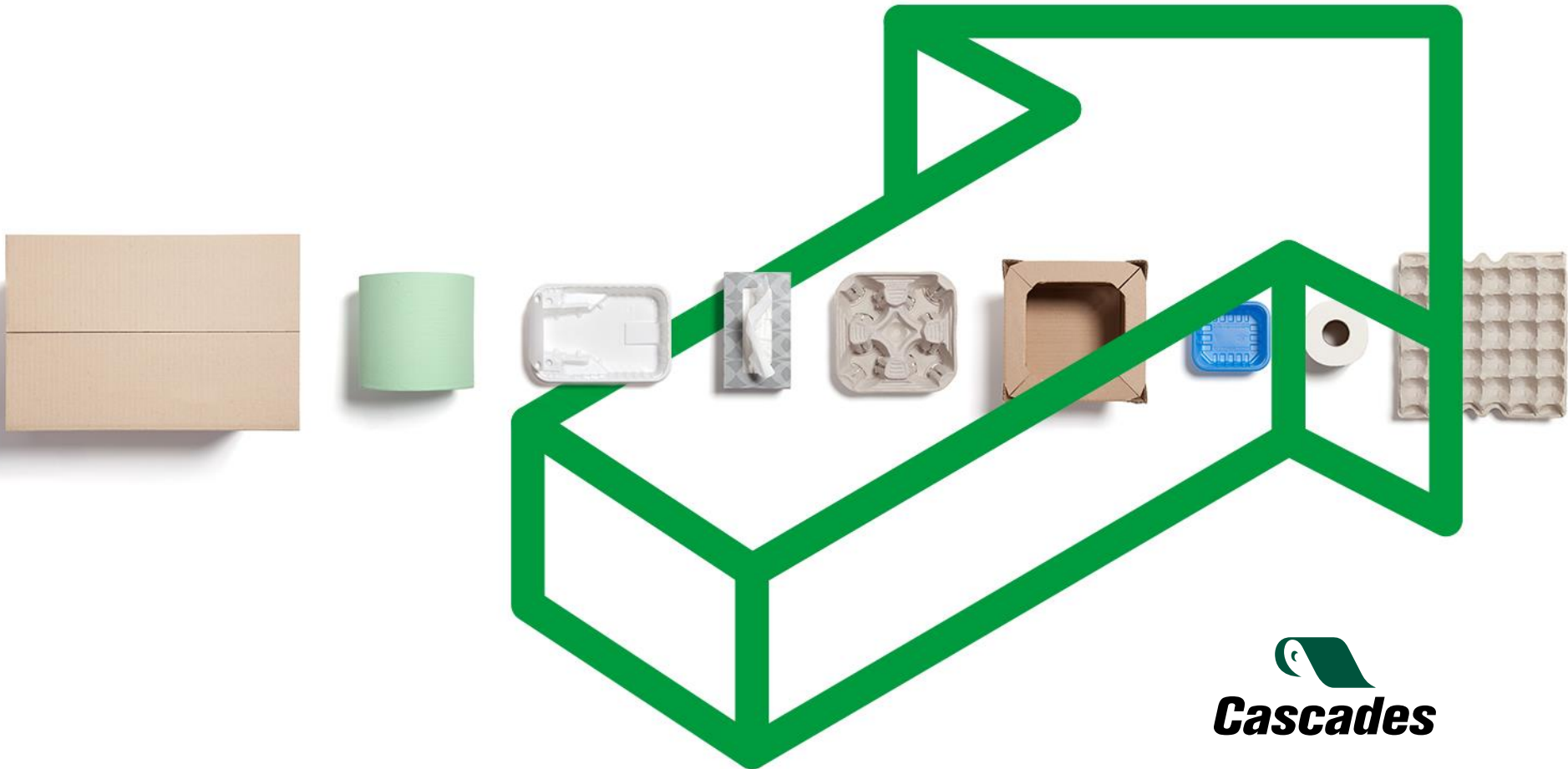


# CASCADES INC.

Institutional Investor Roadshow – Toronto

September 27, 2016





# 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" which, for purposes of this presentation, we call "EBITDA") and operating income before depreciation and amortization (excluding specific items) ("OIBD (excluding specific items)" which, for purposes of this presentation, we call "EBITDA (excluding specific items)") 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.

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.

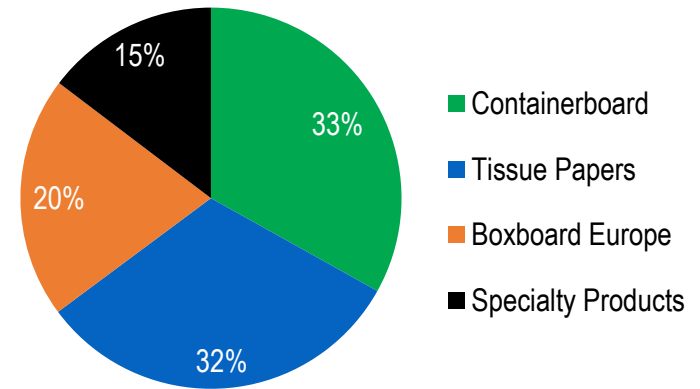
All amounts in this presentation are in Canadian dollars unless otherwise indicated.

# 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 fibre
  - Balanced play in less cyclical sectors
  - Heavy exposure to 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 facilities in Canada, US & Europe
- ~ 11,000 employees worldwide

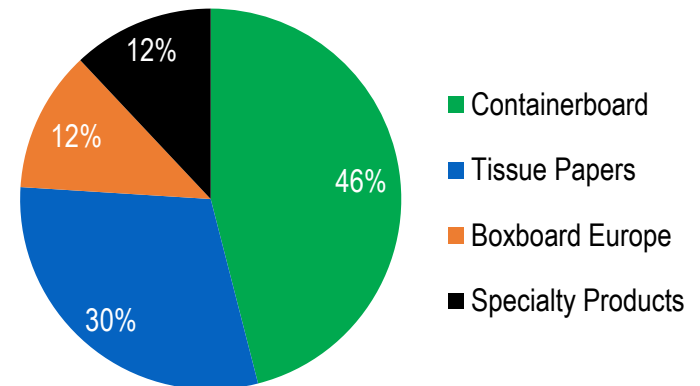
LTM 6/30/16 Net Sales \$4,002 million

## Segment Sales Breakdown<sup>1</sup>



LTM 6/30/16 EBITDA \$456 million

## Segment EBITDA Breakdown<sup>1, 2</sup>



<sup>1</sup> Before inter-segment sales and corporate activities

<sup>2</sup> EBITDA excluding specific items



# COMPANY OVERVIEW

## Leading Packaging and Tissue Paper Manufacturer

### Packaging Products

### Tissue Papers

#### Containerboard



#### Boxboard Europe



#### Specialty Products



#### Market Position

- One of the Canadian leaders
- # 6 in North America<sup>3</sup>

#### LTM 6/30/16 Financials

- 33% of Sales<sup>1</sup>
- 46% of EBITDA<sup>1,2</sup>
- EBITDA Margin<sup>2</sup>: 18%

- # 2 in coated recycled boxboard in Europe

- 20% of Sales<sup>1</sup>
- 12% of EBITDA<sup>1,2</sup>
- EBITDA Margin<sup>2</sup>: 7%

- Largest paper collector in Canada

- 15% of Sales<sup>1</sup>
- 12% of EBITDA<sup>1,2</sup>
- EBITDA Margin<sup>2</sup>: 11%

- # 1 in Canada
- # 5 in North America

- 32% of Sales<sup>1</sup>
- 30% of EBITDA<sup>1,2</sup>
- EBITDA Margin<sup>2</sup>: 12%

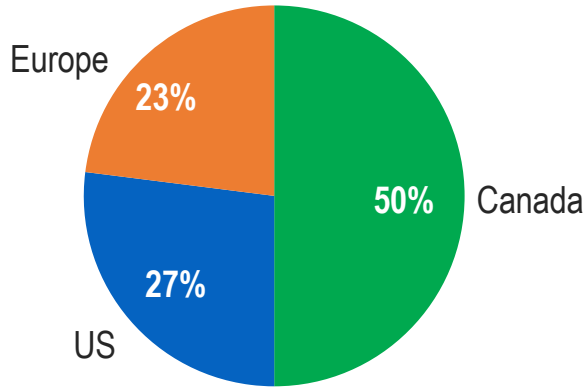
<sup>1</sup> Before inter-segment sales and corporate activities  
<sup>2</sup> Excluding specific items  
<sup>3</sup> Including 100% of Greenpac's capacity



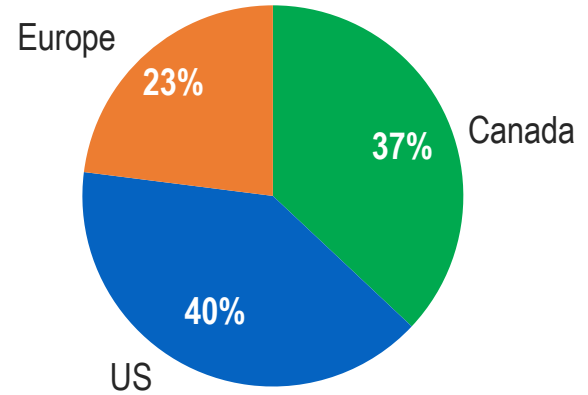
# COMPANY OVERVIEW

## Sales and Operations Across North America and Europe

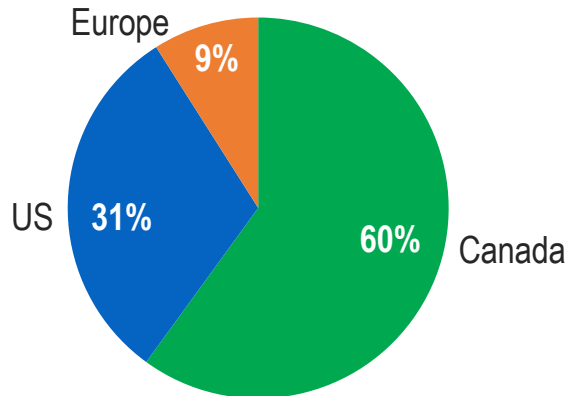
### Sales from (in %)



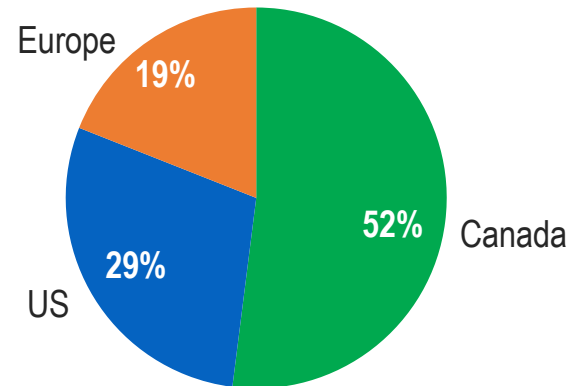
### Sales to (in %)



### Operating Facilities (in %)



### PP&E by Geographic Segment (in %)

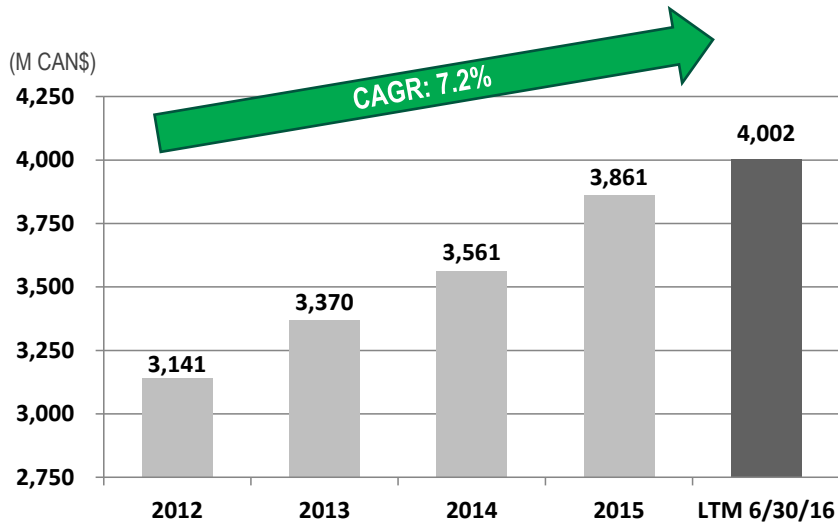


Note: Figures as of December 31, 2015

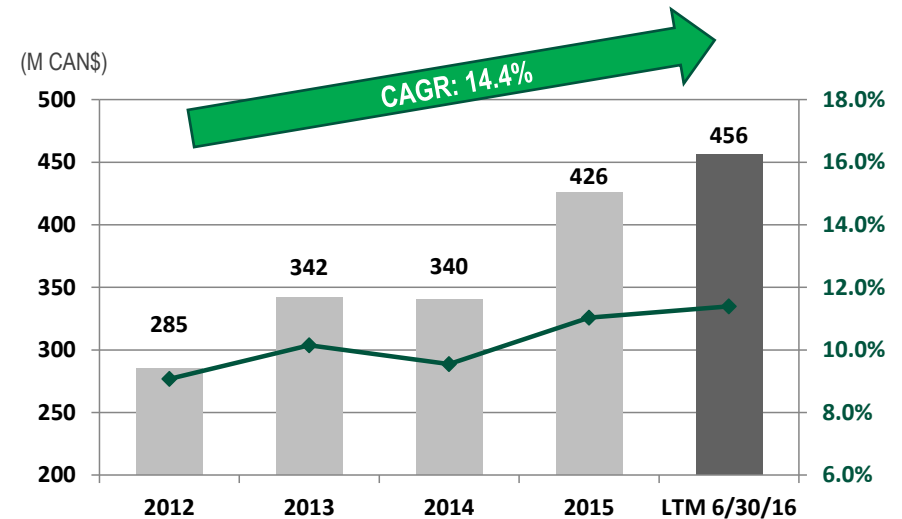
# OPERATING PERFORMANCE AND FINANCIAL SITUATION

## Strong Financial Momentum

### Sales



### EBITDA (excl. specific items)



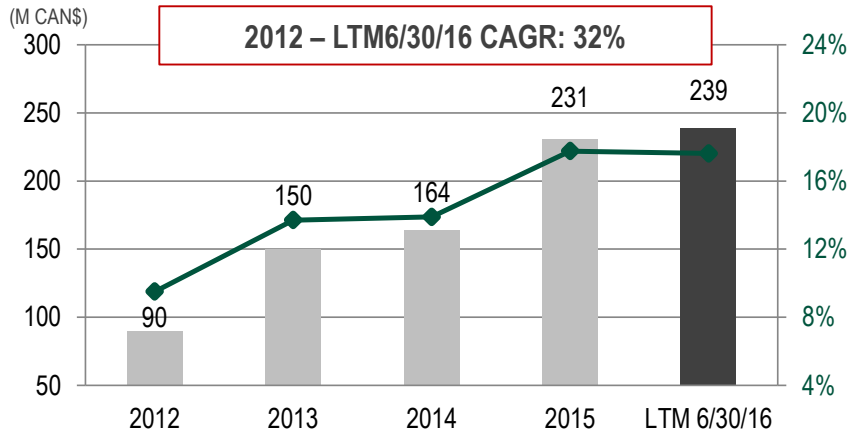
- \$3 million EBITDA sensitivity to every CAN\$0.01 change vs US\$

Positive momentum in results reflect improved productivity and favourable FX & energy costs

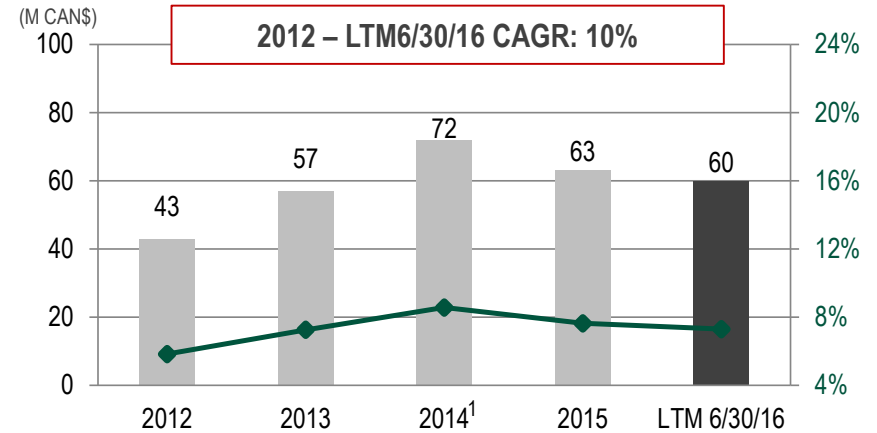
# OPERATING PERFORMANCE AND FINANCIAL SITUATION

## Historical Segmented EBITDA

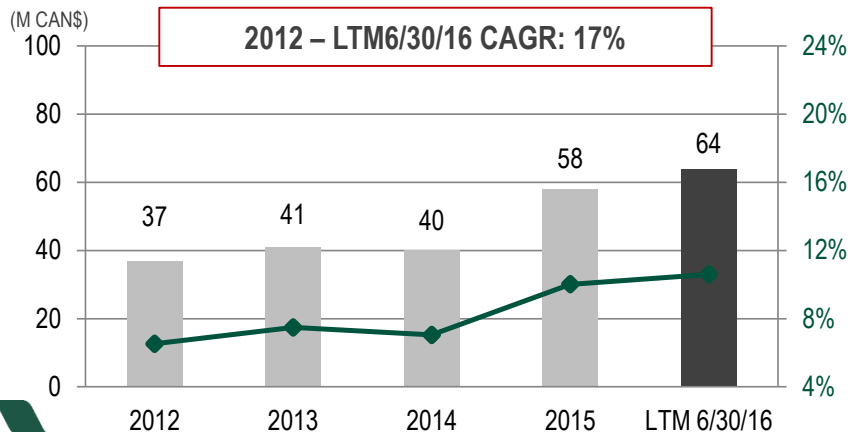
### Containerboard



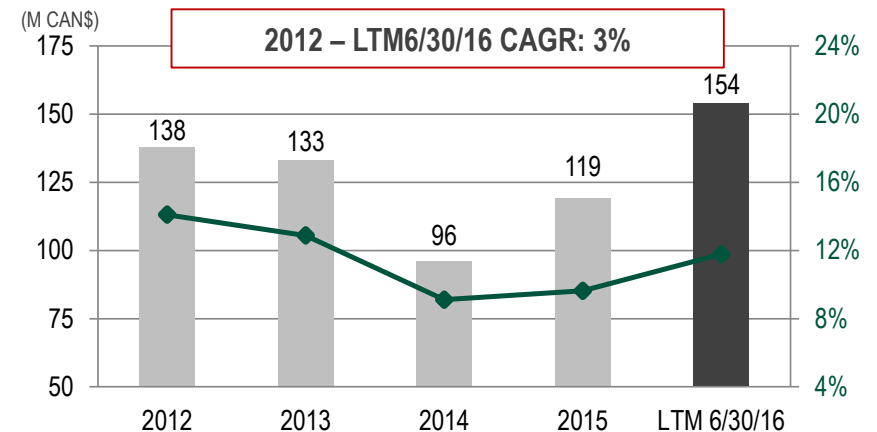
### Boxboard Europe



### Specialty Products



### Tissue Papers



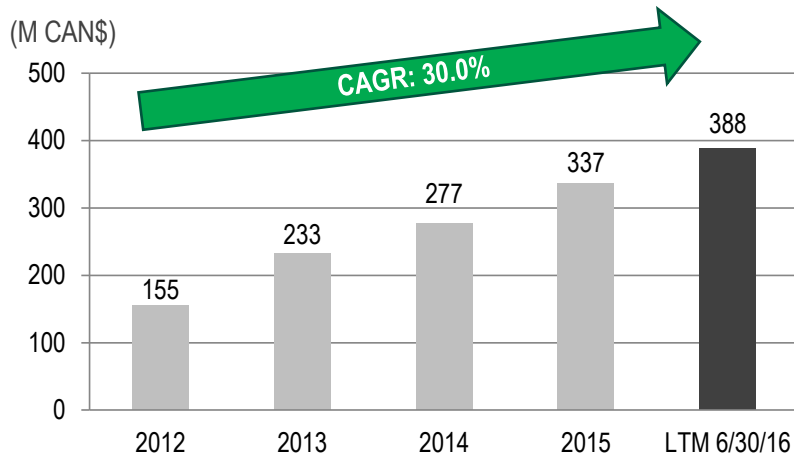
Green line represents segment EBITDA margin; EBITDA excluding specific items

<sup>1</sup> Including \$9 million of energy credits

# OPERATING PERFORMANCE AND FINANCIAL SITUATION

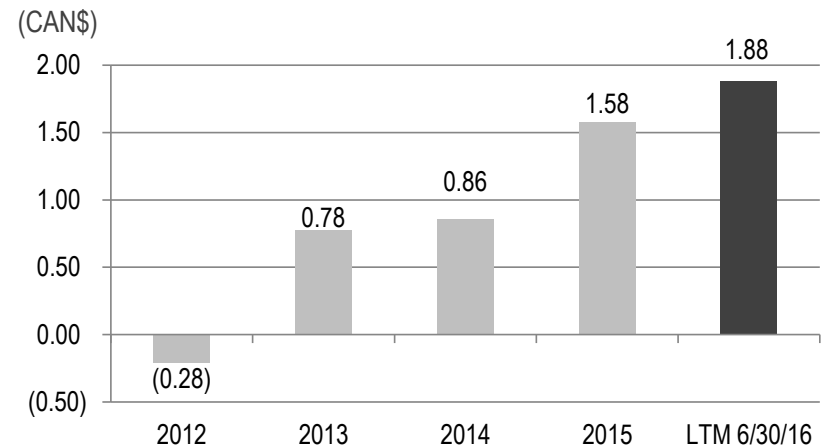
## Cash Flow and Free Cash Flow per Share

### Cash Flow From Operating Activities<sup>1</sup>



- Cash flows have grown at a 30% CAGR since 2012
- Improving cash flows driven by Strategic Action Plan

### Free Cash Flow per Share<sup>1,2</sup>



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





# OPERATING PERFORMANCE AND FINANCIAL SITUATION

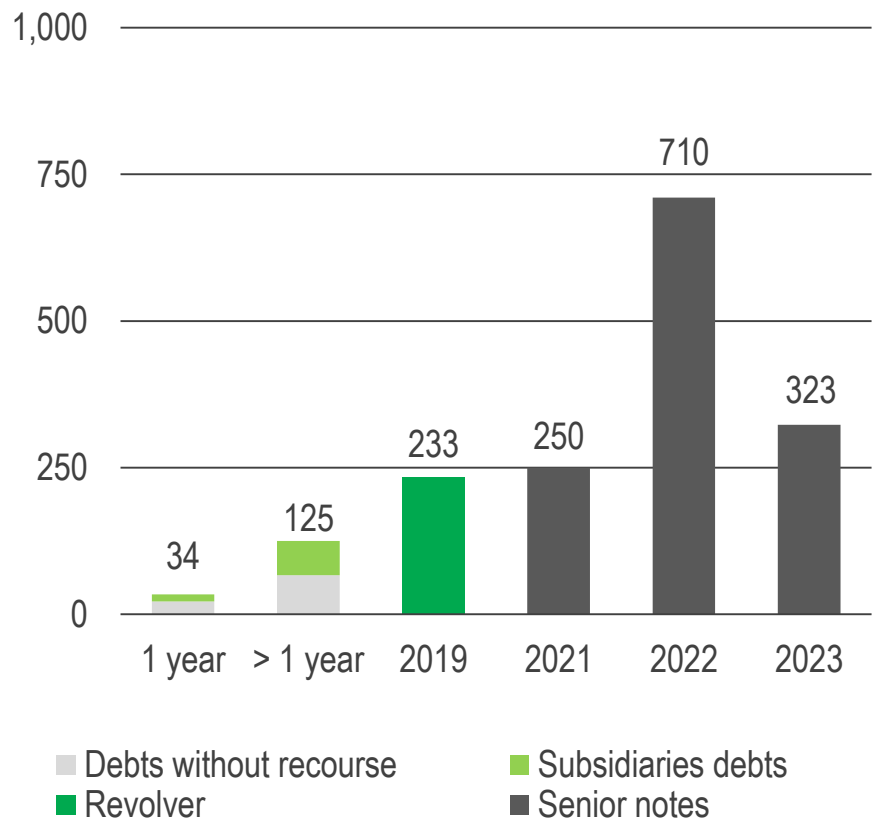
## Debt Maturities

- Over last 24 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 112 bps** to 4.93% in 2015 from 6.05% in 2013

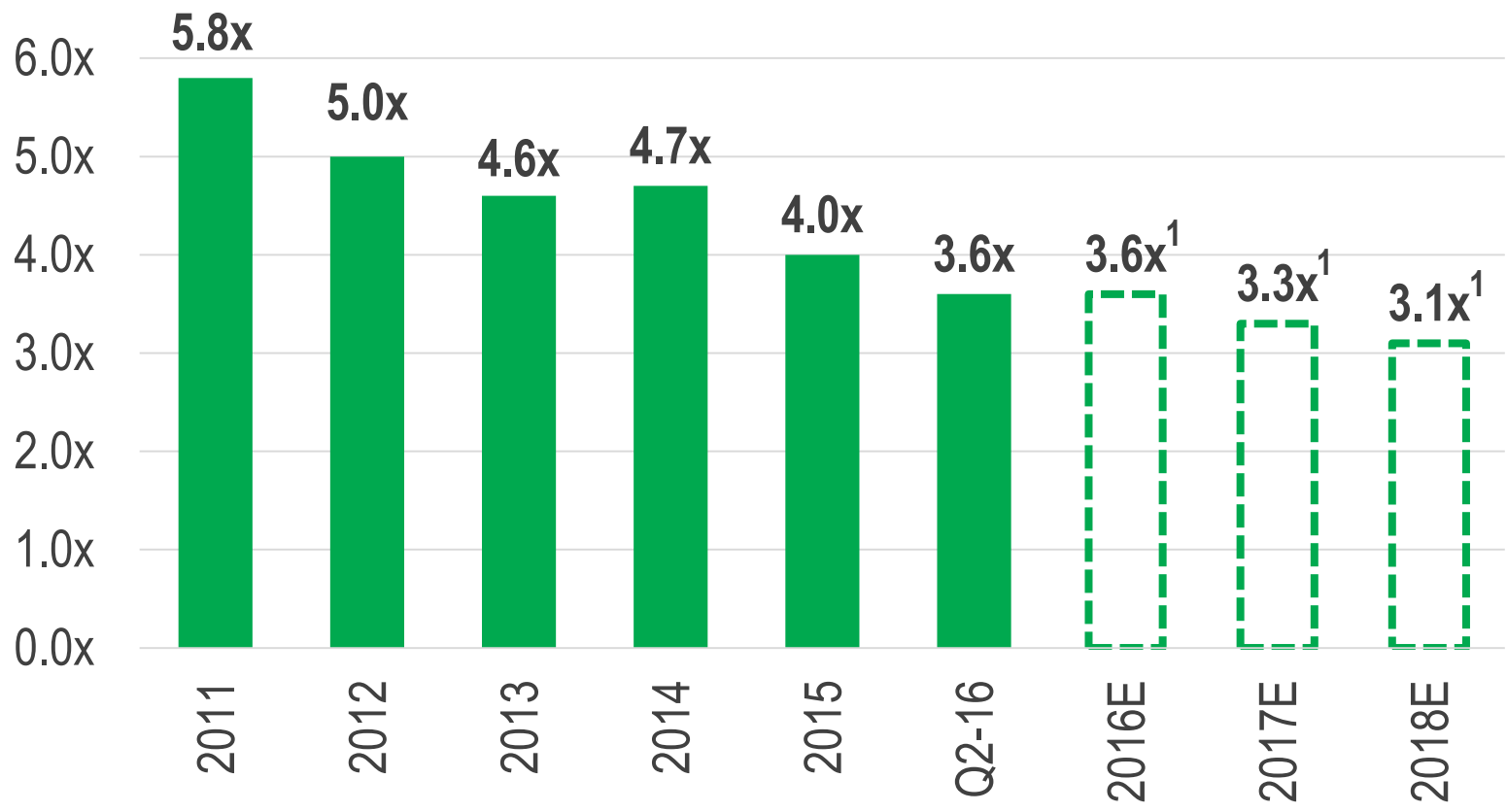
- Results in annual interest savings of ~ \$23 million**

Debt Repayment as at June 30, 2016





# LEVERAGE TARGET OF 3.0x – 3.5x Achievable Without Asset Disposals



<sup>1</sup> Based on Street's EBITDA estimates \$437 million for 2016 and \$444 million for 2017. Assuming stable EBITDA for 2018 (\$444 million), FX US\$/CAN\$ at 1.30 and only \$100 million of free cash flows dedicated to debt annually.

# CONTAINERBOARD PACKAGING GROUP

## Environment Still Sound

### North American Containerboard Producers

#### 2015 Industry Participants

% of total capacity

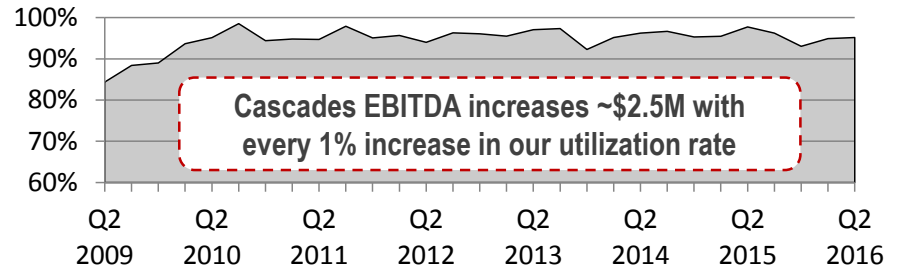
|   |                       |     |
|---|-----------------------|-----|
| 1 | IP                    | 33% |
| 2 | WestRock              | 19% |
| 3 | GP                    | 10% |
| 4 | PCA                   | 10% |
| 5 | Kapstone              | 4%  |
| 6 | Cascades <sup>1</sup> | 4%  |
| 7 | Pratt                 | 4%  |
|   | Others                | 16% |

**Top-5 Producers 76%**

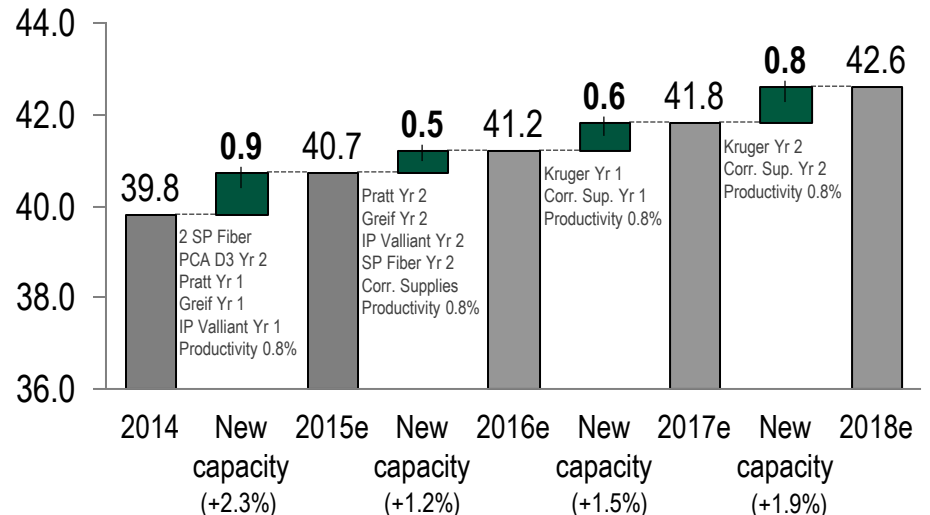
### Fundamentals Sound Despite Added Capacity

#### Industry Operating Rates and Expected Capacity<sup>2</sup>

(Operating rate)



(Million s.t.)



Source: RISI, Deutsche Bank, Company reports and estimates

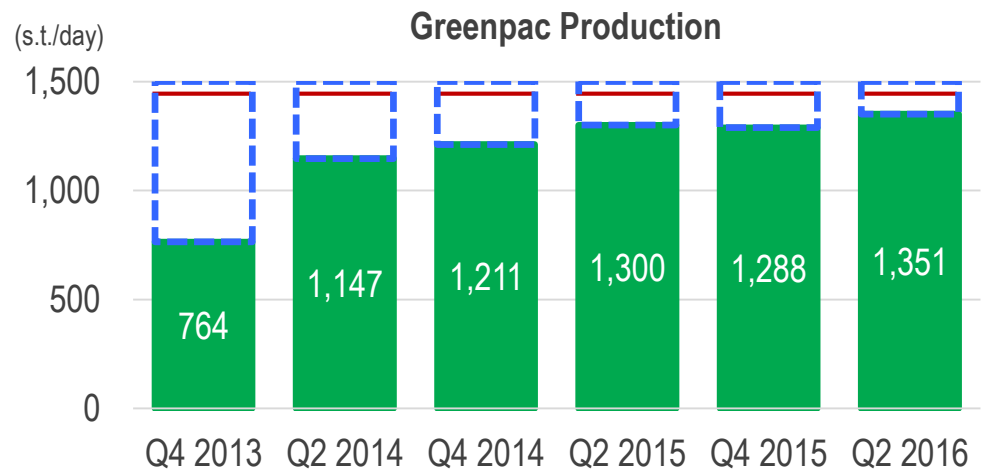
<sup>1</sup> Including 59.7% of Greenpac's total capacity

<sup>2</sup> New capacity, net of capacity shutdowns

# 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 represent  
82% of total production in Q2/16
- Take-or-pay agreement for 81%  
of the mill's output
- 59.7% ownership:
  - Partners include a pension  
fund and two independent  
converters

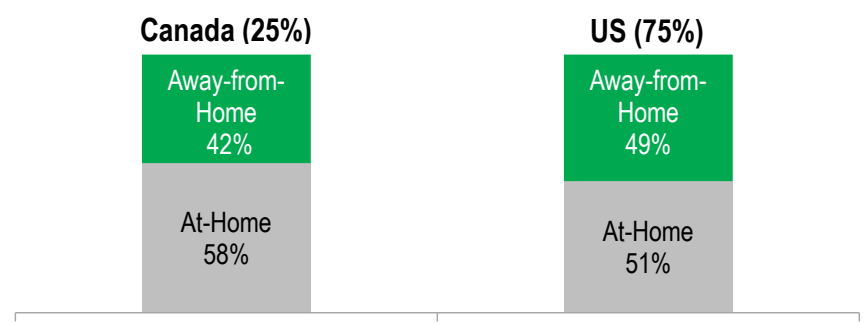




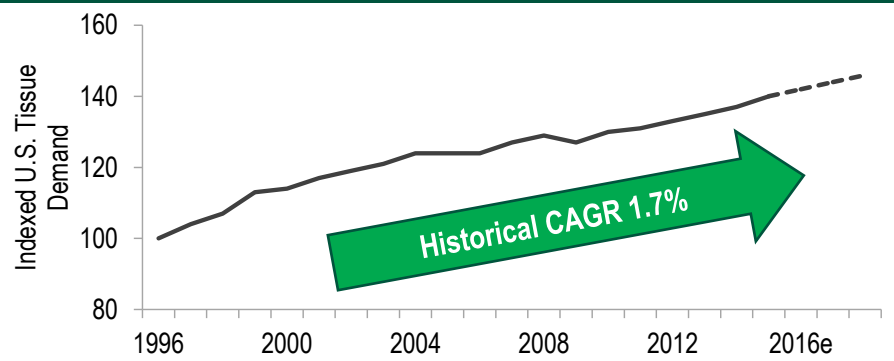
# TISSUE PAPERS GROUP

## Strong Position Across the North American Tissue Market

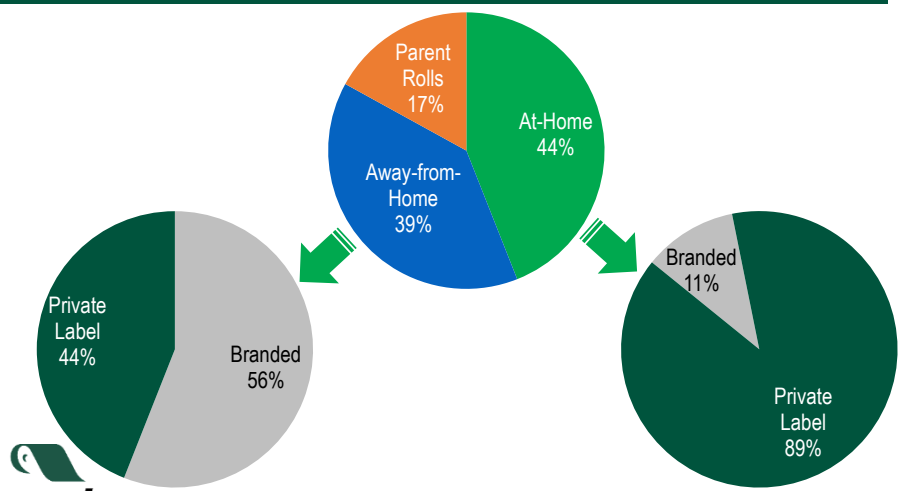
CAS Sales by Geography (2015)



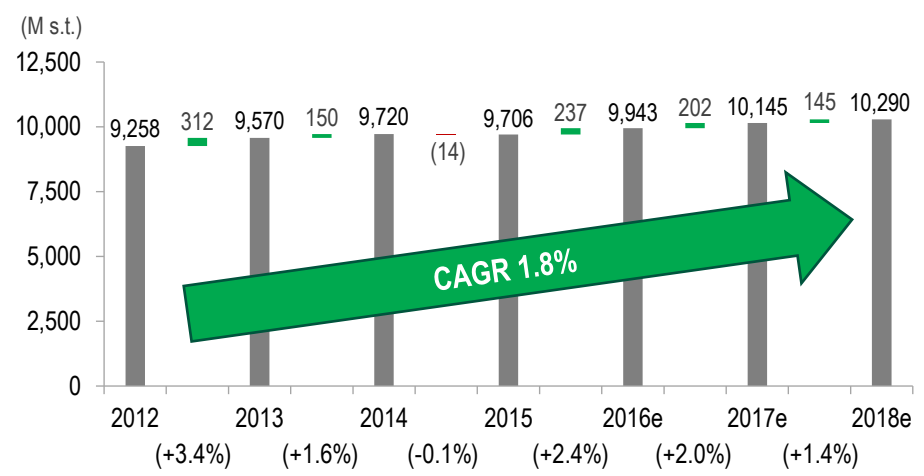
Tissue Market Demand<sup>1</sup>



CAS Sales by End Markets (2015)



North American Tissue Capacity Additions<sup>1</sup>





# TISSUE PAPERS GROUP

## Market vs Cascades

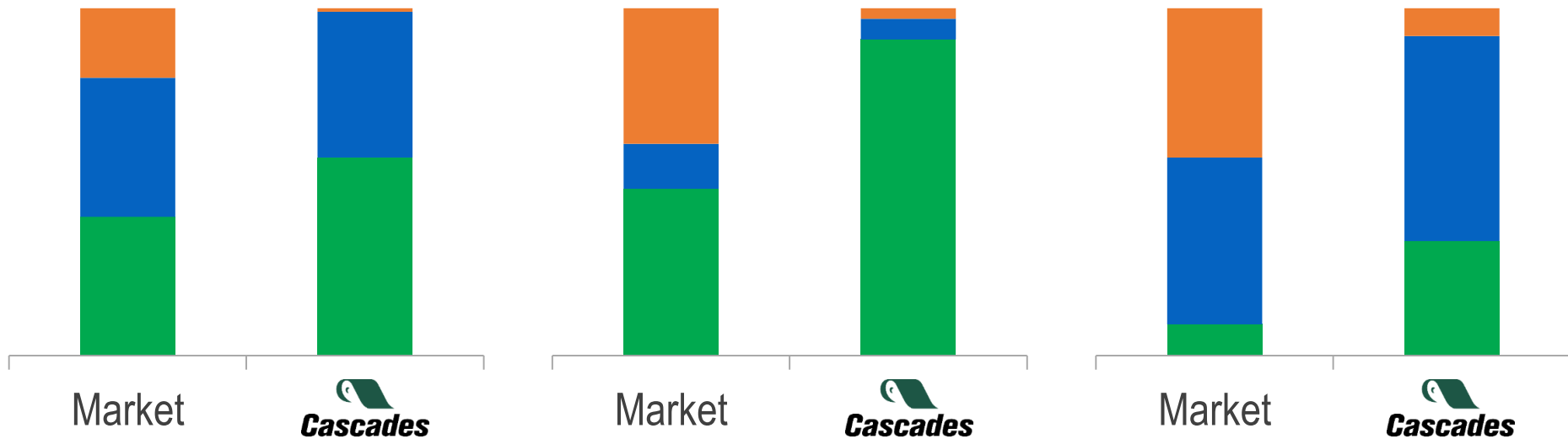
### Away-from-Home



### Retail



### Retail



■ Good
 ■ Better
 ■ Best

# TISSUE PAPERS GROUP

## Diversified Capacity

### 2015 NORTH AMERICAN TISSUE MANUFACTURERS

|                          | Capacity<br>( <sup>'000</sup> s.t.) | Market<br>Share | Capacity<br>Retail | Capacity<br>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          | 772                                 | 8%              | 0%                 | 100%            |
| <b>5 Cascades Tissue</b> | <b>657</b>                          | <b>7%</b>       | <b>62%</b>         | <b>38%</b>      |
| 6 Clearwater Paper       | 435                                 | 4%              | 90%                | 10%             |
| 7 KP Tissue              | 399                                 | 4%              | 77%                | 23%             |
| 8 First Quality Tissue   | 290                                 | 3%              | 100%               | 0%              |
| 9 Irving Tissue          | 282                                 | 3%              | 100%               | 0%              |
| 10 Soundview Paper       | 161                                 | 2%              | 67%                | 33%             |
| Others                   | 936                                 | 10%             |                    |                 |
| <b>TOTAL</b>             | <b>9,742</b>                        | <b>100%</b>     |                    |                 |



# SPECIALTY PRODUCTS GROUP

## Stable Source of Revenue and Unique Platform for Innovation

- Diversified product offerings and stable revenue stream with leading market positions
- Recent initiatives have included Cascades Recovery minority (27%) acquisition completed in December 2015, and restructuring and minority acquisition of Norcan
- Q2/16 LTM sales (IFRS) of \$604M, vs. \$814M (Non-IFRS) with JVs at 100%

### Industrial Packaging Products (~50% of sales<sup>1</sup>)

- Stable contributor to CAS results
- Leading producer of papermill packaging
- 13 facilities
- JV Share of EBITDA \$10-\$15M



### Consumer Packaging Products (~20% of sales<sup>1</sup>)

- Largest producer of honeycomb in Canada
- Good growth potential
- 6 facilities



### Recycling and Recovery (~30% of sales<sup>1</sup>)

- Largest recycled paper collector in Canada
- Major supplier of material for CAS
- 19 facilities
- 1.3 million tons processed in 2015







# BOXBOARD EUROPE GROUP

## Extensive European Platform

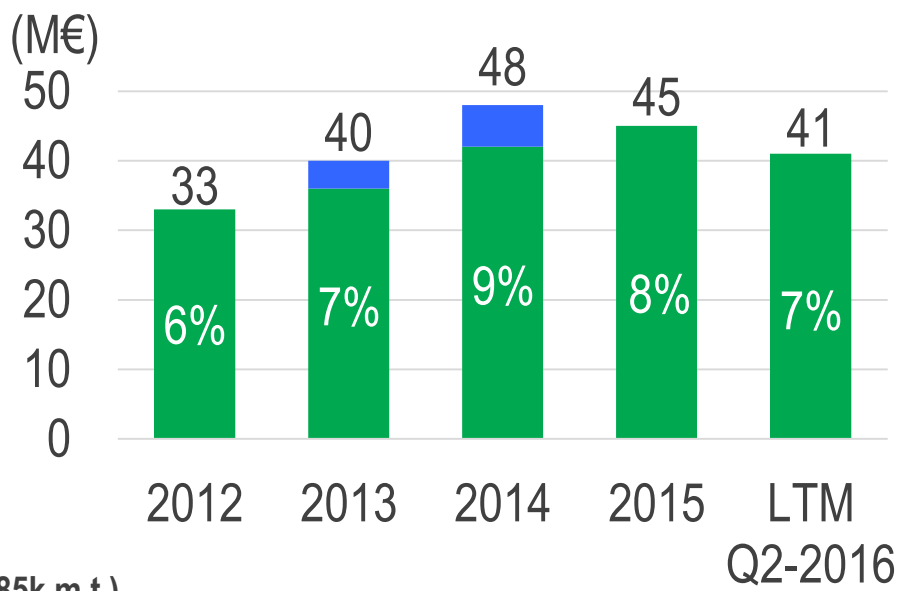
- ~58% ownership of RdM, a public Italian company; 5 recycled mills & 1 virgin boxboard mill
- Rationalization of production capacity, consolidation of sales forces, structure simplification and modernization investments have resulted in improved performance
- Completed legal transfer of Cascades' virgin mill in France to RdM in Q2-2016

### #2 Producer of Coated Recycled Boxboard in Europe



- M** Manufacturing – Recycled grades (capacity: 885k m.t.)
- M** Manufacturing – Virgin grades (capacity: 170k m.t.)

### EBITDA & EBITDA Margin



Energy credits totaling €4M in 2013, €6M in 2014





# OUR FOUR STRATEGIC PRIORITIES

**1**

**MODERNIZE**

core operations through focused investments

Status: Ongoing

**2**

**OPTIMIZE**

capital allocation and reduce working capital

Status: Ongoing

**3**

**RESTRUCTURE**

underperforming units

Status: Well-advanced

**4**

**INNOVATE**

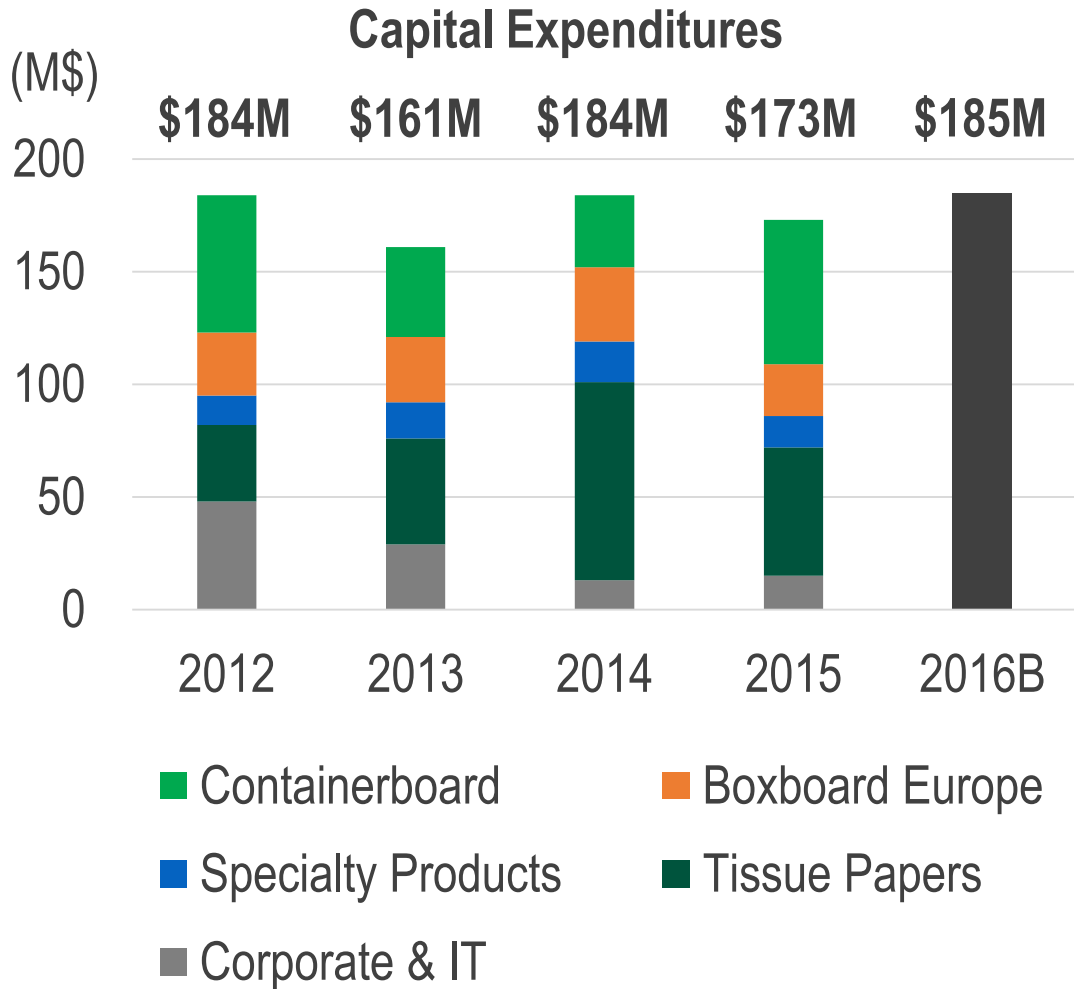
to improve and develop processes and products

Status: Continuous



# 1

## STRATEGIC PRIORITY: MODERNIZE ± \$300M Invested in Modern Equipment



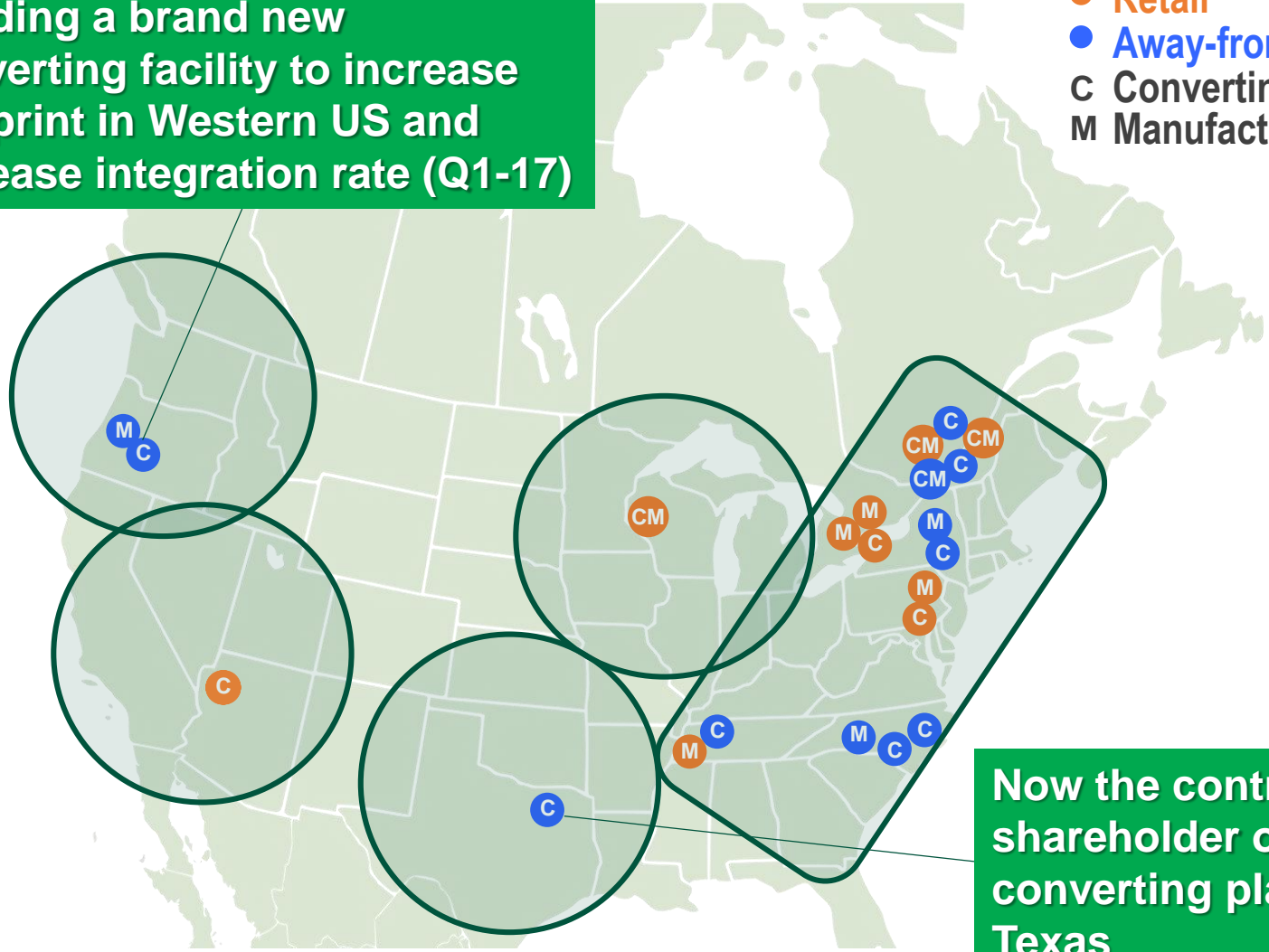
- Divestitures and free cash flow have funded Capex
- 2016 Capex ~ \$185M
  - Mainly growth Capex
  - Mostly in the US
- Impacted by strong US\$
- 2012-2013: investment in containerboard – now starting to bear fruit
- 2013-2015: investment in tissue papers – not yet reflected in results



# TISSUE – INCREASE FOOTPRINT & INTEGRATION

Building a brand new converting facility to increase footprint in Western US and increase integration rate (Q1-17)

- Retail
- Away-from-Home
- C Converting
- M Manufacturing



Now the controlling shareholder of a converting plant in Texas

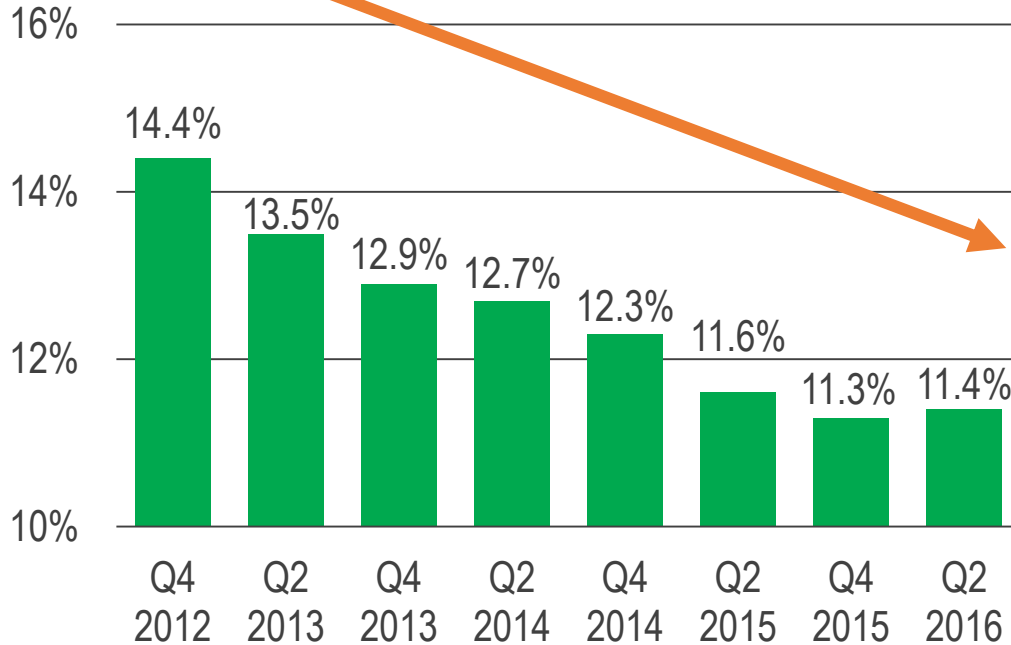


# 2

## STRATEGIC PRIORITY: OPTIMIZE Strategic Initiatives Generating Results

### Working Capital

% of sales



- Working Capital reduced by 3.5% = \$125M+



ONE Cascades, delivering results

### Capturing savings through:

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



# 3

## STRATEGIC PRIORITY: RESTRUCTURE Streamlining the Portfolio

### Data on Asset Sales and Closures<sup>1</sup>

From 2011 to Q2 2016:

- 16 closures
- 6 asset sales

- Workforce reduction: – 2,350
- Sales: – \$1,020M
- EBITDA: – \$26M
- EBITDA Margin: 3%

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





4

# STRATEGIC PRIORITY: INNOVATE

## Objective: 20% of Sales from Innovative Products

tandem+  
Cascades

cascades®  
**PoulTray**<sup>MC</sup>  
Contenant à poulet entier



Greenpac  
MILL XP

cascades®  
**UltraTill**<sup>MC</sup>  
Vos champignons emballés avec soin



cascades<sup>MC</sup>  
**evok**<sup>MC</sup>



# FOCUSED ON GROWTH AND PRODUCTIVITY

|                          | Containerboard Packaging Group   | Tissue Papers Group  | Specialty Products Group  | Boxboard Europe Group  |
|--------------------------|--|--|---|--|
| GROWTH AREAS             | <ul style="list-style-type: none"> <li>• Improve processes</li> <li>• Grow US converting footprint</li> <li>• Product innovation and differentiation including 'lightweighting'</li> </ul>   | <ul style="list-style-type: none"> <li>• Increase US Away-from-Home segment</li> <li>• Expand footprint in Western &amp; Southern US</li> <li>• Grow market presence in value-added products (Better, Best)</li> </ul> | <ul style="list-style-type: none"> <li>• Consumer packaging provides strong growth potential (i.e. food protein packaging)</li> </ul>                                 | <ul style="list-style-type: none"> <li>• Strengthen presence in growing markets (i.e. Eastern Europe)</li> <li>• Continue to reduce leverage to provide flexibility</li> </ul>                     |
| PRODUCTIVITY INITIATIVES | <ul style="list-style-type: none"> <li>• Leverage modernized Canadian asset base</li> <li>• Improve utilization rates</li> <li>• Continue to improve performance of Greenpac Mill</li> </ul> | <ul style="list-style-type: none"> <li>• Lower costs to improve competitiveness: continue to modernize asset base &amp; optimize logistics (trim &amp; freight)</li> <li>• Invest in innovation</li> </ul>             | <ul style="list-style-type: none"> <li>• Continue to secure strategic sources of recovered material</li> <li>• Optimize logistics and increase integration</li> </ul> | <ul style="list-style-type: none"> <li>• Strategic investments to reduce costs and improve quality &amp; margins (such as in energy, automation, capacity creep)</li> <li>• IT upgrades</li> </ul> |
| OBJECTIVES               | In top 3 in the sector in terms of EBITDA margin   | EBITDA margin of 13%   | Grow topline by 10%+ over next 3 years, improve margins   | Maintain/grow solid EBITDA contribution  |



# NEAR TERM OUTLOOK



- Higher volume in Q3
- FX rate still favourable
- Energy cost still favourable
- Containerboard price increases



- Raw material cost & volume headwinds in Europe
- Higher prices for recovered papers in North America

| 2016 – Q3 vs Q2           | Boxboard Europe | EBITDA Impact | Containerboard  | EBITDA Impact | Specialty Products | EBITDA Impact | Tissue Papers   | EBITDA Impact |
|---------------------------|-----------------|---------------|-----------------|---------------|--------------------|---------------|-----------------|---------------|
| Volume                    | Slight increase | ↘             | Slight increase | ↗             | Slight increase    | ↗             | Increase        | ↗             |
| Average selling prices    | Stable          | ↔             | Stable          | ↔             | Stable             | ↔             | Slight increase | ↗             |
| Raw material costs        | Slight increase | ↘             | Slight increase | ↘             | Slight increase    | ↘             | Slight increase | ↘             |
| CAN\$ vs other currencies | Stable          | ↔             | Stable          | ↔             | Stable             | ↔             | Stable          | ↔             |
| Energy costs              | Slight decrease | ↗             | Stable          | ↔             | Stable             | ↔             | Stable          | ↔             |



# POTENTIAL BENEFITS STEMMING FROM OUR INITIATIVES



## Modernizing our operating platform to increase profitability

- \$185M Capex program in 2016
- Divestitures and closures of under-performing units
- Containerboard: sound fundamentals and improved platform
  - Modernized converting platform and improved manufacturing productivity
  - Greenpac to positively contribute to EPS for a second full year in 2016
- Tissue Papers: strong and growing position in North America
  - Increasing presence in the US with recent expansion initiatives
- Ramp-up and resulting benefits from recent Capex projects



## Other sources of growth and incremental value

- Culture of innovation
- Good performance from European platform and hidden value of Boralex investment
- On-going initiatives to improve our business processes



## Potential tailwinds

- CAD\$ weakness
- More stable economic reality in Canada, the US and Europe
- China's economic weakness and favourable impact on recovered paper prices
- Lower oil and gas costs
- Benefits of recent price increases (2015-2016)

**Taking the right steps to position Cascades for the future**

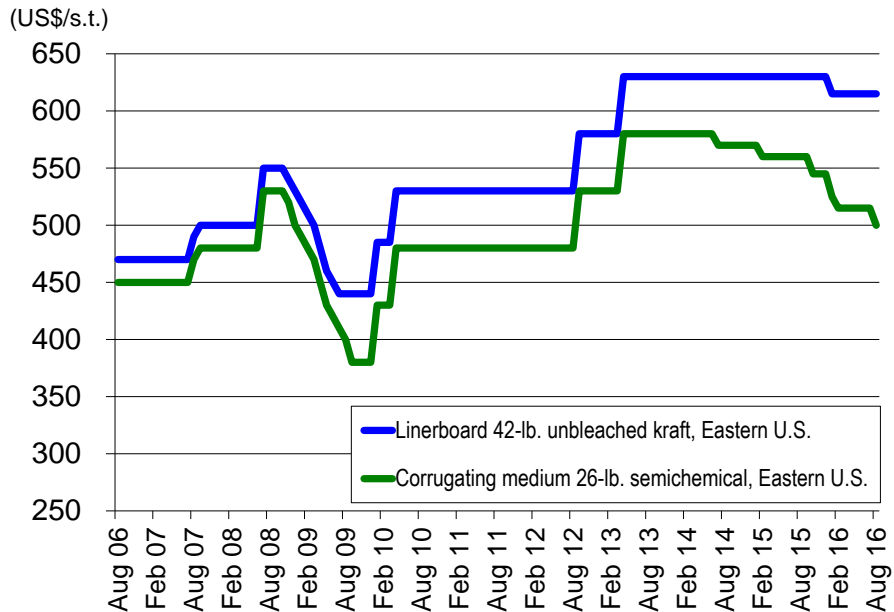
# APPENDIX



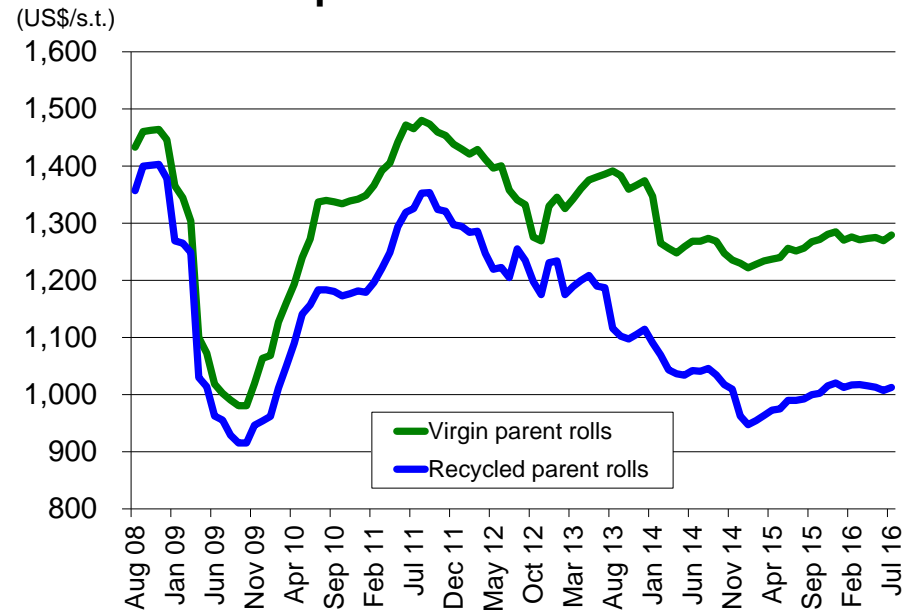


# BUSINESS DRIVERS – PRICE DYNAMICS

## Containerboard - Selected Benchmarks



## Tissue Papers - Selected Benchmarks

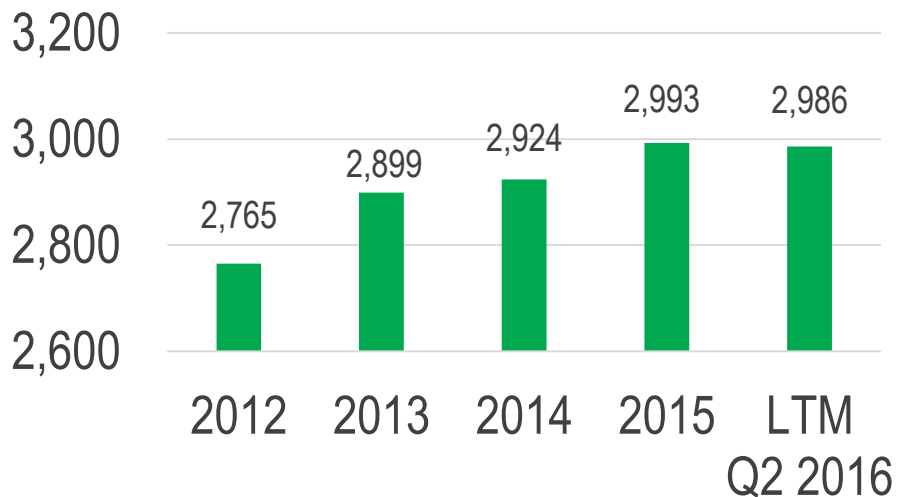




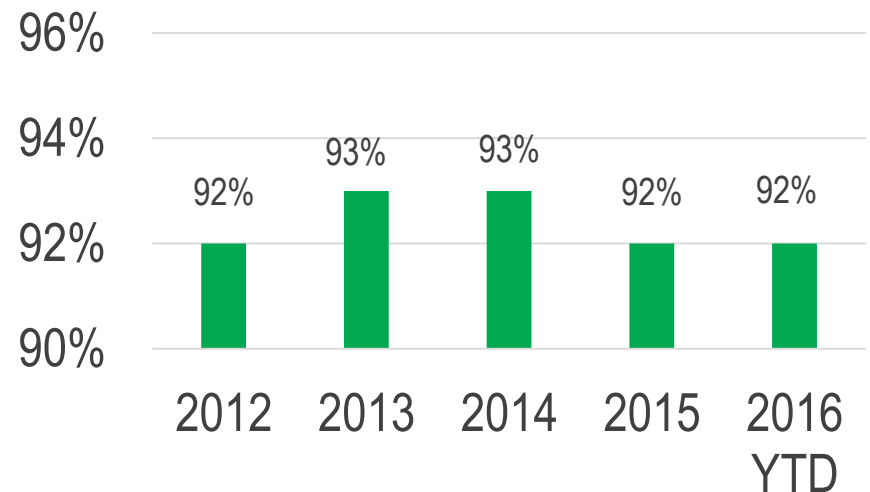
## BUSINESS DRIVERS – SHIPMENTS

- Shipments were 2% higher in Q2-2016 compared to the previous quarter
- Manufacturing utilization rates<sup>2</sup> hovering around 91% in Q2-2016
  - Containerboard – 93%
  - Boxboard Europe – 92%
  - Tissue Papers – 89%

**CAS Total Shipments ('000 s.t.)**



**CAS Manufacturing Utilization Rate<sup>1,2</sup>**



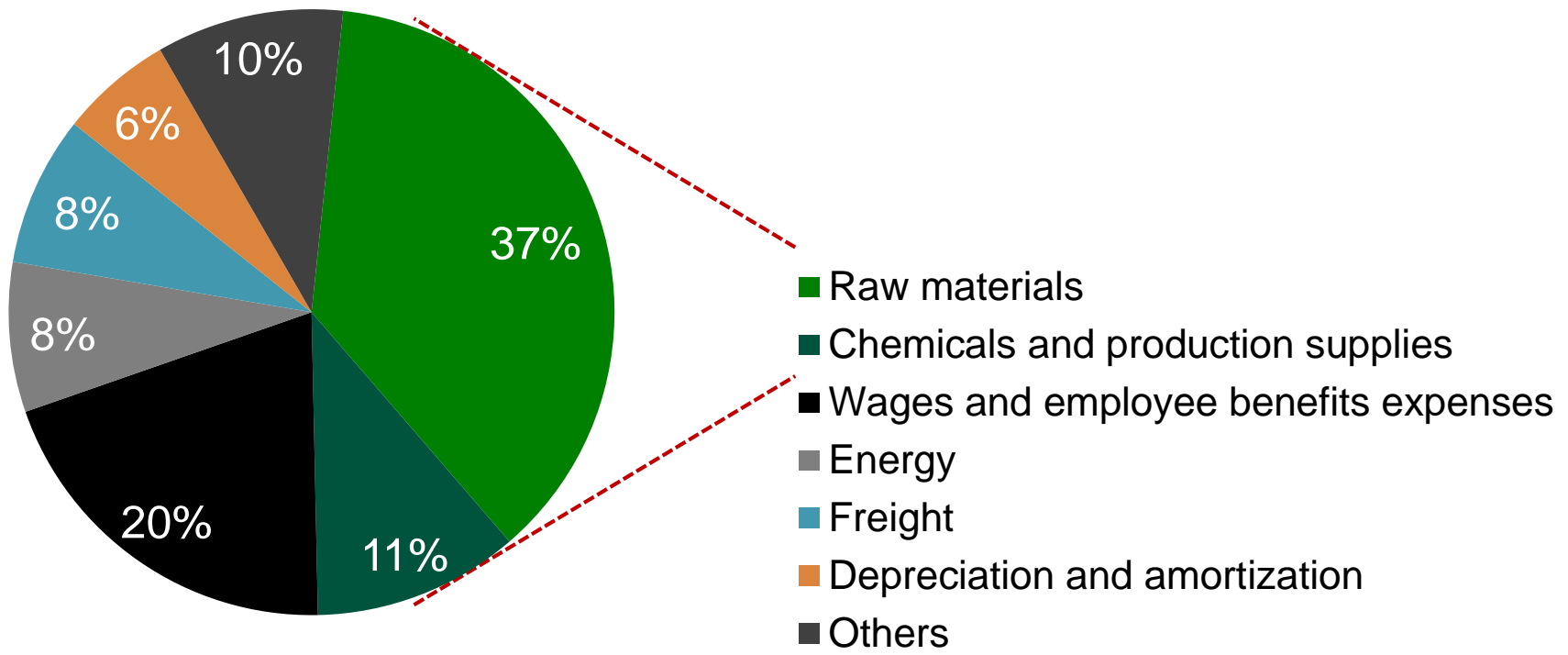
<sup>1</sup> Excludes Specialty Products segment

<sup>2</sup> Defined as: Manufacturing internal and external shipments/practical capacity



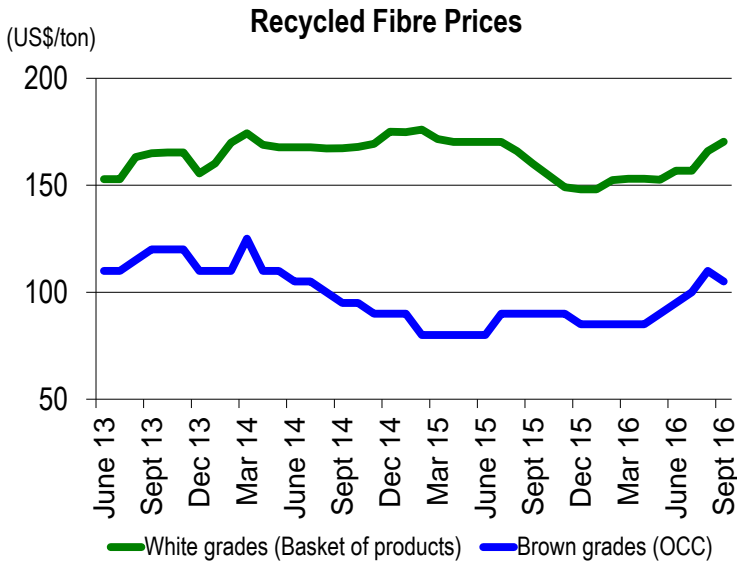
# BUSINESS DRIVERS – COGS

LTM Q2-2016



- Raw materials (including chemicals and supplies) = nearly half of COGS

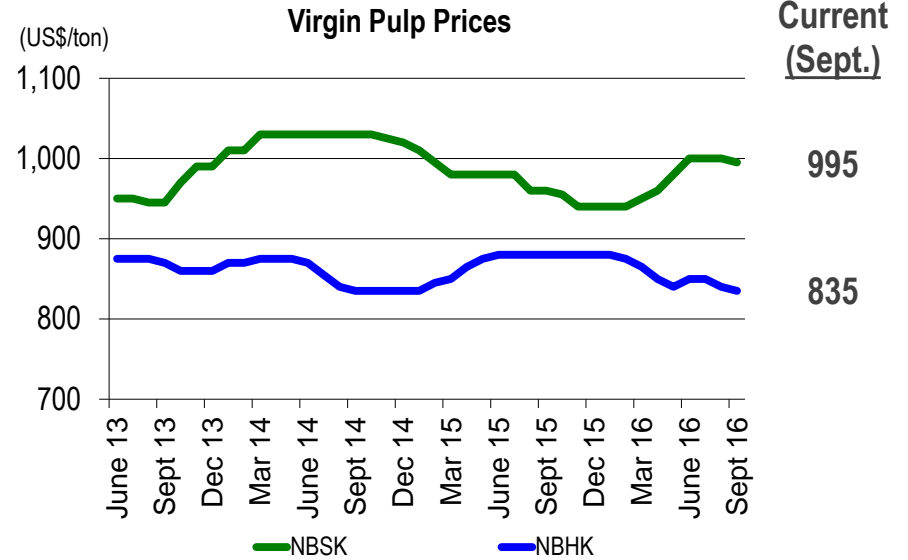
# RAW MATERIALS – FIBRE COSTS



**Current  
(Sept.)**

166

100



**Current  
(Sept.)**

995

835

## OBM Average Quarterly List Prices

White grades - Basket of products<sup>1</sup>  
Brown grades - OCC No. 11 (Northeast)

|  | <u>Q2-2015</u> | <u>Q1-2016</u> | <u>Q2-2016</u> |
|--|----------------|----------------|----------------|
| White grades - Basket of products <sup>1</sup> | 170            | 151            | 154            |
| Brown grades - OCC No. 11 (Northeast)          | 80             | 85             | 90             |

## Virgin Pulp Prices

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

|  | <u>Q2-2015</u> | <u>Q1-2016</u> | <u>Q2-2016</u> |
|--|----------------|----------------|----------------|
| NBSK (Canadian sources delivered to Eastern US)  | 980            | 943            | 980            |
| NBHK (Canada/US sources delivered to Eastern US) | 873            | 873            | 847            |

|  | <u>Q2/Q2</u> | <u>Q2/Q1</u> |
|--|--------------|--------------|
| White grades - Basket of products <sup>1</sup>   | -9%          | +2%          |
| Brown grades - OCC No. 11 (Northeast)            | +13%         | +6%          |
| NBSK (Canadian sources delivered to Eastern US)  | +0%          | +4%          |
| NBHK (Canada/US sources delivered to Eastern US) | -3%          | -3%          |

Source: RISI

<sup>1</sup> Basket of white recycled paper, including grades such as SOP, Hard White Envelope and Coated Book Stock

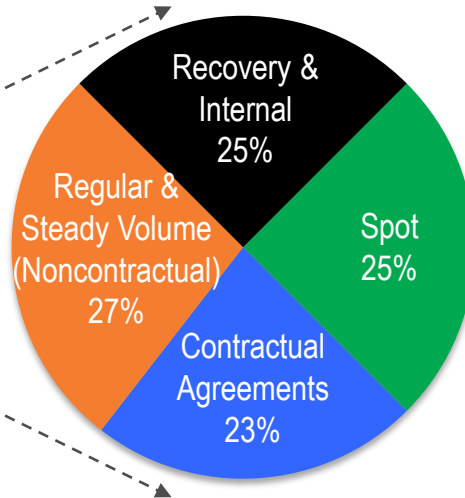
# RAW MATERIALS – SOURCING STRATEGY

## Cascades' NA Recycled Fibre Supply

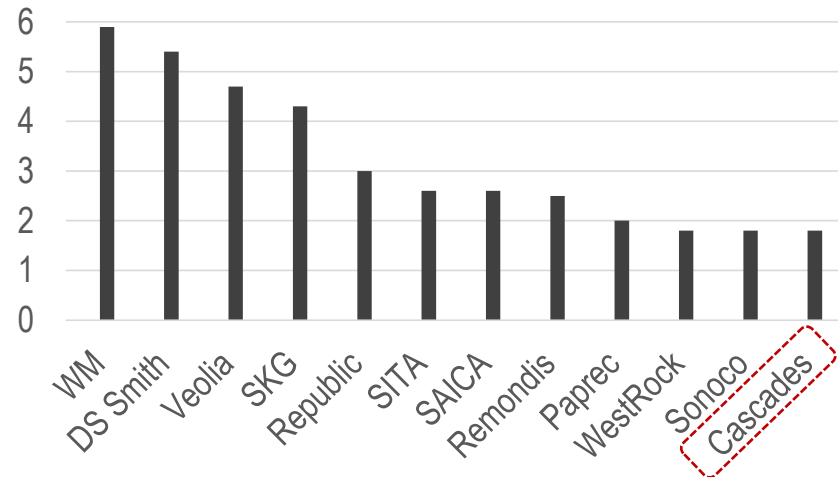
## World Top Recovered Paper Suppliers

2015<sup>1</sup>

Most of the fibre supply comes from internal sources, contracts and regular streams



(M Tonnes)



Source: RISI

## Strategy

- Constant review of our inventory strategy
- Ensure control over fibre supply with potential to increase tons under control
- Develop substitute grades
- Continue to increase integration rate within CAS
- Potential to increase virgin content in certain circumstances
- Continue to close the loop with customers & retailers







# FINANCIAL INFORMATION ON GREENPAC

*(in millions of US dollars)*

## Greenpac - Selected financial data <sup>1</sup>

|  | 2014      | 2015      | LTM Q2-2016 |
|--|-----------|-----------|-------------|
| Sales  | 210-230   | 235-250   | 240-255     |
| Adjusted EBITDA excluding specific items                 | 38-45     | 65-72     | 63-70       |
| <i>Adjusted EBITDA excluding specific items - margin</i> | 16%-20%   | 26%-30%   | 25%-28%     |
| Net debt <sup>2,3</sup>                                  | 270       | 185       | 180         |
| Net debt/Adjusted EBITDA excl. specific items ratio      | 7.1x-6.0x | 2.8x-2.6x | 2.8x-2.6x   |

## Greenpac - Project cost to net debt reconciliation

*(in millions of US dollars)*

| Project cost | Equity contribution | Tax credit refund | Operating cash flow since startup, net of Capex & working cap. | = | Net debt as of June 30, 2016 |
|--------------|---------------------|-------------------|--|---|------------------------------|
| 479          | (191)               | (60)              | (48)   | = | 180                          |

<sup>1</sup> Selected financial data is derived from the internal consolidated financials statements of Greenpac Holding LLC.

<sup>2</sup> Selected financial data at the end of the period.

<sup>3</sup> Net debt includes term and ECA loans, revolving credit facility, bridge loan and promissory notes from members, net of cash position. Long-term debt was refinanced on May 6th, 2016.



# GREENPAC IMPACT ON EPS

- Assuming a conservative multiple, Greenpac adds significant value to the Cascades story

| <b>Greenpac<br/>Illustrative EBITDA<br/>(US\$M)</b> | <b>Impact on<br/>Cascades' EPS<br/>(CAN\$)</b> | <b>Illustrative Value<br/>per Share <sup>1</sup><br/>(CAN\$)</b> |
|---|--|--|
| 60  | \$0.08   | \$1.70   |
| 80  | \$0.17   | \$2.80   |
| 100   | \$0.27   | \$3.90   |
| <b><u>EBITDA Sensitivity</u><br/>±10</b>            |  | <b>±\$0.55</b>   |

<sup>1</sup> For illustrative purposes only. Using conservative Total Enterprise Value to EBITDA multiple of 7x. Reflecting expected receipt of tax credit. Does not reflect the views of the Corporation on valuation. Assuming a foreign exchange rate of \$1.25 Canadian dollar per US dollar.



# ILLUSTRATIVE SUM OF THE PARTS

(M\$ CAN, unless otherwise noted)

|   | CAS LTM EBITDA<br>(Net of corp. activities) <sup>1</sup> | CAS valuation using<br>current analyst multiples <sup>2</sup> |                |             | CAS valuation using 2017e<br>average industry multiples <sup>3</sup> |                |             |
|---|--|---|----------------|-------------|--|----------------|-------------|
|   |  | Multiple  | Value          | Value/Share | Multiple   | Value          | Value/Share |
| • Containerboard Group                          | 239  | 5.8x  | 1,386          |             | 7.8x   | 1,864          |             |
| • Boxboard Europe                               | 60   | 4.5x  | 270            |             | 4.5x   | 270            |             |
| • Specialty Products Group                      | 64   | 5.7x  | 365            |             | 5.7x   | 365            |             |
| • Tissue Papers Group                           | 154  | 6.1x  | 939            |             | 8.5x   | 1,309          |             |
| • Corporate Activities                          | <u>(61)</u>  | 5.7x  | <u>(348)</u>   |             | 7.4x   | <u>(451)</u>   |             |
|   | 456  |   |                |             |  |                |             |
| Total Enterprise Value (and implied multiple)   |  | 5.7x  | 2,612          |             | 7.4x   | 3,357          |             |
| Add:  | JV contribution (\$10M EBITDA @ 6.0x)                    |   | 60             |             |  | 60             |             |
| Subtract:                                       | Net Debt @ June 30, 2016                                 |   | <u>(1,664)</u> |             |  | <u>(1,664)</u> |             |
| Implied Equity Value - before adjustments       |  |   | 1,008          |             |  | 1,753          |             |
| Add:  | Borex stake (market value @ September 23, 2016)          |   | 252            |             |  | 252            |             |
| Add:  | Greenpac investment (market value @ 8.0x)                |   | 259            |             |  | 259            |             |
| Subtract:                                       | Minority interest (Reno only, market value @ 4.5x)       |   | <u>(78)</u>    |             |  | <u>(78)</u>    |             |
| <b>Implied Equity Value - after adjustments</b> |  |   | 1,441          |             |  | 2,186          |             |
| Share Price @ September 23, 2016                |  |   |                |             |  |                |             |
| <b>Implied share price upside potential</b>     |  |   |                |             |  |                |             |

<sup>1</sup> LTM EBITDA as 06/30/2016; EBITDA excluding specific items.

<sup>2</sup> Current multiple average of analysts covering Cascades.

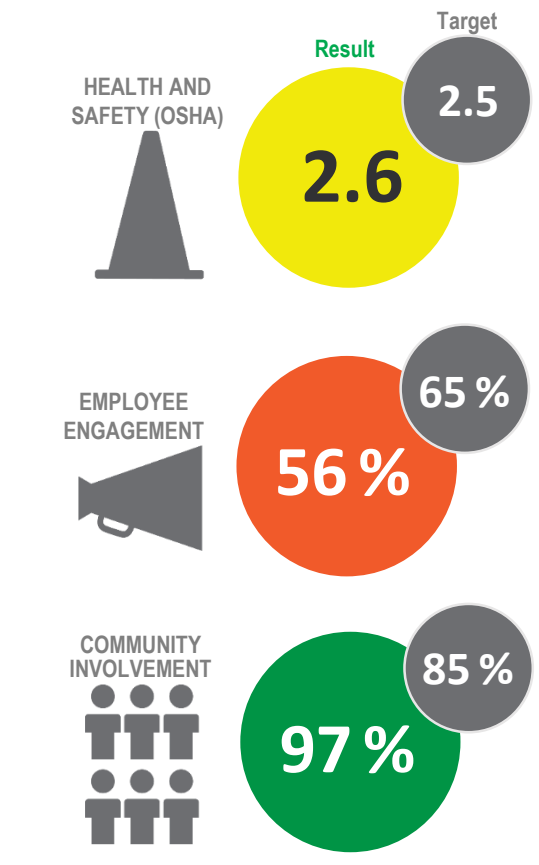
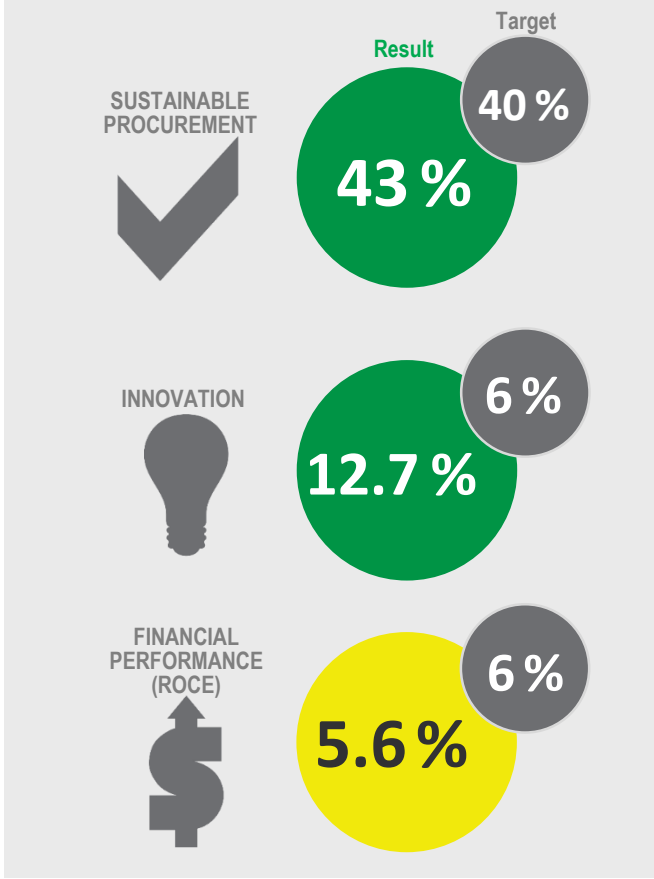
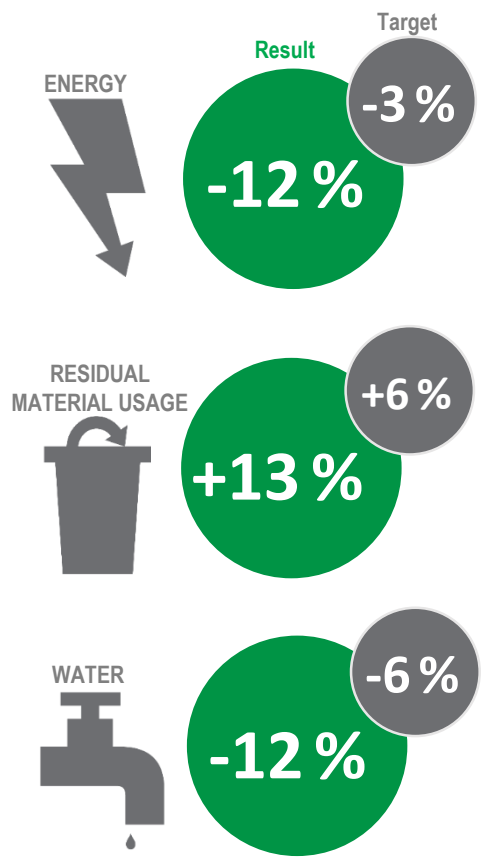
<sup>3</sup> 2017e average industry multiples applied for Containerboard Group and Tissue Papers Group only. Source: Bloomberg.

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



# SUSTAINABLE DEVELOPMENT –2013-2015 PLAN RESULTS

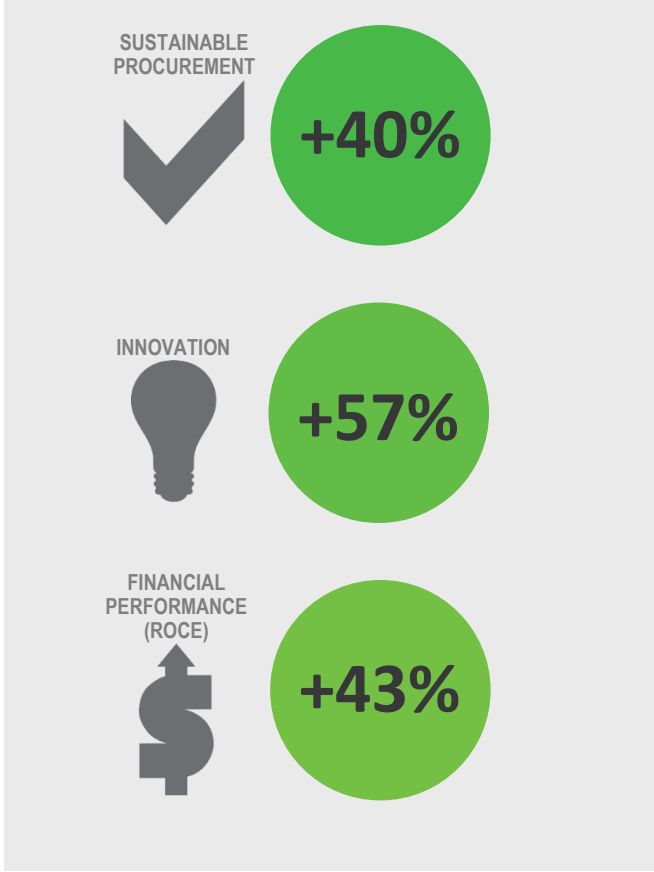
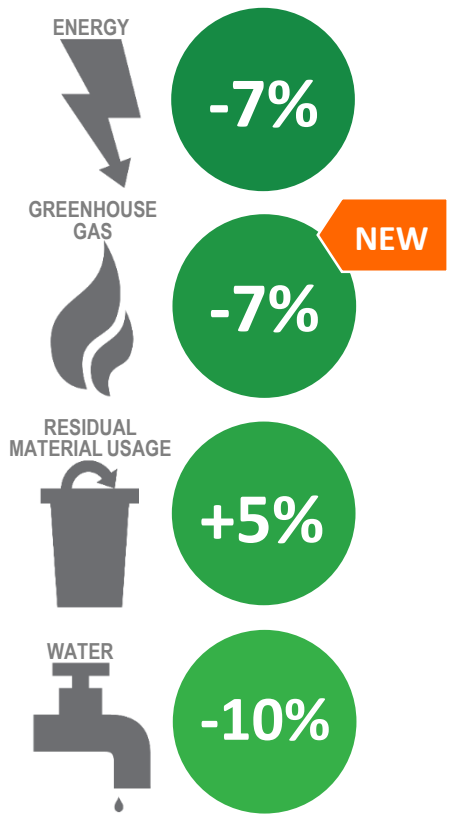
## Planet Prosperity Partners



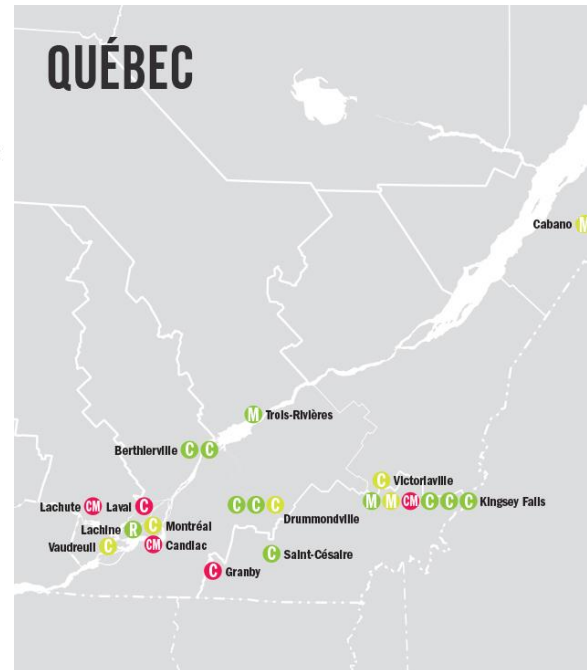
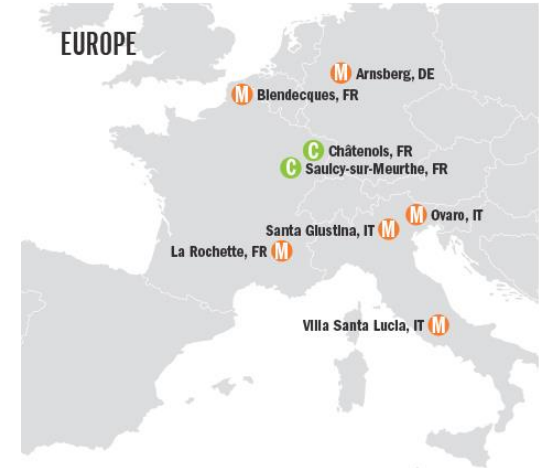
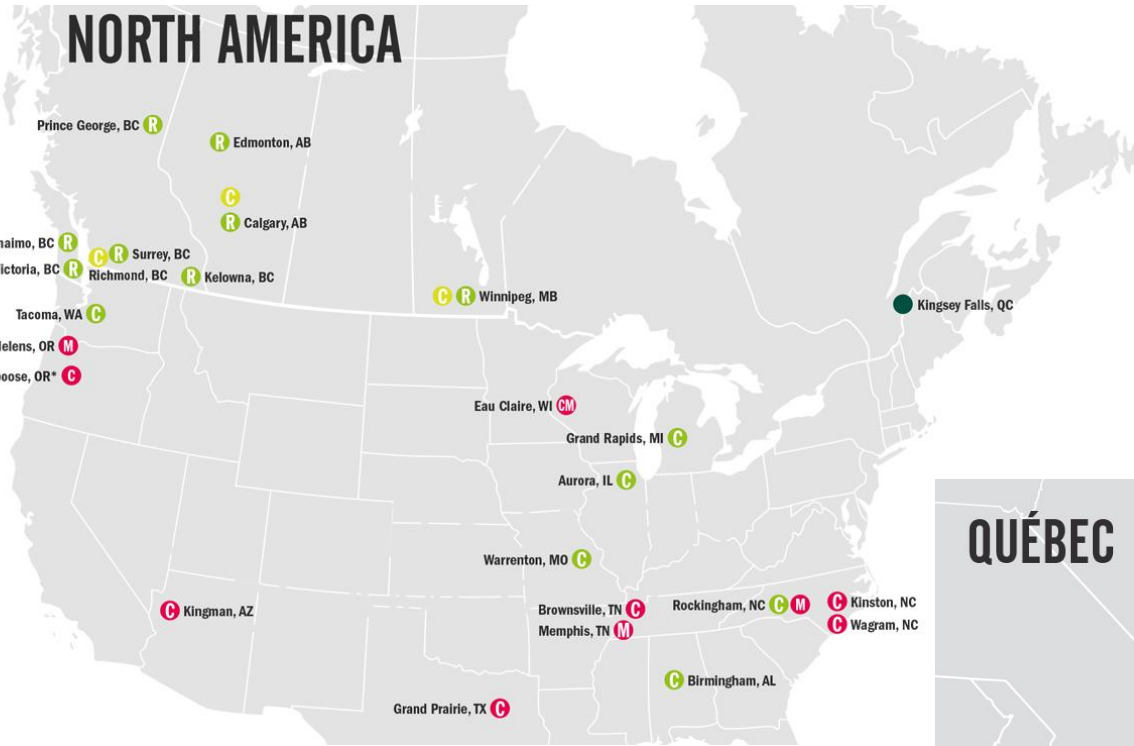


# SUSTAINABLE DEVELOPMENT – 2016-2020 OBJECTIVES

## Planet Prosperity Partners



# 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
- P** Deinked pulp facility
- R** Recovery facility

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



**GREEN BY NATURE™**

**For more information:**

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