

# Q2 2020 FINANCIAL RESULTS

August 6, 2020





# 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:

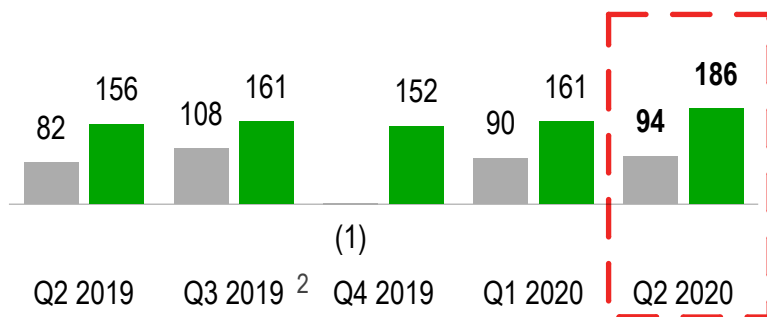
- Operating income before depreciation and amortization (OIBD): Used to assess operating performance and contribution of each segment when excluding depreciation & amortization. OIBD is widely used by investors as a measure of a corporation ability to incur and service debt and as an evaluation metric.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

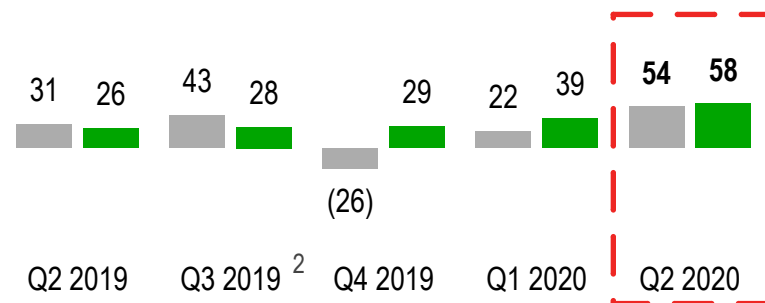
Please click [here](#) for supplemental information on non-IFRS measures.

# SUMMARY OF QUARTERLY FINANCIAL RESULTS<sup>2</sup>



■ Operating Income (loss) ■ Adjusted OIBD<sup>1</sup>

Figures above in millions of CAN\$



■ Net Earnings (loss) ■ Adjusted Net Earnings<sup>1</sup>

Figures above in millions of CAN\$

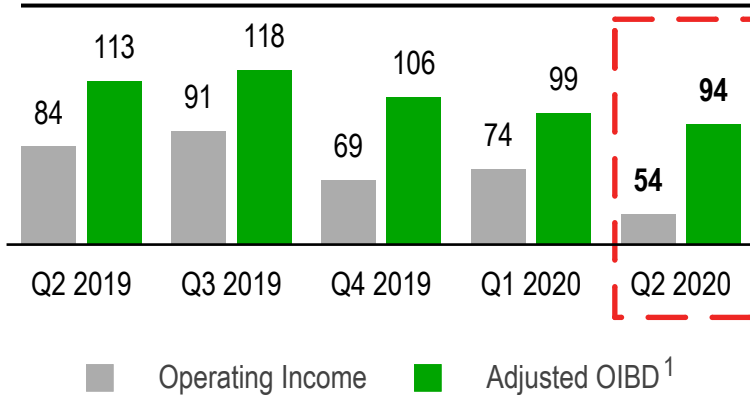
(In millions of CAN\$, except amount per share)					2018					2019 <sup>2</sup>	2020	
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3 <sup>2</sup>	Q4	Year	Q1	Q2
<b>Financial results</b>												
<b>Sales</b>	1,098	1,180	1,175	1,196	4,649	1,230	1,275	1,264	1,227	4,996	1,313	1,285
<b>Operating income (loss)</b>	112	73	78	(35)	228	72	82	108	(1)	261	90	94
Adjusted OIBD <sup>1</sup>	105	134	137	113	489	135	156	161	152	604	161	186
<b>Net earnings (loss)</b>	61	27	36	(67)	57	24	31	43	(26)	72	22	54
Adjusted net earnings <sup>1</sup>	12	29	38	—	79	13	26	28	29	96	39	58
<b>Net earnings (loss) per share</b>	\$0.65	\$0.28	\$0.38	\$(0.71)	\$0.75	\$0.26	\$0.33	\$0.45	\$(0.27)	\$0.77	\$0.24	\$0.57
Adjusted net earnings per share <sup>1</sup>	\$0.13	\$0.30	\$0.40	—	\$1.30	\$0.14	\$0.28	\$0.30	\$0.30	\$1.02	\$0.42	\$0.61

**Second quarter adjusted OIBD increased both sequentially and year-over-year, reached new quarterly record**

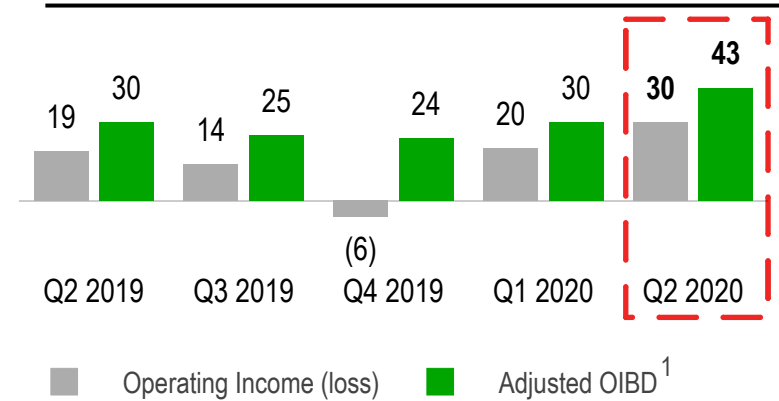
(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) 2019 third quarter results have been adjusted to reflect retrospective adjustments of purchase price allocation. Please refer to Note 4 of the 2020 second quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.

# HISTORICAL SEGMENTED QUARTERLY OPERATING INCOME (LOSS) & ADJUSTED OIBD<sup>1,2</sup>

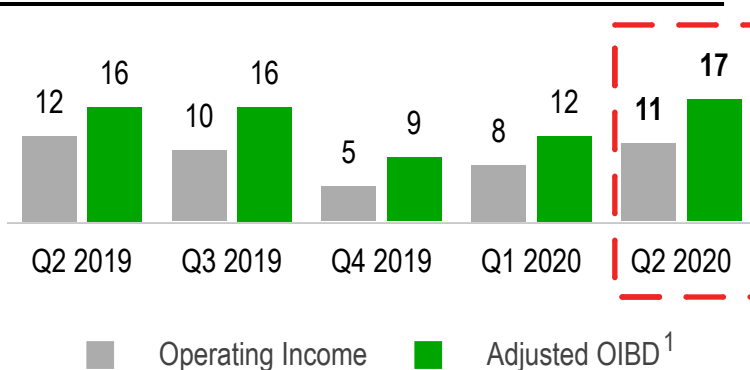
**Containerboard** (millions of CAN\$)



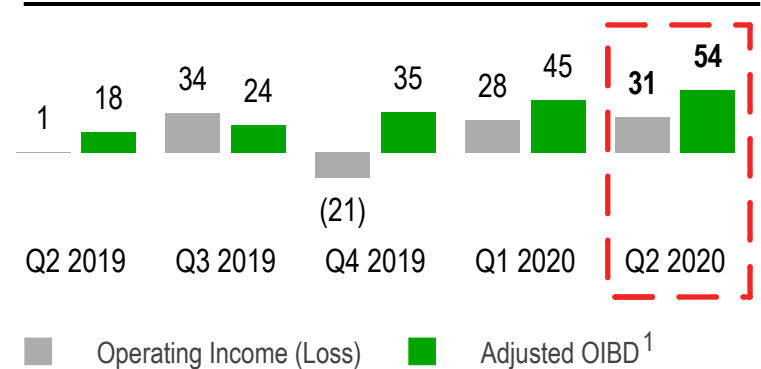
**Boxboard Europe<sup>2</sup>** (millions of CAN\$)



**Specialty Products<sup>2</sup>** (millions of CAN\$)



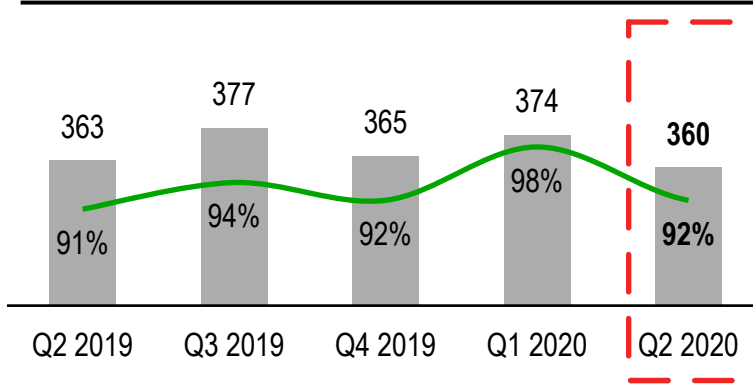
**Tissue Papers** (millions of CAN\$)



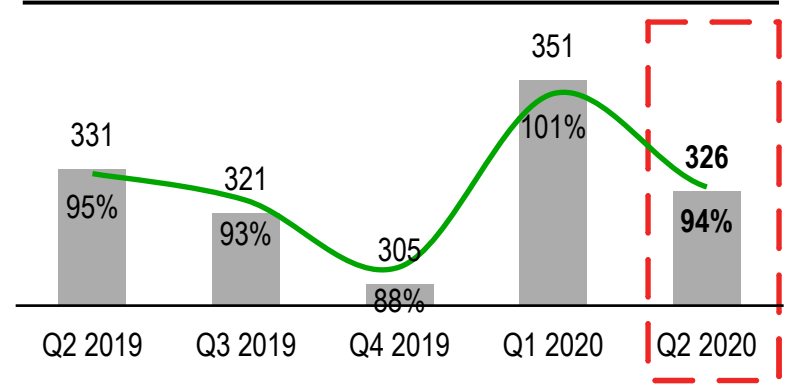


# HISTORICAL SEGMENTED QUARTERLY SHIPMENTS

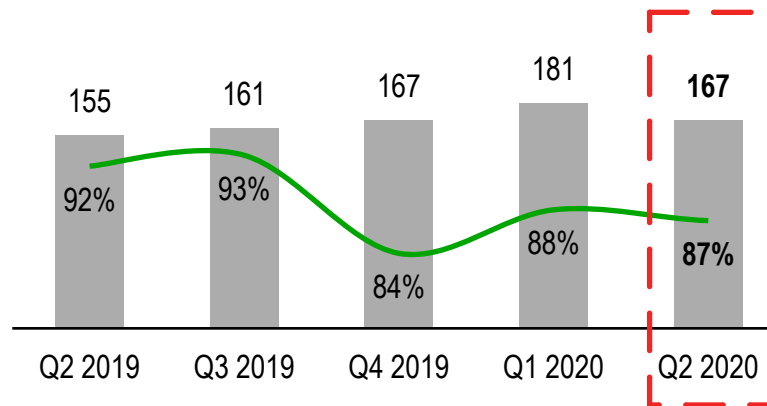
**Containerboard** ('000 s.t. and % capacity utilization<sup>1</sup>)



**Boxboard Europe** ('000 s.t. and % capacity utilization<sup>1</sup>)



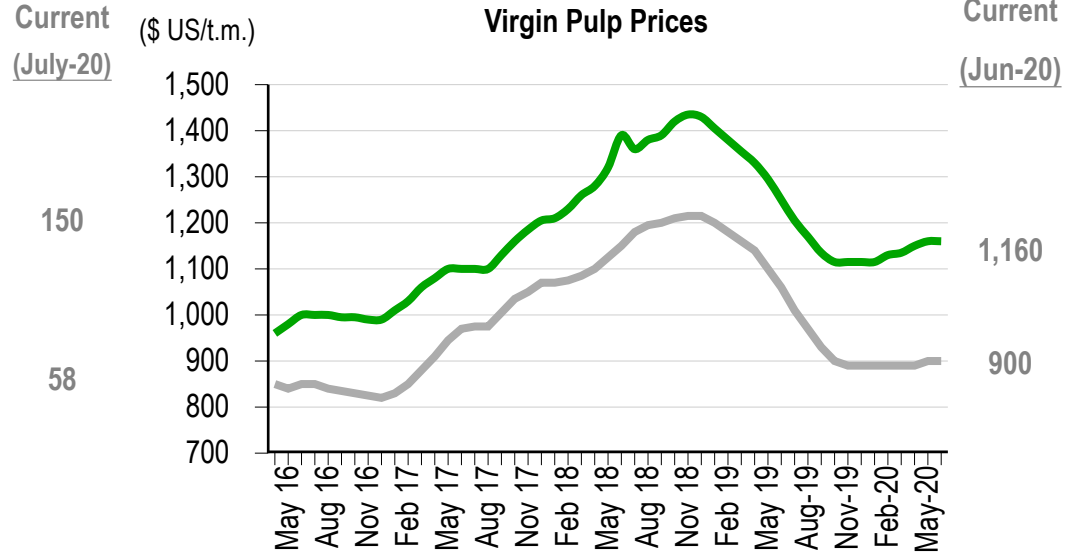
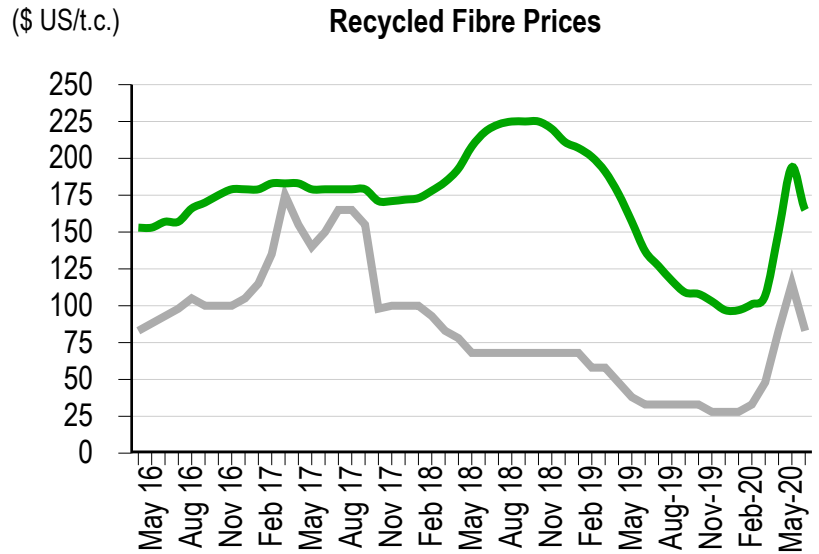
**Tissue Papers** ('000 s.t. and % capacity utilization<sup>1</sup>)



(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)<sup>1</sup>  
 Brown grades - OCC No. 11 (Northeast average)

	<u>Q2-2019</u>	<u>Q1-2020</u>	<u>Q2-2020</u>	<u>Q2/Q2</u>	<u>Q2/Q1</u>
White grades - Basket of products (Northeast average) <sup>1</sup>	156	102	170	9%	67%
Brown grades - OCC No. 11 (Northeast average)	40	36	94	135%	161%

#### Virgin Pulp Prices

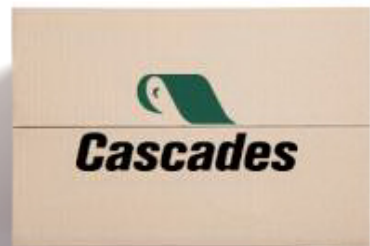
NBSK (Canadian sources delivered to Eastern US)  
 NBHK (Canada/US sources delivered to Eastern US)

	<u>Q2-2019</u>	<u>Q1-2020</u>	<u>Q2-2020</u>	<u>Q2/Q2</u>	<u>Q2/Q1</u>
NBSK (Canadian sources delivered to Eastern US)	1,292	1,127	1,158	(10)%	3%
NBHK (Canada/US sources delivered to Eastern US)	1,100	890	897	(18)%	1%

**Prices of recycled fibres increased significantly QoQ, and were also higher on a year-over-year basis; Prices subsequently decreased notably in June and July; Virgin pulp was up marginally compared to Q1, but was below prior year levels**

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

<b>Results</b>	<b>Change vs.</b>	
Q2 2020	Q1 2020	Q2 2019
<b>Shipments ('000 s.t.)</b>		
360	(4)%	(1)%
<b>Average selling price</b> (CAN\$/unit)		
1,260	3%	(1)%
<b>Sales (M\$)</b>		
454	(1)%	(2)%
<b>Operating income (M\$)</b>		
54	(27)%	(36)%
<b>Adjusted OIBD<sup>1</sup> (M\$)</b>		
94	(5)%	(17)%
% of sales 20.7%		

## Comments on sequential performance

- ➔ Shipments decreased by 4% sequentially. This was driven by a 7% decrease in manufacturing shipments that reflect lower demand and 16.5 days of planned maintenance and market related downtime. Shipments of converted products were stable on a sequential basis.
- ➔ The average second quarter selling price increased by 3% in Canadian dollars sequentially. This reflects a more favourable sales mix and the depreciation of the Canadian dollar compared to the US dollar.
- ➔ The sequential sales decrease is largely attributable to the lower volume of manufacturing shipments.
- ➔ Adjusted OIBD decreased by 6% on a sequential basis. This reflects higher raw material costs and lower volumes. These were partially offset by the more favourable mix of products sold, lower production costs and research and development credits recorded in the current period. A credit loss provision on accounts receivable related to Covid-19 was recorded in Q1 2020 and no additional provisions were taken in the current period.

## Maintenance and capital investment downtime (in s.t.)

FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
46,500	8,200	20,700	~ 13,000 to 14,000	~ 10,000 to 11,000	~ 52,000 to 54,000





# TISSUE PAPERS

<b>Results</b>	<b>Change vs.</b>		
	Q2 2020	Q1 2020	Q2 2019
<b>Shipments ('000 s.t.)</b>			
<b>167</b>	(8)%	8%	
<b>Average selling price</b> (CAN\$/unit)			
<b>2,537</b>	3%	4%	
<b>Sales (M\$)</b>			
<b>424</b>	(5)%	12%	
<b>Operating income (M\$)</b>			
<b>31</b>	11%	3,000%	
<b>Adjusted OIBD<sup>1</sup> (M\$)</b>			
<b>54</b>	20%	200%	
% of sales			
12.7%			

## Comments on sequential performance

- The 8% sequential decrease in shipments was driven in large part by the 11% decrease in shipments of converted products. This was primarily a reflection of the Covid-19 related demand impact on Away-from-Home converted products in the current period, and an easing of the strong demand in levels seen in the previous quarter. Manufacturing shipments increased 8% sequentially, driven by inventory management initiatives.
- The average selling price in Canadian dollars increased 3% sequentially. This reflects the depreciation of the Canadian dollar compared to the US dollar, and a more favourable mix of converted products sold. These benefits were partially offset by a larger proportion of parent rolls in the sales mix in the current quarter.
- The impact of lower volumes partially offset by higher average selling prices as detailed above had a combined net negative impact of 5% on sales on a sequential basis.
- Adjusted OIBD increased by \$8 million, or 18%, sequentially. This reflects the beneficial impact of the higher average selling price, cost savings initiatives, lower transportation costs, and research and development credits recorded in the current period. A credit loss provision on accounts receivable related to Covid-19 was recorded in Q1 2020 and no additional provision was taken in the current period.

# PACKAGING PRODUCTS / BOXBOARD EUROPE

<b>Results</b>	<b>Change vs.</b>		
	Q2 2020	Q1 2020	Q2 2019
<b>Shipments ('000 s.t.)</b>			
<b>326</b>	(7)%	(2)%	
<b>Average selling price<sup>1</sup></b>			
(CAN\$/unit)			
<b>779</b>	4%	(1)%	
(Euro€/unit)			
<b>510</b>	1%	(2)%	
<b>Sales (M\$)</b>			
<b>265</b>	(3)%	(2)%	
<b>Operating income (M\$)</b>			
<b>30</b>	50%	58%	
<b>Adjusted OIBD<sup>1</sup> (M\$)</b>			
<b>43</b>	43%	43%	
% of sales			
16.2%			

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

## Comments on sequential performance

- ➔ Shipments of virgin boxboard decreased by 2,000 s.t., or 3%, in the second quarter of 2020 compared to the prior quarter, while shipments of recycled boxboard decreased 22,000 s.t., or 7%. These decreases are primarily a reflection of lower shipments in Western Europe related to Covid-19.
- ➔ The sequential increase in the average selling price is a reflection of the net impact of the 3% depreciation of the Canadian dollar compared to the euro and the 2% increase in the average selling price of virgin boxboard.
- ➔ The lower sequential sales reflects the decrease in shipment volumes as discussed above, the effects of which were partially offset by the 3% depreciation of the Canadian dollar compared to the euro.
- ➔ The sequential \$14 million increase in adjusted OIBD is largely a reflection of lower energy costs and the energy credits received in the current period. In addition, lower fixed and SG&A costs and the higher average selling price also contributed to the sequential adjusted OIBD increase. These benefits were partially offset by lower volumes and higher raw material costs in the second quarter.



# PACKAGING PRODUCTS / SPECIALTY PRODUCTS

<b>Results</b> Q2 2020	<b>Change vs.</b>	
	Q1 2020	Q2 2019
<b>Sales (M\$)</b>		
120	6%	(11)%
<b>Operating income (M\$)</b>		
11	38%	(8)%
<b>Adjusted OIBD<sup>1</sup> (M\$)</b>		
17	42%	6%
% of sales		
14.2%		

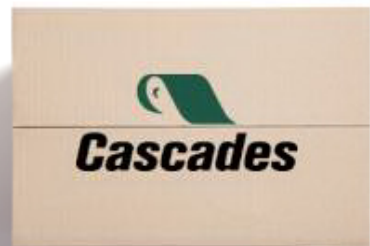
## Comments on sequential performance

- ➔ The sequential sales increase reflects increases in most business sub-segments. This was most notable in food packaging, where volumes increased 20% sequentially. Conversely, shipments of Industrial packaging decreased 5% sequentially as a result of the economic impact of Covid-19.
- ➔ The sequential increase in adjusted OIBD reflects the higher sales volumes, and lower operational and administrative cost levels in the current period.

## CHANGE IN THE PRESENTATION OF SEGMENTED INFORMATION

The Corporation reclassified Recovery activities results (sales, OIBD and adjusted OIBD figures) to Corporate Activities in the fourth quarter of 2019. Results from these activities had been included within the Specialty Products segment previously. Prior annual and quarterly figures were adjusted to reflect the change.

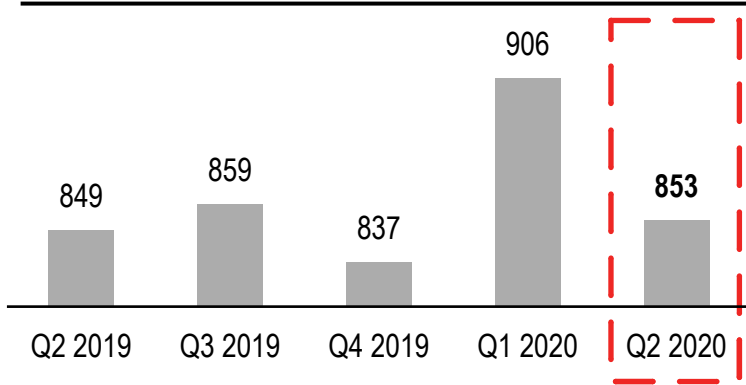
# FINANCIAL REVIEW



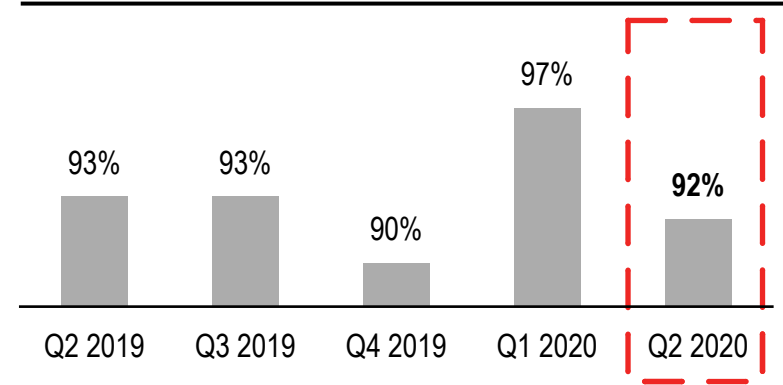


# KEY PERFORMANCE INDICATORS (KPIs)

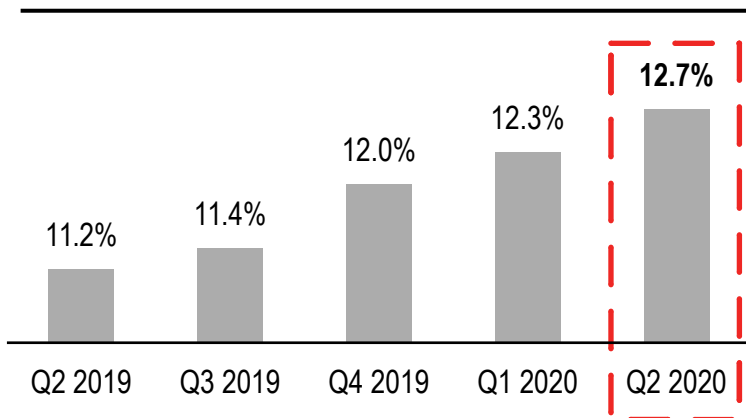
**Total Shipments<sup>1</sup>** ('000 s.t.)



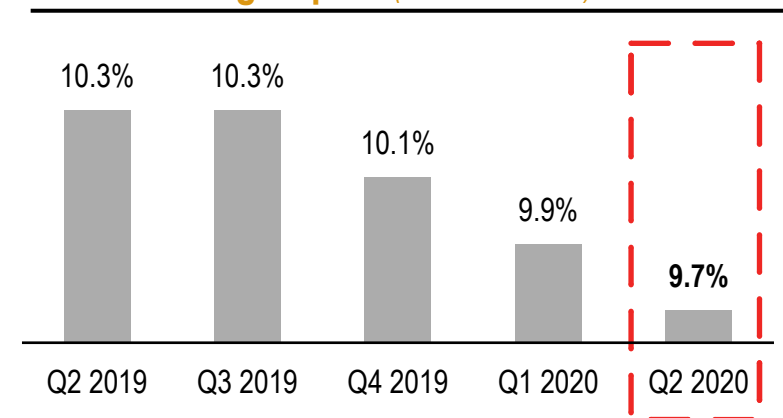
**Capacity Utilization Rate<sup>1-2</sup>** (manufacturing only)



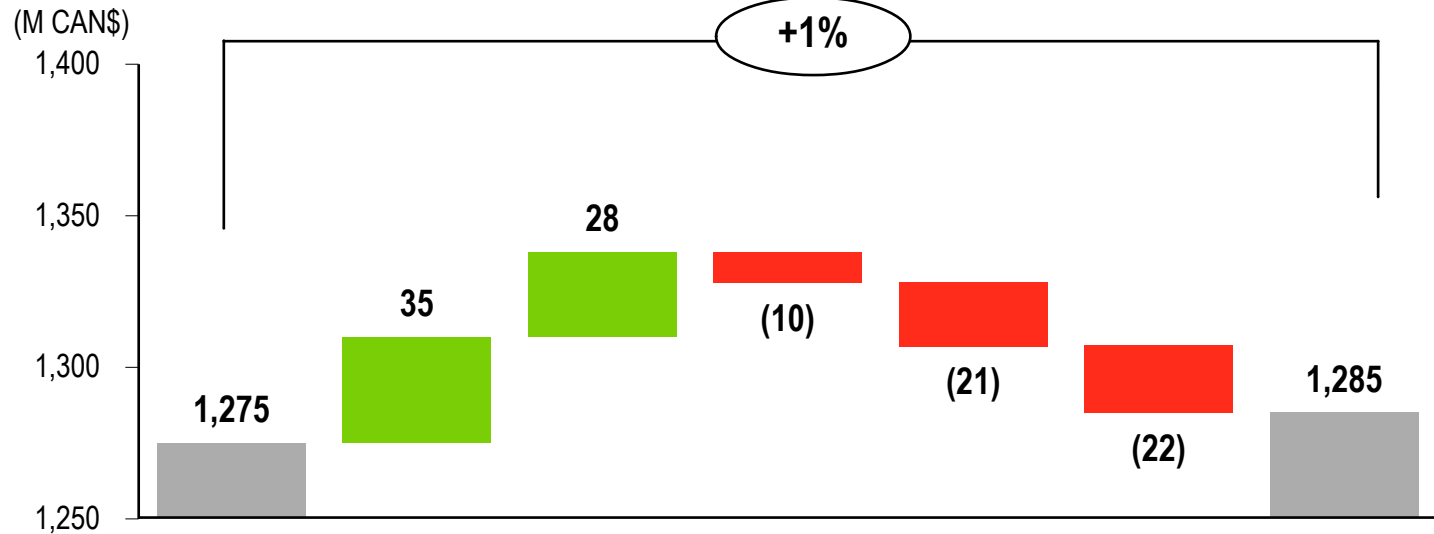
**LTM Return on Assets**



**LTM Working Capital** (% of LTM Sales)



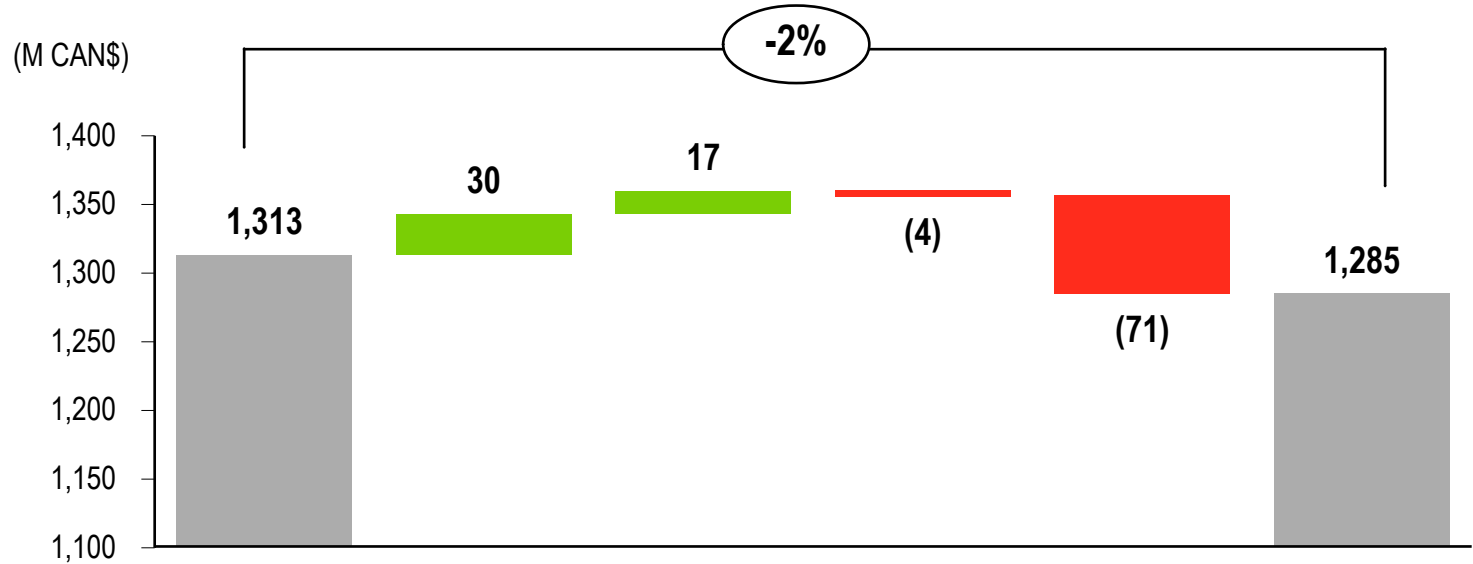
# YEAR OVER YEAR SALES RECONCILIATION



(M CAN\$)	Sales Q2-2019	Volume	F/X CAN\$	Other variances	Price & Mix	Business closure and disposal	Sales Q2-2020
Containerboard	462	(3)	9	—	(14)	—	454
Boxboard Europe	270	(3)	4	—	(6)	—	265
Specialty Products	135	1	3	2	1	(22)	120
Tissue Papers	377	40	12	—	(5)	—	424
Corporate & Elim.	31	—	—	(12)	3	—	22
<b>Total</b>	<b>1,275</b>	<b>35</b>	<b>28</b>	<b>(10)</b>	<b>(21)</b>	<b>(22)</b>	<b>1,285</b>

**YoY sales increase driven by Covid-19 demand and Orchids acquisition in Tissue and favourable FX impact for all segments; Partly offset by less favourable selling price & mix in all segments except Specialty Products, and business closure & disposal in Specialty Products**

# SEQUENTIAL SALES RECONCILIATION

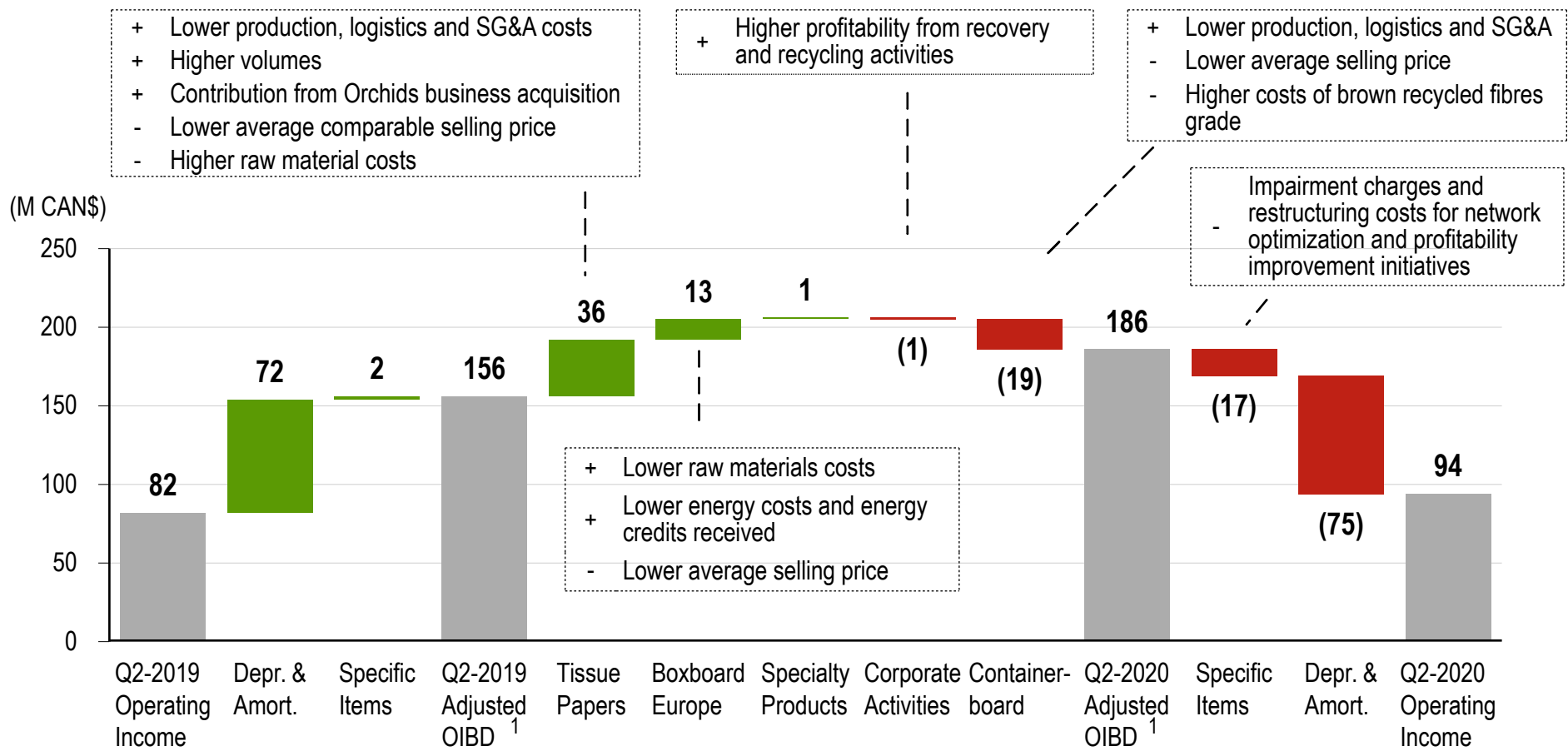


(M CAN\$)	Sales Q1-2020	F/X CAN\$	Price & Mix	Other variances	Volume	Sales Q2-2020
Containerboard	458	7	5	—	(16)	454
Boxboard Europe	272	8	3	—	(18)	265
Specialty Products	113	3	3	—	1	120
Tissue Papers	446	12	4	—	(38)	424
Corporate & Elim.	24	—	2	(4)	—	22
<b>Total</b>	<b>1,313</b>	<b>30</b>	<b>17</b>	<b>(4)</b>	<b>(71)</b>	<b>1,285</b>

**Sales decrease QoQ driven by lower volume following easing of strong Covid-19 demand & buying patterns in Q1; Partly offset by favourable selling price & mix and FX impact in all business segments**



# YEAR-OVER-YEAR OPERATING INCOME RECONCILIATION

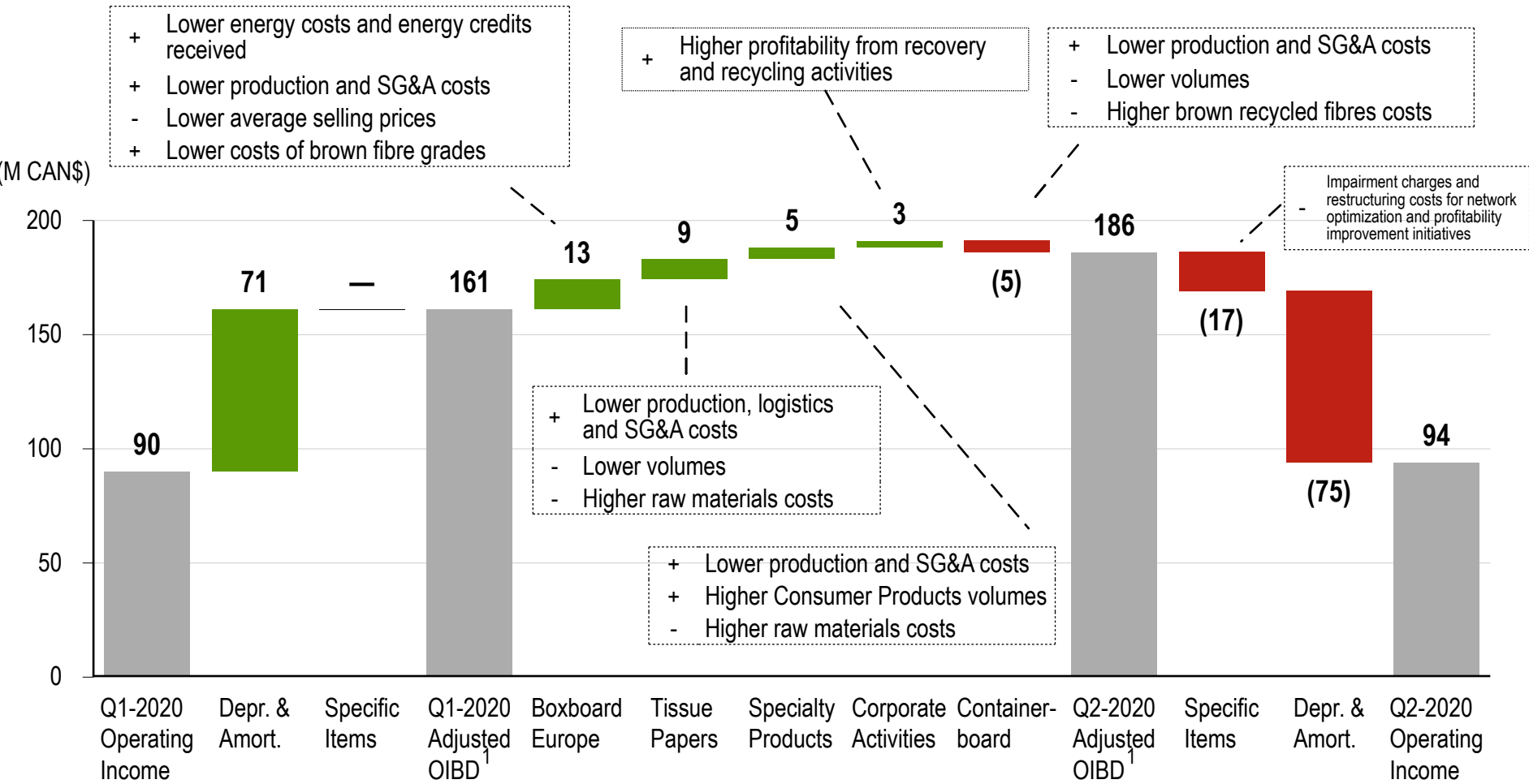


**Increase driven by strong Tissue results reflecting volume benefits including Orchids, and lower costs; Boxboard Europe results benefited from lower raw material and energy costs; Partly offset lower by Containerboard results driven by higher raw material costs & lower selling price**

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

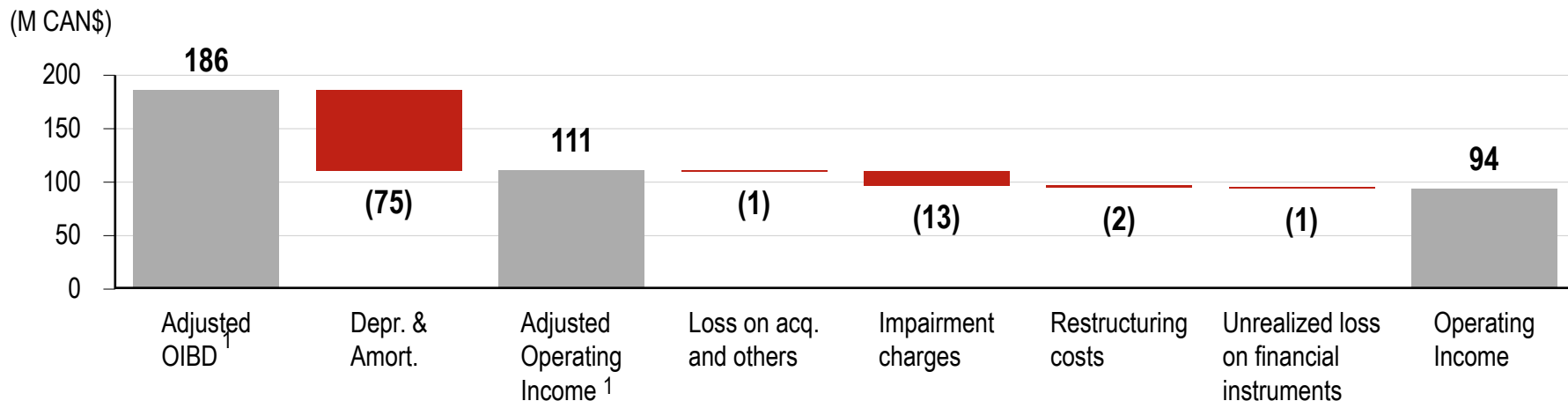


# SEQUENTIAL OPERATING INCOME RECONCILIATION



**Lower production and SG&A costs in all business segments; lower raw material and energy costs in Boxboard Europe; partly offset by higher raw material costs in North America, and lower volumes in Tissue and Containerboard as Q1 Covid demand levels eased**

## Q2-20 ADJUSTED OIBD TO OPERATING INCOME RECONCILIATION



(M CAN\$)	Container-board	Boxboard Europe	Specialty Products	Tissue Papers	Corporate Activities	Total
<b>Operating income (loss)</b>	<b>54</b>	<b>30</b>	<b>11</b>	<b>31</b>	<b>(32)</b>	<b>94</b>
Specific items:						
Loss on acquisitions, disposals and others	—	—	1	—	—	1
Impairment charges	8	—	—	5	—	13
Restructuring costs	1	—	—	1	—	2
Unrealized loss (gain) on financial instruments	2	1	—	—	(2)	1
Total Specific items	11	1	1	6	(2)	17
<b>Adjusted operating income (loss)<sup>1</sup></b>	<b>65</b>	<b>31</b>	<b>12</b>	<b>37</b>	<b>(34)</b>	<b>111</b>
Depreciation and amortization	29	12	5	17	12	75
<b>Adjusted OIBD<sup>1</sup></b>	<b>94</b>	<b>43</b>	<b>17</b>	<b>54</b>	<b>(22)</b>	<b>186</b>

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

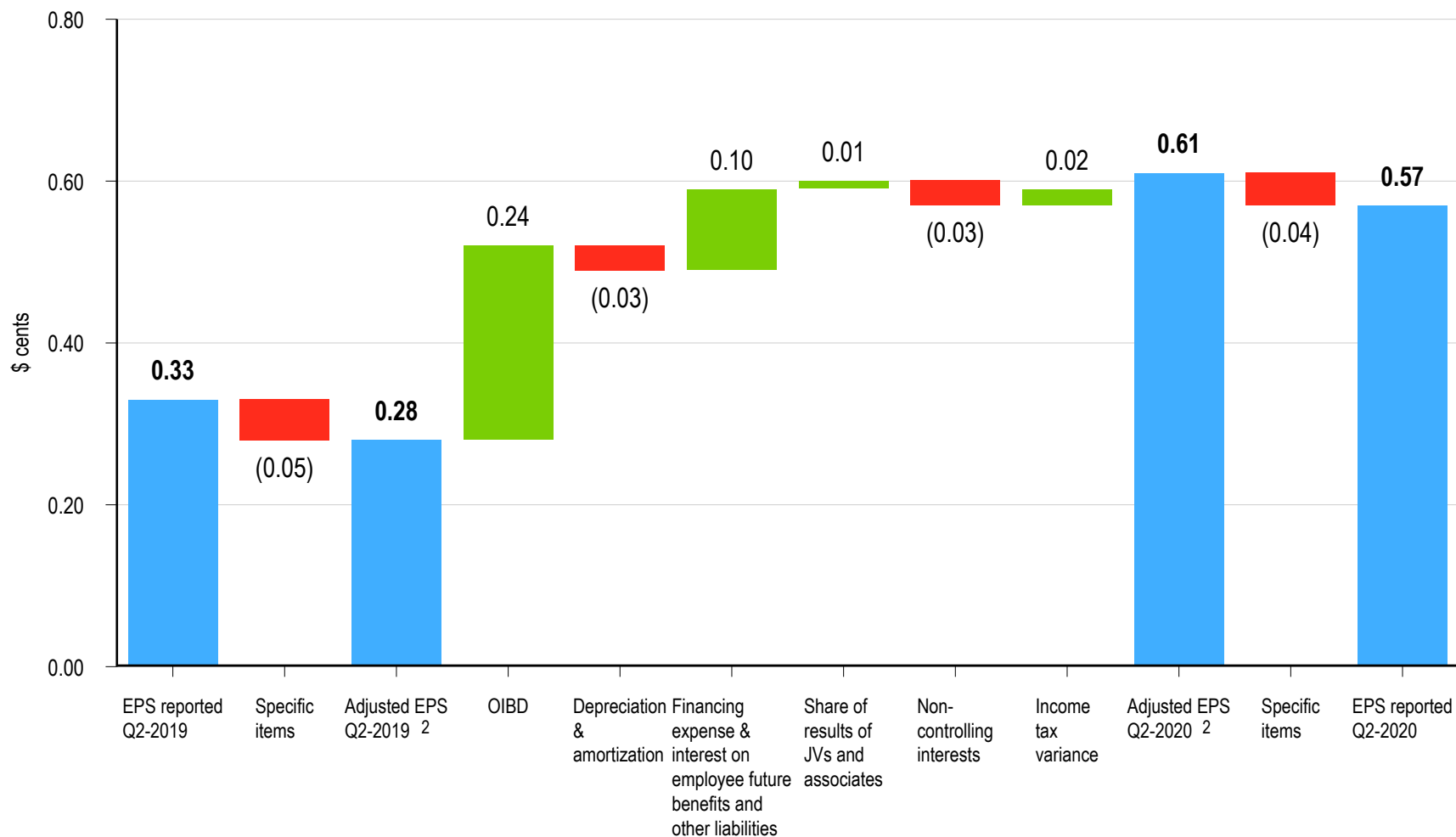


# NET EARNINGS - IFRS VS ADJUSTED

	NET EARNINGS (LOSS)	NET EARNINGS PER SHARE <sup>1</sup>
(in millions of Canadian dollars, except amount per share)	Q2-2020	Q2-2020
<b>As per IFRS</b>	<b>54</b>	<b>\$ 0.57</b>
Specific items:		
Loss on acquisitions, disposals and others	1	\$ —
Impairment charges	13	\$ 0.10
Restructuring costs	2	\$ 0.02
Unrealized loss on financial instruments	1	\$ 0.01
Foreign exchange gain on long-term debt & financial instruments	(9)	\$ (0.09)
	<b>4</b>	<b>\$ 0.04</b>
<b>Adjusted<sup>2</sup></b>	<b>58</b>	<b>\$ 0.61</b>

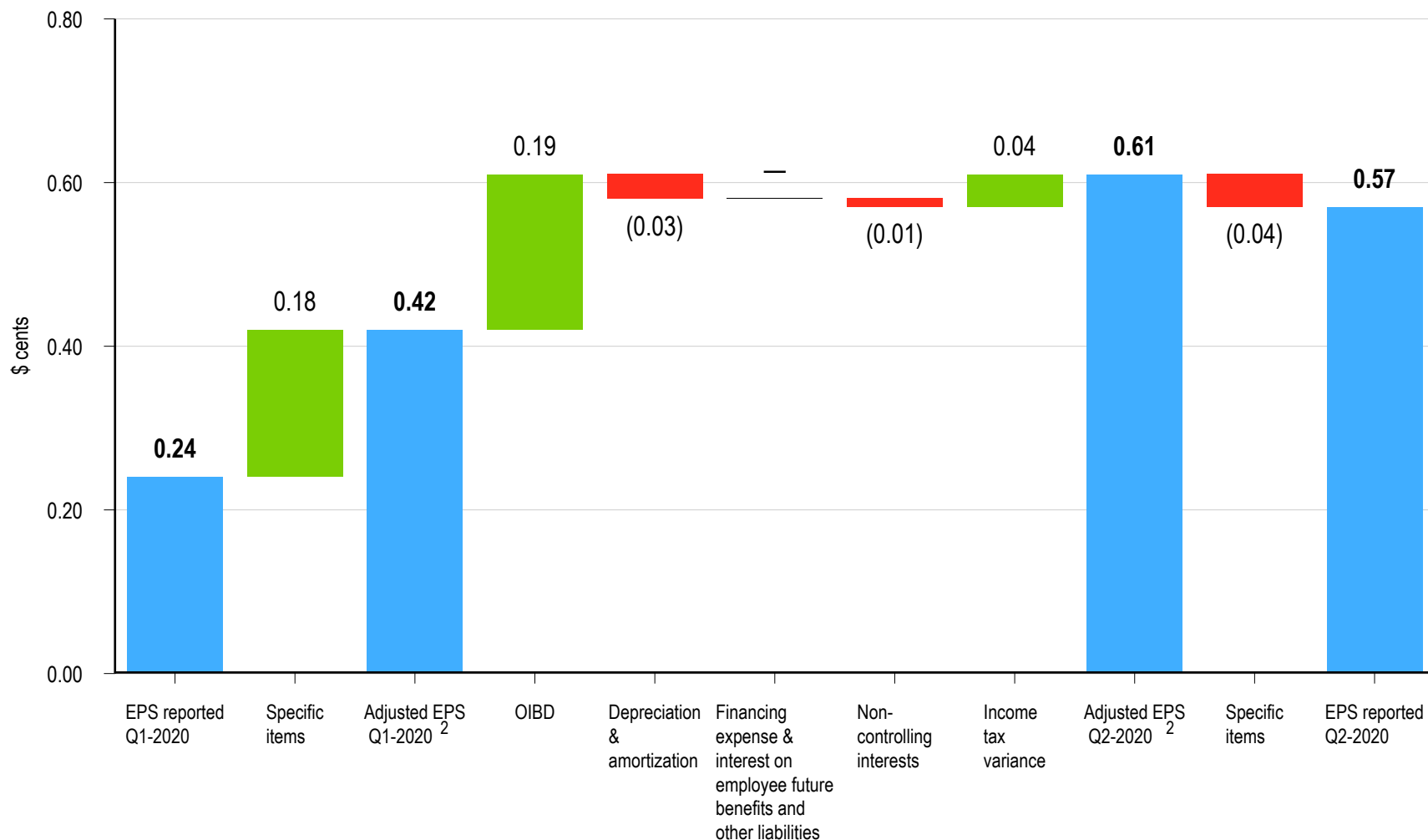


# QUARTERLY YEAR-OVER-YEAR ADJUSTED EPS VARIANCE<sup>1,2</sup>

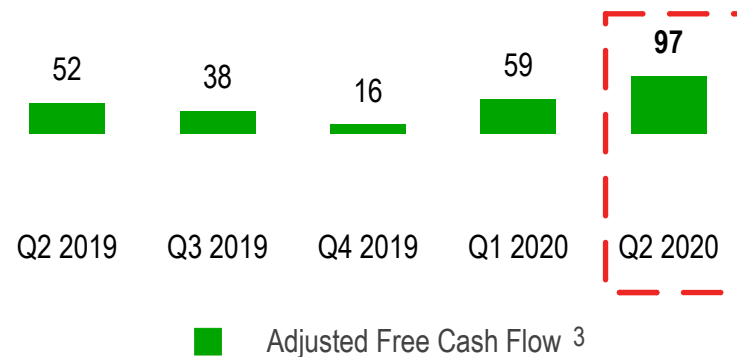
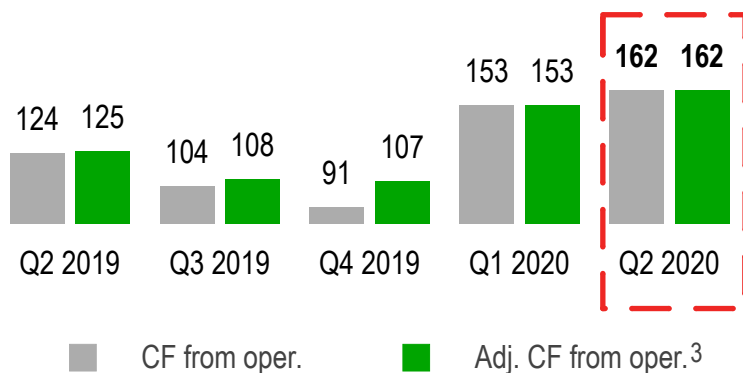




# QUARTERLY SEQUENTIAL ADJUSTED EPS VARIANCE<sup>1,2</sup>



# CASH FLOW OVERVIEW



Figures above in millions of CAN\$

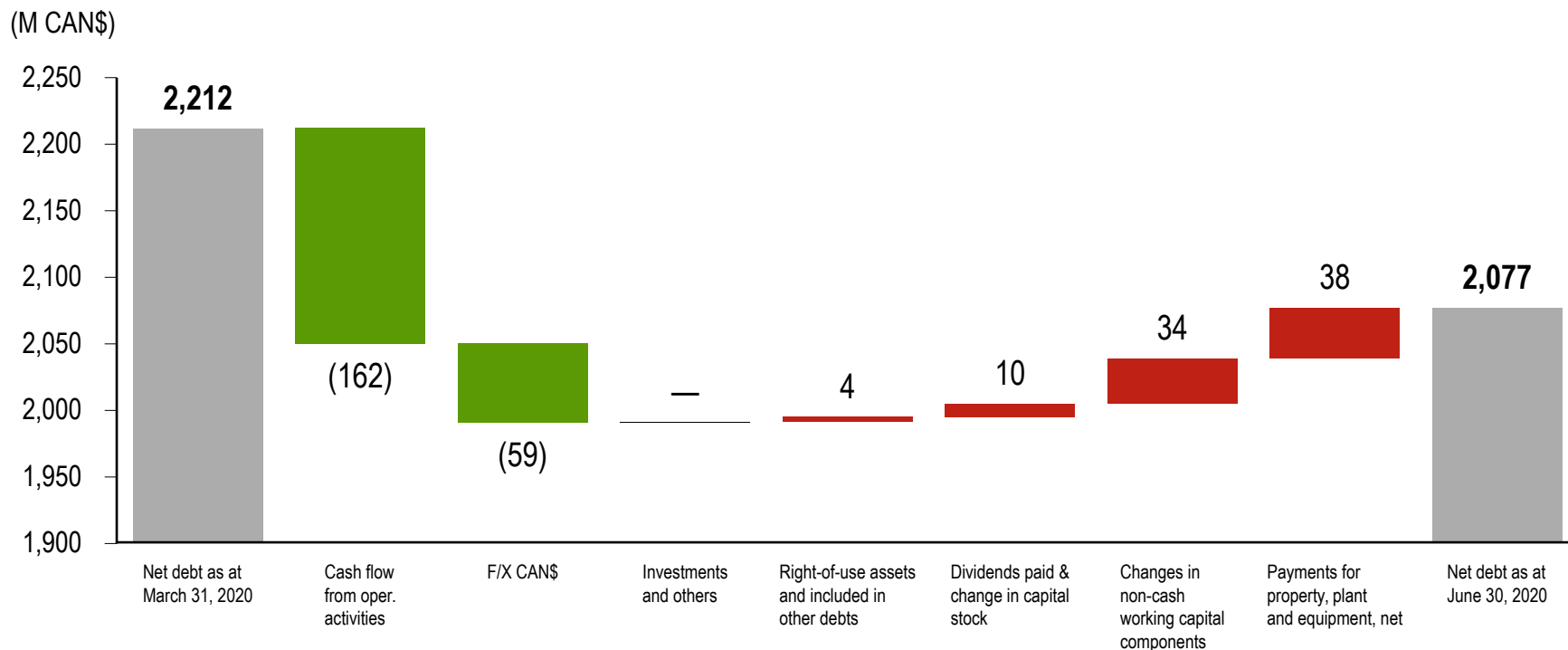
Figures above in millions of CAN\$

(In millions of CAN\$, except amount per share)					2018					2019	2020	
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2
Cash flow from operations	69	111	92	89	361	82	124	104	91	401	153	162
Specific items <sup>1</sup>	—	—	—	—	—	3	1	4	16	24	—	—
Adjusted cash flow from operations <sup>3</sup>	69	111	92	89	361	85	125	108	107	425	153	162
<i>Including: Net financing expense paid</i>	(37)	(18)	(39)	(13)	(107)	(43)	(16)	(42)	(32)	(133)	(17)	(7)
Capital expenditures & other assets <sup>2</sup> , right-of-use assets payments, net of disposals	(9) <sup>5</sup>	(72)	(129)	(65)	(275)	(76)	(64)	(58)	(80)	(278)	(84)	(51)
Dividends <sup>4</sup>	(6)	(12)	(5)	(9)	(32)	(8)	(9)	(12)	(11)	(40)	(10)	(14)
Adjusted free cash flow <sup>3</sup>	54	27	(42)	15	54	1	52	38	16	107	59	97
Adjusted free cash flow per share <sup>3</sup>	\$0.56	\$0.29	\$(0.44)	\$0.16	\$0.57	\$0.01	\$0.56	\$0.40	\$0.17	\$1.14	\$0.63	\$1.02

**YoY and QoQ increase in adjusted Free Cash Flow reflects higher CF from Operations and lower financing expense paid**



# NET DEBT<sup>1</sup> RECONCILIATION - Q2 2020



Q1-2020  
\$630 million  
3.5x

LTM adjusted OIBD<sup>1</sup>  
Net debt/LTM adjusted OIBD<sup>1</sup>

Q2-2020  
\$660 million  
3.1x

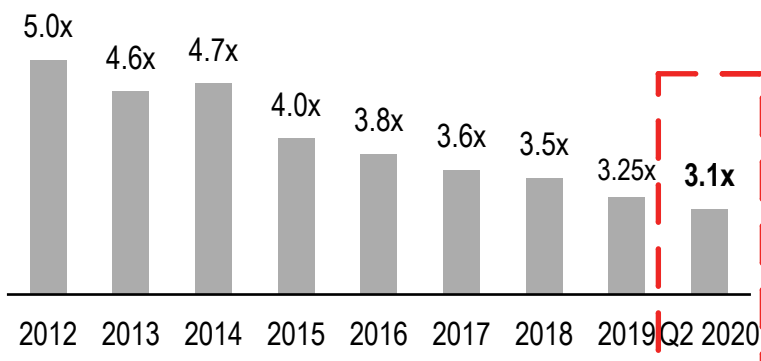
**Solid Cash Flow from Operations and favourable FX more than offset Capex and working capital requirements**

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

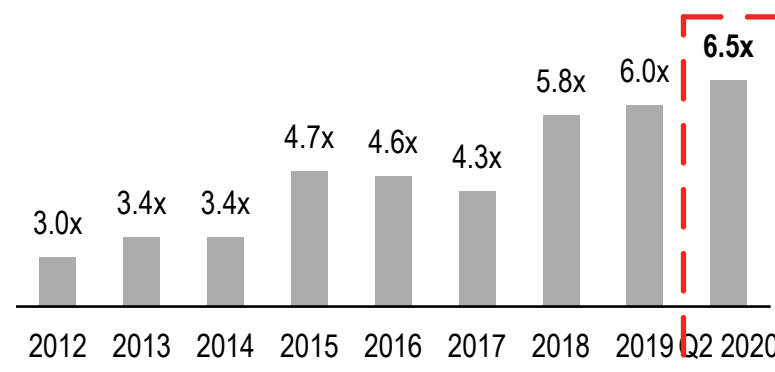


# CONSOLIDATED FINANCIAL RATIOS & DEBT MATURITIES

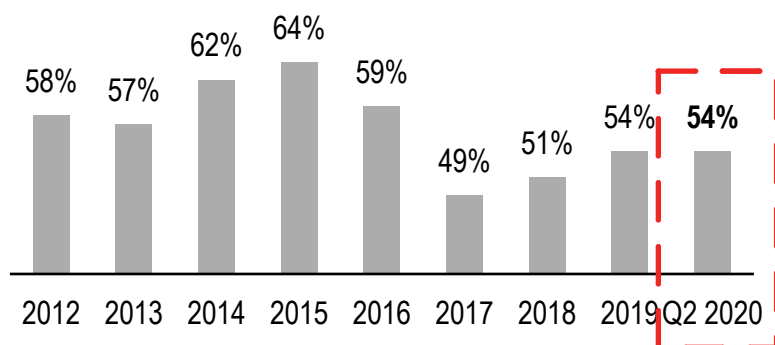
## Net Debt / LTM Adjusted OIBD<sup>1,3</sup>



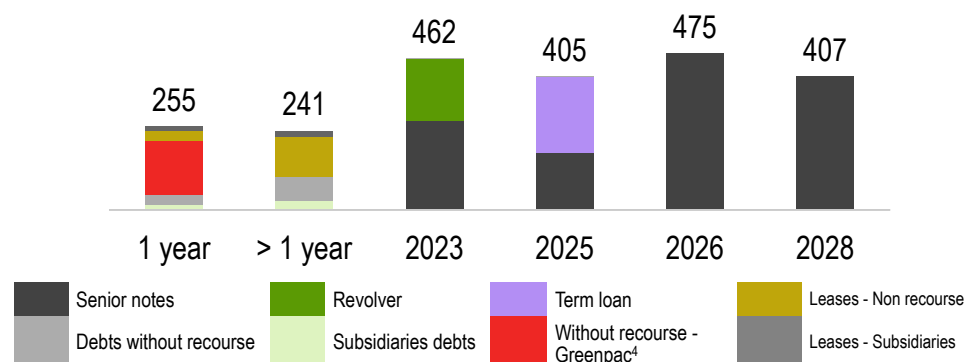
## Interest Coverage Ratio<sup>2,3</sup>



## Net Debt / Net Debt + Total Equity



## Long-Term Debt Maturities (as at June 30, 2020)



**Leverage ratio of 3.1x at the end of Q2 2020, down from 3.5x at the end of Q1 2020 and 3.25x<sup>3</sup> at the end of 2019**

Bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 52.37%), interest coverage ratio > 2.25x (currently at 4.97x).

(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) Last twelve months adjusted OIBD to financing expense. (3) Pro-forma up to 2018 to include business acquisitions on a LTM basis, if applicable. (4) Debt without recourse of Greenpac of \$165 million to be refinanced before May 2021.



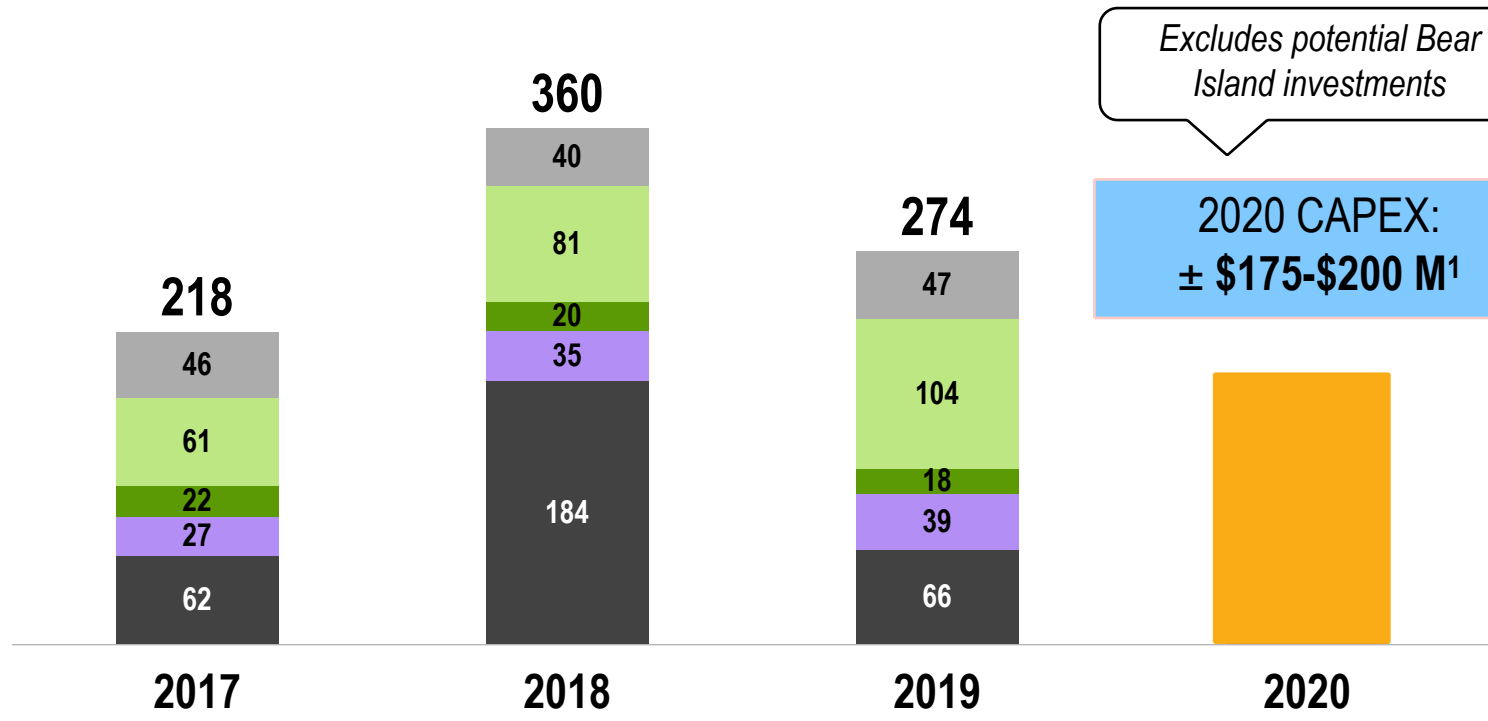


# CAPITAL INVESTMENTS

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

*Excludes potential Bear Island investments*

**2020 CAPEX:  
± \$175-\$200 M<sup>1</sup>**



- Containerboard
- Boxboard Europe
- Specialty Products
- Tissue Papers
- Corporate & IT

(1) Amount is subject to change depending on business and/or economic conditions.

# CONCLUDING REMARKS





# NEAR TERM FACTORS



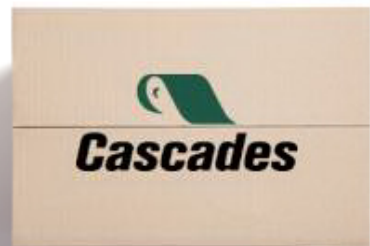
- **Containerboard:** expect slight volume increase, lower sequential raw material costs
- **Boxboard Europe:** sequential gradual benefit from previously announced price increase
- **Raw material:** lower sequential prices expected to benefit North American segments
- **Tissue:** Higher YoY demand related to Covid-19 for consumer products



- **Containerboard:** expect lower average selling price to negatively impact results YoY
- **Tissue:** softer QoQ and YoY AfH volume expected due to Covid-19
- **Boxboard Europe:** headwinds from lower QoQ volume due to usual Q3 seasonality

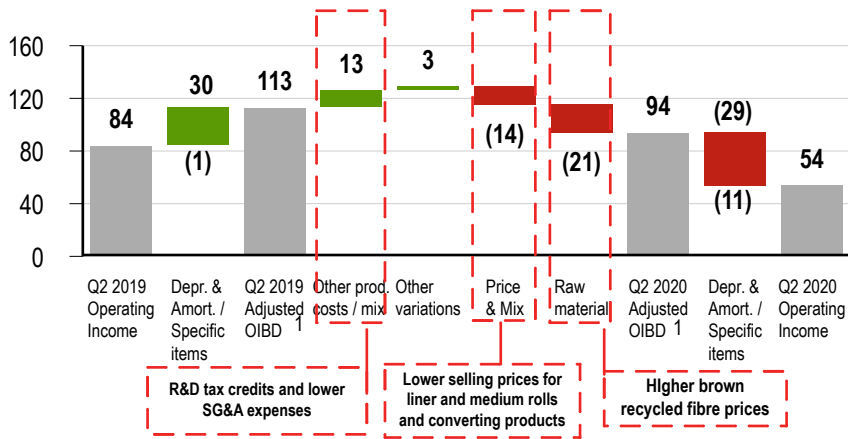
Q3 2020	Containerboard		Boxboard Europe <sup>1</sup>		Specialty Products		Tissue Papers	
OIBD <sup>2</sup> Trend	YoY ↓	QoQ ↑	YoY ↔	QoQ ↓	YoY ↔	QoQ ↔	YoY ↑	QoQ ↓
REFLECTING:								
VOLUME	↗	↗	↘	↘	↔	↔	↘	↘
SELLING PRICE	↘	↔	↘	↗	↔	↔	↗	↔
RAW MATERIAL COST	↗	↘	↘	↔	↗	↘	↔	↘
EXCHANGE RATE	↗	↘	↗	↔	↗	↘	↗	↘
ENERGY COST	↘	↗	↘	↔	↔	↔	↘	↗

# APPENDIX

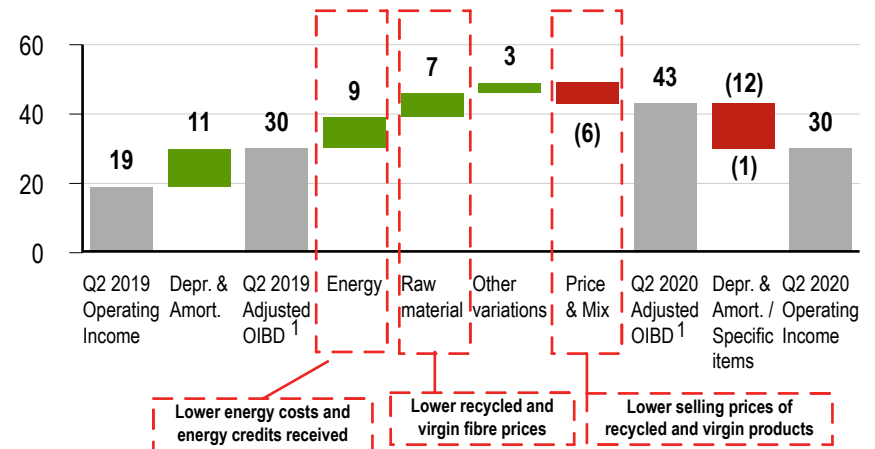


# SEGMENTED YoY OPERATING INCOME WATERFALLS

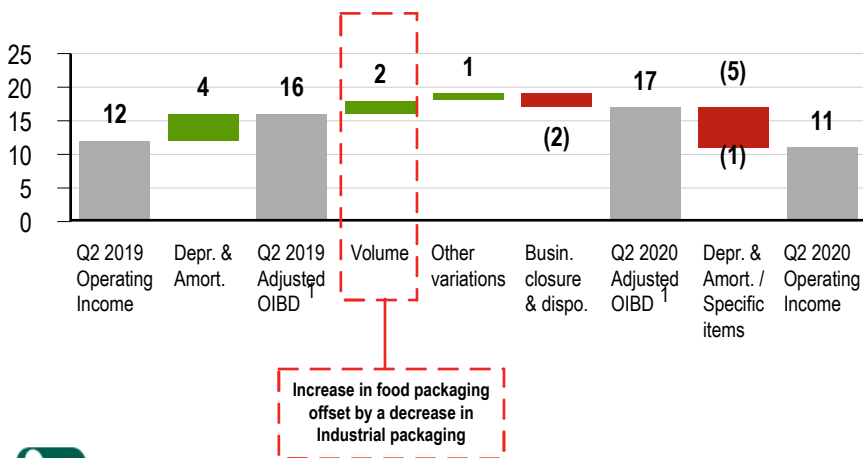
## Containerboard (millions of CAN\$)



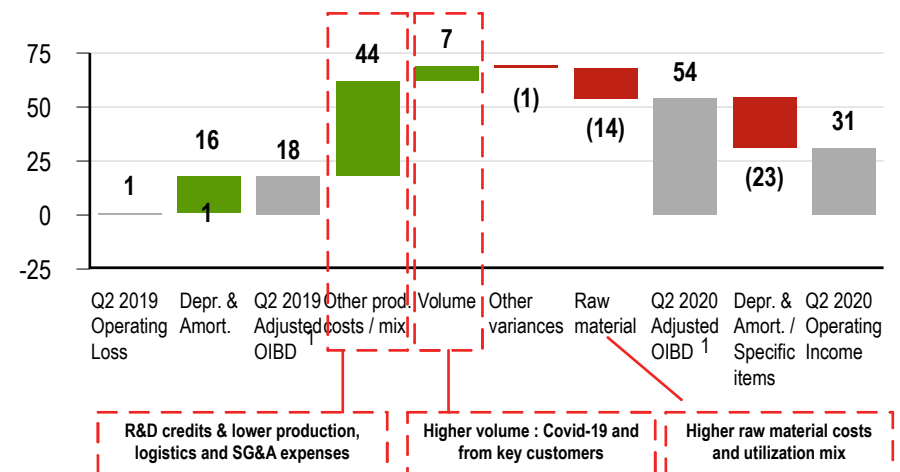
## Boxboard Europe (millions of CAN\$)



## Specialty Products (millions of CAN\$)

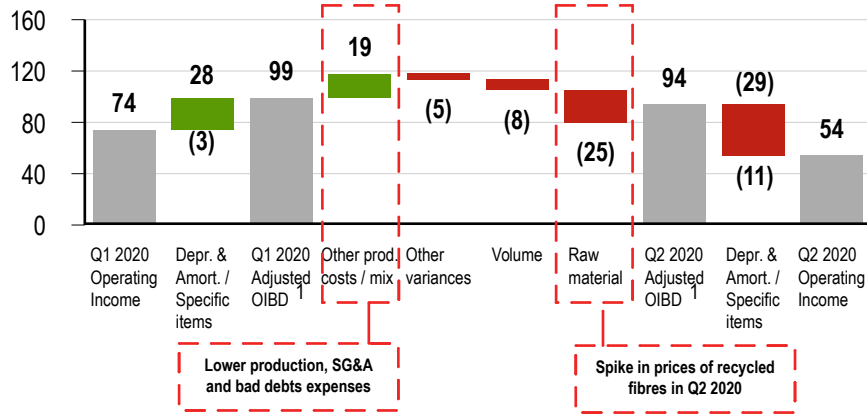


## Tissue Papers (millions of CAN\$)

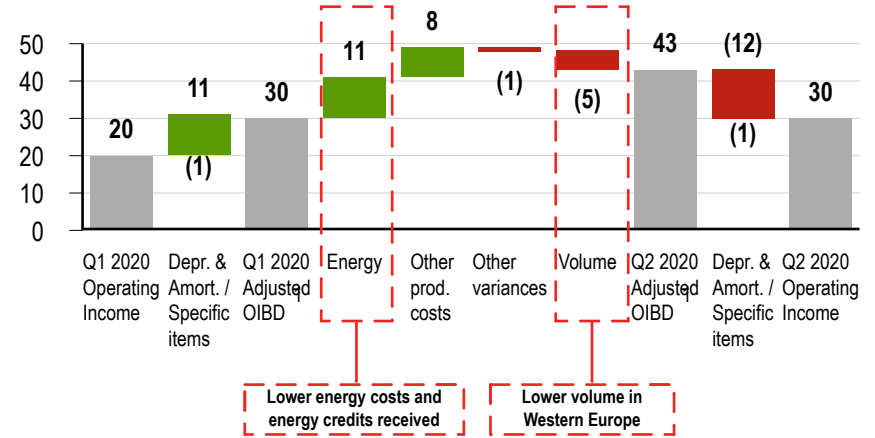


# SEGMENTED SEQUENTIAL OPERATING INCOME (LOSS) WATERFALLS

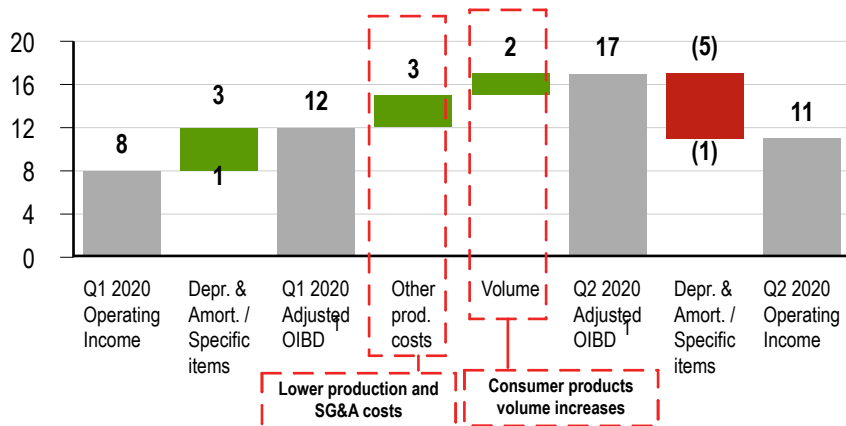
## Containerboard (millions of CAN\$)



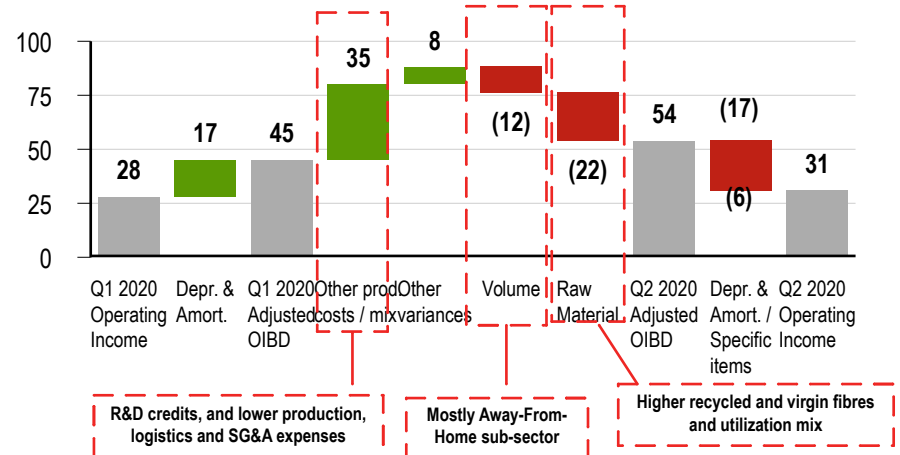
## Boxboard Europe (millions of CAN\$)



## Specialty Products (millions of CAN\$)

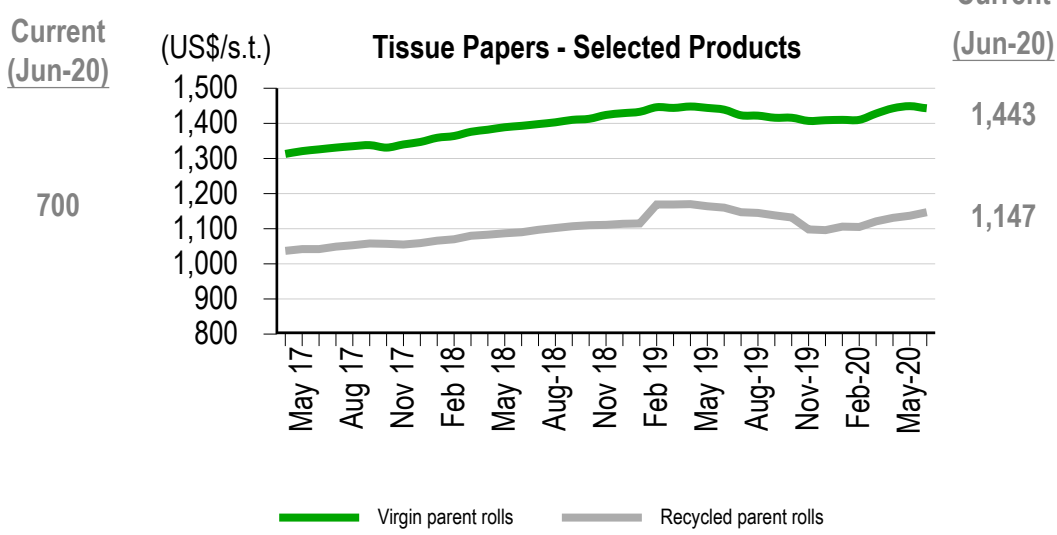
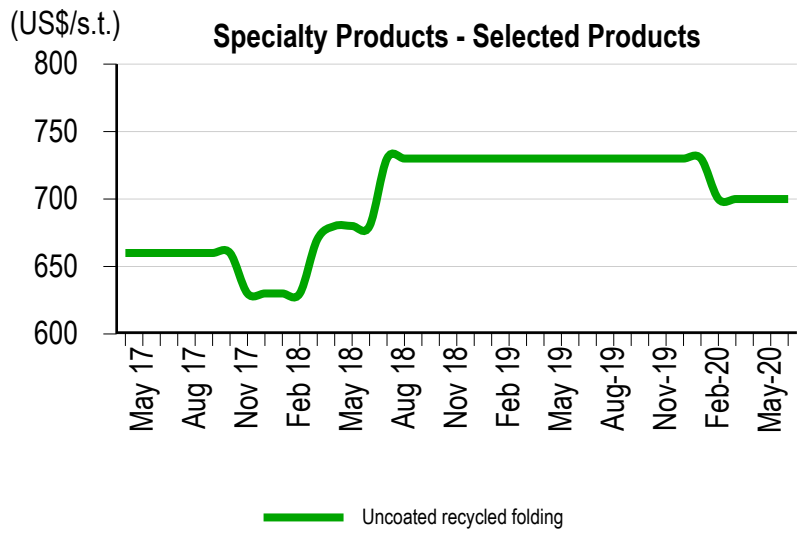
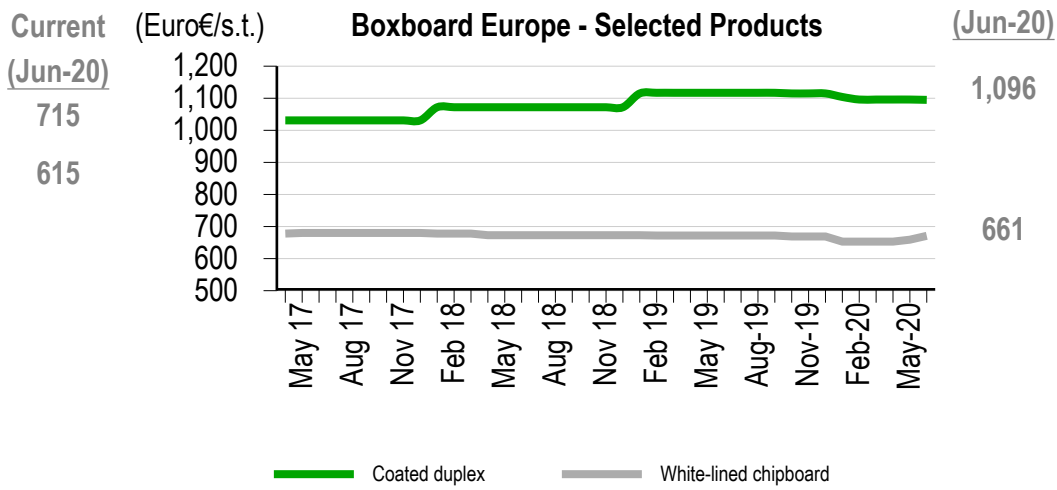
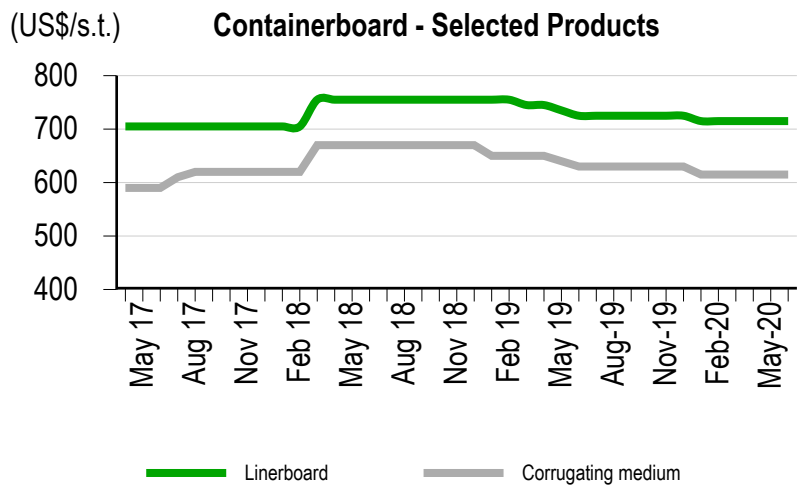


## Tissue Papers (millions of CAN\$)





# SELECTED REFERENCE PRICES



# SELECTED REFERENCE PRICES AND FIBRE COSTS

	2018					2019					2020		Q2 2020 vs Q2 2019		Q2 2020 vs Q1 2020	
	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.																
<b>Selling prices (average)</b>																
<b>PACKAGING PRODUCTS</b>																
<b>Containerboard (US\$/short ton)</b>																
Linerboard 42-lb. unbleached kraft, Eastern US (open market)	722	755	755	755	747	752	735	725	725	734	715	715	(20)	(3)%	—	—
Corrugating medium 26-lb. semichemical, Eastern US (open market)	637	670	670	670	662	650	640	630	630	638	615	615	(25)	(4)%	—	—
<b>Boxboard Europe (euro/metric ton)</b>																
Recycled white-lined chipboard (WLC) index <sup>1</sup>	678	673	673	673	674	672	672	672	669	671	653	661	(11)	(2)%	8	1%
Virgin coated duplex boxboard (FBB) index <sup>2</sup>	1,072	1,072	1,072	1,072	1,072	1,117	1,117	1,117	1,115	1,117	1,099	1,096	(21)	(2)%	(3)	—
<b>Specialty Products (US\$/short ton)</b>																
Uncoated recycled boxboard - 20-pt. bending chip (series B)	643	680	730	730	696	730	730	730	730	730	710	700	(30)	(4)%	(10)	(1)%
<b>TISSUE PAPERS (US\$/short ton)</b>																
Parent rolls, recycled fibres (transaction)	1,072	1,087	1,102	1,112	1,093	1,151	1,164	1,143	1,109	1,142	1,111	1,138	(26)	(2)%	27	2%
Parent rolls, virgin fibres (transaction)	1,366	1,388	1,404	1,422	1,395	1,441	1,444	1,420	1,411	1,429	1,416	1,445	1	—	29	2%
<b>Raw material (average)</b>																
<b>RECYCLED PAPER</b>																
<b>North America (US\$/short ton)</b>																
Sorted residential papers, No. 56 (SRP - Northeast average)	59	31	28	28	36	24	16	10	8	15	8	18	2	13%	10	125%
Old corrugated containers, No. 11 (OCC - Northeast average)	92	71	68	68	74	61	40	33	30	41	36	94	54	135%	58	161%
Sorted office papers, No. 37 (SOP - Northeast average)	165	193	210	203	193	183	140	101	88	128	89	160	20	14%	71	80%
<b>Europe (euro/metric ton)</b>																
Recovered paper index <sup>3</sup>	111	99	103	107	105	96	87	71	49	76	33	82	(5)	(6)%	49	148%
<b>VIRGIN PULP (US\$/metric ton)</b>																
Northern bleached softwood kraft, Canada	1,233	1,310	1,377	1,428	1,342	1,380	1,292	1,170	1,115	1,239	1,127	1,158	(134)	(10)%	31	3%
Bleached hardwood kraft, mixed, Canada/US	1,077	1,125	1,192	1,213	1,152	1,180	1,100	970	893	1,036	890	897	(203)	(18)%	7	1%

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.





# ***Cascades***

## **GREEN BY NATURE™**

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