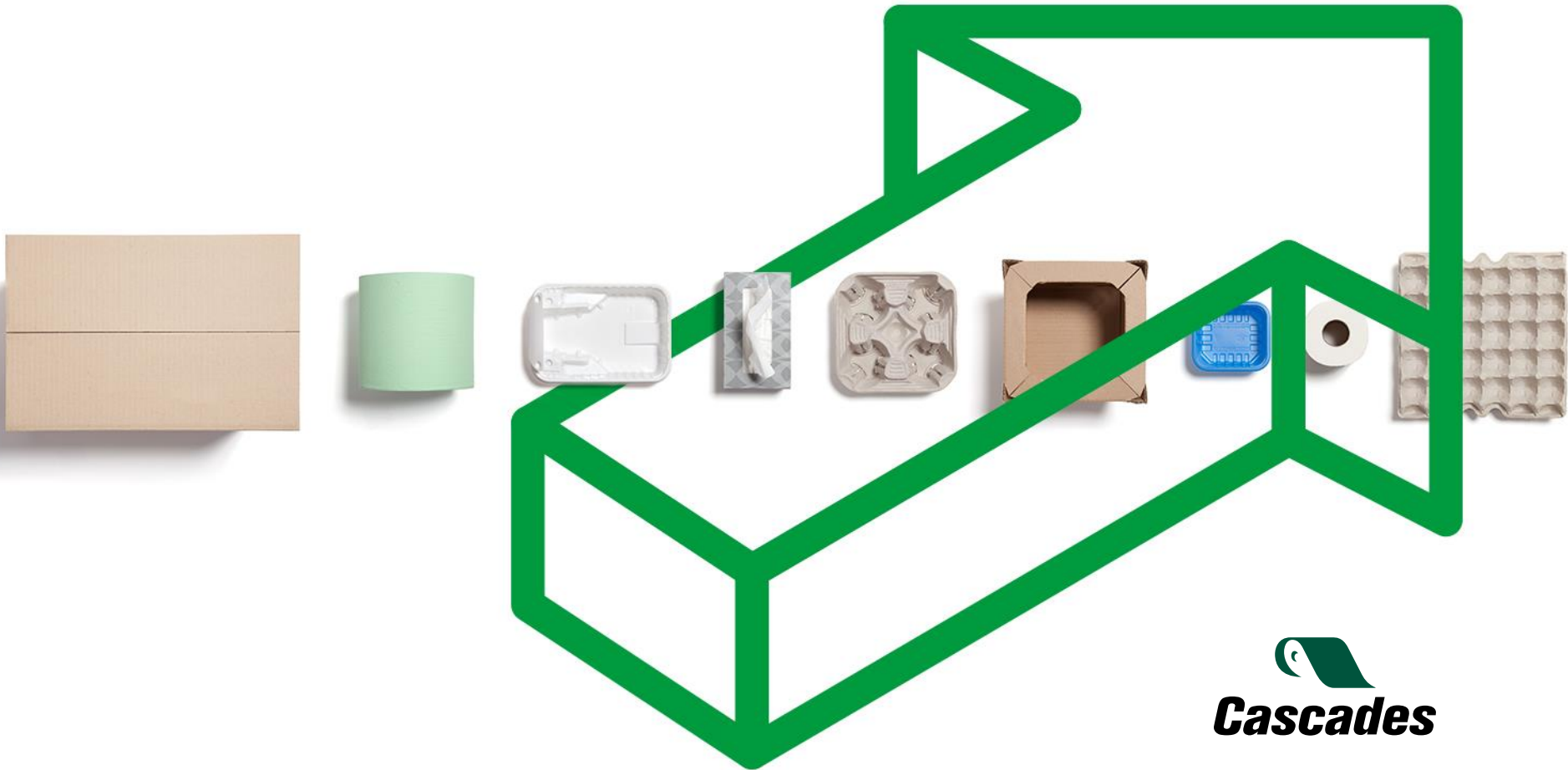


CASCADES INC.

Institutional Investor Roadshow – Montreal & Toronto

March 22 - 23, 2017





DISCLAIMER

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 Company.

The financial information included in this presentation also contains certain data that are not measures of performance under IFRS ("non-IFRS measures"). For example, the Company uses operating income before depreciation and amortization ("OIBD or EBITDA") and adjusted operating income before depreciation and amortization ("adjusted OIBD or adjusted EBITDA") because such measures are used by management to assess the operating and financial performance of the Company's operating segments. Such information is reconciled to the most directly comparable financial measures, as set forth in the "Supplemental Information on Non-IFRS Measures" section of our most recent quarterly report or annual report.

Adjusted measures exclude specific items. Specific items are defined as items such as charges for or reversal of impairment of assets, for facility or machine closures, accelerated depreciation of assets due to restructuring measures, premiums paid on long-term debt refinancing, loss on refinancing of long-term debt, gains or losses on sales of business units, 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, other significant items of an unusual or non-recurring nature, and all such items included in discontinued operations or in the share of results of our associates and joint ventures.

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

COMPANY OVERVIEW

- Founded in 1964 by the Lemaire family; headquartered in Kingsey Falls, QC
- Produces, converts and markets packaging & tissue products composed principally of recycled fibres
 - ✓ Balanced play in less cyclical sectors
 - ✓ Good presence in two of the strongest paper segments: Tissue and Containerboard
 - ✓ Market leader across many of its primary product offerings
- Unique culture – green visionaries, turnarounds, entrepreneurial philosophy
- ~ 90 facilities² in Canada, US & Europe
- ~ 11,000 employees worldwide

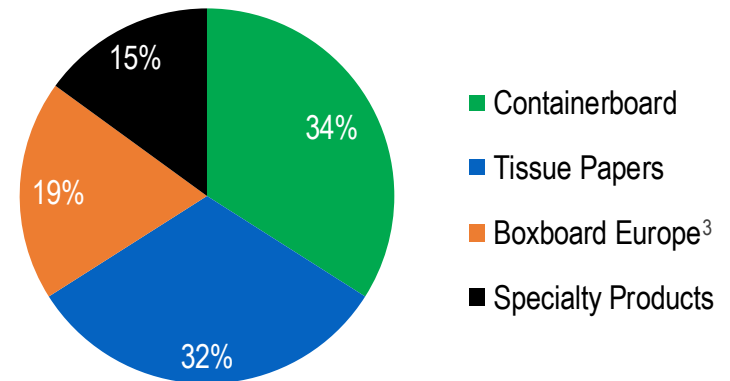
¹ Before inter-segment sales and corporate activities

² Including joint ventures

³ Via our 57.7% equity ownership in Reno de Medici S.p.A. (RdM)

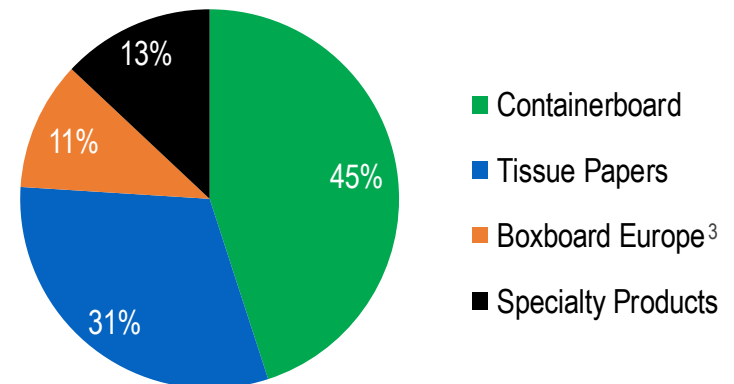
2016 Net Sales \$4,001 million

Segment Sales Breakdown¹



2016 Adjusted EBITDA \$403 million

Segment Adjusted EBITDA Breakdown¹





COMPANY OVERVIEW

2016 Key Performance Indicators

Shipments ('000 s.t.) 2,999

Containerboard integration rate 67%¹
Tissue paper integration rate 68%

Adjusted EBITDA margin 10.1%

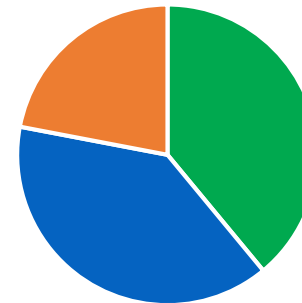
Return on capital employed 5.2%

Working capital (% of sales) 11.0%

Net debt/Adjusted EBITDA 3.8x

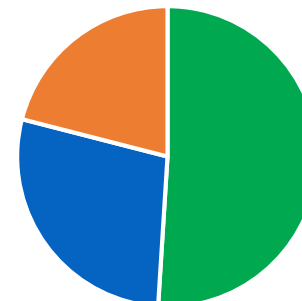
2016 Revenue Profile

Sales To (Destination)



- Canada, 39%
- U.S., 39%
- Europe, 22%

Sales From (Source)

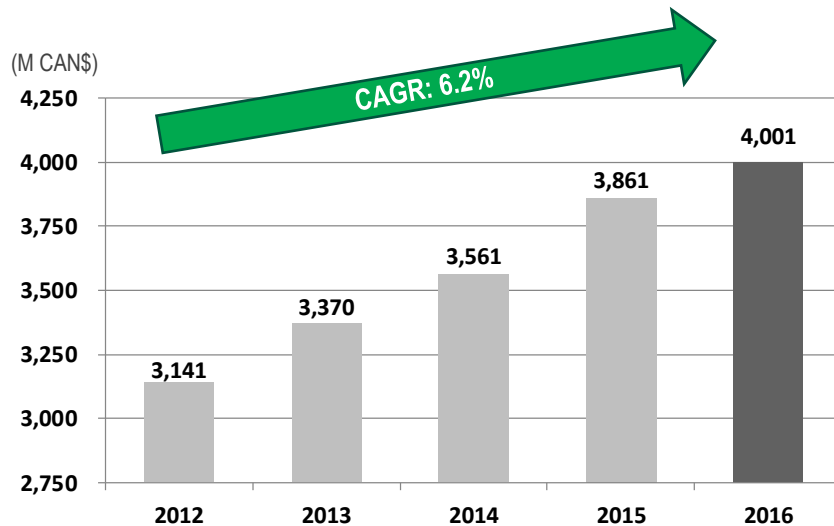


- Canada, 51%
- U.S., 28%
- Europe, 21%

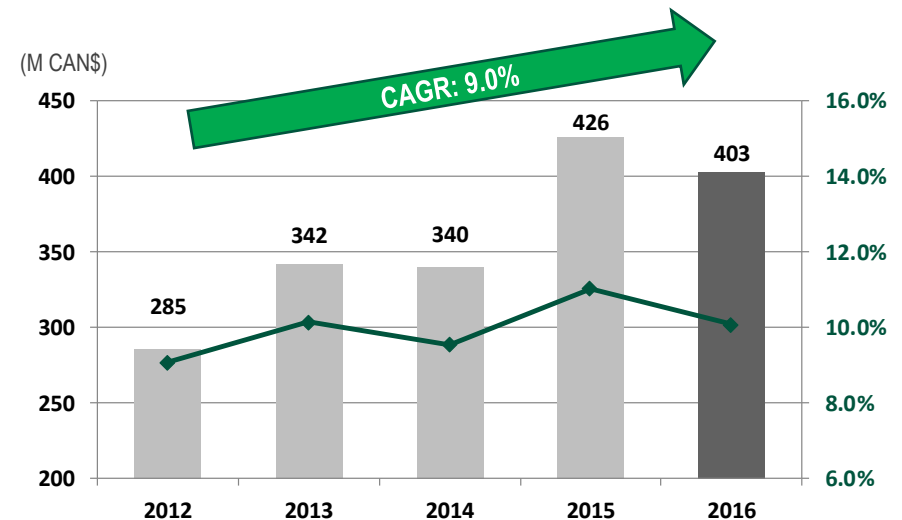
OPERATING PERFORMANCE AND FINANCIAL SITUATION

Strong Financial Momentum

Sales



Adjusted EBITDA



- \$3 million EBITDA sensitivity to every US\$0.01 change vs CAN\$

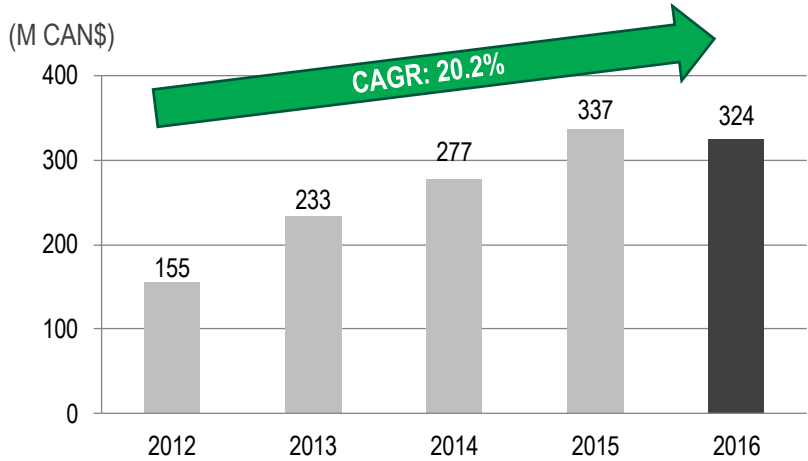
Steady sales growth since 2012; Adjusted EBITDA remained strong in 2016 despite lower year-over-year results



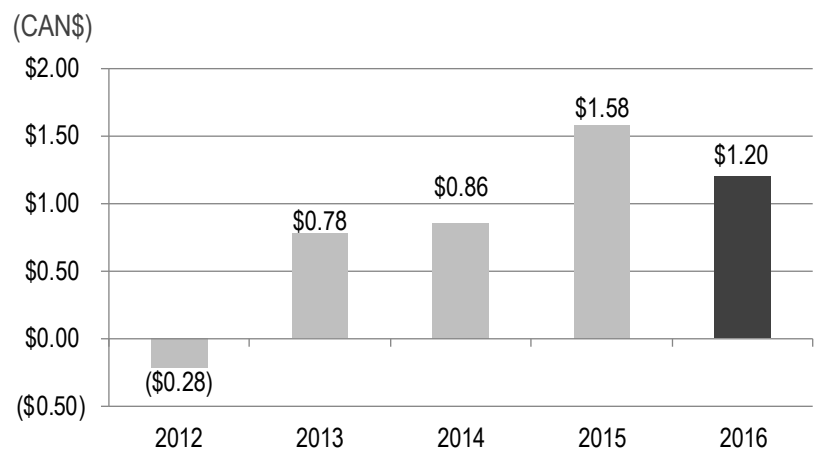
OPERATING PERFORMANCE AND FINANCIAL SITUATION

Adjusted Cash Flow and Free Cash Flow per Share

Adjusted Cash Flow From Operating Activities



Adjusted Free Cash Flow¹ per Share



- Cash flows have grown at a 20% CAGR since 2012
- Improving cash flows driven by Strategic Action Plan

Objective: Direct ~\$100M of free cash flow annually toward debt reduction

¹ Adjusted free cash flow defined as adjusted operating cash flow less capital expenditures, capital lease and dividend payments, but excluding increases in investments.

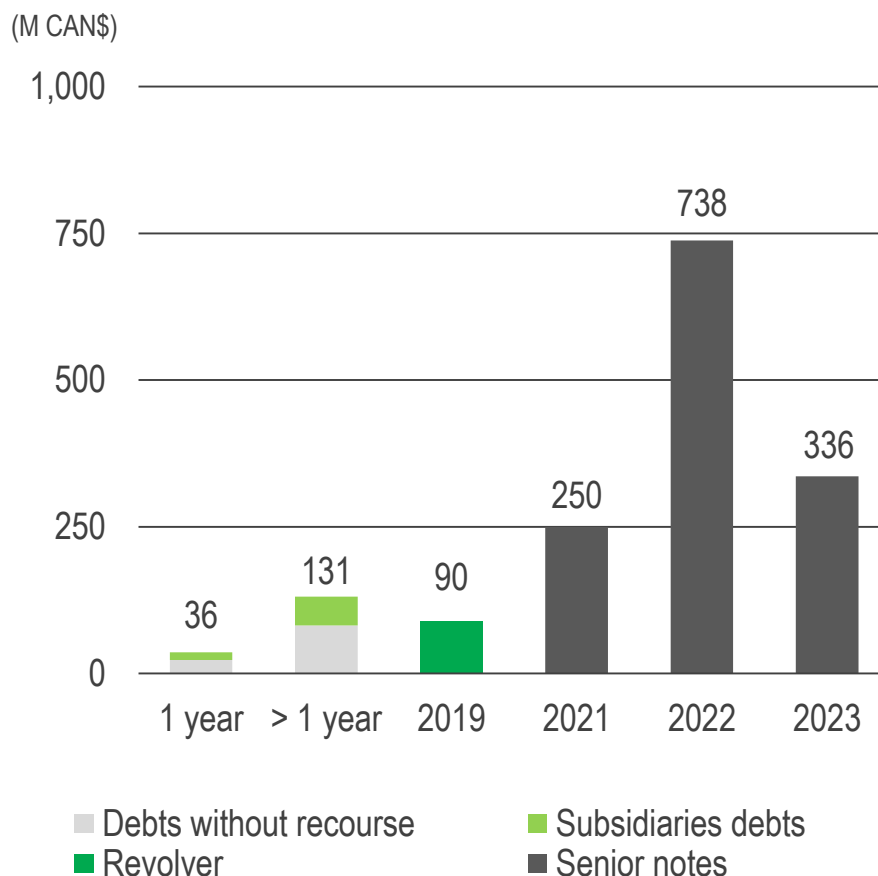
OPERATING PERFORMANCE AND FINANCIAL SITUATION

Debt Maturities

- Over last 36 months, \$1 billion+ of senior notes refinanced
 - Extended maturities to 2021, 2022 and 2023
 - \$750 million revolving facility extended to 2019

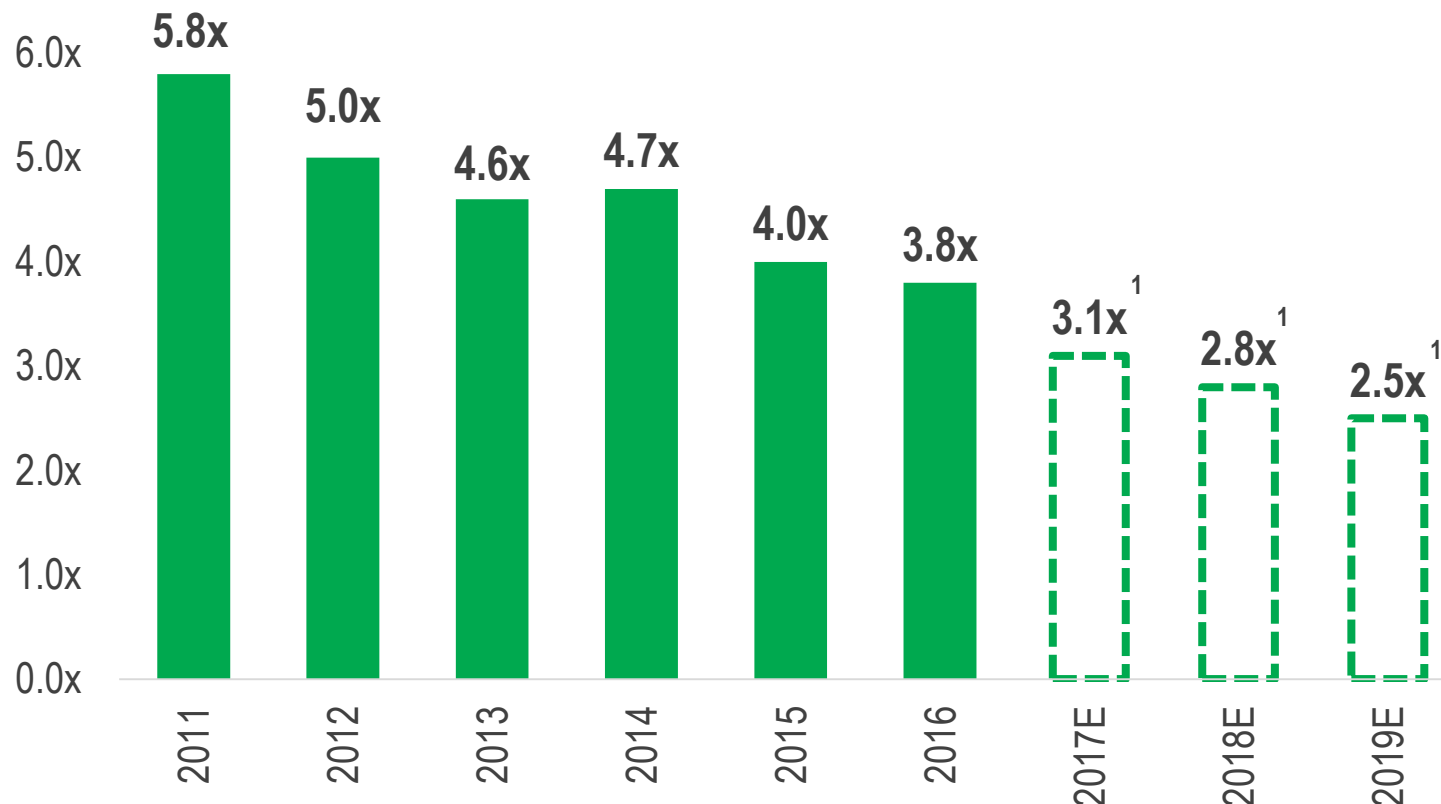
- Average interest rate **down 84 bps** to 5.21% in 2016 from 6.05% in 2013
 - Translates into annual interest savings of ~ \$11 million**

Debt Repayment as at December 31, 2016



OPERATING PERFORMANCE AND FINANCIAL SITUATION

Leverage Target of 3.0x – 3.5x Achievable Without Asset Disposals



Leverage ratio of 3.1x at year-end 2016 if the current market value² of investment in Boralex is removed from net debt

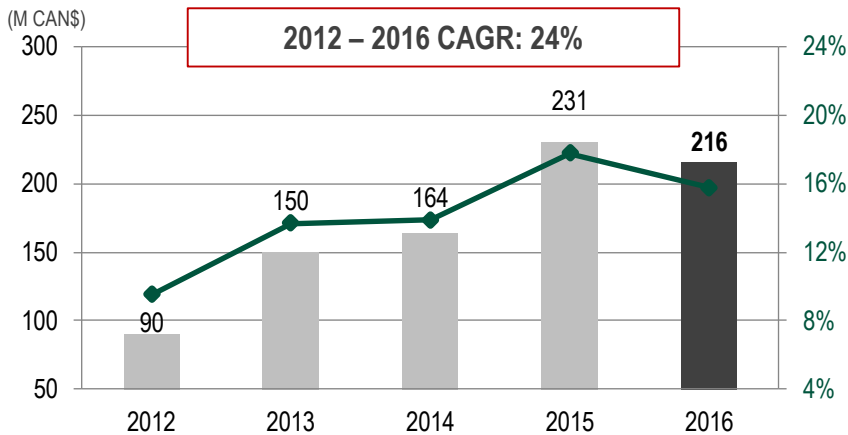
¹ Based on Street's adjusted EBITDA estimates \$445 million for 2017 and \$470 million for 2018. Assuming stable adjusted EBITDA for 2019 (\$470 million), FX US\$/CAN\$ at 1.30 and only \$100 million of free cash flows dedicated to debt annually.

² Based on BLX March 20, 2017 closing price on the TSX of \$20.75.

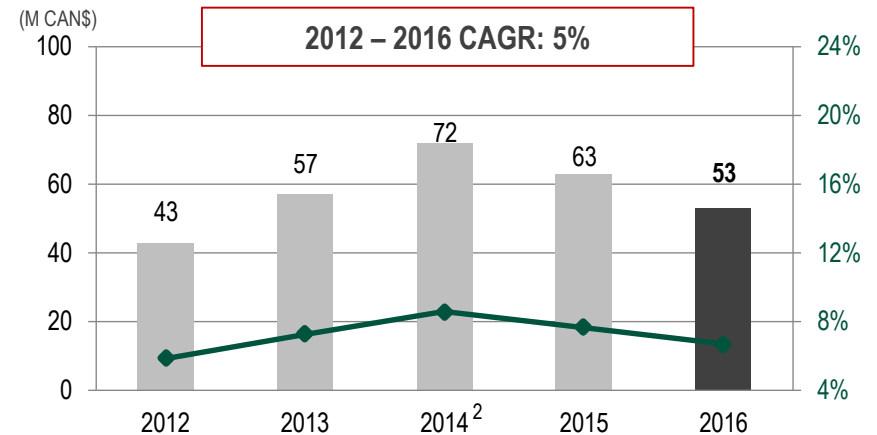
OPERATING PERFORMANCE AND FINANCIAL SITUATION

Historical Segmented Adjusted EBITDA and Margin

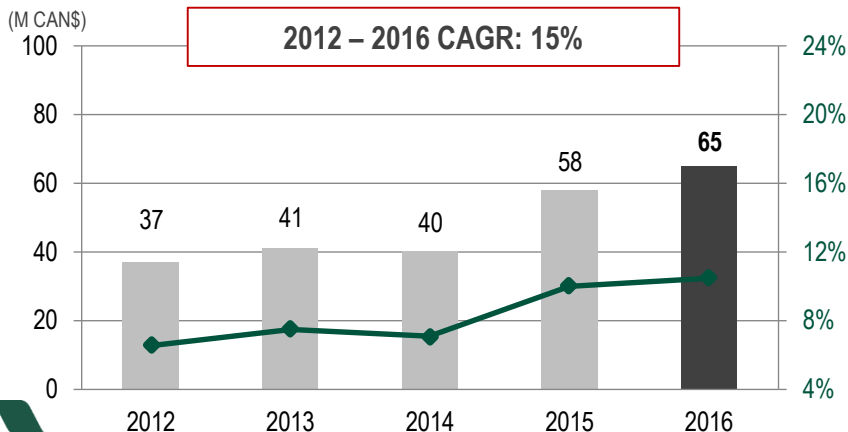
Containerboard



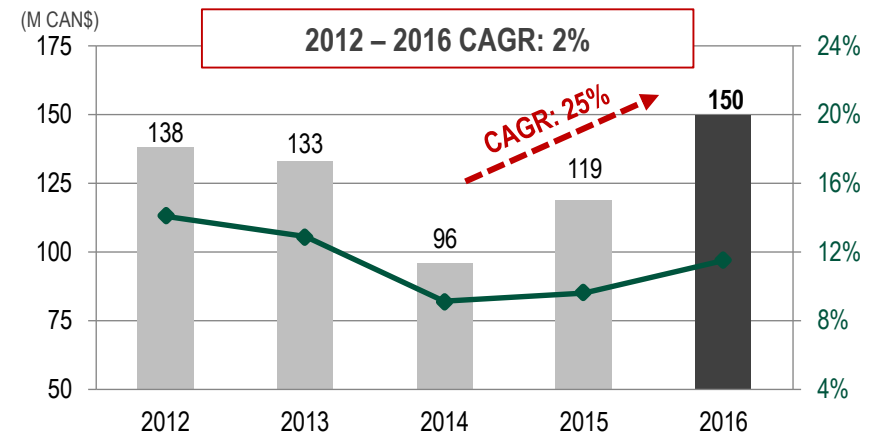
Boxboard Europe¹



Specialty Products



Tissue Papers



¹ Via our 57.7% equity ownership in Reno de Medici S.p.A. (RdM)

² Including \$9 million of energy credits

DIVISION LEADERS & SALES BY COUNTRY

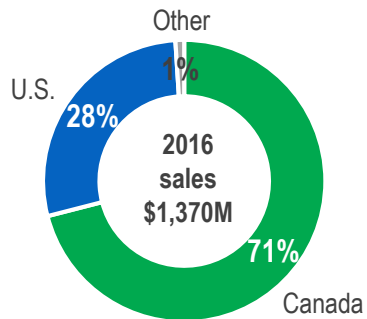
Containerboard

A Canadian leader
#6 in North America²

34% of Sales³
45% of Adjusted EBITDA³



Charles Malo
President & COO
26 years with Cascades



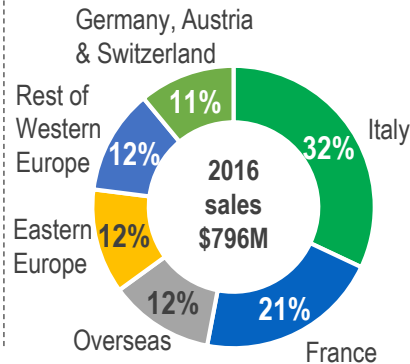
Boxboard Europe¹

#2 producer of coated recycled boxboard in Europe

19% of Sales³
11% of Adjusted EBITDA³



Michele Bianchi
President & CEO
With Reno de Medici since 2016



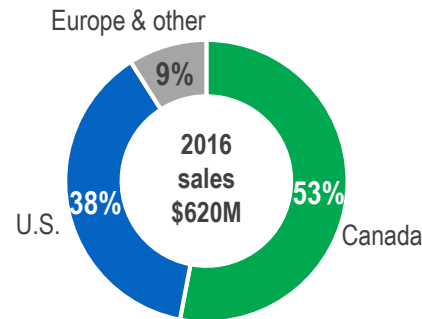
Specialty Products

Largest paper collector in Canada

15% of Sales³
13% of Adjusted EBITDA³



Luc Langevin
President & COO
21 years with Cascades



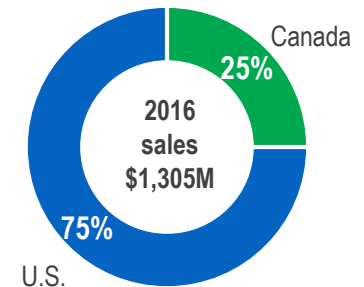
Tissue Papers

A Canadian leader
#5 in North America

32% of Sales³
31% of Adjusted EBITDA³



Jean Jobin
President & COO
24 years with Cascades



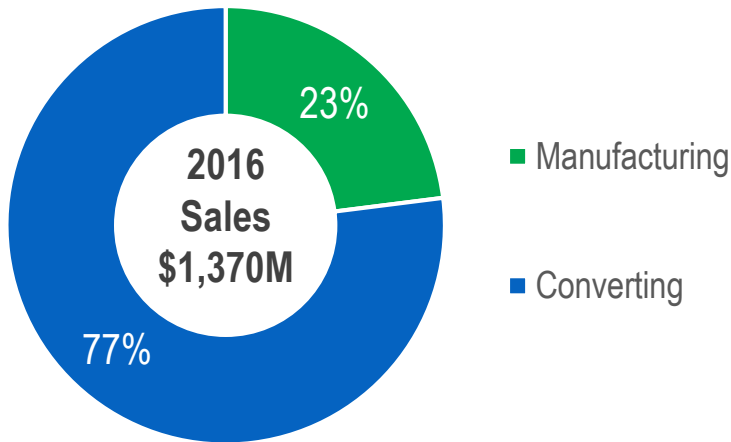
¹ Via our 57.7% equity ownership in Reno de Medici S.p.A. (RdM)

² Including 100% of Greenpac's capacity

³ 2016 results; before inter-segment sales and corporate activities

CONTAINERBOARD PACKAGING GROUP

A Leading Canadian and Major North American Player

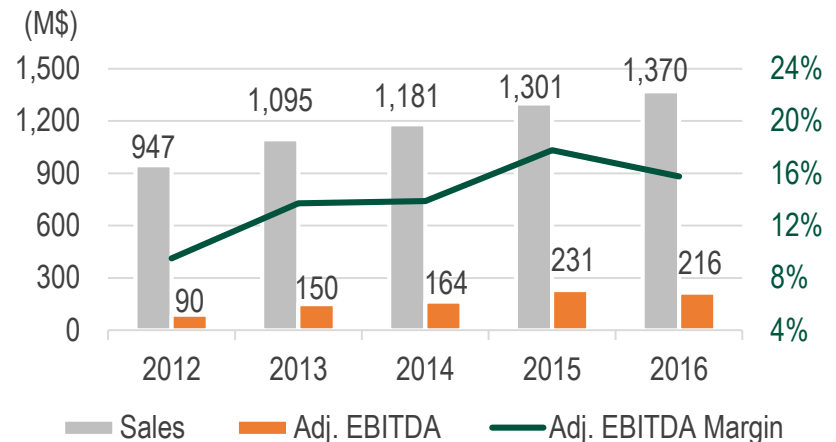


- Largest corrugated boxes producer in Canada with ~32% market share
- 67%¹ integration rate, targeting 85% in the mid-term
- Strong platforms in Ontario and Québec
- Growing presence in U.S. Northeast

2016 adjusted EBITDA margin of **16%**



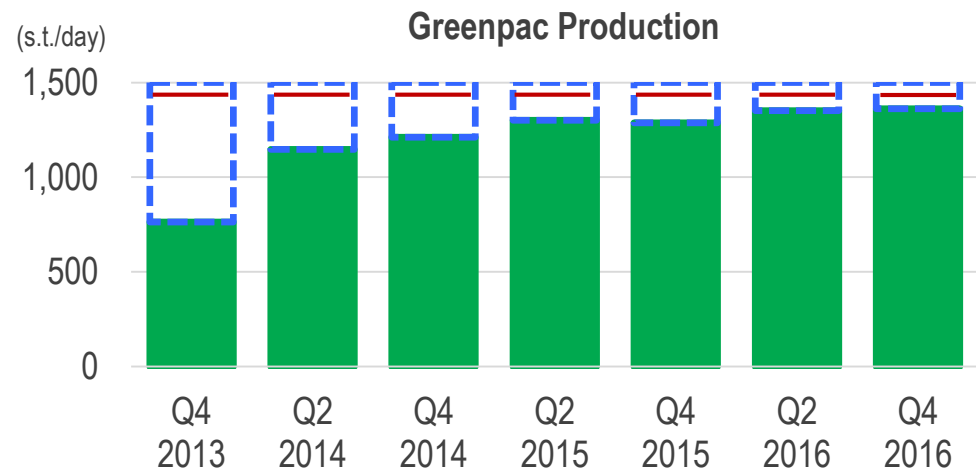
Stronger asset base improved results



CONTAINERBOARD PACKAGING GROUP

Greenpac Mill

- Largest recycled linerboard mill in NA:
1,500 st/day of recycled linerboard
(26 pounds)
- State-of-the-art equipment
- Product differentiation:
Greenpac XP grades represented
83% of total production in Q4/16
- Take-or-pay agreement for 81% of
the mill's output
- Cascades' ownership = 59.7%
 - ✓ Partners include a pension
fund and two independent
converters



CONTAINERBOARD PACKAGING GROUP

Environment Still Sound

North American Containerboard Producers

2016 Industry Participants

% of total capacity

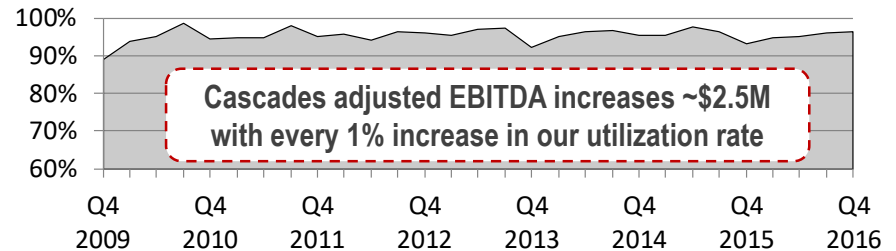
| | | |
|---|-----------------------|-----|
| 1 | IP | 33% |
| 2 | WestRock | 19% |
| 3 | GP | 10% |
| 4 | PCA | 9% |
| 5 | Kapstone | 4% |
| 6 | Cascades ¹ | 4% |
| 7 | Pratt | 4% |
| | Others | 17% |

Top-5 Producers **75%**

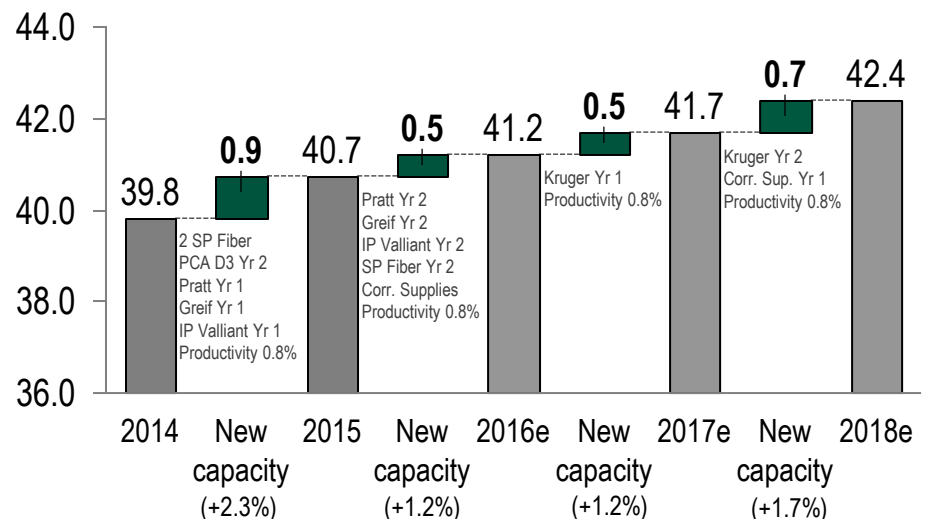
Fundamentals Sound Despite Added Capacity

Industry Operating Rates and Expected Capacity²

(Operating rate)



(Millions of s.t.)



Source: RISI, Deutsche Bank, Company reports and estimates

¹ Including 59.7% of Greenpac's total capacity

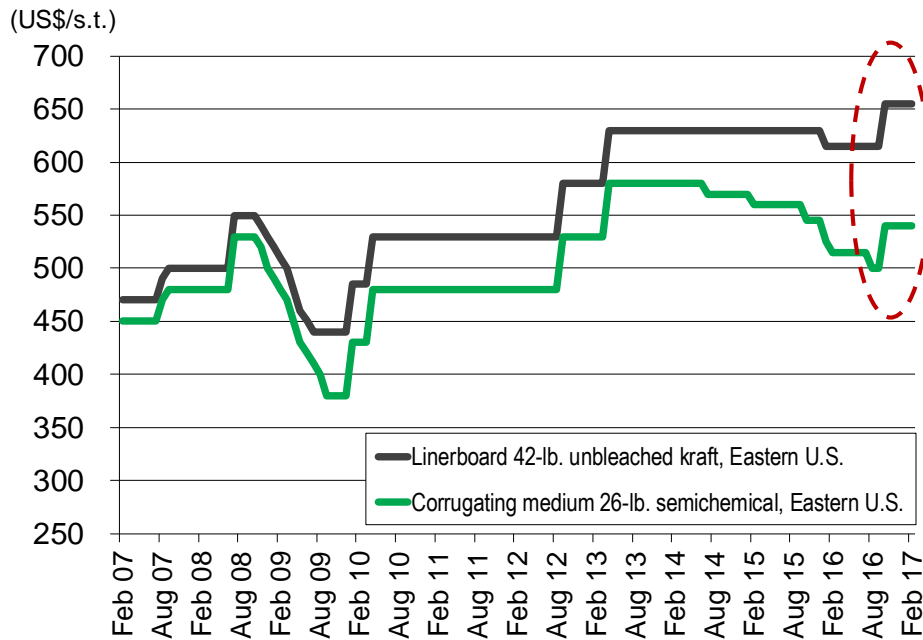
² New capacity, net of capacity shutdowns



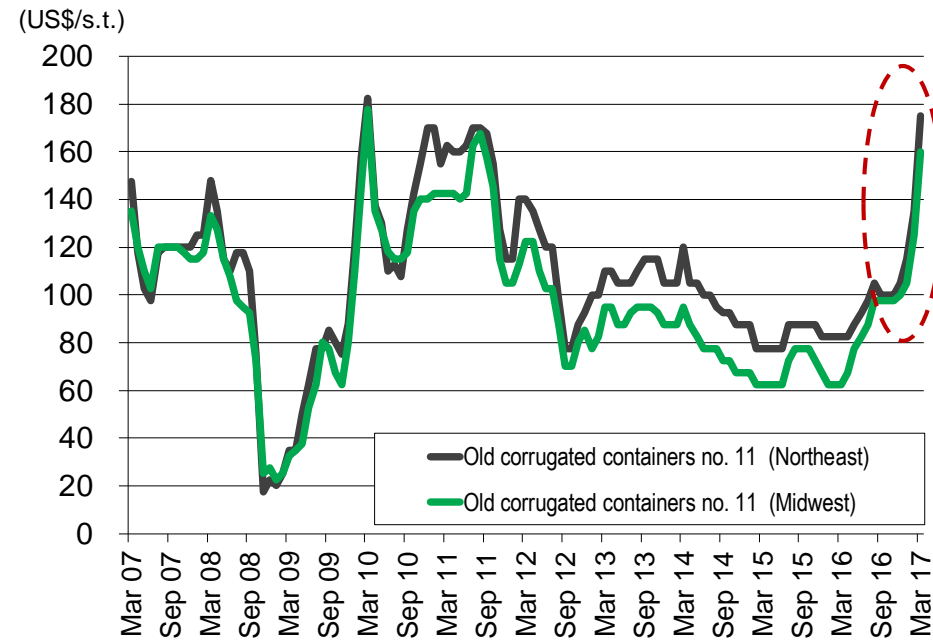
CONTAINERBOARD PACKAGING GROUP

Business Drivers

Containerboard Benchmark Market Prices



Brown Grades Recycled Fibre Prices

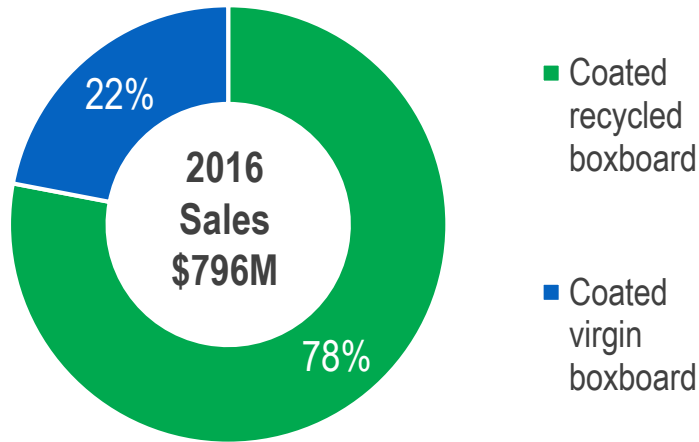


Containerboard price increase announced for March 2017

OCC up US \$70 / s.t. since January 2017 due to strong domestic and foreign demand

BOXBOARD EUROPE GROUP

Second Largest Coated Recycled Boxboard Producer in Europe

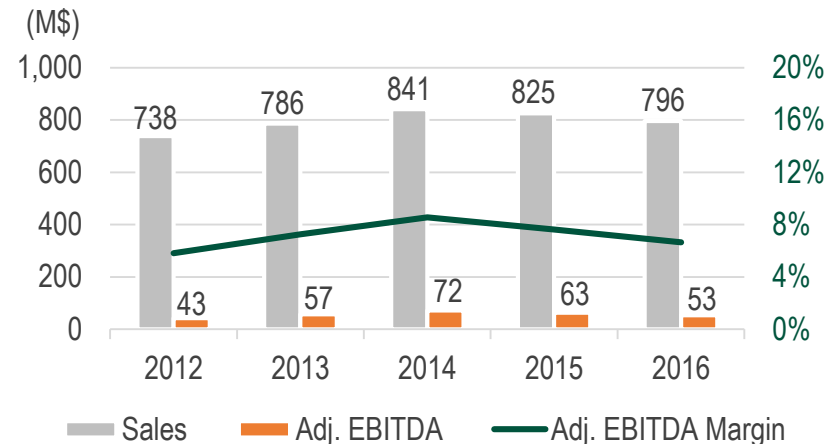


- 57.7% equity ownership of Reno de Medici, a public Italian company; 5 recycled (885K m.t.) & 1 virgin boxboard (165K m.t.) mills
- Operations in Italy, France and Germany
- Improved performance by simplifying structure and investments in modernization
- Completed legal transfer of Cascades' virgin mill in France to RdM in Q2-2016

2016 adjusted EBITDA margin of 7%



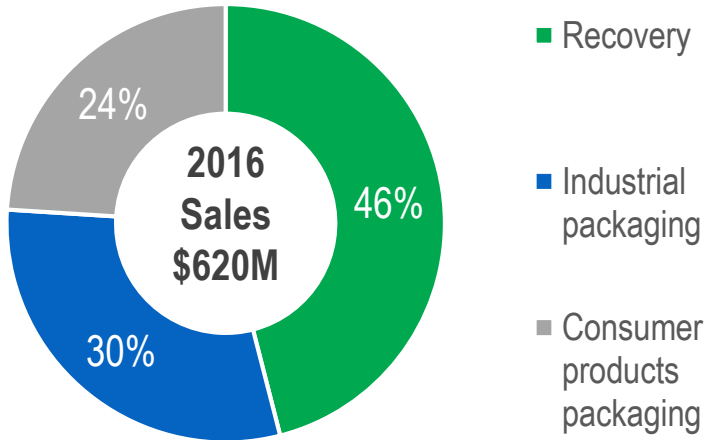
Steady contributor to our results





SPECIALTY PRODUCTS GROUP

A Diversified Packaging Player

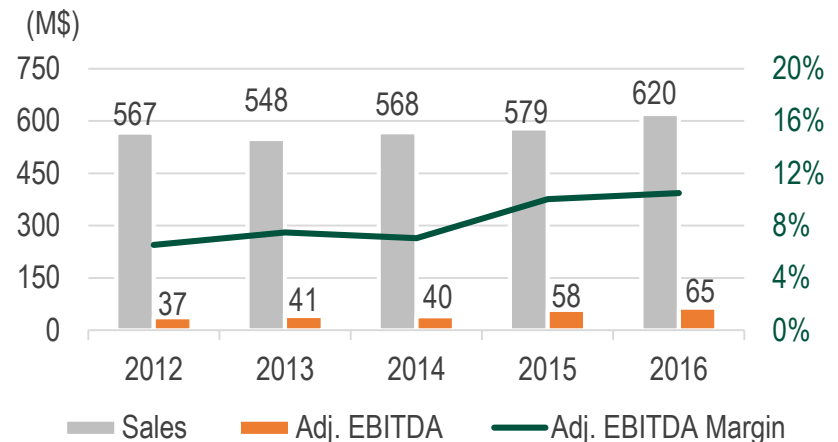


- A leading position in industrial packaging with Cascades Sonoco JV
- Largest paper collector in Canada with 19 facilities and 1.4 million s.t. of material processed in 2016
- Strong growth potential in consumer packaging
- 2016 sales (IFRS) of \$620M, vs. \$819M (Non-IFRS) with JVs at 100%

2016 adjusted EBITDA margin of **10%**



Focusing on growth sectors





SPECIALTY PRODUCTS GROUP

Cascades Recovery+ Sub-Segment

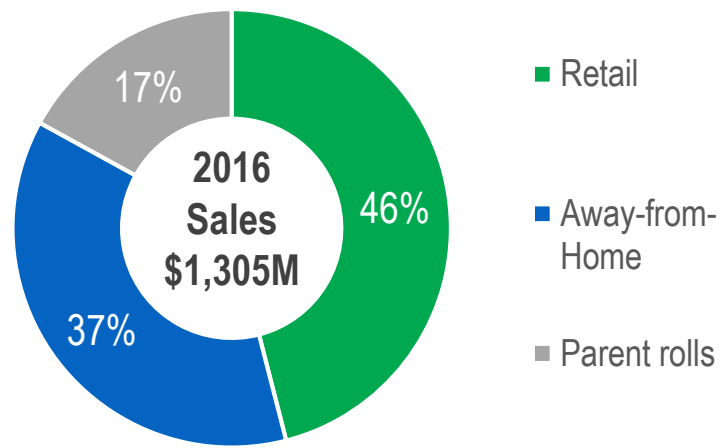
- Newly formed business unit created via the merger of recovery operations & recycled fibre buying group
- Manages procurement of all raw material fibre for Cascades' North American operations
 - ✓ 1.2M¹ st of recycled fibre purchased externally (68% brown, 23% white, 9% groundwood)
 - ✓ 1.4M¹ st of recycled fibre collected via 19 recovery centers across Canada and the NE U.S.
 - ✓ 62% of the 2.6M st of recycled fibre that is collected & purchased is used in our NA manufacturing facilities, while remaining 38% is sold to external customers





TISSUE PAPERS GROUP

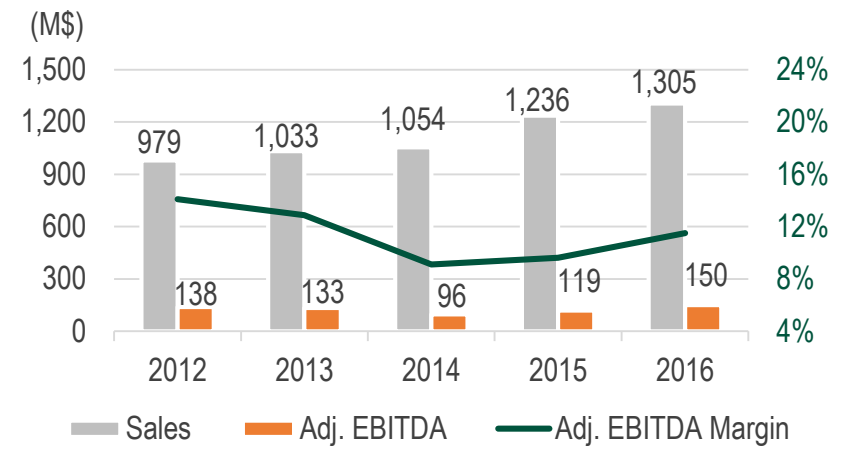
A Canadian Leader and Important North American Player



- 5th largest tissue producer in NA based on capacity
- Growing footprint in Western U.S.
- 68% integration rate, targeting 85% in the mid-term
- Repositioned and rebranded Away-from-Home product lines under Cascades PRO brand to simplify product offering
- Launched new Cascades consumer tissue paper lines in Canada: Fluff™ and Tuff™ brands

2016 adjusted EBITDA margin of **11%**

Targeting 13% EBITDA margin short term

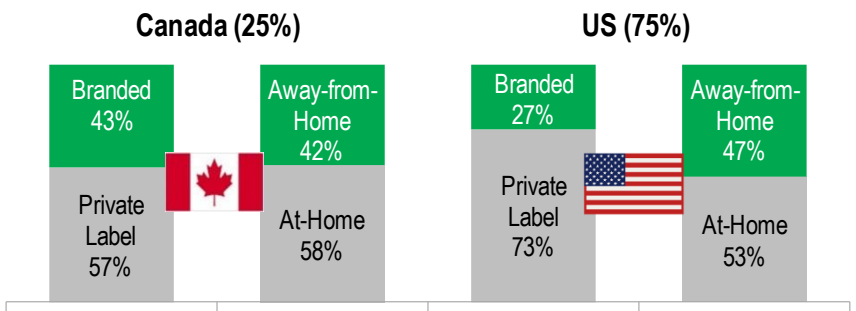




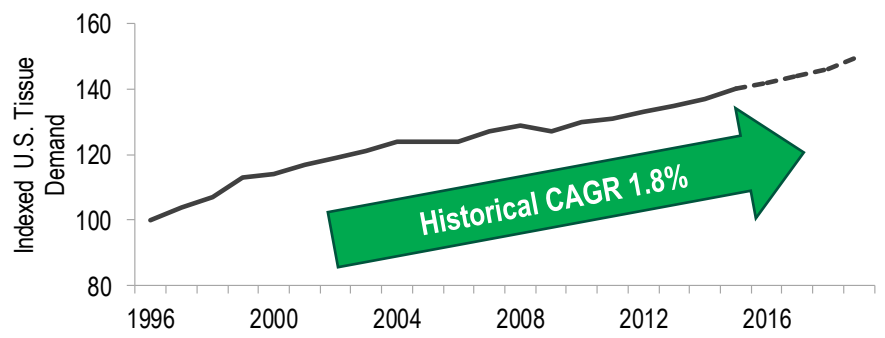
TISSUE PAPERS GROUP

Strong Position Across the North American Tissue Market

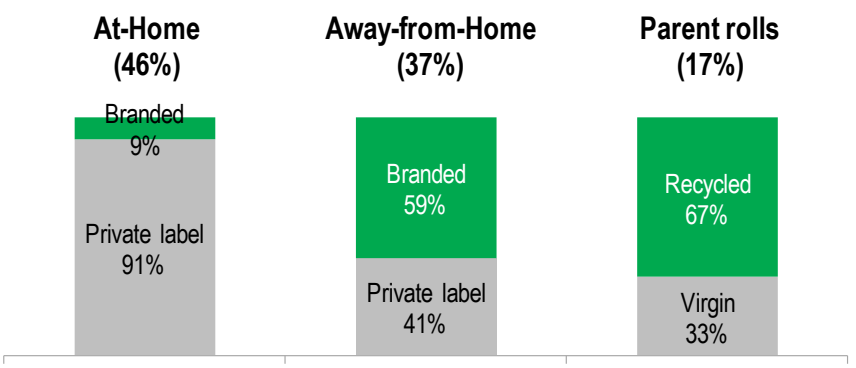
CAS Sales by Country (2016)



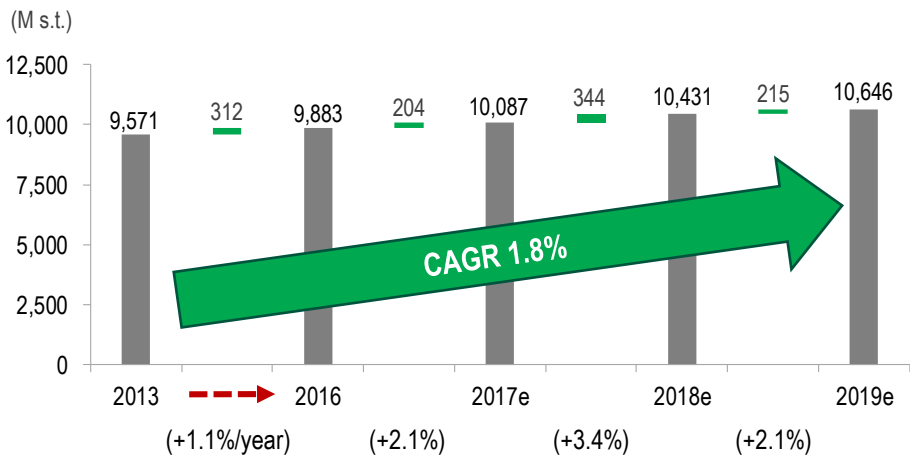
Tissue Market Demand¹



CAS North American Sales by End Markets (2016)



North American Tissue Capacity Additions¹

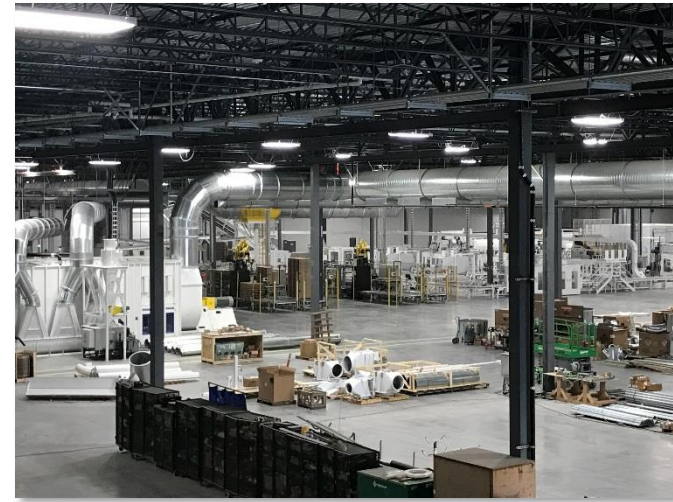




TISSUE PAPERS GROUP

Investing for the Future: New Converting Facility in Oregon

- Expands tissue footprint on US West Coast
- \$46M invested to date
- 40% integration with St. Helens, OR tissue paper plant, located ~12 km away
- State-of-the-art facility, with annual production capacity of 5.2 M cases or ~ 58,000 s.t. of finished product



- Manufactures virgin & recycled bathroom tissue products and paper hand towels for the US AfH market
- 3 production lines:
 - ✓ Line 1: producing
 - ✓ Line 2: almost ready for production
 - ✓ Line 3: in transit to facility



TISSUE PAPERS GROUP

Diversified Capacity and Positioning

2016 NORTH AMERICAN TISSUE MANUFACTURERS

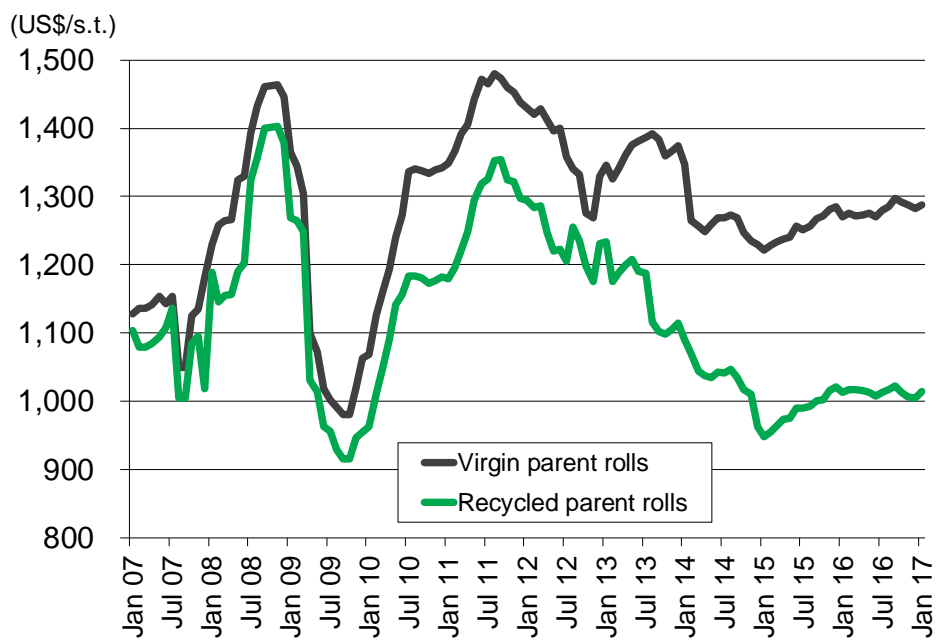
| | Capacity (^{'000} s.t.) | Market Share | Capacity Retail | Capacity AfH |
|--------------------------|-------------------------------------|-----------------|--------------------|-----------------|
| 1 Georgia-Pacific | 2,849 | 29% | 67% | 33% |
| 2 Procter & Gamble | 1,494 | 15% | 100% | 0% |
| 3 Kimberly-Clark | 1,466 | 15% | 67% | 33% |
| 4 SCA Tissue NA | 784 | 8% | 0% | 100% |
| 5 Cascades Tissue | 650 | 7% | 62% | 38% |
| 6 Clearwater Paper | 435 | 4% | 90% | 10% |
| 7 KP Tissue | 400 | 4% | 77% | 23% |
| 8 First Quality Tissue | 319 | 3% | 100% | 0% |
| 9 Irving Tissue | 282 | 3% | 100% | 0% |
| 10 ST Paper & Tissue | 160 | 2% | 0% | 100% |
| Others | <u>1,044</u> | <u>10%</u> | | |
| TOTAL | 9,883 | 100% | | |



TISSUE PAPERS GROUP

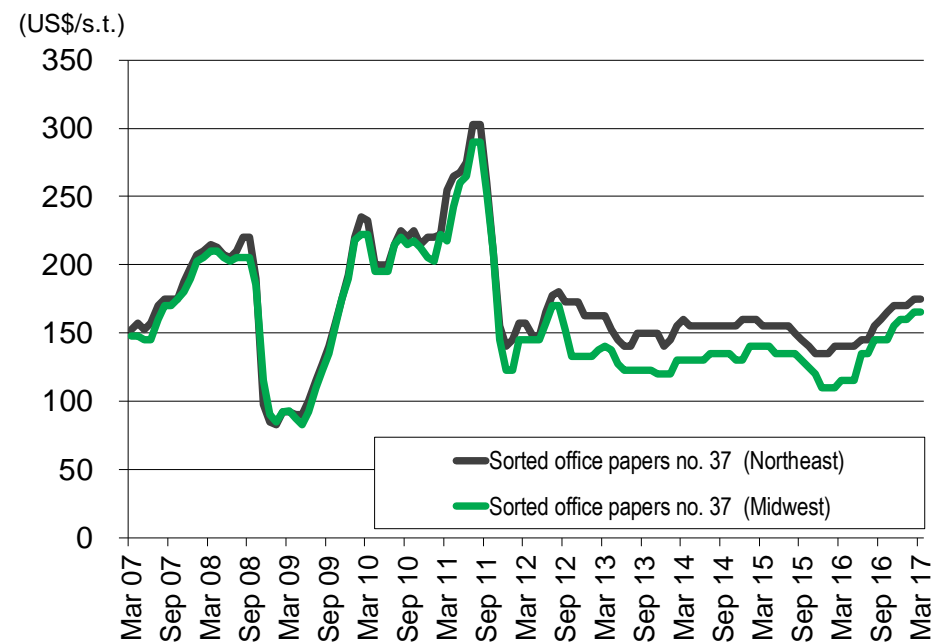
Business Drivers

Tissue Papers Benchmark Market Prices



After years of volatility, parent roll prices have remained relatively stable since 2015

White Grades Recycled Fibre Prices



The recent increase is partially due to lower levels of material generation

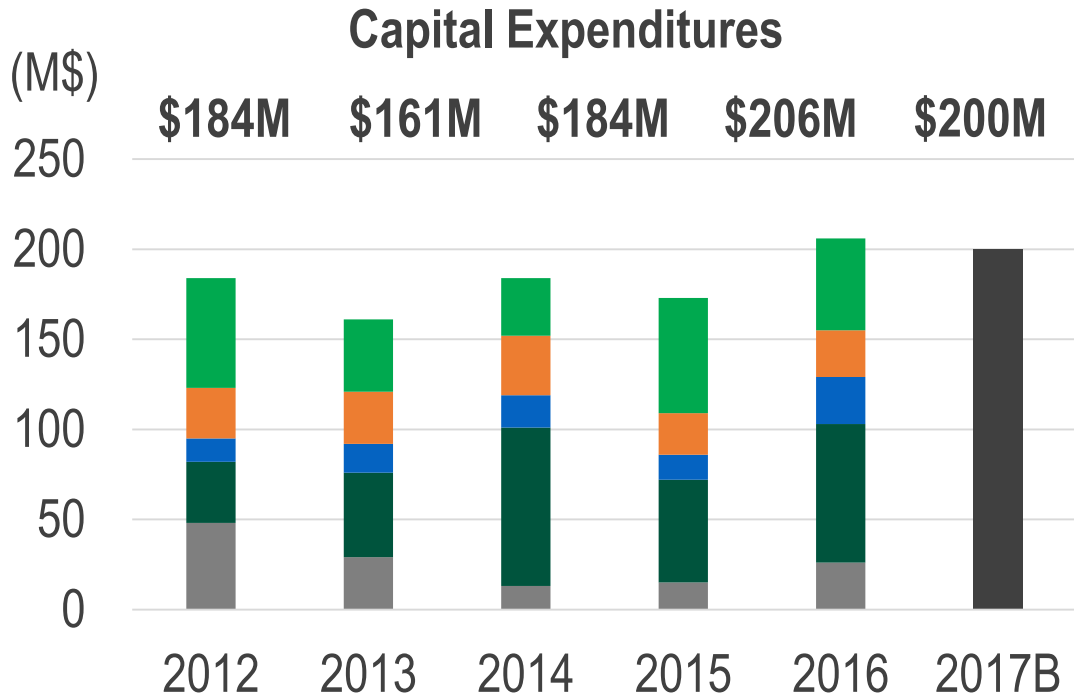
STRATEGIC PRIORITIES & OUTLOOK





1

STRATEGIC PRIORITY: MODERNIZE Modernize Core Operations Through Focused Investments



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

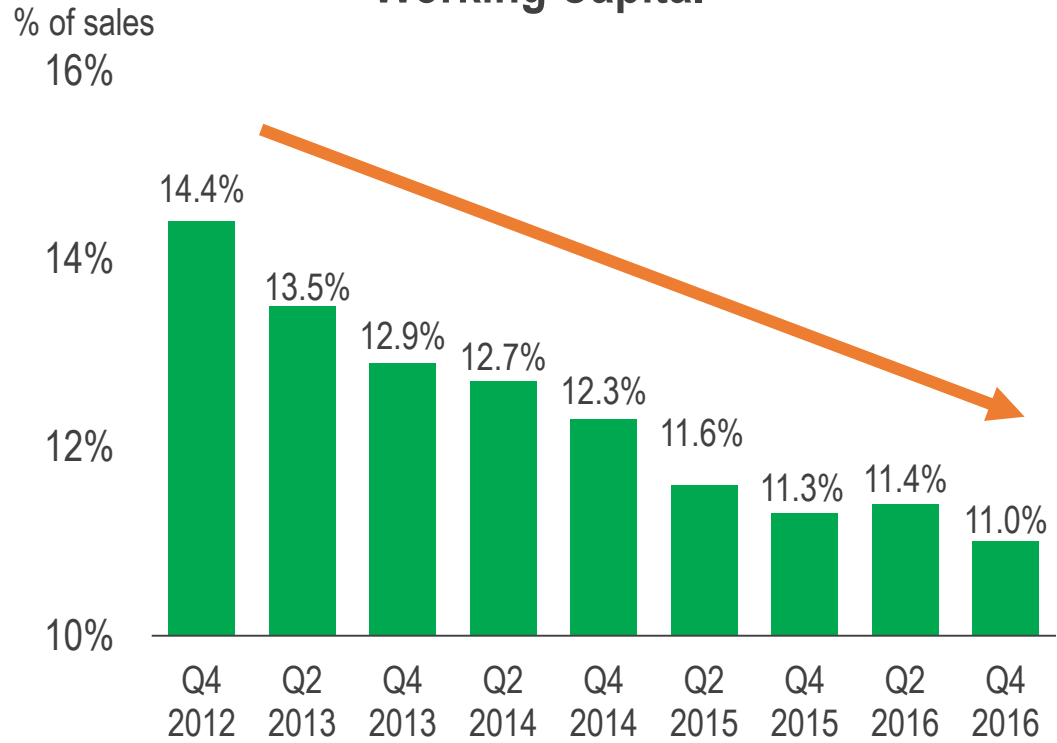
- 2017 Capex ~ \$200M
 - ✓ Mainly growth Capex
 - ✓ Mostly in the US
- Strong free cash flow has funded Capex
- Impacted by strong US\$
- Investments made in Tissue Papers (2013-15) and in Containerboard (2012-13) are bearing fruit
- Important IT modernization



2

STRATEGIC PRIORITY: OPTIMIZE Optimize Capital Allocation and Reduce Working Capital

Working Capital



- Working Capital reduced by ~3.5% = \$125M+
- Strategic initiatives generating results



ONE Cascades, delivering results

Capturing savings through:

- Shared Services
- Supply Chain
- Logistics
- Operational Efficiency
- Human Resources



3

STRATEGIC PRIORITY: RESTRUCTURE

Restructure Underperforming Units, Streamline the Portfolio

Data on Asset Sales and Closures¹

From 2011 to 2016:

- 16 closures
- 6 asset sales

- Workforce reduction: – 2,350
- Sales: – \$1,045M
- Adjusted EBITDA: – \$19M
- Adjusted EBITDA Margin: 2%

- Dopaco division also divested in 2011 to finance Greenpac, Reno and Papersource investments





4

STRATEGIC PRIORITY: INNOVATE

Innovate to Improve & Develop Processes and Products

cascades®
PoulTray^{MC}
Contenant à poulet entier



tandem+
Cascades



Greenpac
MILL *XP*

cascades^{MC}
evok^{MC}

cascades®
UltraTill^{MC}
Vos champignons emballés avec soin

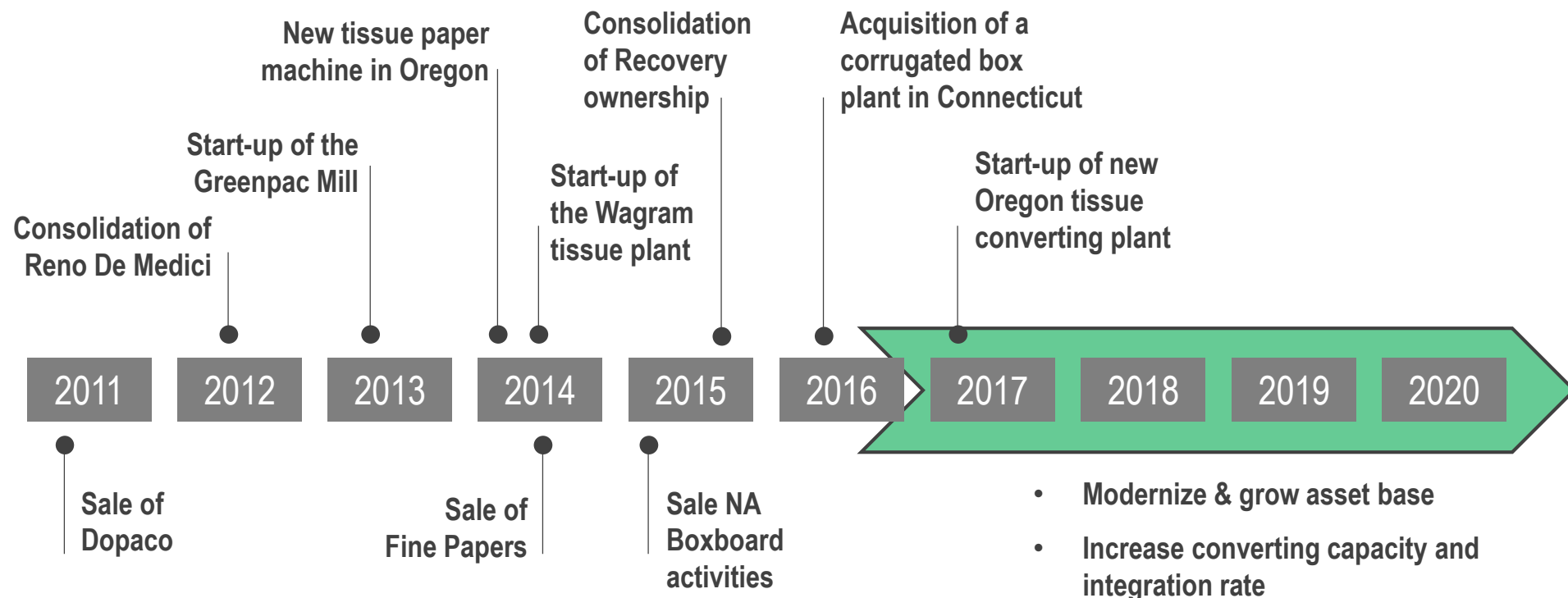


OUR OBJECTIVE: 20% of sales from innovative products



POSITIONING FOR GROWTH

Building on the Past, Positioning for the Future



Sale of Fine Papers

Sale NA Boxboard activities

Between 2011 and 2016, closed 16 non-performing assets, exited some industries and consolidated many operational platforms in NA, representing ~\$1B in sales with marginal 2% adjusted EBITDA margin

- Modernize & grow asset base
- Increase converting capacity and integration rate
- Improve geographic footprint
- Expand value-added product offering
- Invest in innovation
- Maximize efficiency of our internal business processes



POSITIONING FOR GROWTH

Roadmap to 15% EBITDA Margin

\$403M adj. EBITDA
&
10% adj. EBITDA Margin

15% EBITDA Margin

- Advanced ONE Cascades initiatives
- New tissue converting facility in Oregon

- Benefits from recent strategic restructuring, optimizing & modernizing actions
- Greenpac consolidation

- Financial benefits from ONE Cascades & reduction of costs associated with implementation

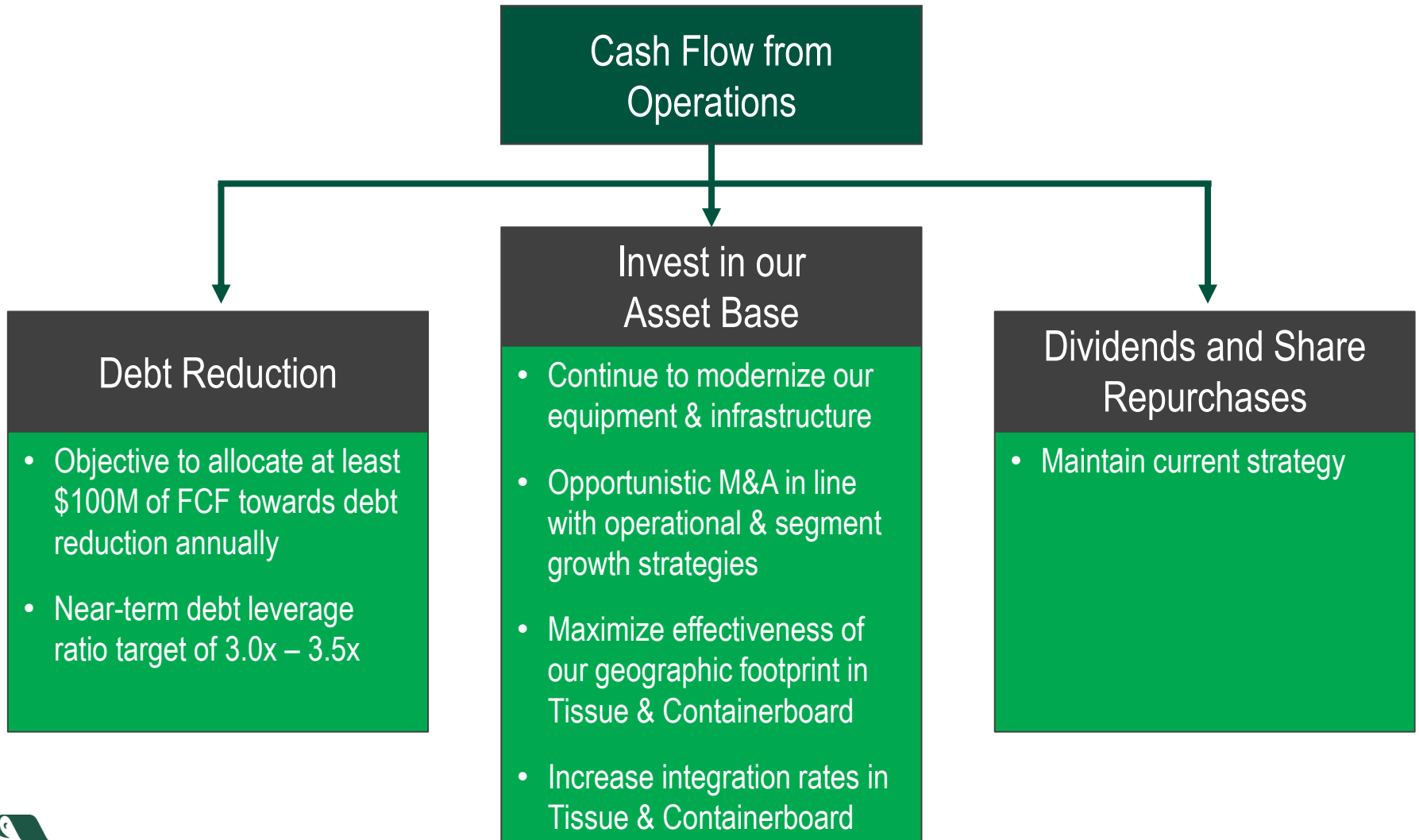
- Strategic growth actions through both investments and M&A





POSITIONING FOR GROWTH

Disciplined Capital Allocation Strategy



NEAR TERM OUTLOOK



- Full impact in Q1 and Q2 2017 of the October 2016 containerboard price increase
- \$50/s.t. containerboard price increase announced for March 2017 in North America
- Higher average selling prices in all Groups
- Potential better demand in Europe
- FX still favourable (stable)



- Important increase in recovered paper prices in North America and Europe
- Lower seasonal volume in Tissue

| Q1-17 vs Q4-16 | Boxboard Europe | EBITDA Impact | Containerboard | EBITDA Impact | Specialty Products | EBITDA Impact | Tissue Papers | EBITDA Impact |
|---------------------------|-----------------|---------------|-----------------|---------------|--------------------|---------------|-----------------|---------------|
| Volume | Slight increase | ↗ | Stable | ↔ | Slight increase | ↗ | Slight decrease | ↘ |
| Average selling prices | Slight increase | ↗ | Increase | ↗ | Slight increase | ↗ | Slight increase | ↗ |
| Raw material costs | Slight increase | ↘ | Increase | ↘ | Increase | ↘ | Slight increase | ↘ |
| CAN\$ vs other currencies | Stable | ↔ | Stable | ↔ | Stable | ↔ | Stable | ↔ |
| Energy costs | Stable | ↔ | Slight increase | ↘ | Stable | ↔ | Slight increase | ↘ |

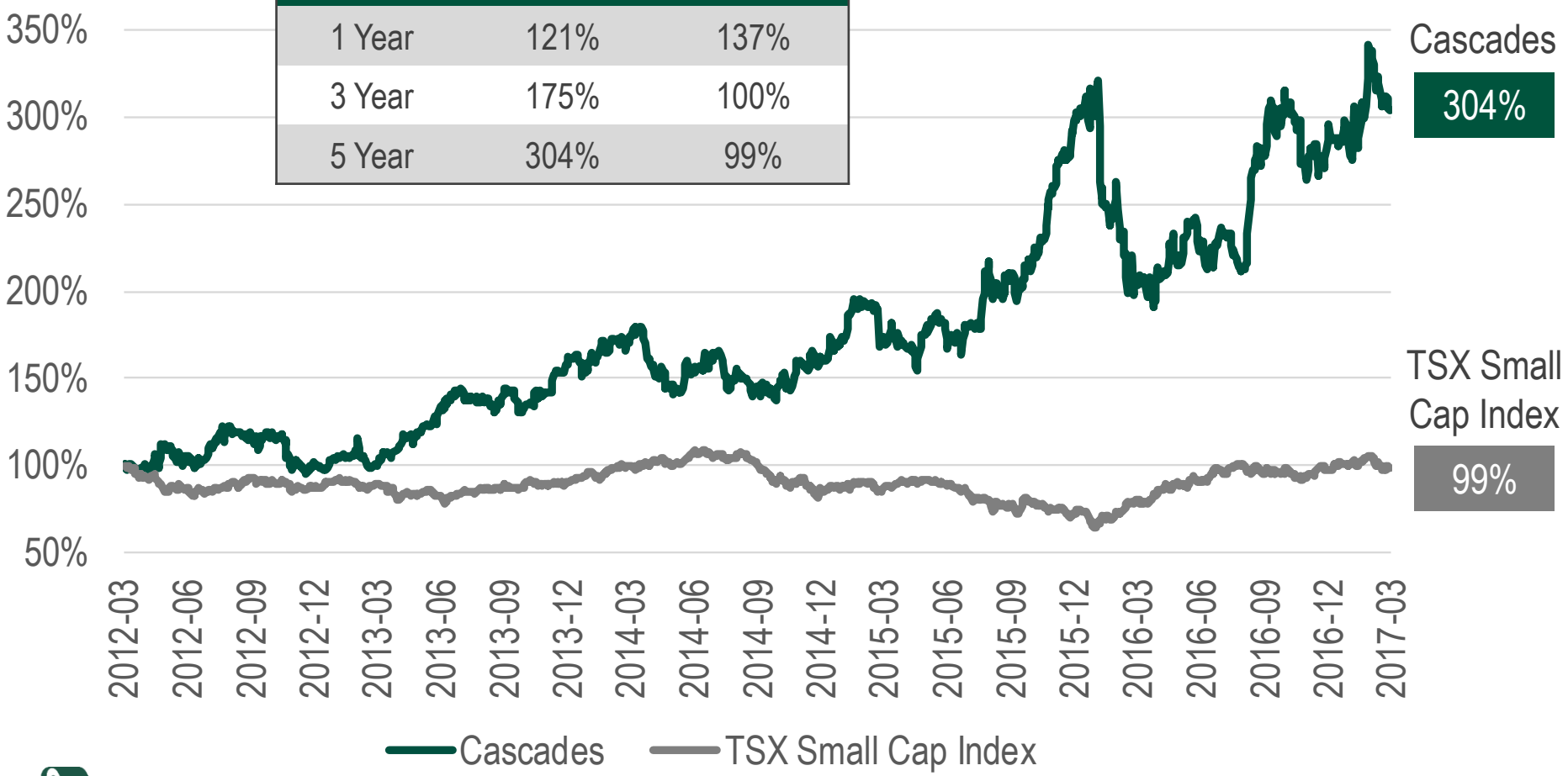
APPENDIX





5-YEAR SHAREHOLDER RETURN CAS vs. TSX Small Cap Index

| | CAS | TSX SCI |
|--------|------|---------|
| 1 Year | 121% | 137% |
| 3 Year | 175% | 100% |
| 5 Year | 304% | 99% |



Note: Shareholder return excludes dividend yield. As of market close March 20, 2017.



ILLUSTRATIVE SUM OF THE PARTS

(M\$ CAN, unless otherwise noted)

| | CAS 2016 adjusted EBITDA (Net of corp. activities) | CAS valuation using current analyst multiples ¹ | | CAS valuation using 2018e average industry multiples ² | | |
|--|---|---|----------------|--|----------------|-----------------|
| | | Multiple | Value | Value/Share | Multiple | Value |
| • Containerboard Packaging Group | 216 | 5.6x | 1,210 | 8.0x | 1,728 | |
| • Boxboard Europe Group | 53 | 4.2x | 223 | 4.2x | 223 | |
| • Specialty Products Group | 65 | 5.3x | 345 | 5.3x | 345 | |
| • Tissue Papers Group | 150 | 5.9x | 885 | 8.2x | 1,230 | |
| • Corporate Activities | <u>(81)</u> | 5.5x | <u>(446)</u> | 7.3x | <u>(591)</u> | |
| | 403 | | | | | |
| Total Enterprise Value (and implied multiple) | | 5.5x | 2,217 | 7.3x | 2,935 | |
| Add: | JV contribution (\$10M adj. EBITDA @ 6.0x) | | 60 | | 60 | |
| Subtract: | Net Debt @ December 31, 2016 | | <u>(1,532)</u> | | <u>(1,532)</u> | |
| Implied Equity Value - before adjustments | | | 745 | \$7.86 | 1,463 | \$15.45 |
| Add: | Borex stake (market value @ March 20, 2017) | | 273 | \$2.88 | 273 | \$2.88 |
| Add: | Greenpac investment @ 8.0x, net of debt | | 238 | \$2.52 | 238 | \$2.52 |
| Subtract: | Minority interest @ 4.2x, net of debt | | <u>(62)</u> | <u>(\$0.66)</u> | <u>(62)</u> | <u>(\$0.66)</u> |
| Implied Equity Value - after adjustments | | | 1,194 | \$12.60 | 1,912 | \$20.19 |
| Share Price @ March 20, 2017 | | | | \$12.68 | | \$12.68 |
| Implied share price upside potential | | | | -1% | | 59% |

¹ Current multiple average of analysts covering Cascades.

² 2018e average industry multiples applied for Containerboard Group and Tissue Papers Group only. Source: Bloomberg.

Comparable companies include: IP, KapStone, Packaging Corp. and WestRock for Containerboard; Clearwater, K-C, KP Tissue and Orchids Paper for Tissue Papers.



HISTORICAL RESULTS

(in millions of Canadian dollars)

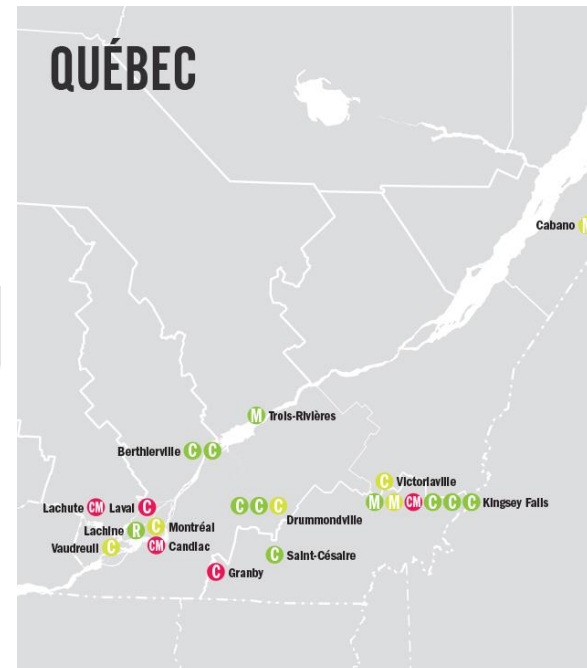
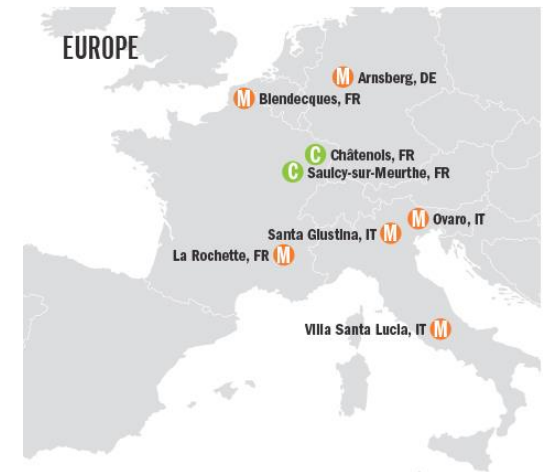
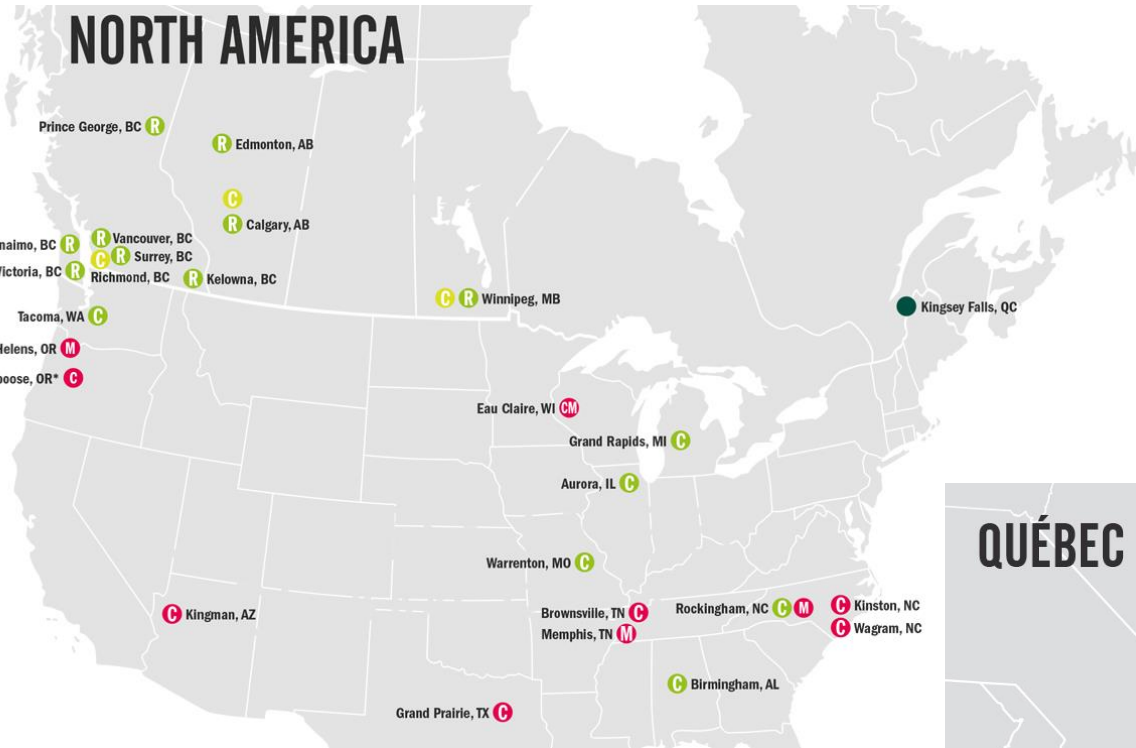
Sales

| | 2016 | Q4-16 | Q3-16 | Q2-16 | Q1-16 | 2015 | Q4-15 | Q3-15 | Q2-15 | Q1-15 | 2014 |
|--|--------------|------------|--------------|------------|--------------|--------------|------------|--------------|------------|------------|--------------|
| Containerboard | 1,370 | 336 | 356 | 342 | 336 | 1,301 | 326 | 353 | 322 | 300 | 1,181 |
| Boxboard Europe | 796 | 191 | 189 | 197 | 219 | 825 | 202 | 205 | 202 | 216 | 841 |
| Specialty Products | 620 | 156 | 158 | 157 | 149 | 579 | 147 | 151 | 146 | 135 | 568 |
| Tissue Papers | 1,305 | 319 | 342 | 324 | 320 | 1,236 | 322 | 341 | 299 | 274 | 1,054 |
| Inter-segment sales and corporate activities | (90) | (23) | (24) | (22) | (21) | (80) | (22) | (24) | (19) | (15) | (83) |
| Total | 4,001 | 979 | 1,021 | 998 | 1,003 | 3,861 | 975 | 1,026 | 950 | 910 | 3,561 |

Adjusted EBITDA

| | | | | | | | | | | | |
|-------------------------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| Containerboard | 216 | 43 | 58 | 60 | 55 | 231 | 56 | 68 | 55 | 52 | 164 |
| Boxboard Europe | 53 | 11 | 9 | 17 | 16 | 63 | 13 | 14 | 19 | 17 | 72 |
| Specialty Products | 65 | 17 | 18 | 16 | 14 | 58 | 16 | 18 | 14 | 10 | 40 |
| Tissue Papers | 150 | 30 | 47 | 39 | 34 | 119 | 38 | 43 | 23 | 15 | 96 |
| Corporate activities | (81) | (19) | (29) | (20) | (13) | (45) | (19) | (9) | (8) | (9) | (32) |
| Total | 403 | 82 | 103 | 112 | 106 | 426 | 104 | 134 | 103 | 85 | 340 |
| Adjusted EBITDA Margin | 10.1% | 8.4% | 10.1% | 11.2% | 10.6% | 11.0% | 10.7% | 13.1% | 10.8% | 9.3% | 9.5% |

GEOGRAPHICALLY DIVERSIFIED



LEGEND

- Head Office
- Containerboard Group
- Boxboard Europe Group
- Specialty Products Group
- Tissue Papers Group

- M Manufacturing facility
- C Converting facility
- CM Converting and manufacturing facility
- R Recovery facility

* Under construction. Scheduled for the end of Q1-2017.





GREEN BY NATURE™

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