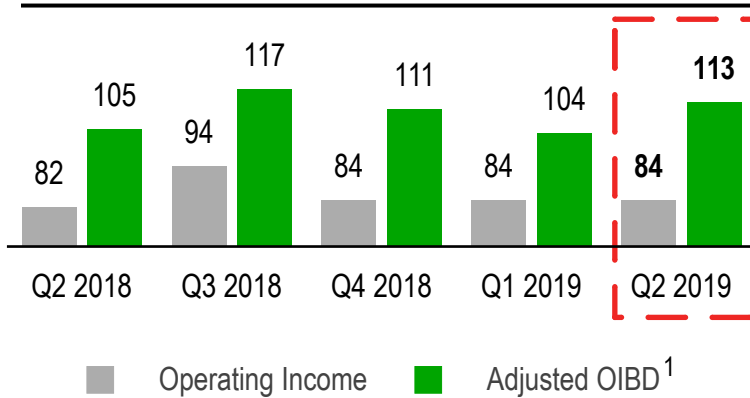
Record quarterly sales and adjusted OIBD generated in Q2 2019

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

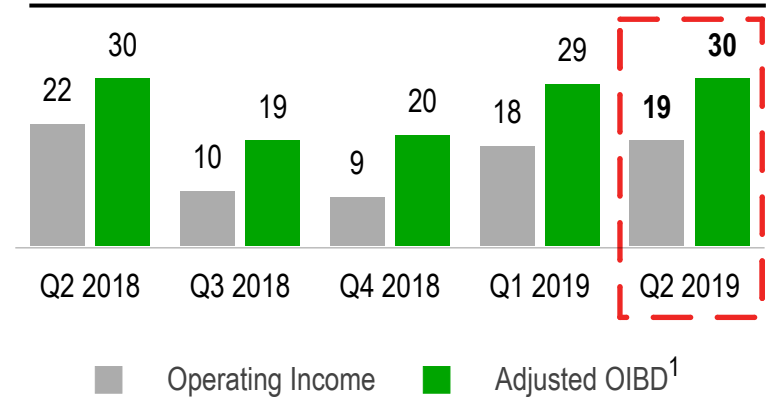
(2) 2018 fourth quarter results have been adjusted to reflect retrospective adjustments of purchase price allocation. Please refer to Note 5 of the unaudited condensed interim consolidated financial statements for more details.

HISTORICAL SEGMENTED QUARTERLY OPERATING INCOME (LOSS) & ADJUSTED OIBD¹

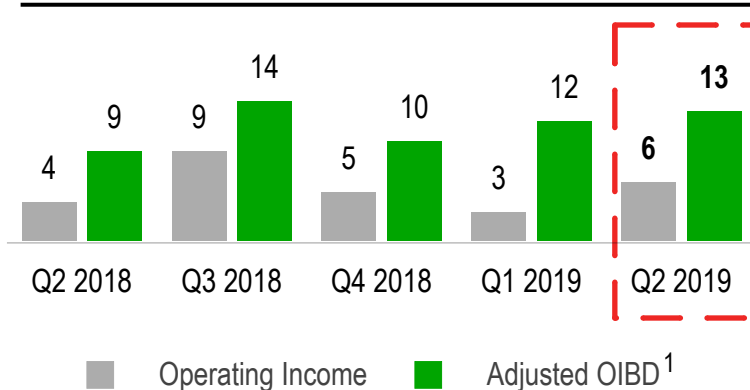
Containerboard (millions of CAN\$)



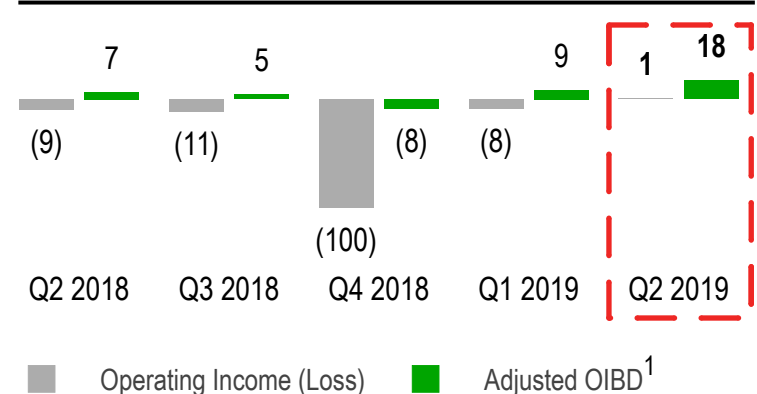
Boxboard Europe (millions of CAN\$)



Specialty Products² (millions of CAN\$)



Tissue Papers (millions of CAN\$)



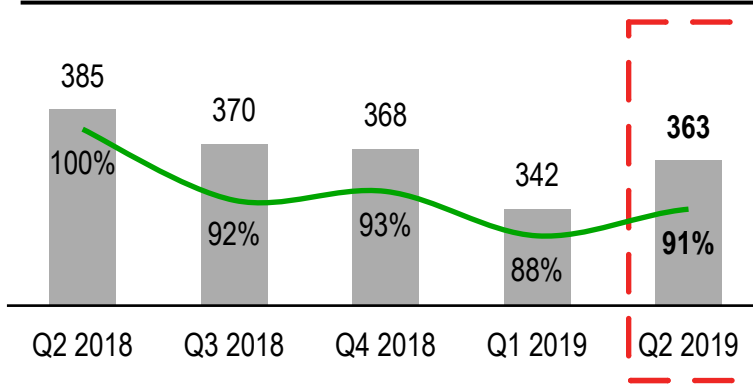
(1) Please click [here](#) for supplemental information on non-IFRS measures.

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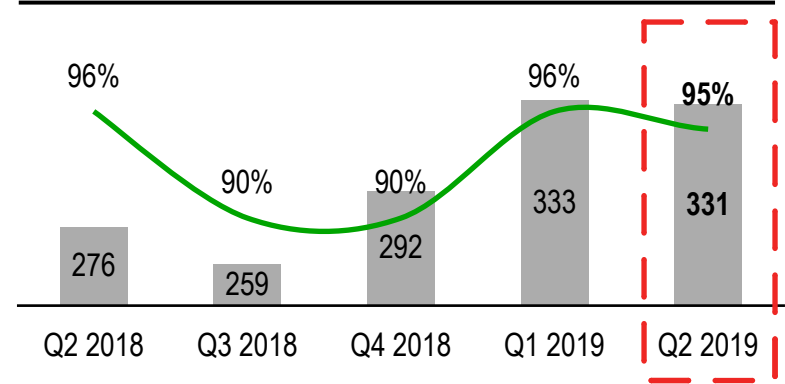


HISTORICAL SEGMENTED QUARTERLY SHIPMENTS

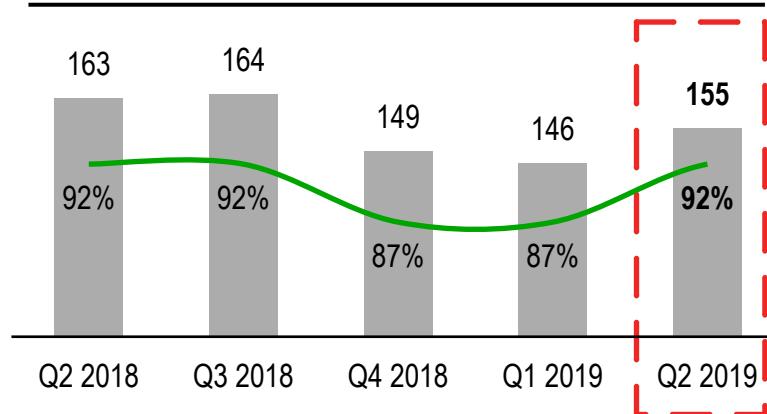
Containerboard ('000 s.t. and % capacity utilization¹)



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



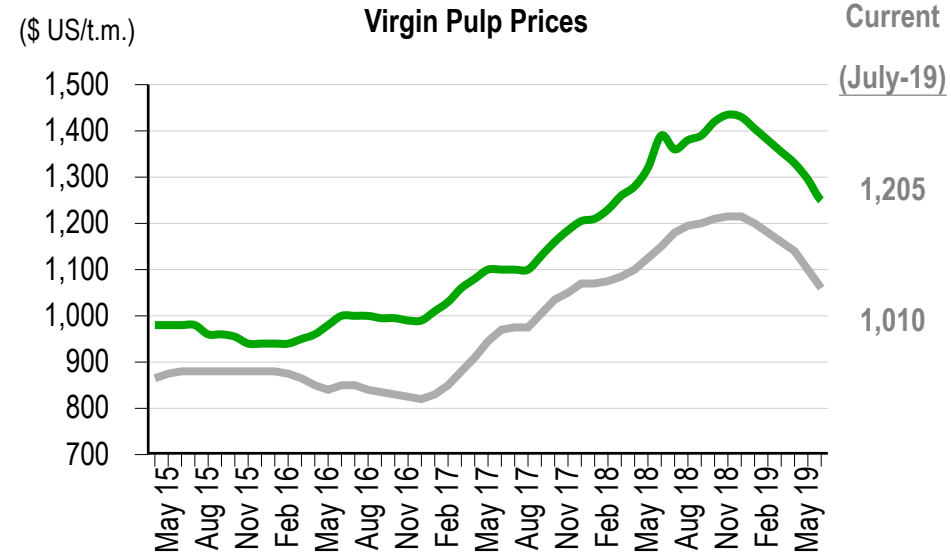
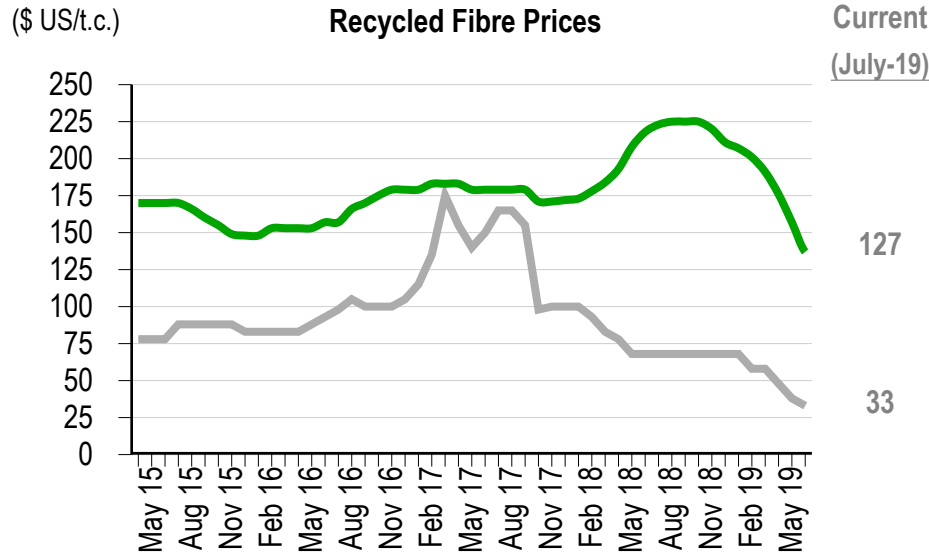
Tissue Papers ('000 s.t. and % capacity utilization¹)



(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

White grades - Basket of products (Northeast average)¹

Brown grades - OCC No. 11 (Northeast average)

	Q2-2018	Q1-2019	Q2-2019	Q2/Q2	Q2/Q1
White grades - Basket of products (Northeast average) ¹	206	200	156	(24)%	(22)%
Brown grades - OCC No. 11 (Northeast average)	71	61	40	(44)%	(34)%

Virgin Pulp Prices

NBSK (Canadian sources delivered to Eastern US)

NBHK (Canada/US sources delivered to Eastern US)

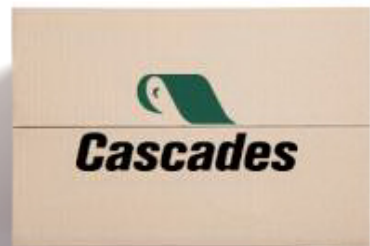
	Q2-2018	Q1-2019	Q2-2019	Q2/Q2	Q2/Q1
NBSK (Canadian sources delivered to Eastern US)	1,330	1,380	1,292	(3)%	(6)%
NBHK (Canada/US sources delivered to Eastern US)	1,125	1,180	1,100	(2)%	(7)%

More favourable raw material pricing (recycled fibres and virgin pulp) on both a sequential and year-over-year basis

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.

SEGMENTED REVIEW





PACKAGING PRODUCTS / CONTAINERBOARD

Results Q2 2019	Change vs.	
	Q1 2019	Q2 2018
Shipments ('000 s.t.)		
363	6%	(6)%
Average selling price (CAN\$/unit)		
1,275	(1)%	3%
Sales (M\$)		
462	5%	(3)%
Operating income (M\$)		
84	—	(2)%
Adjusted OIBD¹ (M\$)		
113	9%	8%
% of sales 24.5%		

Comments on sequential performance

- ➔ Shipments increased sequentially. This reflects a 5% increase in containerboard shipments that is attributable to favourable seasonal variations and a 3% increase in capacity utilization. Converted products shipments also increased 7% on a sequential basis.
- ➔ The average selling price decreased by 1% in Canadian dollars as a result of the lower index selling price, primarily in the manufacturing segment. This more than offset the beneficial impact of the 1% depreciation of the Canadian dollar compared to the US dollar.
- ➔ The sequential increase in sales is largely due to the higher volumes, the effects of which more than counterbalanced the impact of the lower average selling price in the period.
- ➔ The 9% sequential increase in adjusted OIBD reflects the higher sales levels and lower raw material pricing (OCC) in the period. These were partially offset by the lower average selling price and higher operating costs during the period, most notably labour, warehousing, maintenance and repair.

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

Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
8,500	~ 9,000	11,000 - 12,000	12,000 - 13,000	40,500 - 42,500

Market related downtime (in s.t.)

Q1 2019	Q2 2019
-	~ 12,000



TISSUE PAPERS

Results	Change vs.	
	Q2 2019	Q1 2019 Q2 2018
Shipments ('000 s.t.)		
155	6%	(5)%
Average selling price (CAN\$/unit)		
2,430	2%	16%
Sales (M\$)		
377	8%	10%
Operating income (M\$)		
1	113%	111%
Adjusted OIBD¹ (M\$)		
18	100%	157%
% of sales		
4.8%		

Comments on sequential performance

- ➔ Shipments increased 6% sequentially. Converting shipments rose 9%, driven by increases in all converted product Away-from-Home segments that reflect the usual favourable seasonal trends, as well as volume gains in the retail segment. Shipments of jumbo rolls decreased 3% sequentially, which is attributable to the higher integration rate and the previously announced closure of 2 plants in Toronto, Ontario.
- ➔ The slight increase in the average selling price reflects the depreciation of the Canadian dollar and the higher proportion of converted products in the sales mix.
- ➔ The 8% increase in sales sequentially is attributable to the positive impact of the higher volumes and average selling price, as discussed above.
- ➔ Adjusted OIBD increased by \$9 million on a sequential basis. This reflects the combined positive impact stemming from the higher average selling price, lower raw material prices, and improved operational performance of the primary mills in the current period. This segment also recorded \$4 million of prior year U.S. tax credits during the second quarter.



PACKAGING PRODUCTS / BOXBOARD EUROPE

Results	Change vs.	
	Q2 2019	Q1 2019 Q2 2018
Shipments ('000 s.t.)		
331	(1)%	20%
Average selling price¹		
(CAN\$/unit)		
783	(2)%	(7)%
(Euro€/unit)		
521	(1)%	(5)%
Sales (M\$)		
270	(3)%	16%
Operating income (M\$)		
19	6%	(14)%
Adjusted OIBD¹ (M\$)		
30	3%	—
% of sales		
11.1%		

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

Comments on sequential performance

- ➔ Shipments of virgin boxboard were relatively stable compared to the prior period, while those of recycled boxboard decreased 2,000 s.t., or 1% sequentially.
- ➔ The lower average selling price reflects the 1% appreciation of the Canadian dollar compared to the euro, in addition to the 2% decrease in the average selling price of recycled boxboard, and comparable 1% decrease in virgin boxboard.
- ➔ The lower sequential sales is attributable to the lower average selling price, as discussed above, the slight decrease in volumes, and the appreciation of the Canadian dollar in the period.
- ➔ Adjusted OIBD increased sequentially as a result of lower energy and raw material costs, the benefits of which more than offset the lower average selling price in the period.



PACKAGING PRODUCTS / SPECIALTY PRODUCTS

Results	Change vs.	
	Q2 2019	Q1 2019 Q2 2018
Sales (M\$)		
193	(2)%	18%
Operating income (M\$)		
6	50%	100%
Adjusted OIBD¹ (M\$)		
13	8%	44%
% of sales		
6.7%		

Comments on sequential performance

- ➔ The lower quarter-over-quarter sales is primarily explained by the impact of lower recycled fibre pricing on results from the Recovery operations. This was largely offset by higher shipments in the packaging activities, and a sequential pricing and sales mix improvement in the Industrial Packaging sub-segment that is mostly attributable to the closure of the plant that manufactured felt backing for vinyl flooring.
- ➔ The sequential improvement in adjusted OIBD is largely due to better realized spreads, and more favourable sales mix and volumes in packaging activities. These benefits were partially offset by lower realized margins in the Recovery operations and higher operating costs.

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

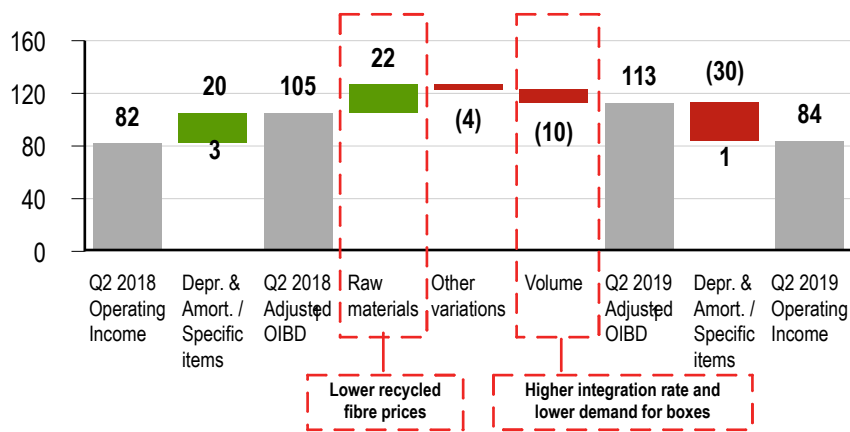
	Q1-18	Q2-18	Q2-18 YTD	Q1-19	Q2-19	Q2-19 YTD
Packaging	85	87	172	129	135	264
Recovery & Recycling	75	77	152	68	58	126
Inter-segment eliminations	(1)	—	(1)	(1)	—	(1)
Total	159	164	323	196	193	389

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

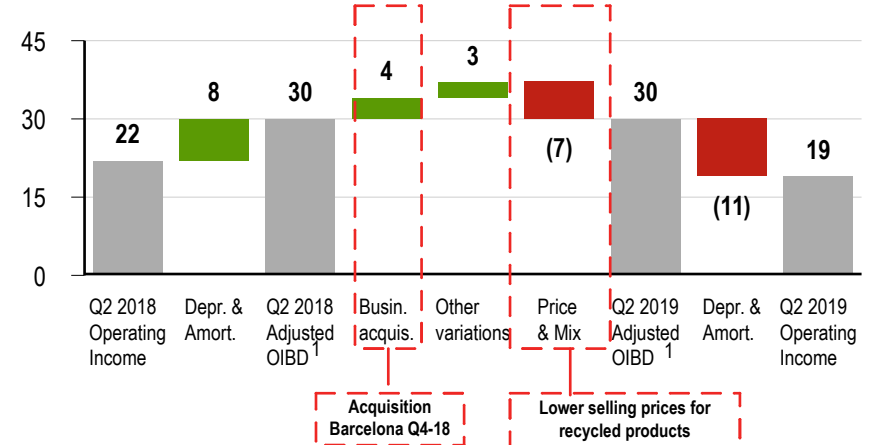
	Q1-18	Q2-18	Q2-18 YTD	Q1-19	Q2-19	Q2-19 YTD
Packaging	7	7	14	14	15	29
Recovery & Recycling	—	2	2	(2)	(2)	(4)
Total	7	9	16	12	13	25

SEGMENTED YoY OPERATING INCOME (LOSS) WATERFALLS

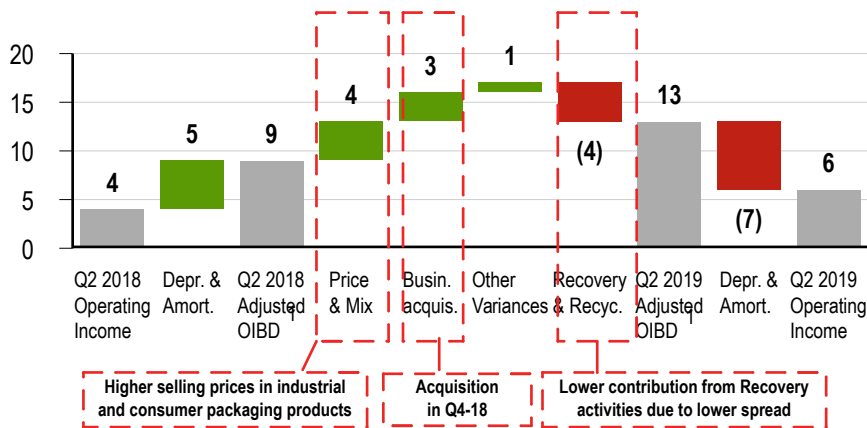
Containerboard (millions of CAN\$)



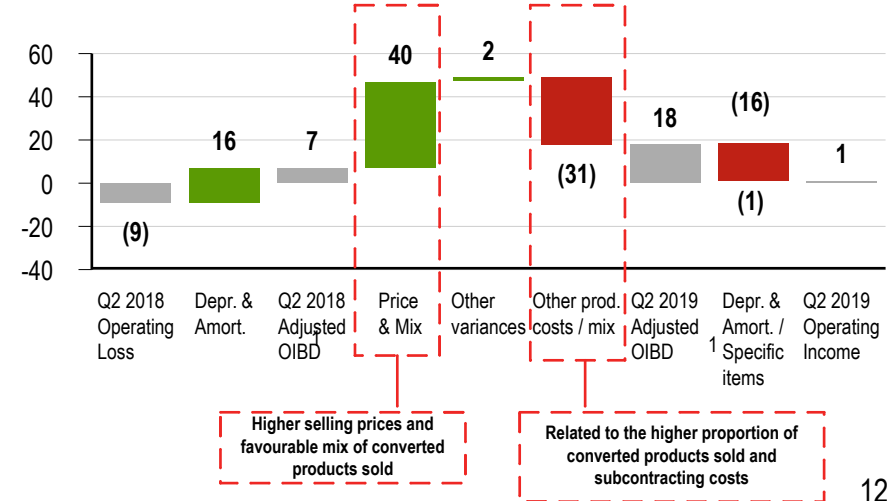
Boxboard Europe (millions of CAN\$)



Specialty Products (millions of CAN\$)



Tissue Papers (millions of CAN\$)

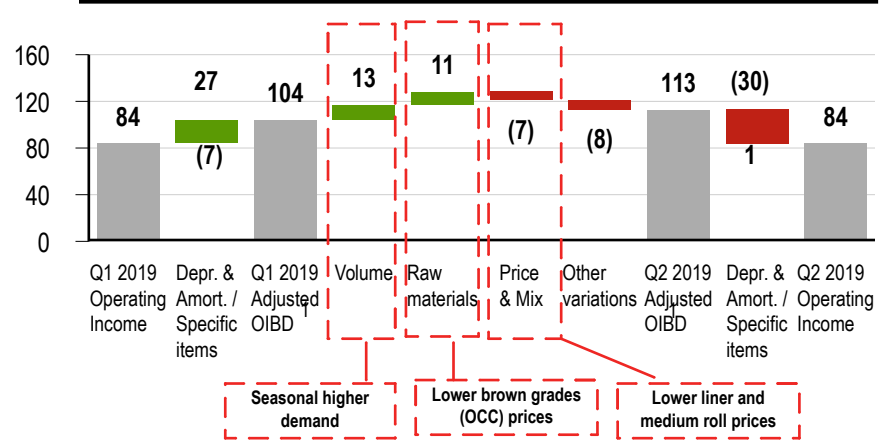


(1) Please click [here](#) for supplemental information on non-IFRS measures.

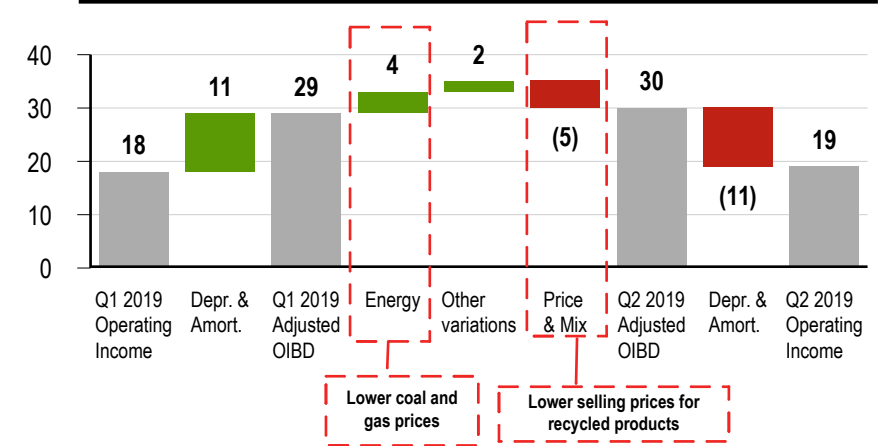


SEGMENTED SEQUENTIAL OPERATING INCOME (LOSS) WATERFALLS

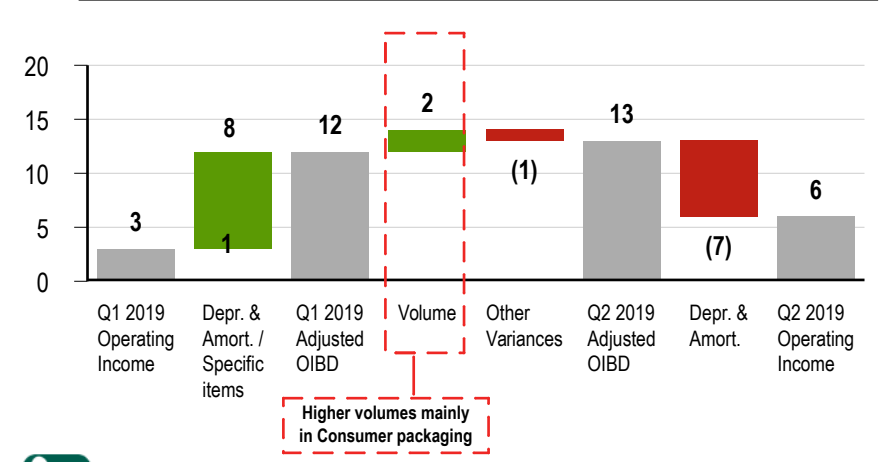
Containerboard (millions of CAN\$)



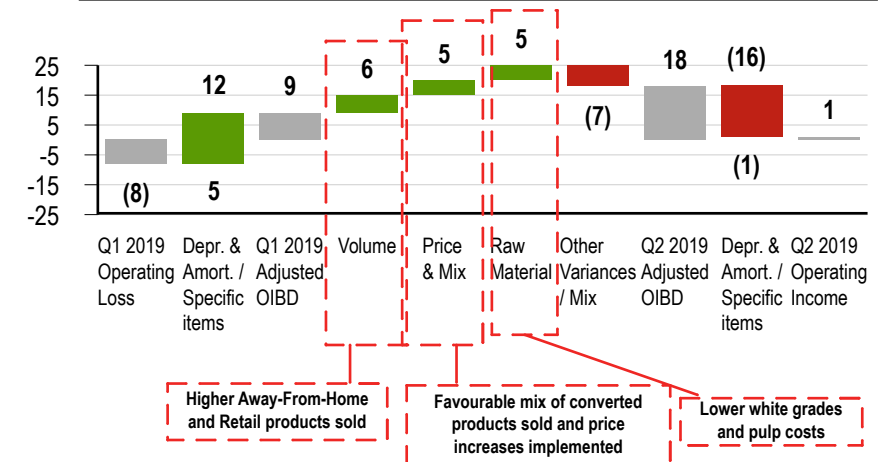
Boxboard Europe (millions of CAN\$)



Specialty Products (millions of CAN\$)



Tissue Papers (millions of CAN\$)



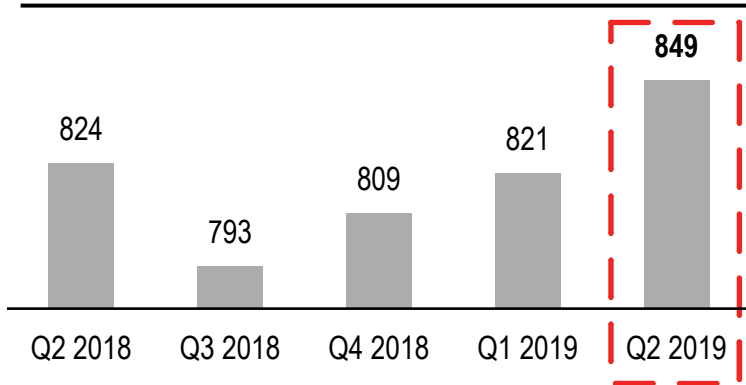
FINANCIAL REVIEW



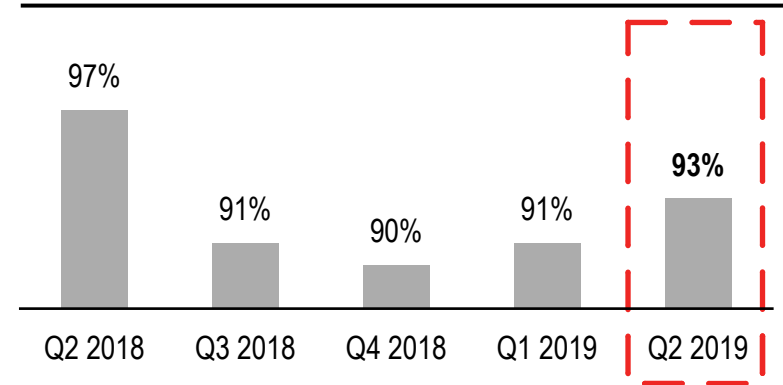


KEY PERFORMANCE INDICATORS (KPIs)

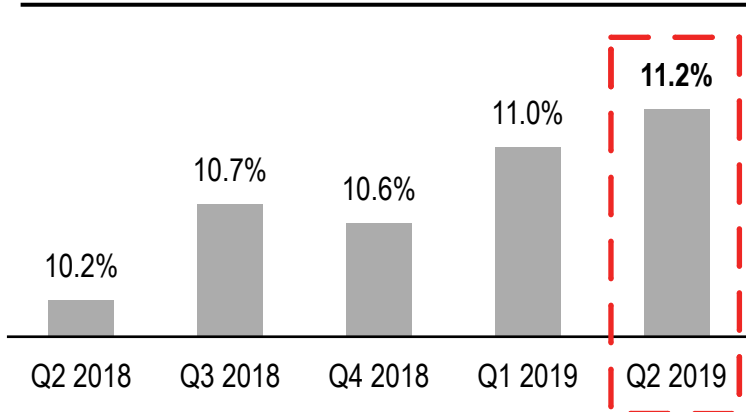
Total Shipments¹ ('000 s.t.)



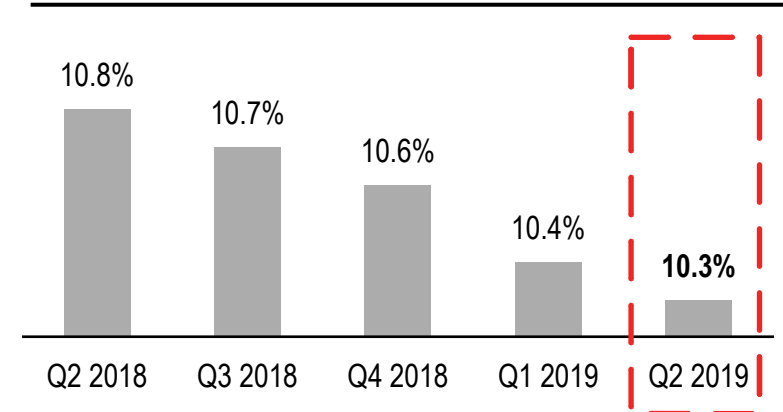
Capacity Utilization Rate¹⁻² (manufacturing only)



LTM Return on Assets

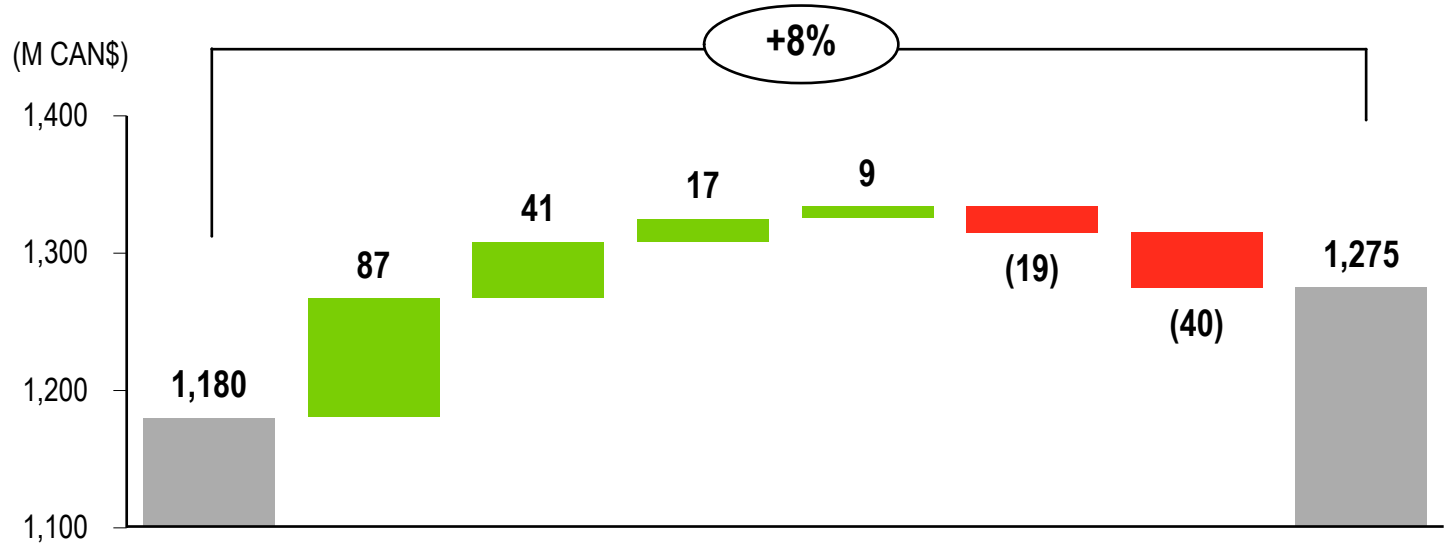


LTM Working Capital (% of LTM Sales)



(1) Not including the Specialty Products segment.
 (2) Utilization rate defined as total manufacturing shipments divided by practical capacity.
 Please refer to the 2019 Second Quarter Report for definitions of the KPIs.

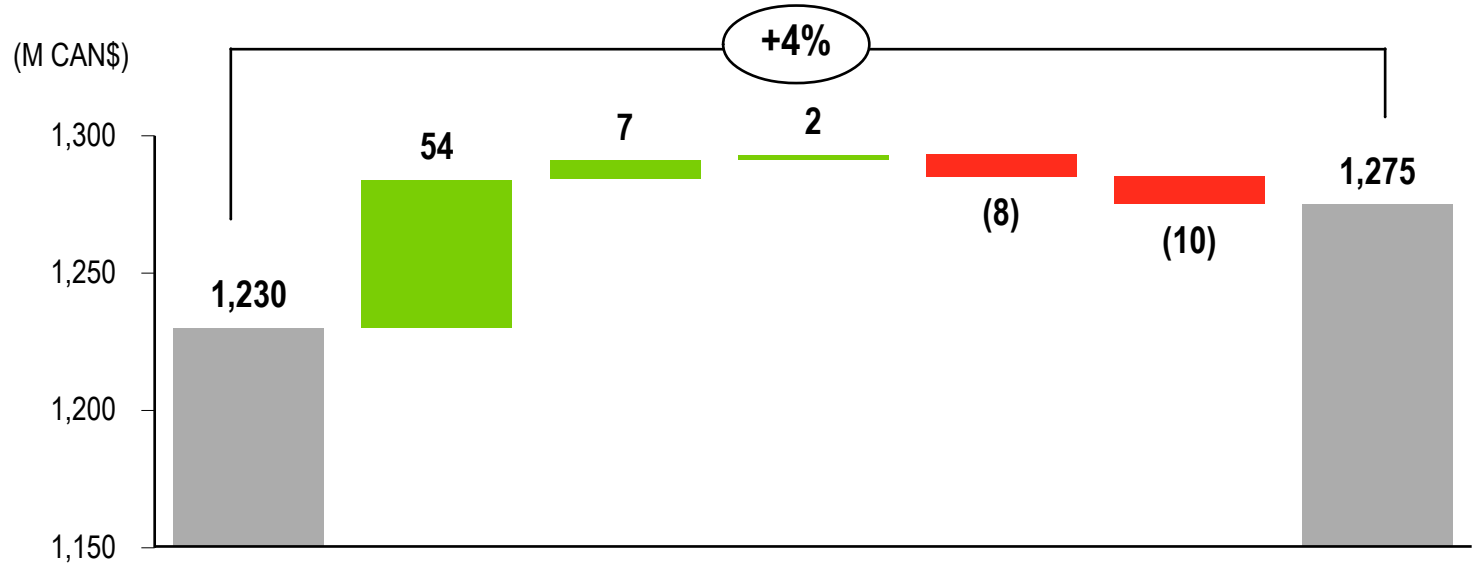
YEAR OVER YEAR SALES RECONCILIATION



(M CAN\$)	Sales Q2-2018	Business acquisitions	Price & Mix	F/X CAN\$	Other Variances	Recovery & Recycling	Volume	Sales Q2-2019
Containerboard	475	—	4	9	—	—	(26)	462
Boxboard Europe	232	48	(7)	(5)	2	—	—	270
Specialty Products	164	39	4	2	—	(19)	3	193
Tissue Papers	343	—	40	11	—	—	(17)	377
Corporate & Elim.	(34)	—	—	—	7	—	—	(27)
Total	1,180	87	41	17	9	(19)	(40)	1,275

Strong sales driven by business acquisitions, improved price & sales mix in Tissue, and favourable FX for N.A. operations; Offsetting this were lower volumes in Tissue and Containerboard, and lower results in Recovery activities

SEQUENTIAL SALES RECONCILIATION



(M CAN\$)	Sales Q1-2019	Volume	Other variances	F/X CAN\$	Price & Mix	Recovery & Recycling	Sales Q2-2019
Containerboard	441	27	—	1	(7)	—	462
Boxboard Europe	279	(2)	—	(2)	(5)	—	270
Specialty Products	196	7	—	1	(1)	(10)	193
Tissue Papers	348	22	—	2	5	—	377
Corporate & Elim.	(34)	—	7	—	—	—	(27)
Total	1,230	54	7	2	(8)	(10)	1,275

Sequential sales increase driven by better seasonal volumes in N.A. operations, partially offset by less favourable pricing and mix in all segments except Tissue; Lower recycled fibre pricing negatively impacted recovery results

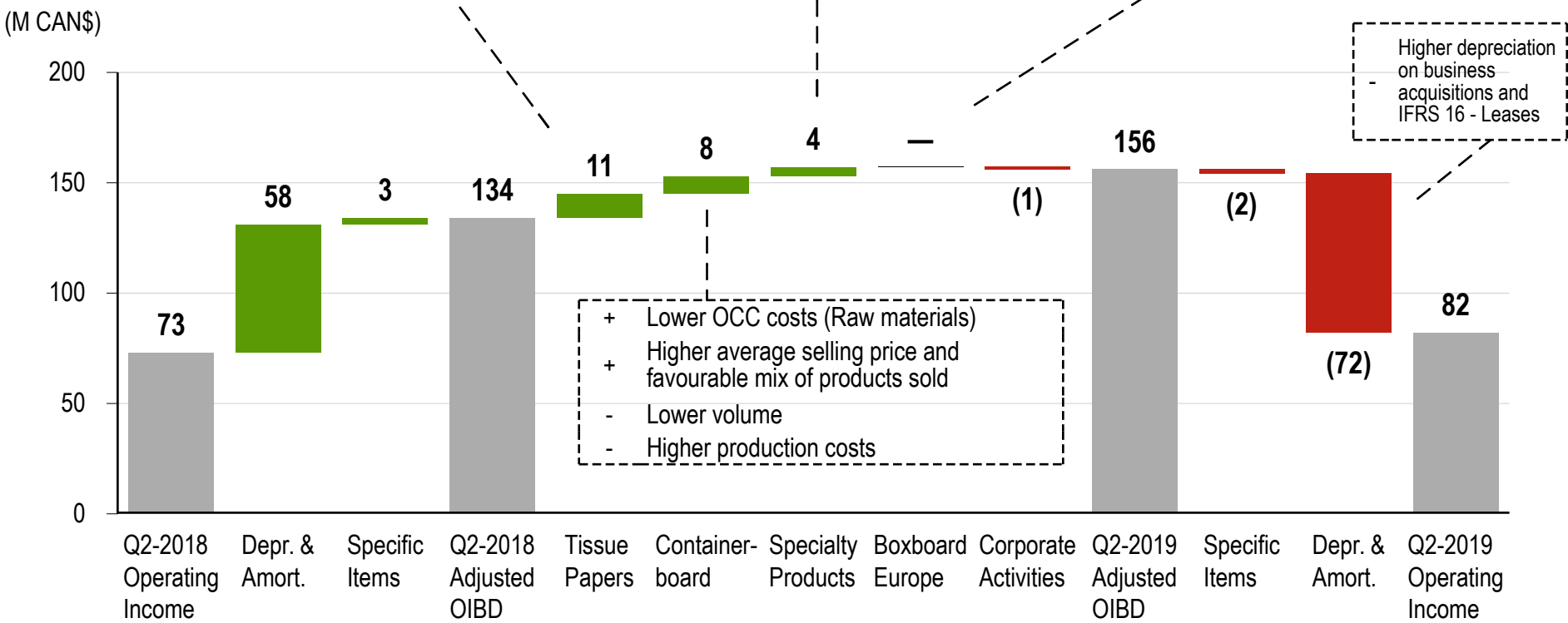


YEAR-OVER-YEAR OPERATING INCOME RECONCILIATION

- + Higher average selling price
- + Favourable mix of products sold
- Production costs (mix of converted products sold)

- + Higher selling prices in packaging
- + Business acquisition Q4-2018
- Recovery and Recycling sub-segment

- + Barcelona business acquisition Q4-2018
- + Lower raw material costs
- Lower recycled products average selling price

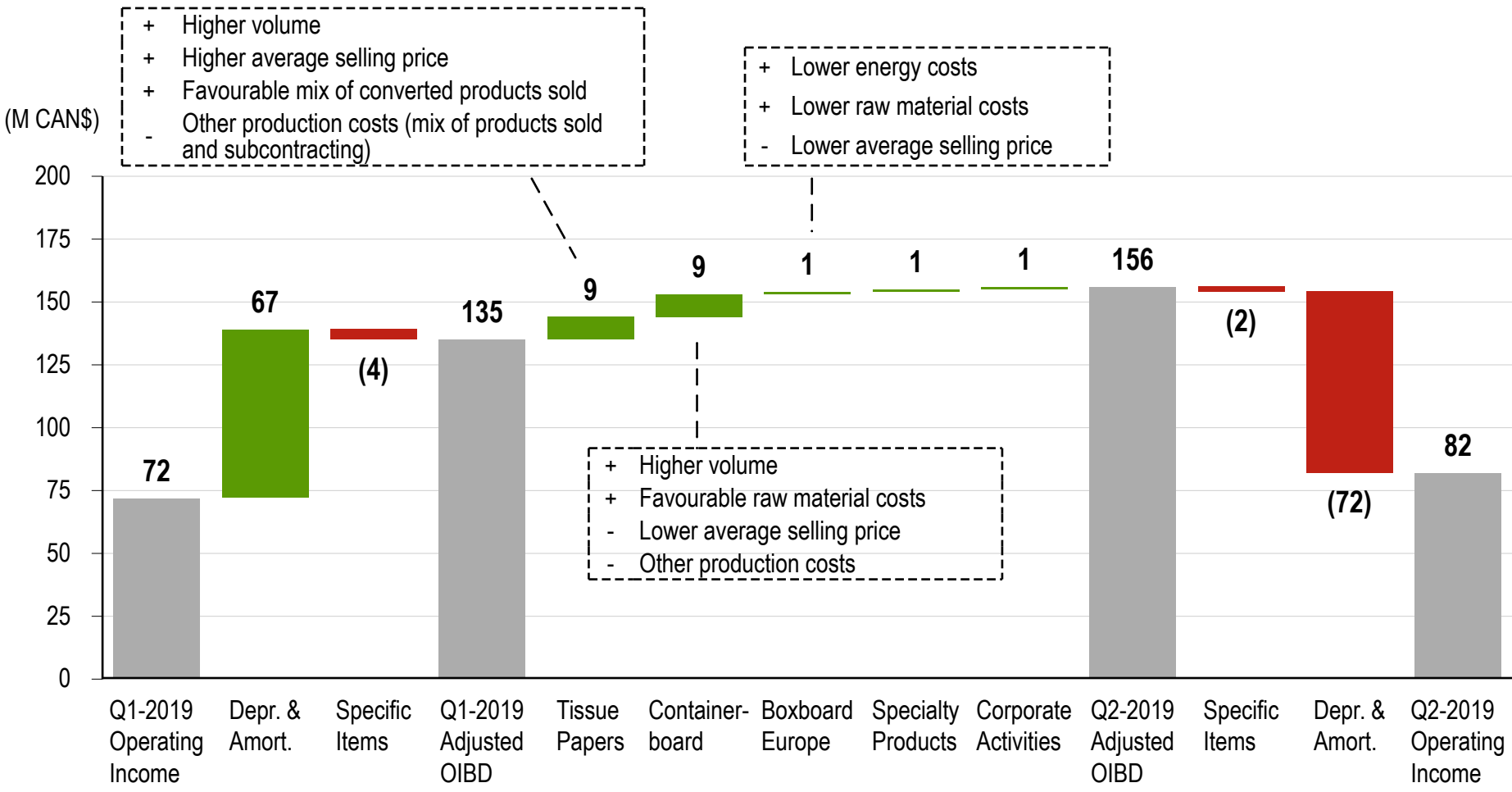


Solid Tissue Paper & Containerboard results, driven by higher prices, favourable sales mix & lower raw material costs; Recent acquisitions benefited Specialty Products and Boxboard Europe results

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



SEQUENTIAL OPERATING INCOME RECONCILIATION



Sequential Tissue Papers increase reflects higher volumes & selling price, favourable sales mix; Improvement in Containerboard driven by lower raw material prices and higher volumes; Sequentially stable results from Boxboard Europe & Specialty Products

QUARTERLY YEAR-OVER-YEAR EPS VARIANCE

	Q2-2018			Q2-2019		
	Adjusted ¹	Specifics ¹	As reported	Adjusted ¹	Specifics ¹	As reported
OIBD ¹	134	(3)	131	156	(2)	154
Depreciation	(58)	—	(58)	(72)	—	(72)
Operating income	76	(3)	73	84	(2)	82
Financing expenses & interest expense on employee future benefits and other liabilities	(24)	1	(23)	(41)	6	(35)
FX gain on LT debt and financial instruments	—	—	—	—	1	1
Share of results of associates and JVs	3	—	3	2	—	2
Profit before tax	55	(2)	53	45	5	50
Provision for income taxes	(16)	—	(16)	(10)	—	(10)
Non-controlling interests	(10)	—	(10)	(9)	—	(9)
Net earnings	29	(2)	27	26	5	31
per share	\$ 0.30	\$ (0.02)	\$ 0.28	\$ 0.28	\$ 0.05	\$ 0.33

Change in <u>after-tax results</u> normalized at 26%	\$ (0.07)	Higher OIBD more than offset by higher depreciation resulting from 2018 investments and higher interest expense on CDPQ put option in Greenpac.
Change in <u>income taxes provision</u> vs normalized tax rate at 26%	\$ 0.05	Utilization of unrecognized tax losses in Europe in Q2-19 and negative prior year reassessment in Q2-18
	\$ (0.02)	

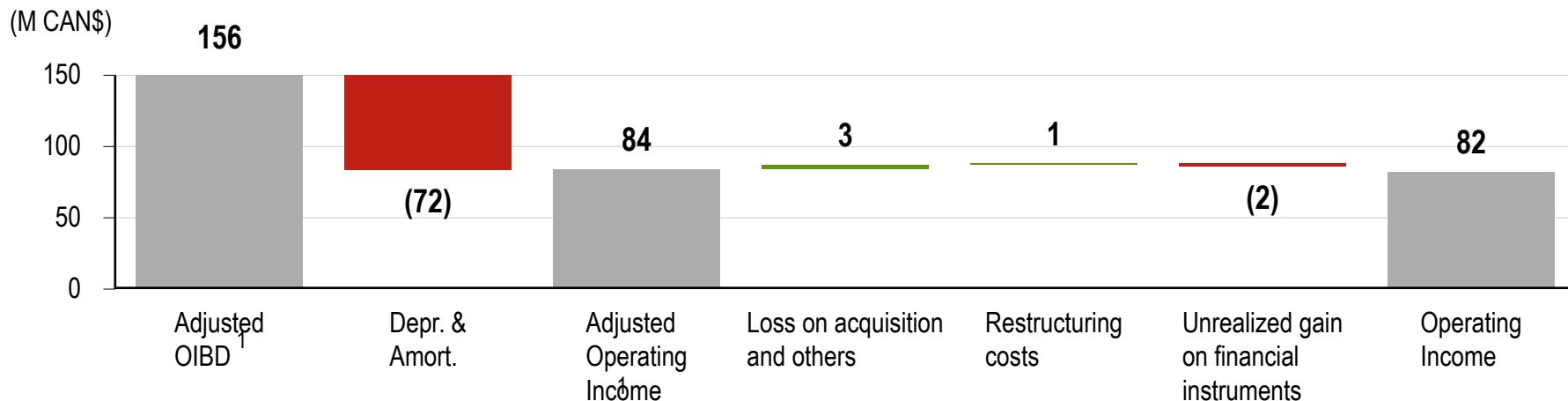
QUARTERLY SEQUENTIAL EPS VARIANCE

	Q1-2019			Q2-2019		
	Adjusted ¹	Specifics ¹	As reported	Adjusted ¹	Specifics ¹	As reported
OIBD ¹	135	4	139	156	(2)	154
Depreciation	(67)	—	(67)	(72)	—	(72)
Operating income	68	4	72	84	(2)	82
Financing expenses & interest expense on employee future benefits and other liabilities	(39)	—	(39)	(41)	6	(35)
FX gain on LT debt and financial instruments	—	6	6	—	1	1
Share of results of associates and JVs	2	—	2	2	—	2
Profit before tax	31	10	41	45	5	50
Provision for income taxes	(9)	1	(8)	(10)	—	(10)
Non-controlling interests	(9)	—	(9)	(9)	—	(9)
Net earnings	13	11	24	26	5	31
per share	\$ 0.14	\$ 0.12	\$ 0.26	\$ 0.28	\$ 0.05	\$ 0.33

Change in <u>after-tax results</u> normalized at 26%	\$ 0.11	Higher operating income partly offset by higher depreciation and interest expense
Change in <u>income taxes provision</u> vs normalized tax rate at 26%	\$ 0.03	Utilization of unrecognized tax losses in Boxboard Europe
	\$ 0.14	

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

Q2-19 ADJUSTED OIBD TO OPERATING INCOME RECONCILIATION



(M CAN\$)	Container-board	Boxboard Europe	Specialty Products	Tissue Papers	Corporate Activities	Total
Operating income (loss)	84	19	6	1	(28)	82
Specific items:						
Gain on acquisitions, disposals and others	—	—	—	—	3	3
Restructuring costs	—	—	—	1	—	1
Unrealized gain on financial instruments	(1)	—	—	—	(1)	(2)
Total Specific items	(1)	—	—	1	2	2
Adjusted operating income (loss)¹	83	19	6	2	(26)	84
Depreciation and amortization	30	11	7	16	8	72
Adjusted OIBD¹	113	30	13	18	(18)	156



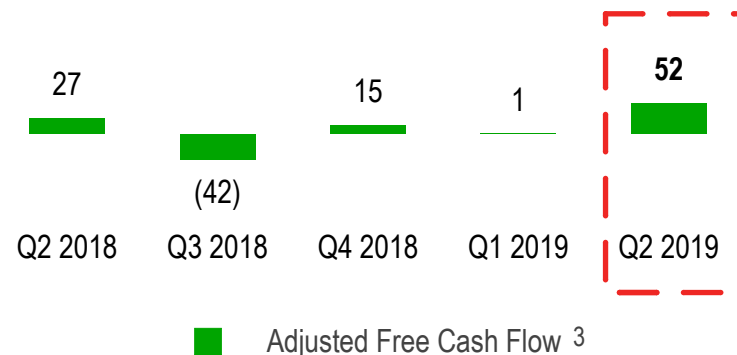
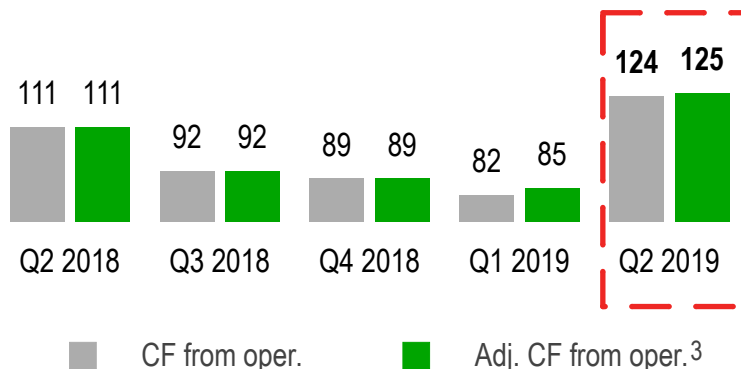
NET EARNINGS - IFRS VS ADJUSTED

	NET EARNINGS		NET EARNINGS PER SHARE ¹	
(in millions of Canadian dollars, except amount per share)	Q2-2019		Q2-2019	
As per IFRS	31	\$	0.33	
Specific items:				
Loss on acquisitions, disposals and others	3	\$	0.03	
Restructuring costs	1	\$	0.01	
Unrealized gain on financial instruments	(2)	\$	(0.02)	
Foreign exchange gain on long-term debt & financial instruments	(1)	\$	(0.01)	
Unrealized gain on option fair value	(6)	\$	(0.06)	
Tax effect on specific items, other tax adjustments and attributable to non-controlling interest ¹	—		—	
	(5)	\$	(0.05)	
Adjusted²	26		0.28	

(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	Q2
Cash flow from operations	33	89	61	77	260	69	111	92	89	361	82	124
Specific items ¹	1	2	2	12	17	—	—	—	—	—	3	1
Adjusted cash flow from operations ³	34	91	63	89	277	69	111	92	89	361	85	125
Including: Net financing expense paid	(38)	(10)	(40)	(11)	(99)	(37)	(18)	(39)	(13)	(107)	(43)	(16)
Capital expenditures & other assets ² , capital lease payments, net of disposals	(64)	(32)	(46)	(63)	(205)	(9) ⁵	(72)	(129)	(66)	(276)	(76)	(64)
Dividends ⁴	(4)	(7)	(5)	(4)	(20)	(6)	(12)	(5)	(8)	(31)	(8)	(9)
Adjusted free cash flow ³	(34)	52	12	22	52	54	27	(42)	15	54	1	52
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	\$0.56

Increased year-over-year and sequential Q2 Adjusted FCF reflects higher Cash Flow from Operations and lower capital payments

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

(2) Excluding increase in investments.

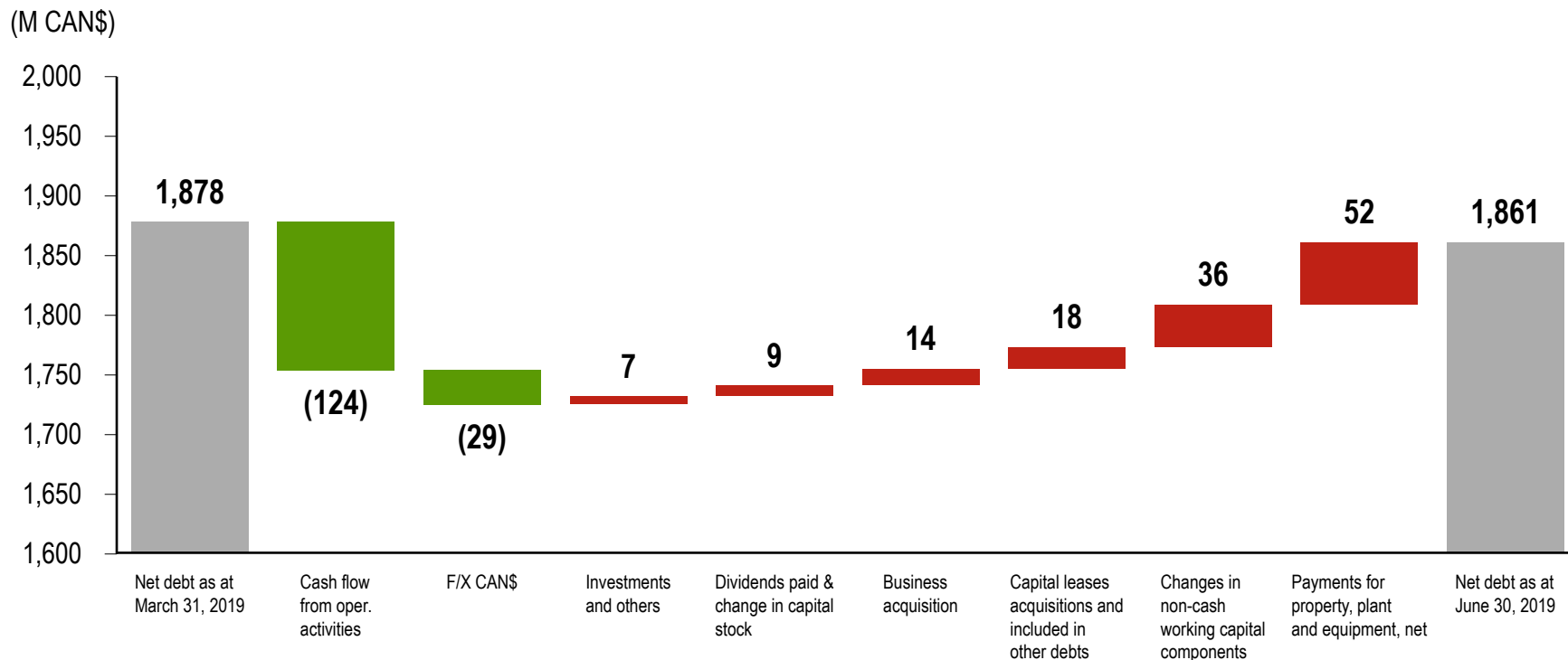
(3) Please click [here](#) for supplemental information on non-IFRS measures.

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

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



NET DEBT¹ RECONCILIATION - Q2 2019



Q1-2019
\$553 million²
3.4x

LTM adjusted OIBD¹
Net debt/LTM adjusted OIBD¹

Q2-2019
\$562 million²
3.3x

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

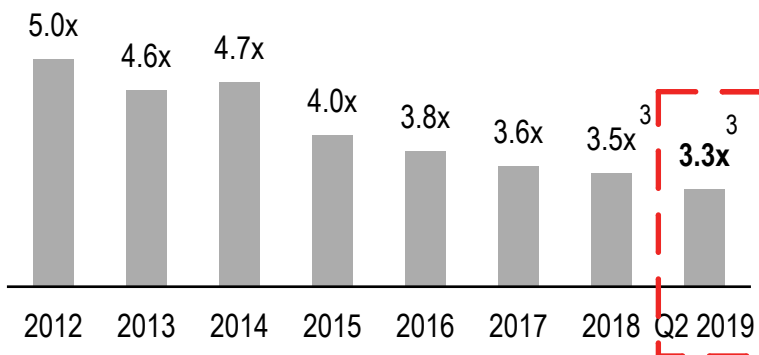
(1) Please click [here](#) for supplemental information on non-IFRS measures.

(2) Adjusted OIBD (last twelve months) including business combinations on a pro-forma basis as well as IFRS 16 annualized impact for 2019.

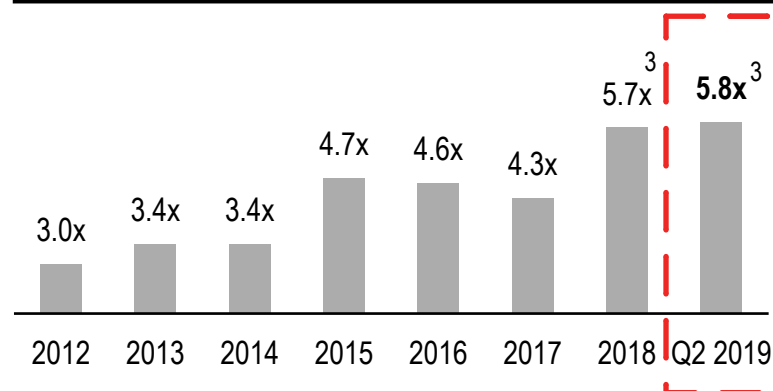


CONSOLIDATED FINANCIAL RATIOS & DEBT MATURITIES

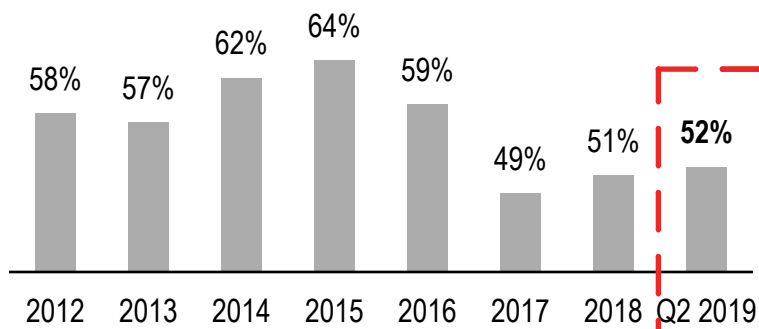
Net Debt / LTM Adjusted OIBD¹



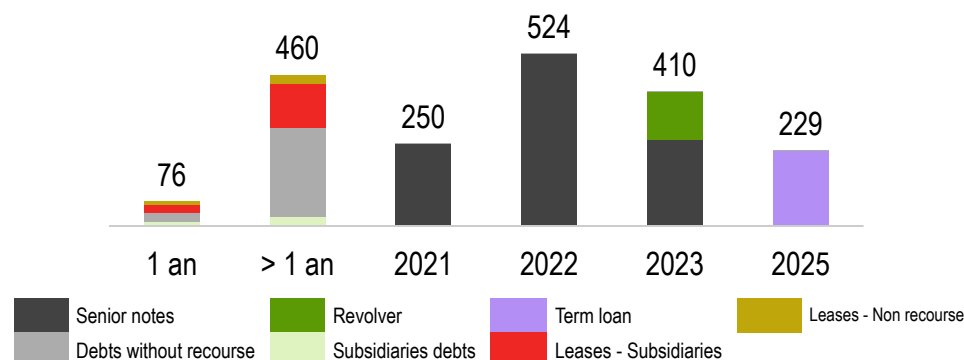
Interest Coverage Ratio²



Net Debt / Net Debt + Total Equity



Long-Term Debt Maturities (as at June 30, 2019)



Q2 2019 leverage ratio of 3.3x³

Bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 48.67%), interest coverage ratio > 2.25x (currently at 4.27x).

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

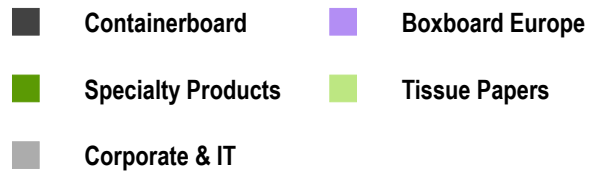
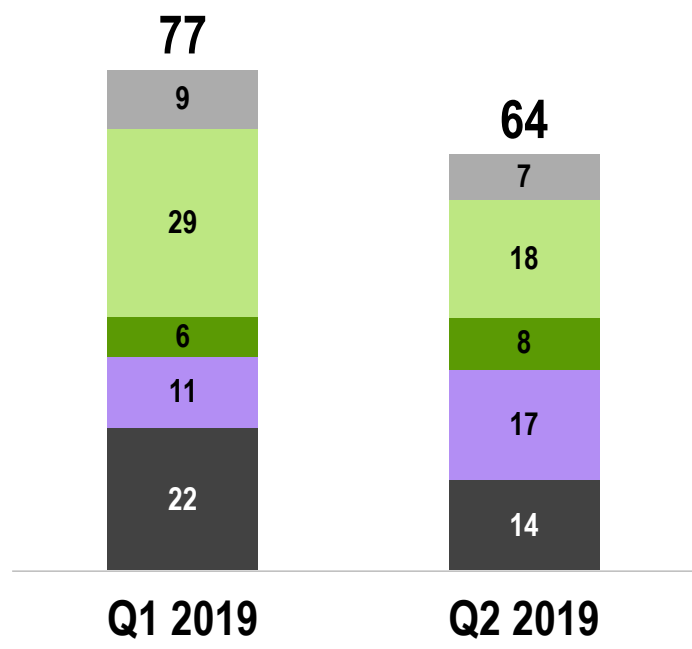
(2) Last twelve months adjusted OIBD to financing expense.

(3) Pro-forma to include 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)



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)

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:** year-over-year volume benefit related to acquisition of Barcelona Cartonboard
- **Specialty Products:** year-over-year contribution from U.S. acquisition in Q4 2018



- **Tissue:** ongoing market-related challenges
- **Containerboard:** potential for pricing & volume headwinds
- **Specialty Products:** negative impact of lower recycled fibre prices on Recovery performance
- **Boxboard Europe:** seasonal third quarter softness and holiday-related closure; lower pricing

Q3 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.



IMPACT OF NEW IFRS 16 - ACCOUNTING FOR LEASES

Impact on the Statements of Earnings* (in millions of Canadian dollars)	Q2-2019	YTD 2019	2019 annualized impact
OIBD			
Containerboard	3	6	12
Europe	1	2	4
Specialty Products	1	3	7
Tissue Papers	1	2	4
Corporate	1	2	3
Increase in OIBD (total)	7	15	30
Increase in depreciation	6	13	27
Increase in financial expenses	1	2	3

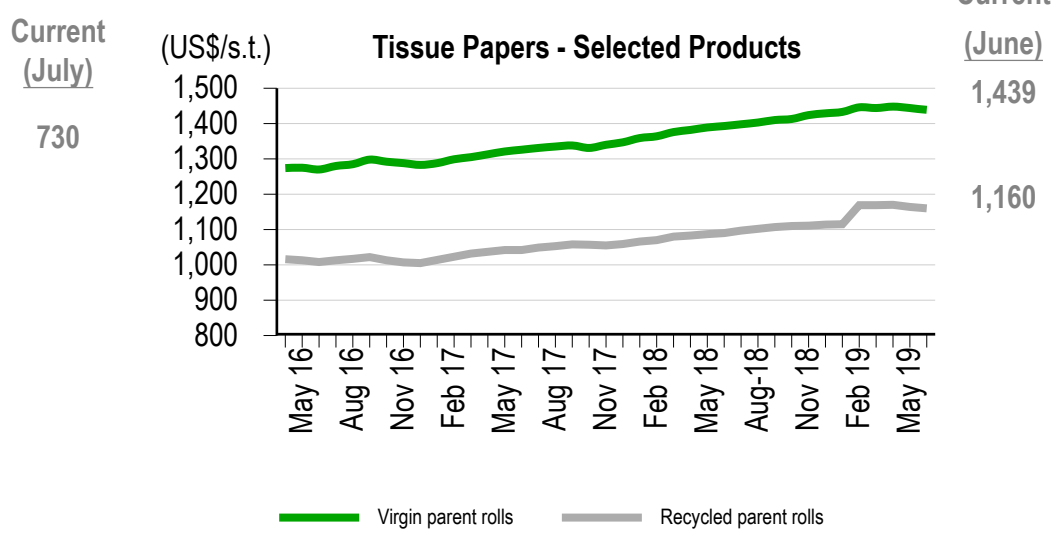
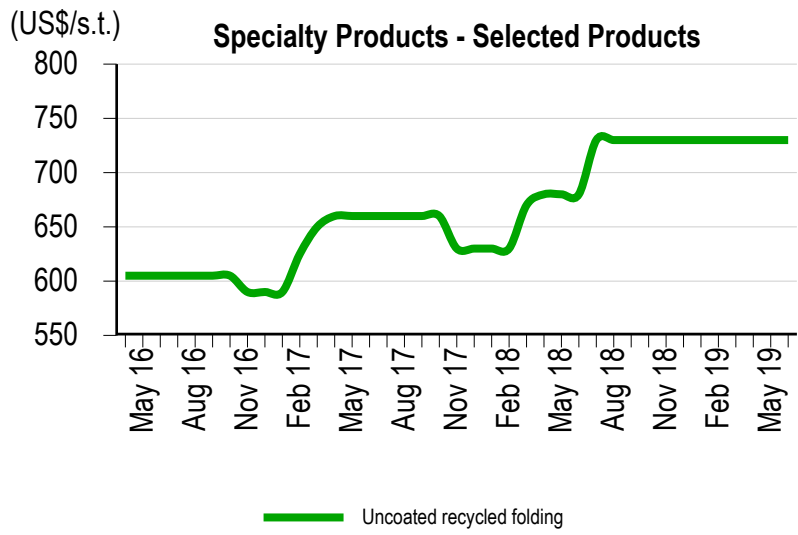
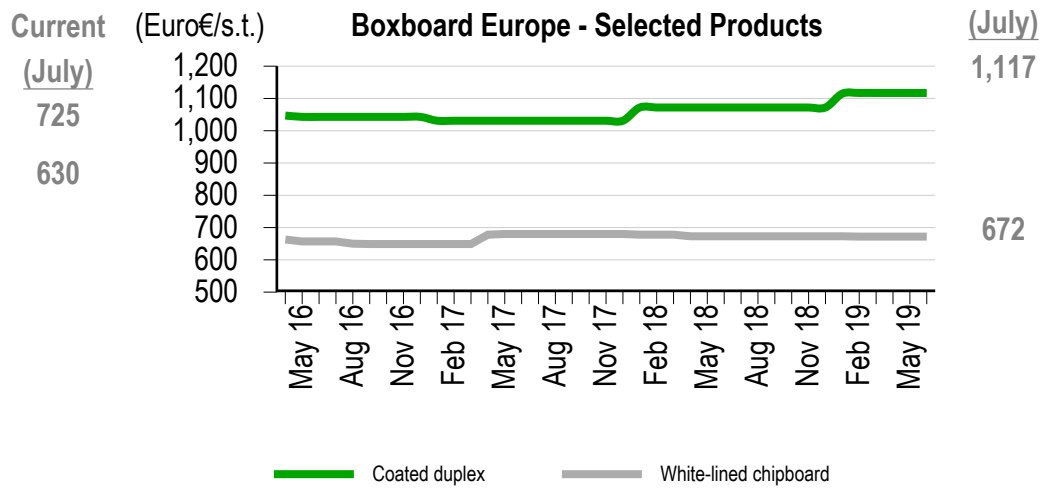
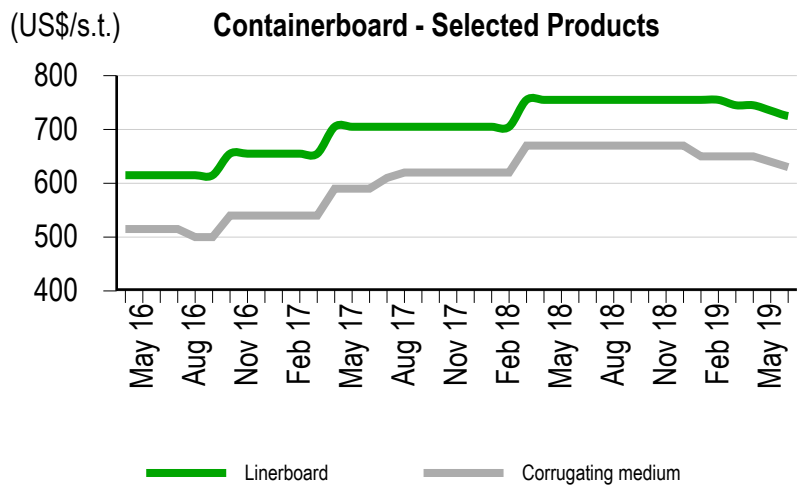
Impact on the Balance Sheet*	As of January 1st, 2019
Increase in assets	87
Increase in debt	99
Decrease in deferred income tax liabilities	(3)
Decrease in equity	(9)

APPENDIX





SELECTED REFERENCE PRICES



SELECTED REFERENCE PRICES AND FIBRE COSTS

	2017					2018					2019		Q2 2019 vs Q2 2018		Q2 2019 vs Q1 2019		
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	(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	735	(20)	(3)%	(17)	(2)%	
Corrugating medium 26-lb. semichemical, Eastern US (open market)	540	590	617	620	592	637	670	670	670	662	650	640	(30)	(4)%	(10)	(2)%	
Boxboard Europe (euro/metric ton)																	
Recycled white-lined chipboard (WLC) index ¹	649	680	680	680	672	678	673	673	673	674	672	672	(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	1,117	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	730	50	7%	—	—	
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	1,164	77	7%	13	1%	
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	1,444	56	4%	3	—	
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	16	(15)	(48)%	(8)	(33)%	
Old corrugated containers, No. 11 (OCC - Northeast average)	142	148	162	99	138	92	71	68	68	74	61	40	(31)	(44)%	(21)	(34)%	
Sorted office papers, No. 37 (SOP - Northeast average)	173	172	170	160	169	165	193	210	203	193	183	140	(53)	(27)%	(43)	(23)%	
Europe (euro/metric ton)																	
Recovered paper index ³	147	138	147	135	142	111	99	103	106	105	98	86	(13)	(13)%	(12)	(12)%	
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	1,292	(18)	(1)%	(88)	(6)%	
Bleached hardwood kraft, mixed, Canada/US	853	942	985	1,052	958	1,077	1,125	1,192	1,213	1,152	1,180	1,100	(25)	(2)%	(80)	(7)%	

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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www.cascades.com/investors

Jennifer Aitken, MBA

Director, Investor Relations

514-282-2697 or jennifer_aitken@cascades.com