

# Roadshow Presentation

Investor Marketing  
May 17, 2022



# 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 and other financial measures.



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# WHO WE ARE

## OUR MISSION

To improve the well-being of people, communities and the planet by providing sustainable and innovative solutions that create value.

## OUR VISION

To be a key contributor to our customers' success by leading the way for sustainable packaging, hygiene and recovery solutions.

~9,950 employees, 78 facilities

# SOURCE OF POSSIBILITIES



# SUSTAINABILITY IS IN OUR DNA

Nearly 60 years ago, long before businesses began incorporating environmental principles into their practices, our company became a pioneer of the circular economy by making products from recycled materials.

True to our values and dedicated to helping our customers reduce their environmental footprint, Cascades is pleased to raise its commitment to sustainable development and drive positive change.



# Sustainability Accomplishments

We have been recognized for our sustainable business practices and focus on our employees.



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



# Driving Positive Change

Our track record and our sustainability action plan both show we are solutions driven, and we can enable our customers to reduce their footprint through our value-added eco-friendly products and services.

## Where We Are



50% greenhouse gas (GHG) intensity emissions reduction (scope 1) since 1990



45% fewer GHG emissions (scopes 1 and 2) than the industry<sup>1</sup>



4.3x less water than the industry<sup>1</sup>



2.4x less energy than the industry<sup>1</sup>

## Where We're Going



ESG strategy aligned with UN's Sustainable Development Goals



Aggressive GHG reduction targets reviewed and approved by the Science Based Targets initiative



All our packaging will be recyclable, compostable or reusable by 2030



All our employees trained in unconscious biases by 2025

<sup>1</sup> Based on the North American pulp and paper industry average for 2021, Source: FisherSolve™ Next, ©2022 Fisher International



# Sustainability Action Plan 2021-2025

Ambitious targets, a robust action plan, GHG reduction targets have been approved by the Science Based Targets initiative (SBTi).

## Respectful of the Planet



### Climate Change

▼ **38.7%** IN 2030 VS 2019

scopes 1 + 2, mills (kg of CO2 eq./MT)

▼ **27.5%** IN 2030 VS 2019

scopes 1 + 2, other (kg of CO2 eq.)

▼ **22%** IN 2030 VS 2019

scope 3 (kg of CO2 eq./MT)



### Water Consumption

▼ **15%** IN 2025 VS 2019

(M3/TM)

**100%** IN 2030 VS 2019

renewable electricity

▼ **6%** IN 2025 VS 2019

(GJ/TM)

## Solutions Driven



### Eco-designed products

**100%** IN 2030

of the packaging we manufacture, and sell is recyclable, compostable or reusable



### Responsible Procurement

**100%** IN 2025

of the fibre and paper we use is recycled or certified

**x2** IN 2025 VS 2019

our FSC Mix® supply

**70%** IN 2025

of our purchases are sourced from responsible suppliers

## Community Minded



### Sustainable cities and communities

**50%** IN 2025

of our annual donation and sponsorship budget to causes that support the UN's Sustainable Development Goals



### Community involvement

**15,000 hours** PER YEAR

of community involvement completed by employees

## People Focused



### Health, safety and well-being

▼ **27.5%** IN 2025 VS 2019

the number of days lost due to workplace accidents

**100%** IN 2025

of employees are committed to a positive health and wellness approach



### Equity, diversity and inclusion

**100%** IN 2025

of employees are trained on unconscious biases related to equity, diversity and inclusion





# Our Sustainable Products

We have been making products from recycled materials for almost 60 years.



Our operations are sustainable



Our markets are growing



We are aligned with industry trends



Our supply chain is responsible



Our products are eco-designed



# Innovative and sustainable solutions



# Recovery Operations

A natural extension of our operations, delivering financial and strategic value.



**Largest source of recovered fiber** contributing about 25% of total requirements annually



Among Cascades' **lowest landed cost sources** with ability to raise value through quality



**Excellent source of market intelligence**, active in all fiber streams including residential, industrial, commercial and institutional

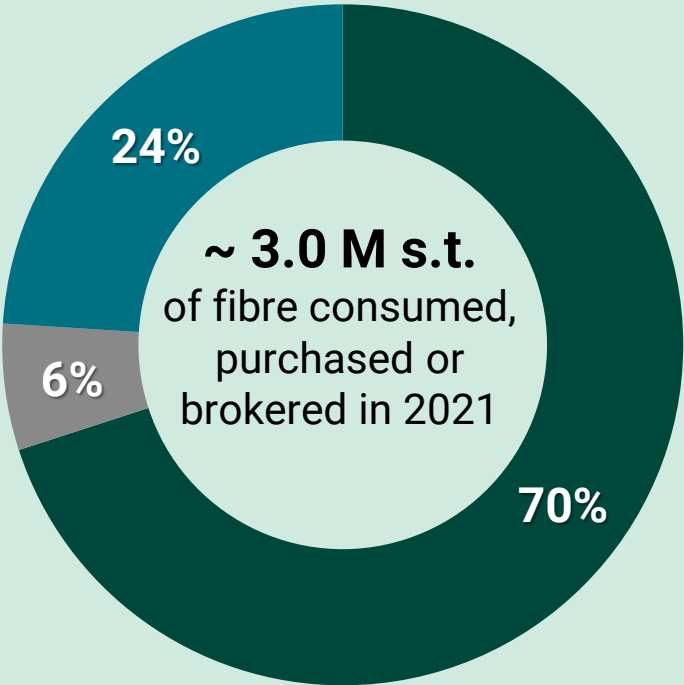


- 18 recovery facilities with national reach & capability
- 3 transfer stations providing full recovery services
- Over 1 million tons processed annually

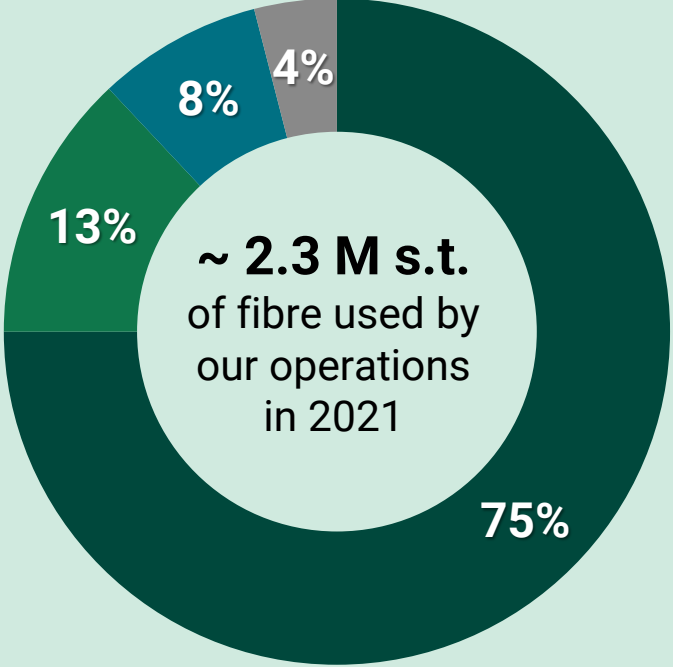


# Recovery Operations

Cascades recovery and recycling services & solutions provide our operations with the raw material they need, but also help our partners and customers to divert close to 40% of their waste from landfills.



- Recycled fibre used by Cascades
- Pulp used by Cascades
- Fibre sold externally



- Brown recycled fibre
- White recycled fibre
- Pulp
- Groundwood recycled fibre



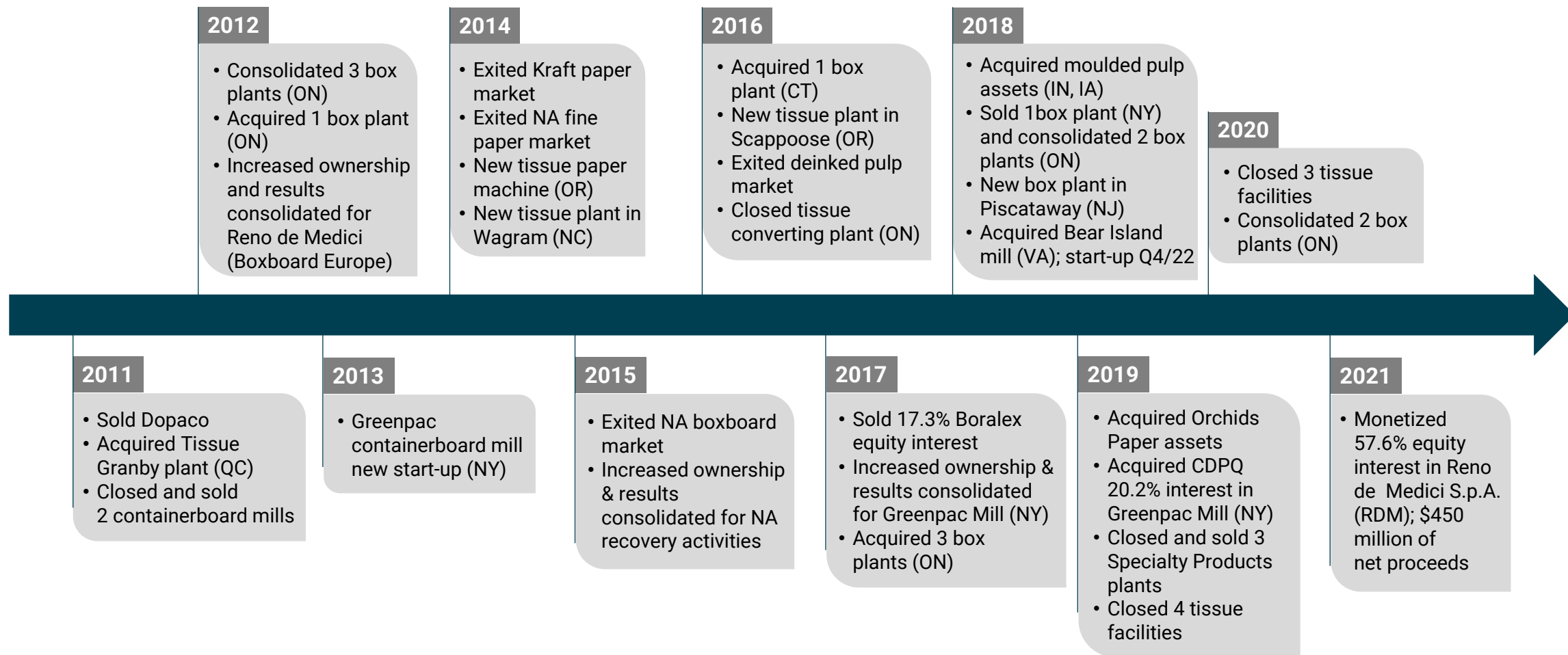
# OUR MODERNIZED ASSET BASE

**Same Roots,  
Different Company**



# Strategically Repositioned

Over the last 10 years, Cascades has repositioned our operations with **17 closures**, **11 divestitures**, **15 strategic transactions** and **4 new projects**, to meet evolving market dynamics and customer needs.



# A Modernized Asset Base

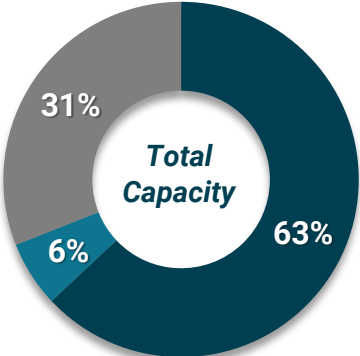
Investments and modernization initiatives have improved the competitiveness\* of our assets.

Tier 1

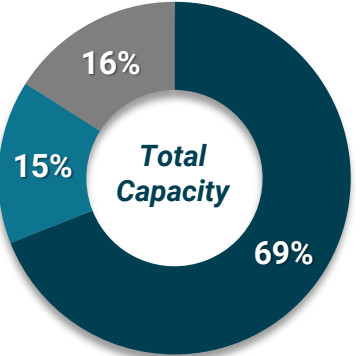
Tier 2

Tier 3

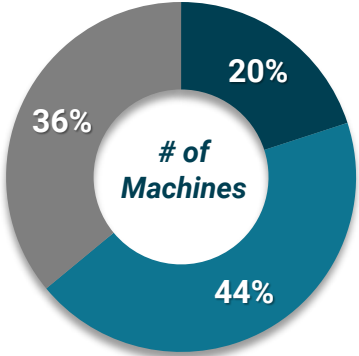
**CONTAINERBOARD**  
Manufacturing (with Bear Island)



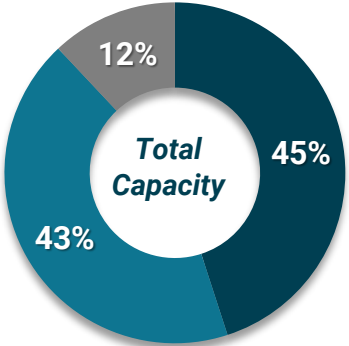
**CONTAINERBOARD**  
Converting



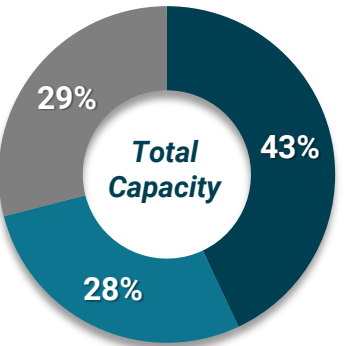
**CONTAINERBOARD**  
Sheeting



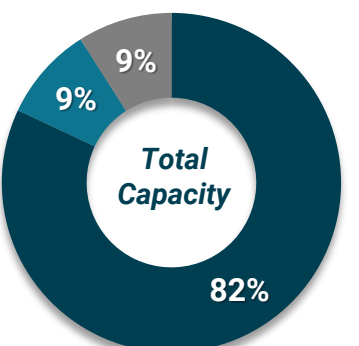
**SPECIALTY PACKAGING**



**TISSUE PAPERS**  
Manufacturing



**TISSUE PAPERS**  
Converting



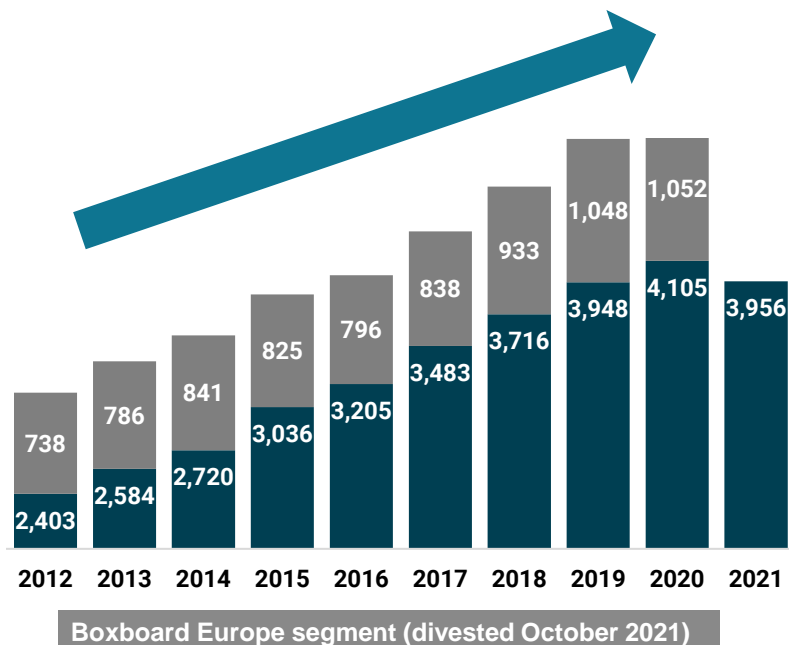
\* Competitiveness (Tier 1, 2 or 3) of manufacturing and converting assets based on extensive internal analysis: equipment age, width, speed, capacity and technological positioning.



# Annual Historical Performance

Our modernization initiatives, investments and strategy have delivered results, leading to significant and steady growth.

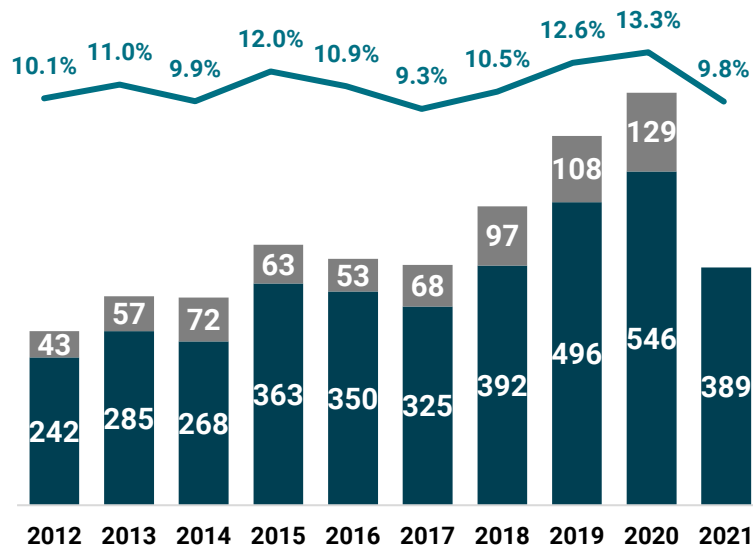
### SALES (in 000's CAN\$)



**CAGR Sales growth of 5.7%**

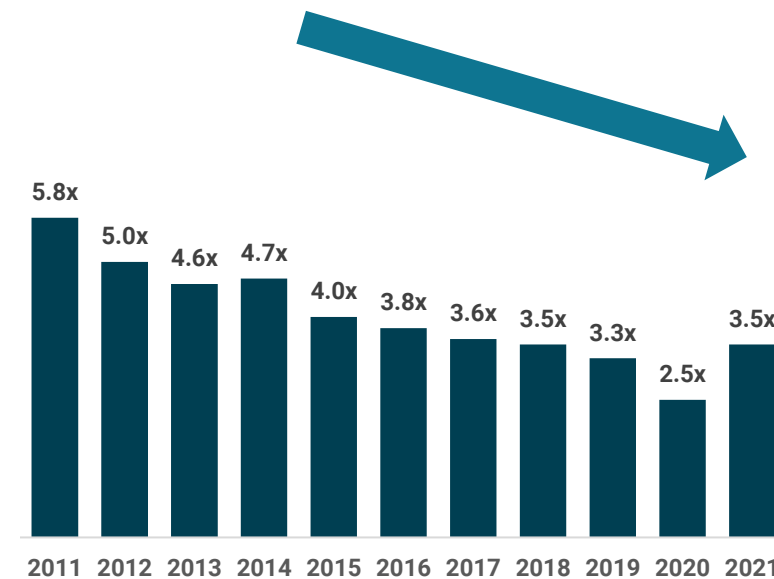
### ADJUSTED OIBD<sup>1</sup> & OIBD MARGIN

(M CAN\$, % of sales)



**Improved profitability profile in a volatile cost environment**

### LEVERAGE RATIO



**Disciplined capital management and strategic actions have resulted in a stronger financial profile**

<sup>1</sup> OIBD = Operating income before depreciation and is commonly referred to as EBITDA. Please click [here](#) for supplemental information on non-IFRS measures and other financial measures.

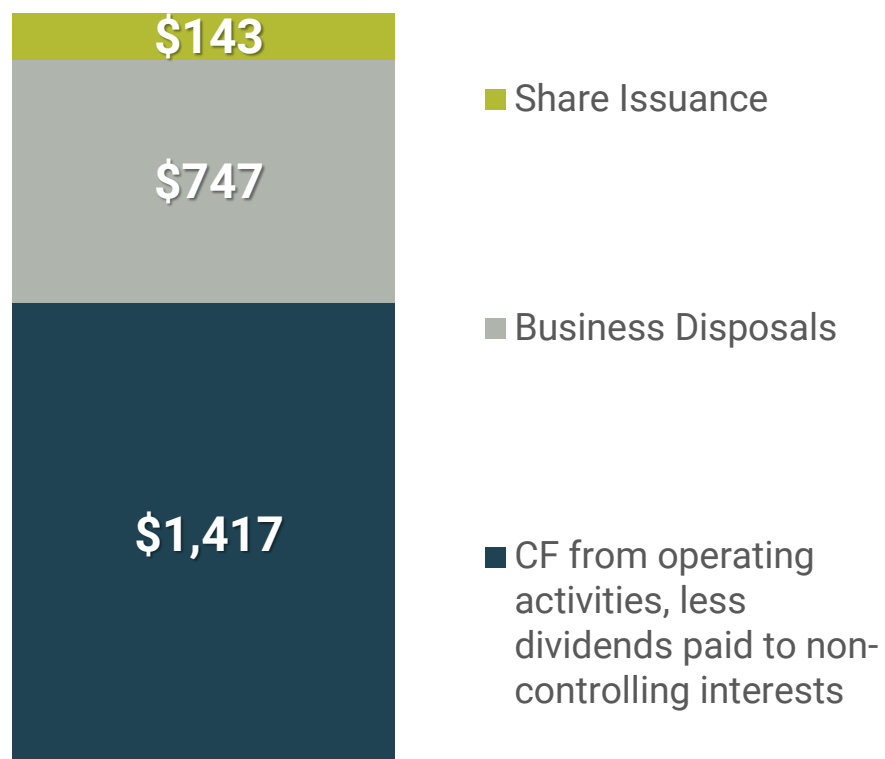




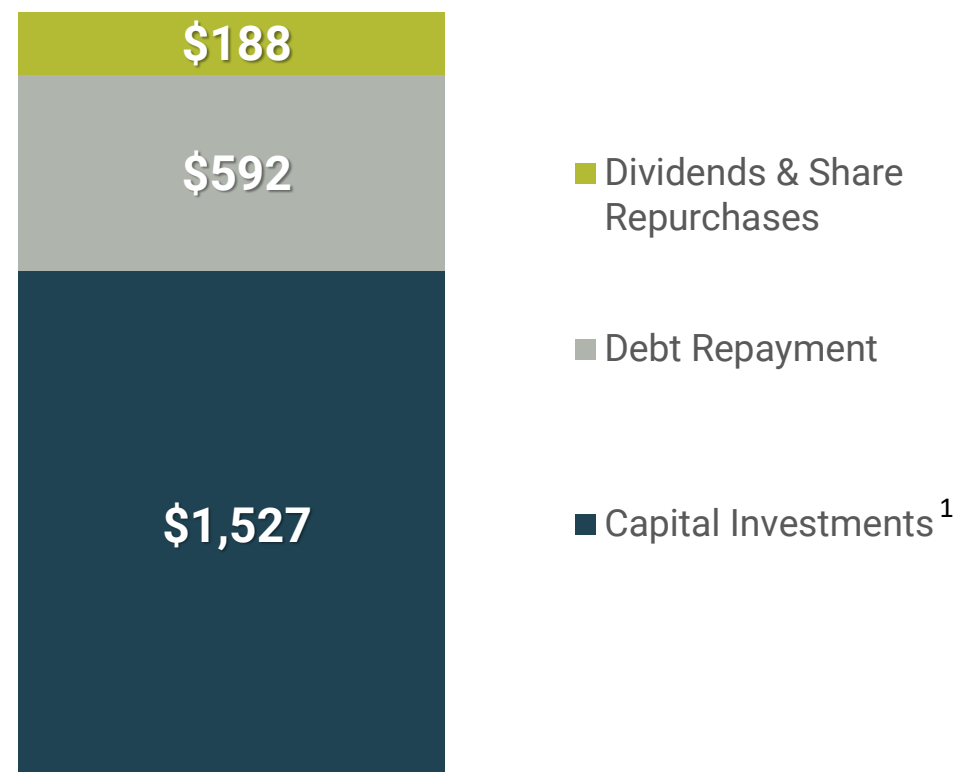
# Capital Allocation

In the last 5 years \$2.1 billion of adjusted OIBD<sup>2</sup> was generated

## Source of Funds 2017 -2021



## Use of Funds 2017 - 2021



(1) Capital investments include investments in property, plant and equipment, other assets, business acquisitions and acquisition of non-controlling interests.

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

# FINANCIAL PERFORMANCE

The Covid-19 pandemic led to important fluctuations in demand, added significant inflationary pressure on costs and impacted labour availability...



# Q1 2022 Overview

## Main Variances Q1-2022 vs Q4-2021 :

- Pricing & Mix: \$35 million
- Freight & Logistics: (\$17) million
- Volume & FX: (\$8) million
- Raw Material & Energy: (\$11) million

## Demand:

- Containerboard: Good market demand, slightly offset by lower converting order intake levels in Québec and Ontario
- Tissue: underlying demand momentum continuing to improve with economic reopening
- Specialty Packaging: solid demand levels in all sub-segments

## Selling Prices:

- Containerboard: Partial pricing realization, with benefits increasing in Q2
- Tissue: Benefits from announced increases starting Q2; New AfH increases announced for July 1<sup>st</sup>
- Specialty Packaging: price increases implemented in all sub-segments

## Operational:

- Planned tactical actions taken in Tissue to optimize customer and product portfolio
- Transportation constraints delayed shipments to some customers, primarily in Containerboard
- Labour availability improving but still limiting capacity in sub-segments



# Q1 2022 Results

(in millions of CAD\$, except per share amounts)

	Q1 2022	Q4 2021	Q1 2021 <sup>2</sup>
Sales	1,038	1,028	942
Operating Income	(4)	(90)	44
Adjusted OIBD <sup>1</sup>	58	62	122
Net earnings (loss)	(15)	105	22
Adjusted net earnings (loss)	(15)	(9)	29
Net earnings (loss) per common share	(\$0.15)	\$1.04	\$0.22
Adjusted net earnings (loss) per common share	(\$0.15)	(\$0.09)	\$0.29

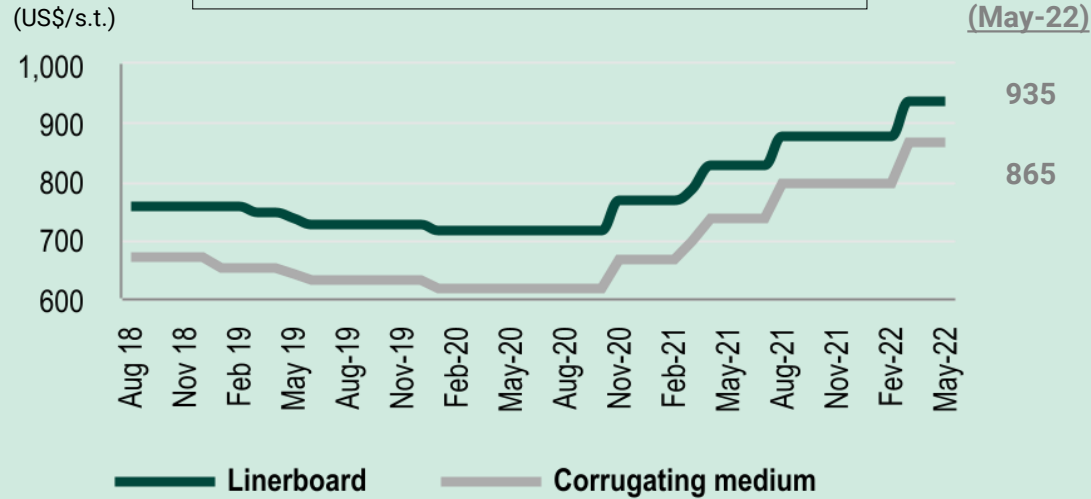
(1) Please click [here](#) for supplemental information on Non-IFRS measures and other financial measures.

(2) 2021 first quarter consolidated results have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details about discontinued operations.

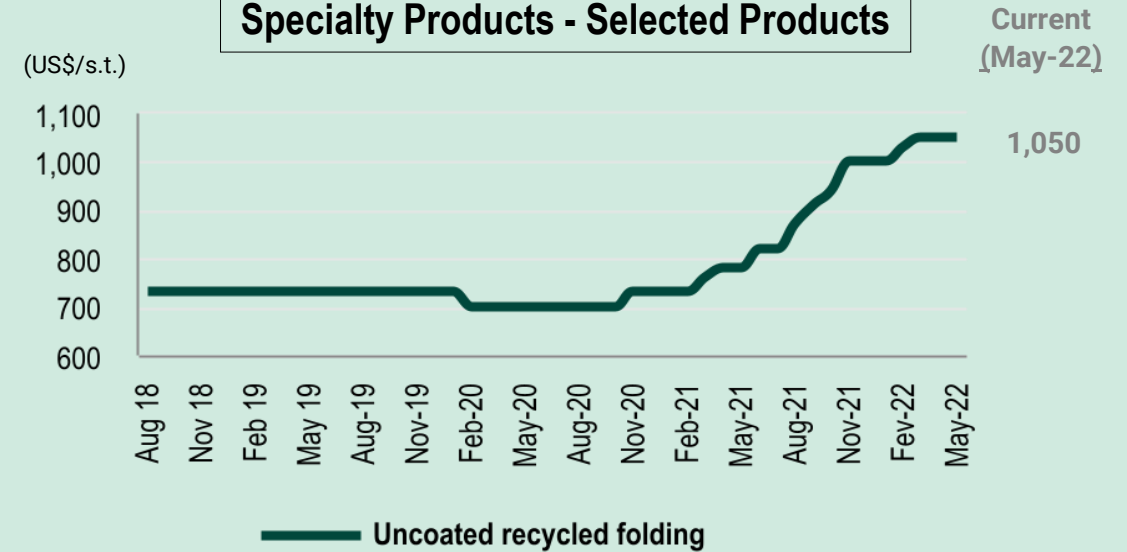


# Selling Prices - Index Reference Prices

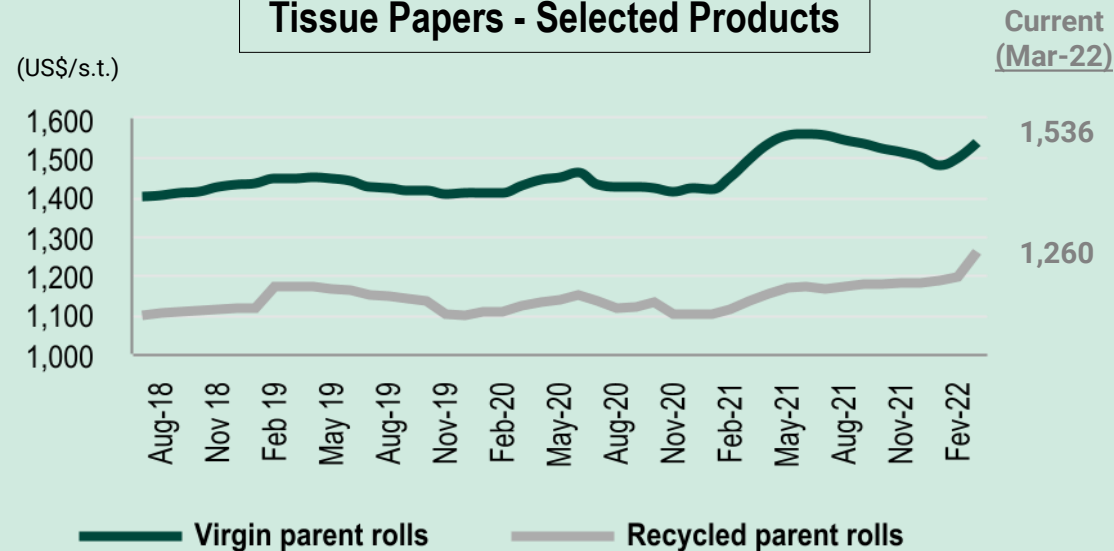
## Containerboard - Selected Products



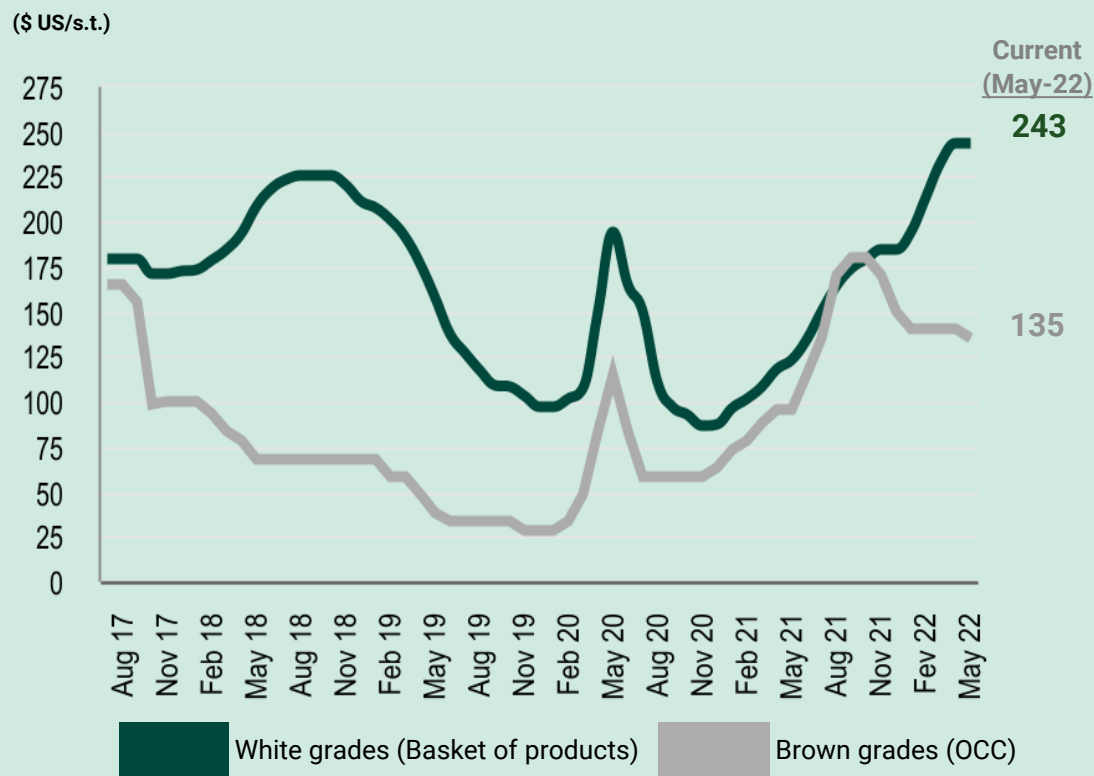
## Specialty Products - Selected Products



## Tissue Papers - Selected Products



# Recycled Fibre Costs – Index Prices



## OCC:

- Stable market, good inventories at our mills
- Favourable pricing trend sequentially; higher YoY
- Persistent challenges with transportation
- Export levels limited by port congestion and container availability; Ocean freight cost rising

## SOP:

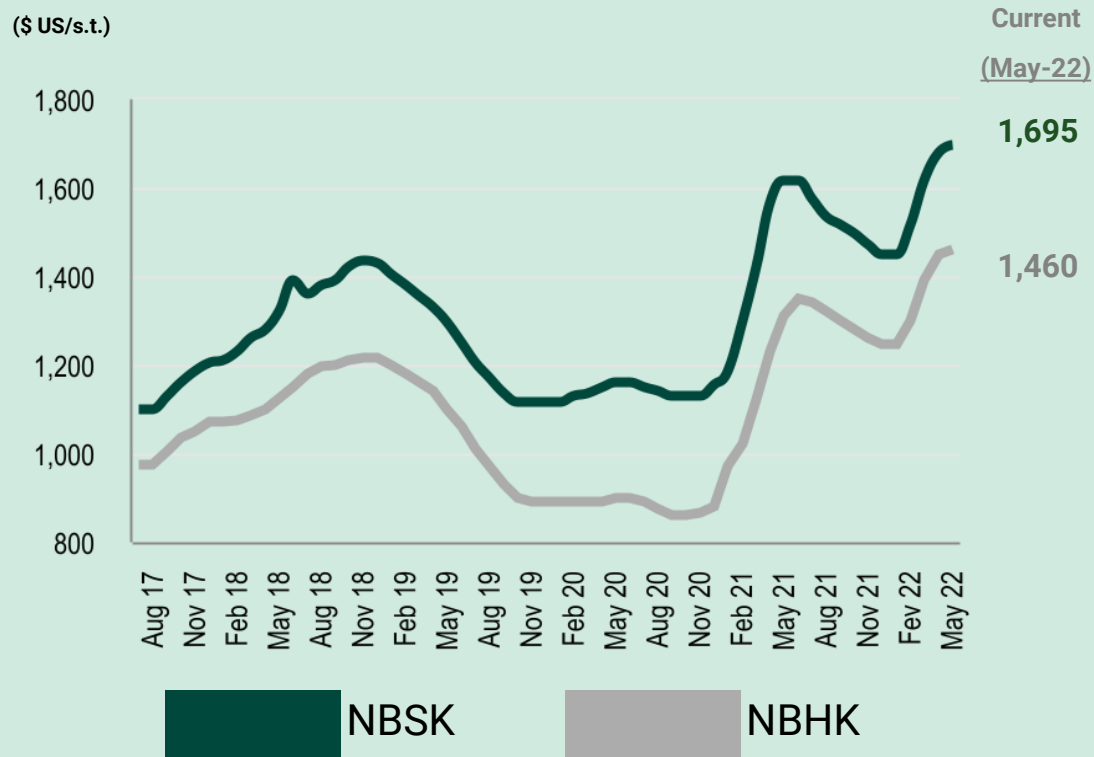
- Higher prices YoY and QoQ driven by tight market conditions - limited market supply, increasing demand with normalizing AfH tissue demand, rising pulp prices
- Mills adequately supplied by long term agreements, good inventory management

## Recovered Paper Prices

	<u>Q1 2022</u>	<u>Q4 2021</u>	<u>Q1 2021</u>	<u>Q1/Q1</u>	<u>Q1/Q4</u>
White grades - Basket of products (Northeast average) <sup>1</sup>	213	183	102	109%	16%
Brown grades - OCC No. 11 (Northeast average)	140	167	79	77%	(16)%

Source: RISI Northeast average. (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. Current price for White Grades is the RISI index price for SOP and is not a basket of products

# Virgin Fibre Costs – Index List Prices



## VIRGIN PULP:

- Supply impacted by multiple events: maintenance downtime, idling of production due to logistics constraints, labour disruptions
- Significant challenges with transportation: pulp tonnage in transit remains elevated, contributed to important index price increases
- Mills adequately supplied by long term agreements, good inventory management
- Continued diligent approach to manage logistics and transportation
- Improving logistics and return of production capacity will ease market pressure

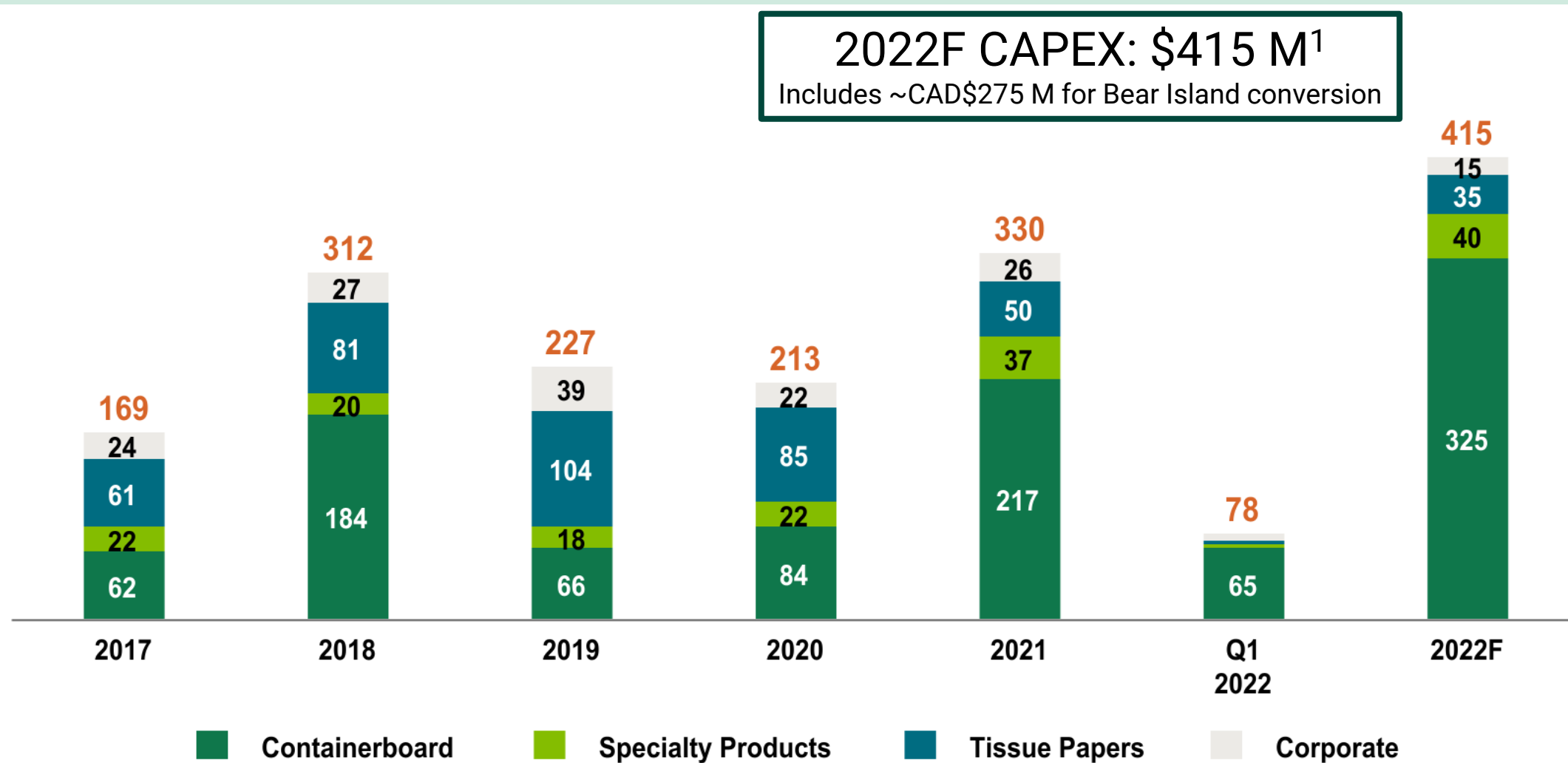
### Virgin Pulp Prices

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

	<u>Q1 2022</u>	<u>Q4 2021</u>	<u>Q1 2021</u>	<u>Q1/Q1</u>	<u>Q1/Q4</u>
NBSK (Canadian sources delivered to Eastern US)	1,527	1,472	1,302	17%	4%
NBHK (Canada/US sources delivered to Eastern US)	1,312	1,262	1,037	27%	4%

# Capital Investments

(in property, plant & equipment, in millions of Canadian dollars, excluding new leases, disposal of assets and accounts payable variation)

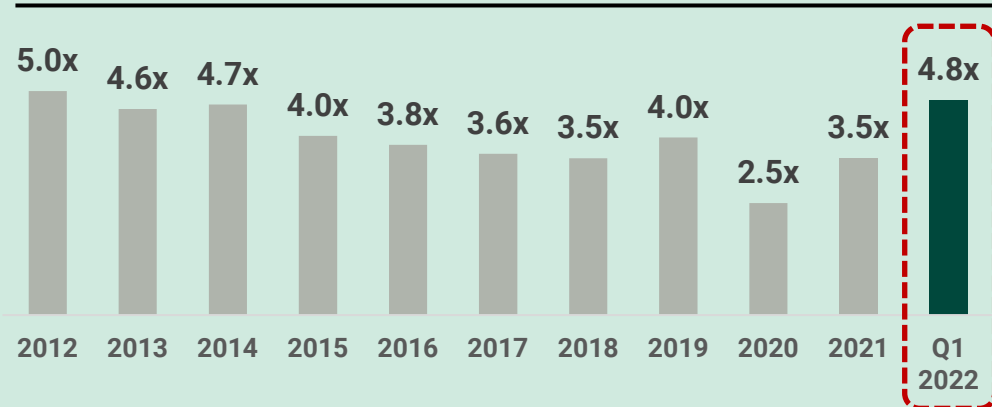


(1) Amount is subject to change depending on business and/or economic conditions.

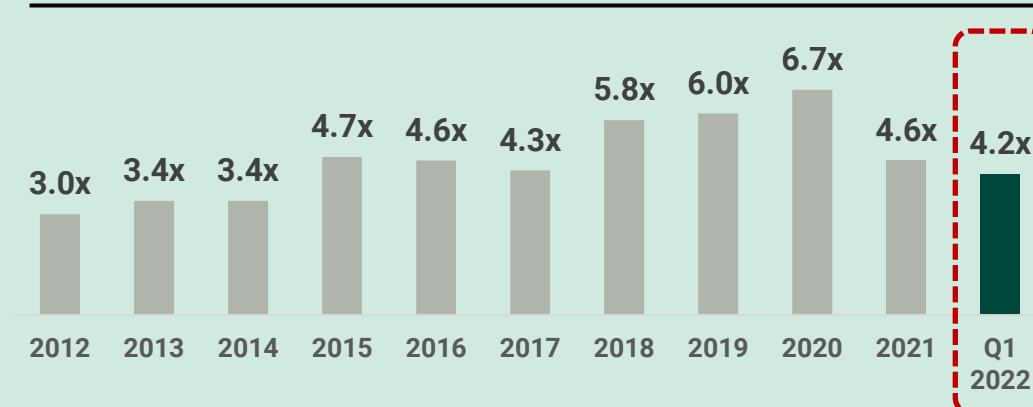


# Financial Ratios & Debt Maturities

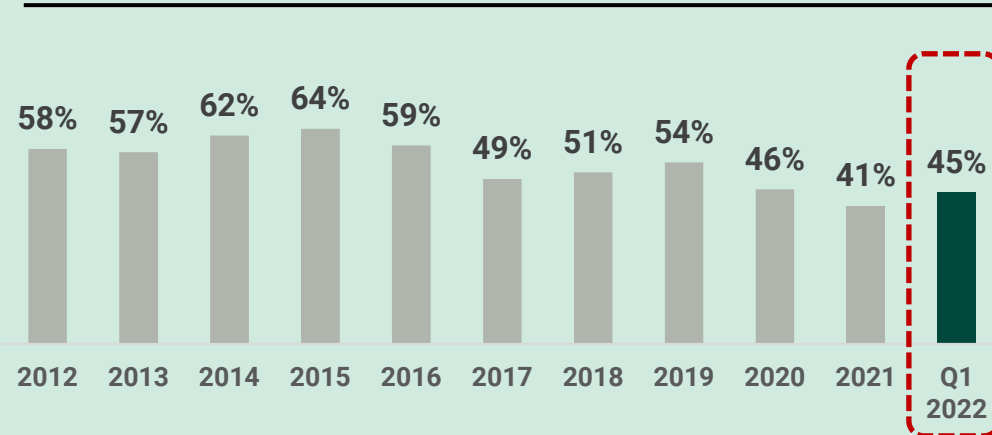
## Net Debt / Adjusted OIBD<sup>1,3</sup>



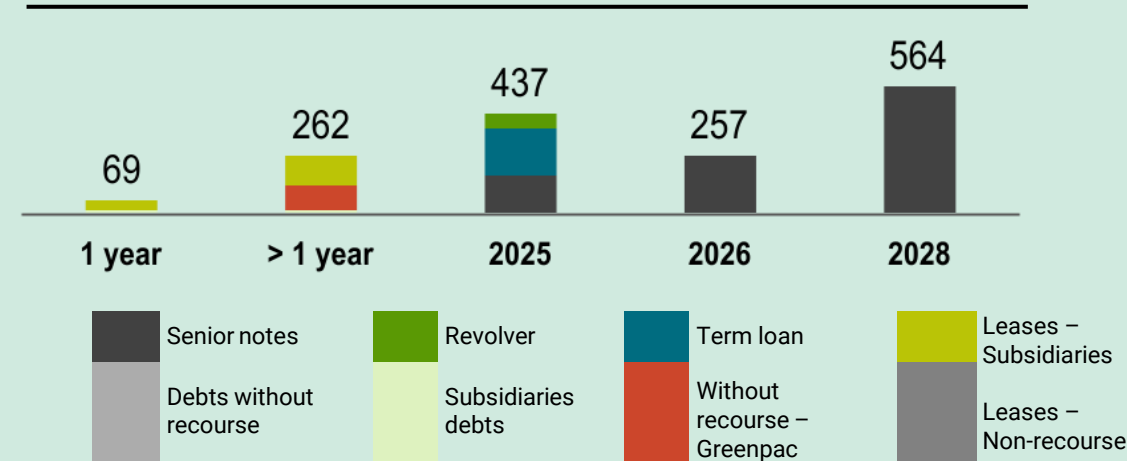
## Interest Coverage Ratio<sup>2,3</sup>



## Net Debt / Net Debt + Total Equity<sup>1</sup>



## Long-Term Debt Maturities (as at March 31, 2022)



Bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 41.39%), interest coverage ratio > 2.25x (currently at 3.64x).

(1) Please click [here](#) for supplemental information on non-IFRS measures and other financial measures. (2) Adjusted OIBD to financing expense.

(3) Pro-forma up to 2018 to include business acquisitions on a LTM basis, if applicable.



# PACKAGING BUSINESSES

**Cascades**  
**fresh**<sup>™</sup>  
PERFORMA



**Cascades**  
**northbox**<sup>™</sup>  
XTEND



**Cascades**  
**fresh**<sup>™</sup>  
FIBRES



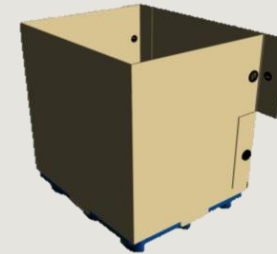
**Cascades**  
**EnviroWhite**<sup>™</sup>



**Cascades**  
**e-com**   
packaging  
solutions<sup>™</sup>



**Cascades**  
**e-com**   
packaging  
solutions<sup>™</sup>

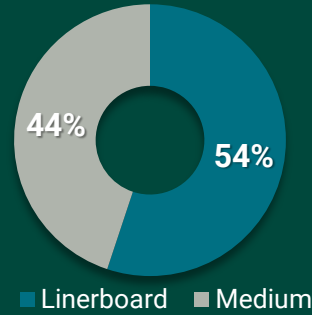
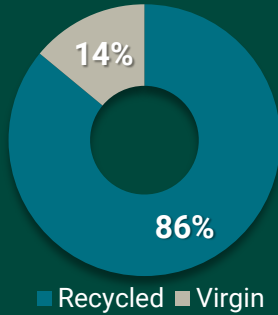


**Cascades**  
**fresh** <sup>™</sup>



# Containerboard

Annual capacity:  
**1,575 k s.t.**



## Manufacturing

**11%**  
of 2021 sales

Canada

**17%**  
of 2021 sales

USA



## Converting

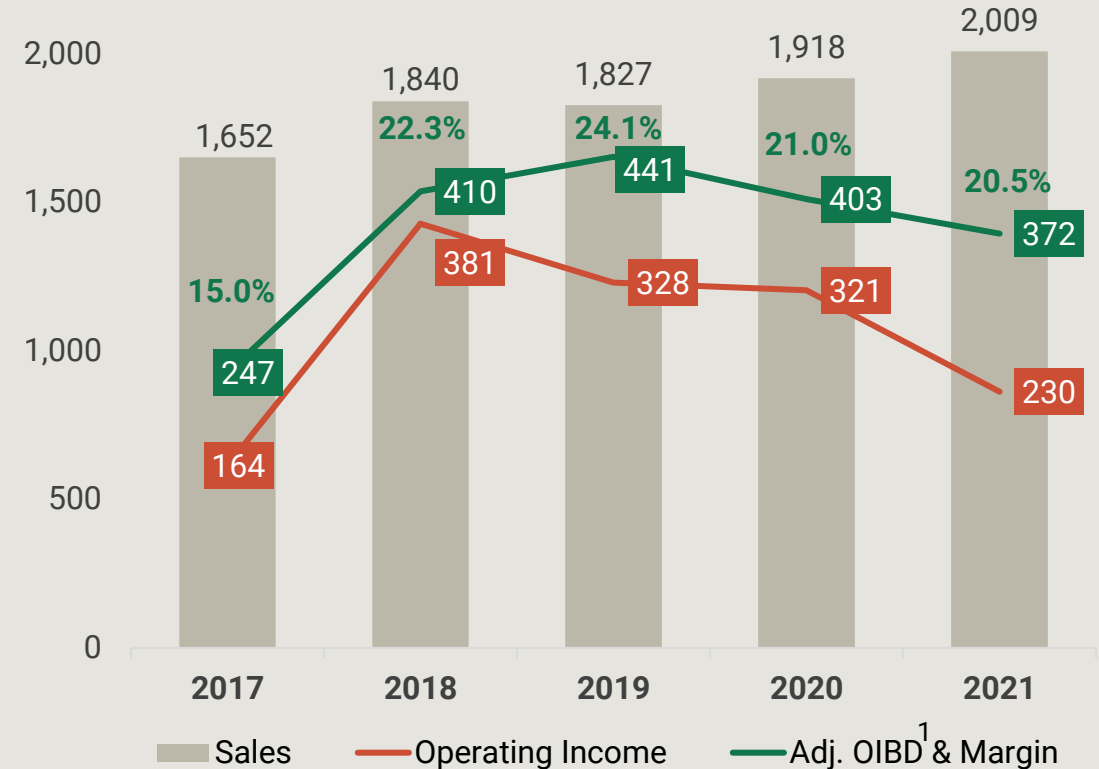
**54%**  
of 2021 sales

**17%**  
of 2021 sales

**2021 INTEGRATION RATE<sup>2</sup>: 73%**

## 6<sup>th</sup> largest containerboard producer in N.A.

(CAN \$ M)



**2017 – 2021 adjusted OIBD<sup>1</sup> CAGR: 10.8%**

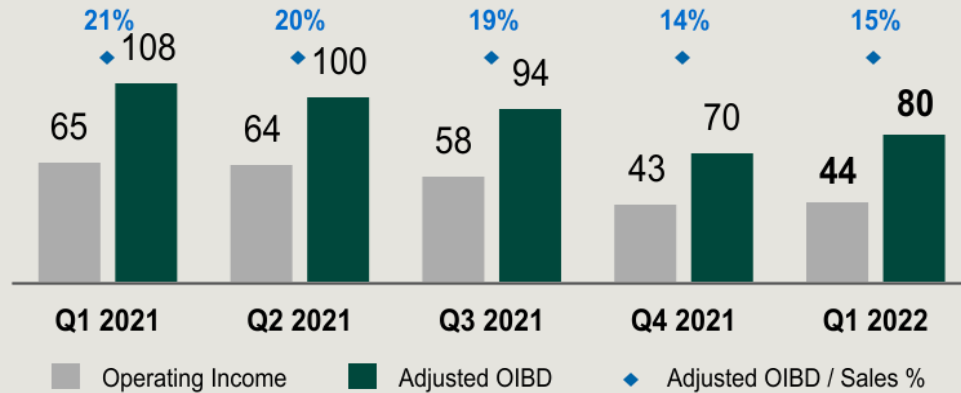
(1) Please click [here](#) for supplemental information on non-IFRS measures.

(2) Including associates, JVs.



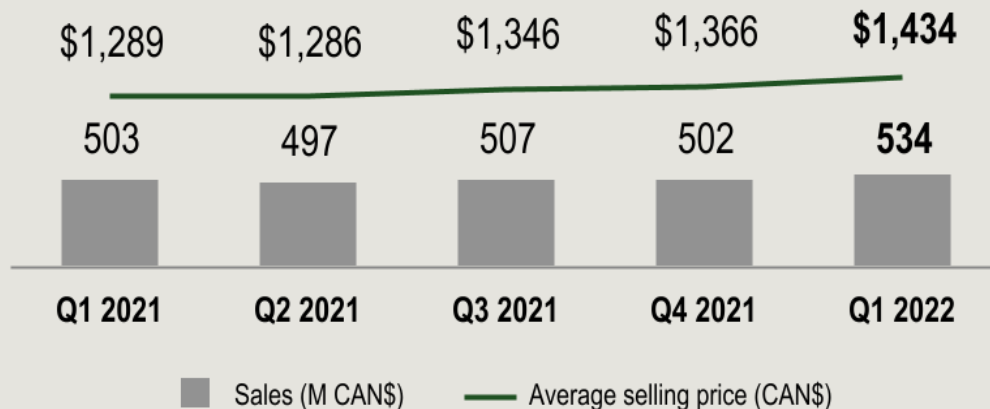
# Containerboard

## Quarterly Operating Income & Adjusted OIBD<sup>1</sup> (M CAN\$)

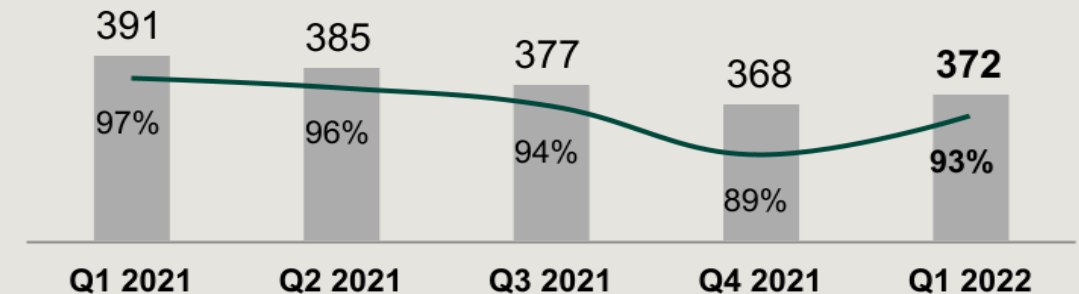


- Lower first quarter 2022 shipments reflect record levels in prior year period, lower order intake in Quebec and Ontario in current period due to transportation constraints and customer erosion related to profitability initiatives.
- Cost inflation impact on production, energy and logistics continues, but is expected to be offset by benefits from announced price increases.
- Stronger seasonality and easing of logistics constraints supporting normalization of shipments in second quarter.

## Quarterly Sales and Average Selling Price



## Quarterly Shipments ('000 s.t. and % capacity utilization<sup>2</sup>)



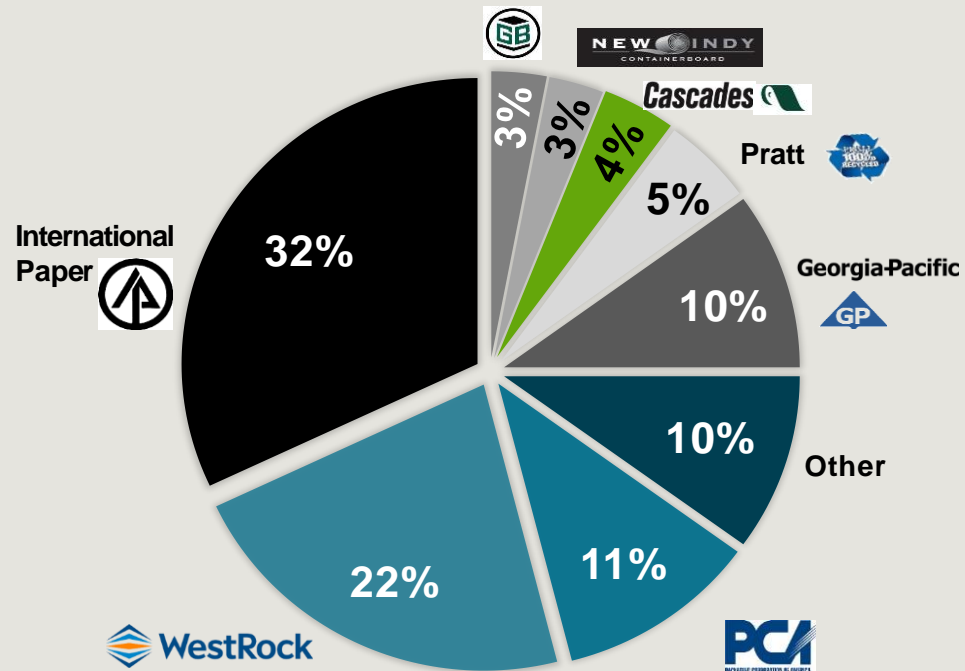
(1) Please click [here](#) for supplemental information on non-IFRS measures and other financial measures.

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

# Containerboard

The North American market offers good returns and attractive growth potential

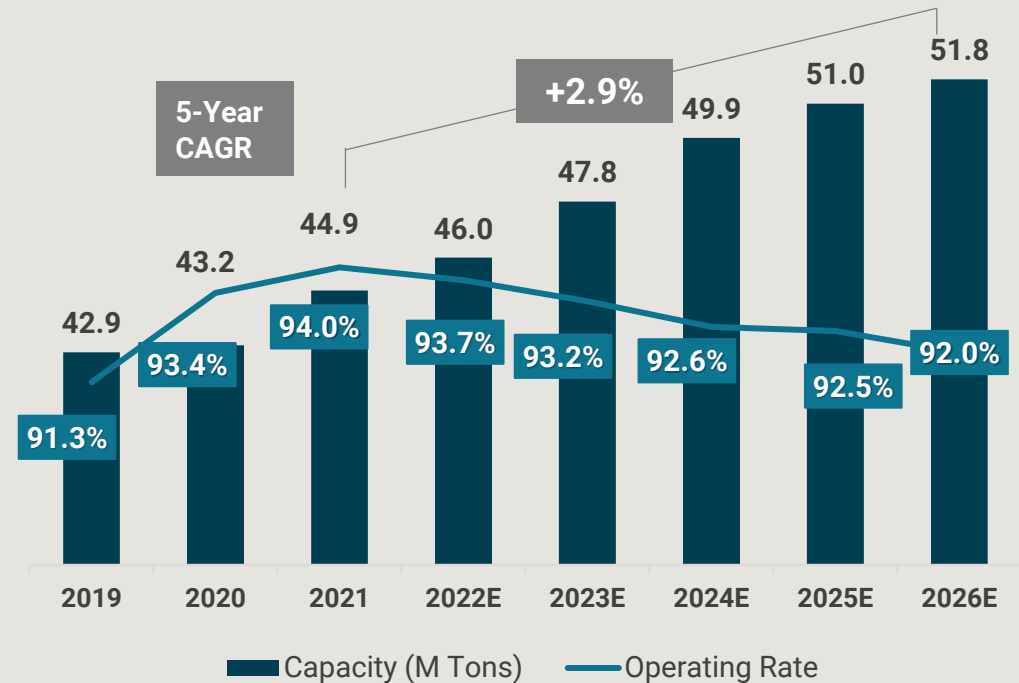
Market share: top 4 players = 75%<sup>1</sup>



<sup>1</sup> Source: FisherSolve N/A Containerboard, accessed May 18, 2021. Other category includes all players with 2% or less market share. Does not include Bear Island

North American Capacity and Operating Rate<sup>2</sup>

- Forecasted 2021 - 2026 CAGR capacity growth of ~ 2.7%
- Operating rate average ~93.0% over 2021 - 2026

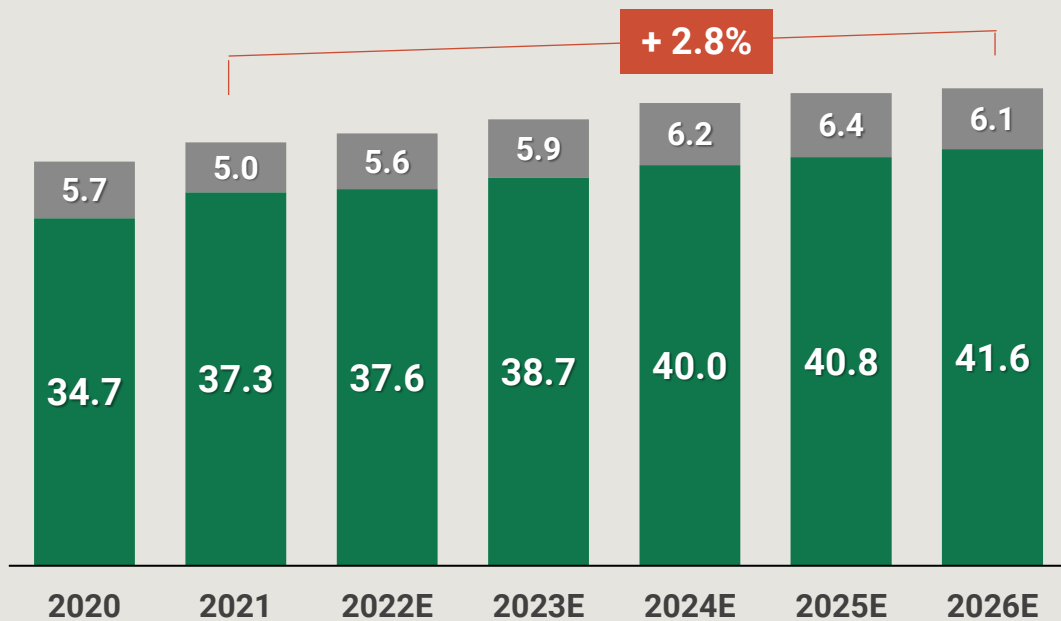


<sup>2</sup> Source: RISI North American Paper Packaging Forecast 5-year (March 2022)

# Containerboard

## North American Containerboard Expected Production

■ Net Exports (M Tons) ■ Containerboard consumption (M Tons)



5-Year CAGR

## Key Market Growth Drivers

### e-Commerce adoption

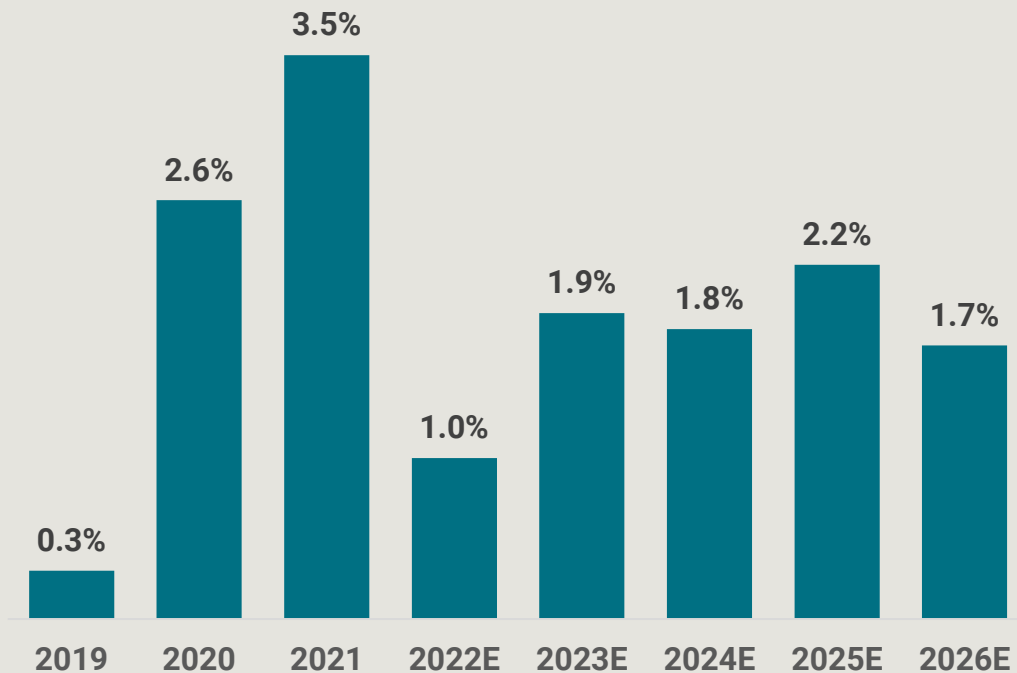
- COVID-19 accelerated adoption amongst all population segments
- Consumer behavior changes, increased usage in new categories (e.g., food, agriculture)

### Sustainability is key

- Consumer demand driving shift to responsible packaging
- Brand owners seeking solutions with greater recycled content
- Greater usage of Lightweight containerboard

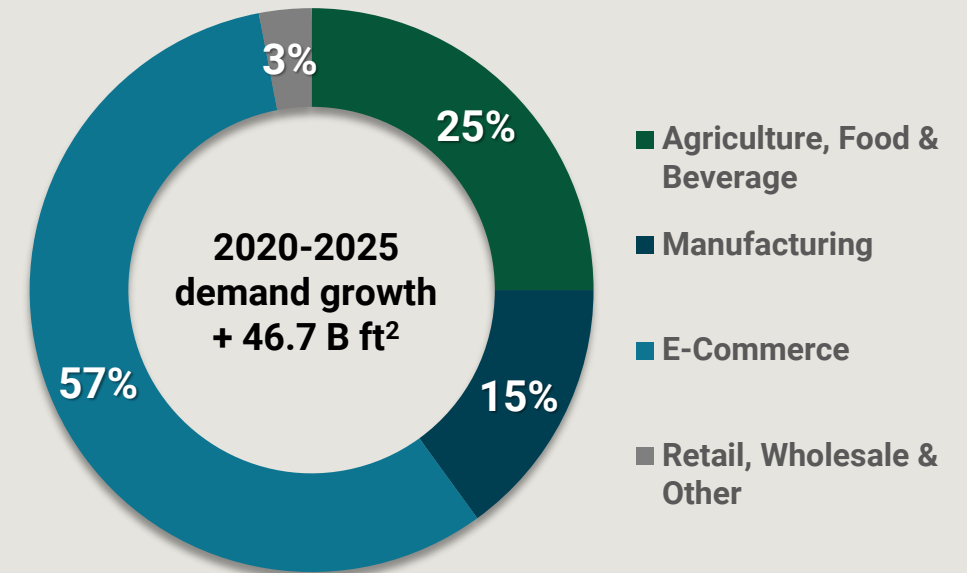
# Containerboard

## Box Shipment Growth<sup>1</sup>



(1) Source: RISI North American Paper Packaging Forecast 5-year (March 2022)

## Box Demand Growth Segmentation<sup>2</sup>



- Average box demand forecasted growth<sup>1</sup>: +2.0% (CAGR) 2021-26
- E-commerce, agriculture and food & beverage sectors account for 82% of total expected market growth

(2) Source: Numera Analytics, October 2021

# Containerboard

Our platform is well positioned to capitalize on market growth



Distribution/E-com



Produce



Food Processing

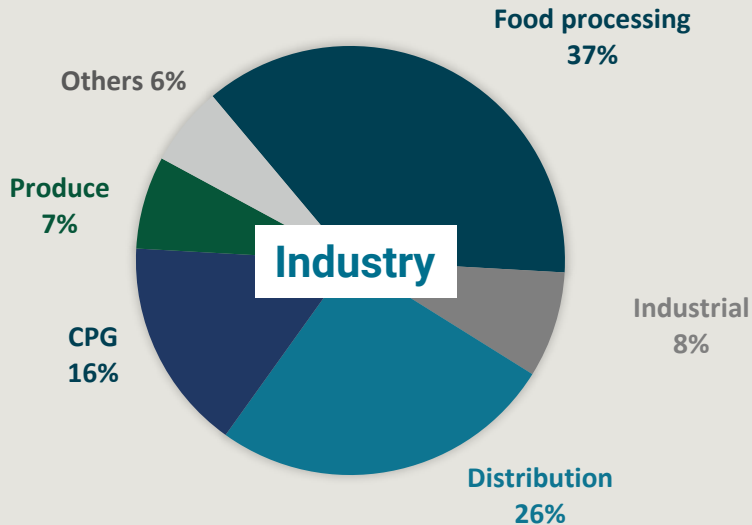
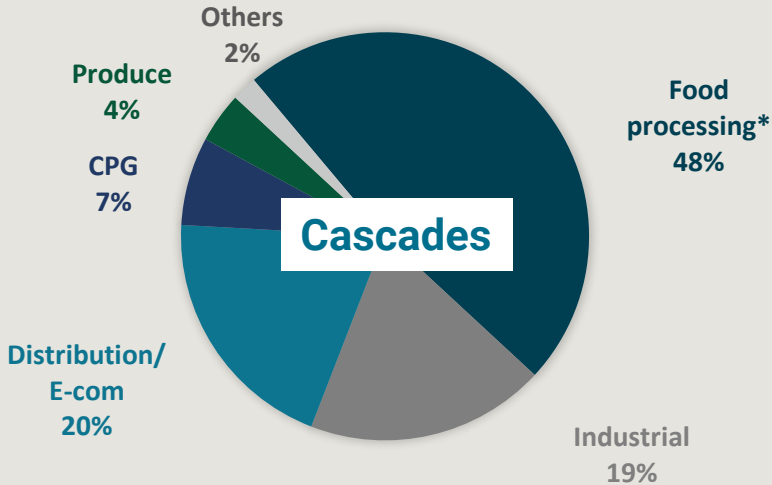


Consumer (CPG)



Industrial

(In MSF)



Source: Cascades full year 2021– sales segmentation in MSF  
 \* Includes beverage market

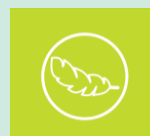
Sources: Economic Trends and Outlook for Corrugated Products, Richard Storat and FBA August 2021 FBA, NA corrugated Industry Bulletin – Dec. 2020



# Containerboard - Bear Island Project

START DATE: 12/2022	≤ 2021	2022	2023	2024	2025	Full potential
PROJECT COST: US \$425 M - \$450 M	\$175	\$210	\$50	-	-	
PRODUCTION RAMP UP			~ 70%	~ 94%	~ 97%	100%
ANNUAL PRODUCTION ('000 s.t.)			~ 330,000	~ 435,000	~ 450,000	~ 465,000
OIBD <sup>1</sup> (US\$M)			~\$40-\$55	~\$70-\$85	~\$80-\$90	~\$90-\$100

## Aligned with key market trends



Lightweight



Microflute Demand



Recyclability  
Sustainability



E-commerce



(1) Revised based on current market conditions - Spread (Linerboard-OCC) including forecasted Liner/Medium mix, current inbound and outbound freight cost. Please click [here](#) for supplemental information on non-IFRS measures and other financial measures.

# Containerboard - Bear Island Project Update

With our investment in Bear Island, we have significant growth opportunity to meet market demand.

(in millions of Canadian dollars unless otherwise specified)		STATUS
PROJECT COST	US \$425 - \$450 M	On track
INVESTMENT TO DATE	US \$188 M (\$241 M)	On track
START-UP	December 14, 2022	On track
CONTAINERBOARD ADJ. OIBD <sup>1</sup> IMPACT	Q1 2022: CAN (\$2 M) LTM Q1 2022: CAN (\$7 M)	On track
PRODUCTION VOLUME SECURED <sup>2</sup>	2023: 100% 2024 - 2025: 75%	On track
LABOUR <sup>3</sup>	490 employees on-site, increasing to 725 in June	On track
RAW MATERIAL	First delivery of OCC on-site in April	On track

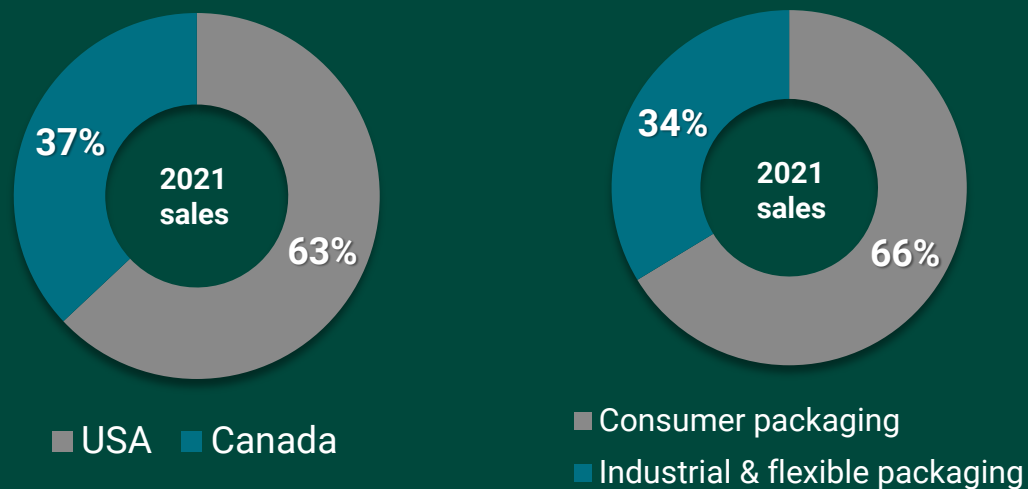
(1) Please click [here](#) for supplemental information on non-IFRS measures and other financial measures.

(2) Includes tonnage that will be integrated internally.

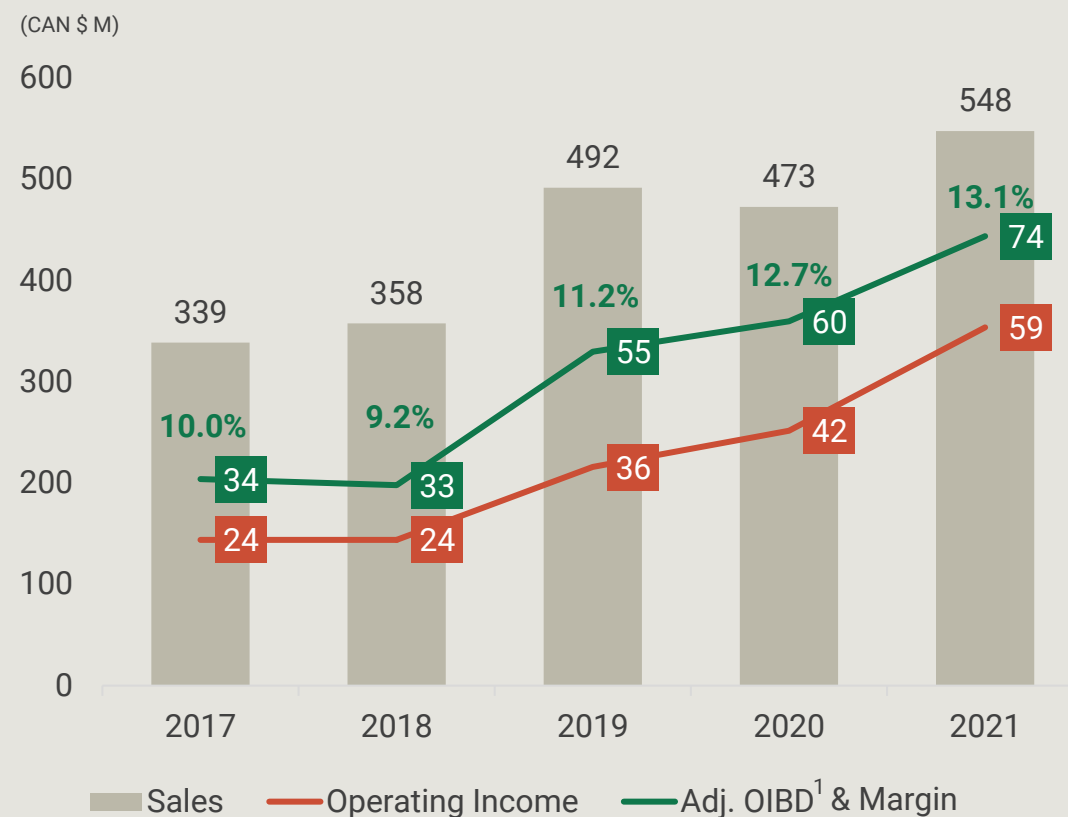
(3) 490 includes 30 salaried/hourly employees and 460 contractual workers; 725 includes 115 salaried/hourly employees and 610 contractual workers.

# Specialty Products<sup>3</sup>

2021 sales of \$548 M increased 16% from 2020



## Comprehensive Packaging Solutions Provider Focused on Strategic Scalable Markets



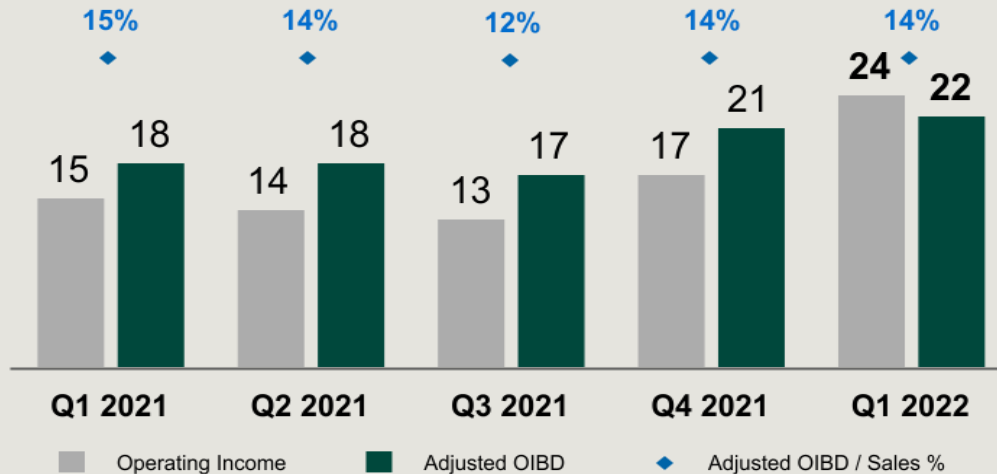
**5-Year adjusted OIBD<sup>1</sup> margin CAGR: 22%**  
**5-Year sales CAGR: 13%**

<sup>1</sup> Please click [here](#) for supplemental information on non-IFRS measures and other financial measures.

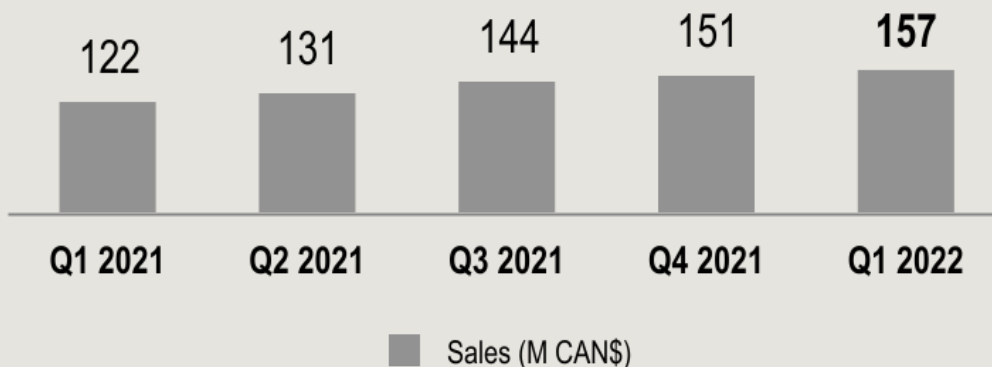


# Specialty Products

## Quarterly Operating Income & Adjusted OIBD<sup>1</sup> (M CAN\$)



## Quarterly Sales



- Q1 2022 adjusted OIBD<sup>1</sup> of \$22 M was the second consecutive record quarterly level, and increased 5% sequentially and 22% versus prior year
- **Industrial packaging:** results benefited from improved selling price and more favourable sales mix, the effects of which offset operational, maintenance and freight cost inflation
- **Moulded pulp:** results were stable sequentially, with benefits from price increases neutralizing the higher operational and logistics cost environment
- **Rigid and flexible plastics:** lower sequential results reflect less favourable mix, labour constraints and higher input and operational costs, the effect of which outweighed benefits from higher volume and average selling price

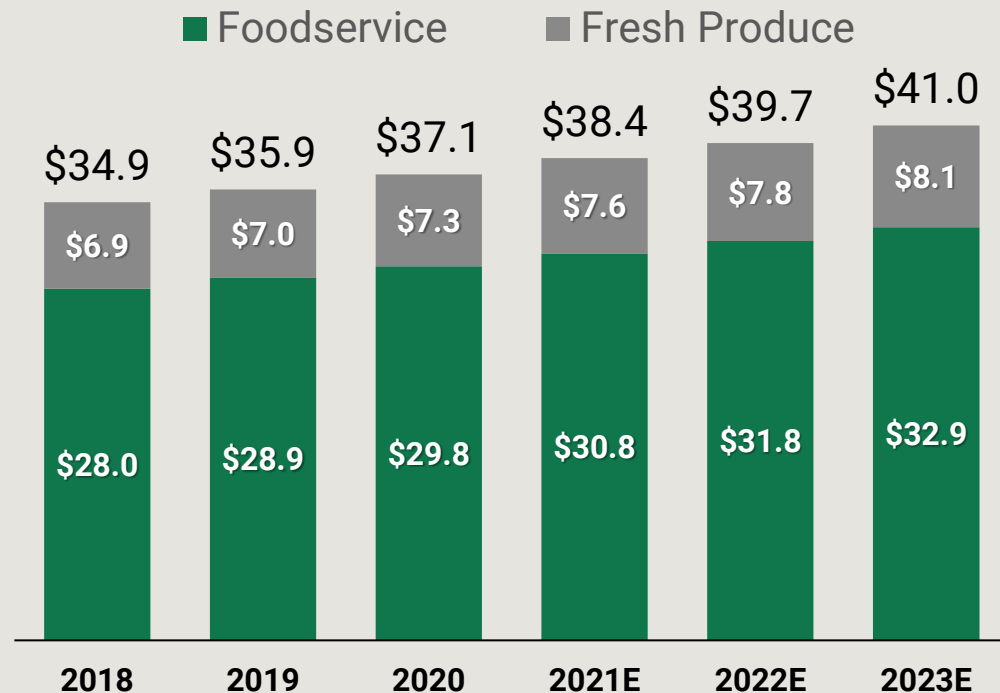
(1) Please click [here](#) for supplemental information on non-IFRS measures and other financial measures.

# Specialty Products

With 50% of our 2021 sales coming from the fresh produce, egg packaging, food services & isothermal distribution markets, our eco-friendly packaging solutions are well positioned to capitalize on market trends.

## North American Fresh Produce and Foodservice Packaging Demand<sup>1</sup>

(CAN\$ billions)



## Key Market Growth Drivers

### Consumer Trends

- Consumer focus on health and wellness driving demand for fresh foods
- New business models driving demand (e.g., meal kits and isothermal packaging)






### Sustainability is key

- Demand for sustainable packaging driving single use plastic-to-fibre shift
- Regulatory actions prohibiting single plastic use or mandating recycled content
- Demand for sustainable packaging solutions outpacing general market projected growth

<sup>1</sup> Note: Figures converted to CAD using exchange rate of \$0.79; figures may not tie due to rounding. Source: Freedonia, bank estimates

# Specialty Products

Our sustainable packaging solutions are aligned with growing market segments.

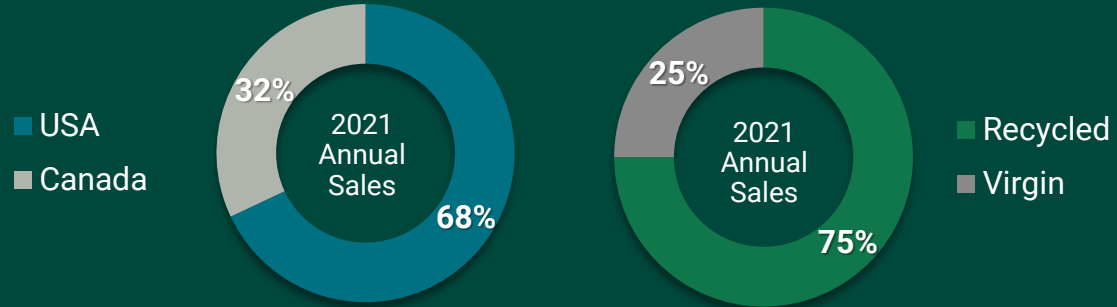
	 <b>EGG PACKAGING</b>	 <b>FRUITS &amp; VEGETABLES</b>	 <b>PROTEINS</b>	 <b>ISOTHERMAL DISTRIBUTION</b>	 <b>FOOD SERVICES</b>
<b>MARKET GROWTH<sup>1</sup></b>	<b>+ 3.4%</b> 2020-2025	<b>+ 3.5%</b> 2019-2024	<b>+4.1%</b> 2019-2024	<b>+ 12.3%</b> 2021-2028	<b>+ 3.4%</b> 2018-2023
<b>2024 MARKET VALUE OF TARGETED SUB-SEGMENTS<sup>1</sup></b>	<b>\$0.3 B</b>	<b>\$0.7 B</b>	<b>\$2.5 B</b>	<b>\$0.3 B</b>	<b>\$0.3 B</b>

(1) Sources: Freedonia "Molded Pulp Packaging" USA, April 2020; Freedonia "Egg Cartons" USA, Retail, July 2020; Freedonia "Fresh Produce" USA, Retail, March 2021; Freedonia "Case Ready Fresh Protein Packaging" USA + Canada, November 2020; Freedonia single use food service products 2020.

# TISSUE PAPERS BUSINESS



# Tissue Papers



## Retail Tissue

**54%**  
of 2021 sales

Branded: 7%  
Private label: 47%

## Away-from-Home

**36%**  
of 2021 sales

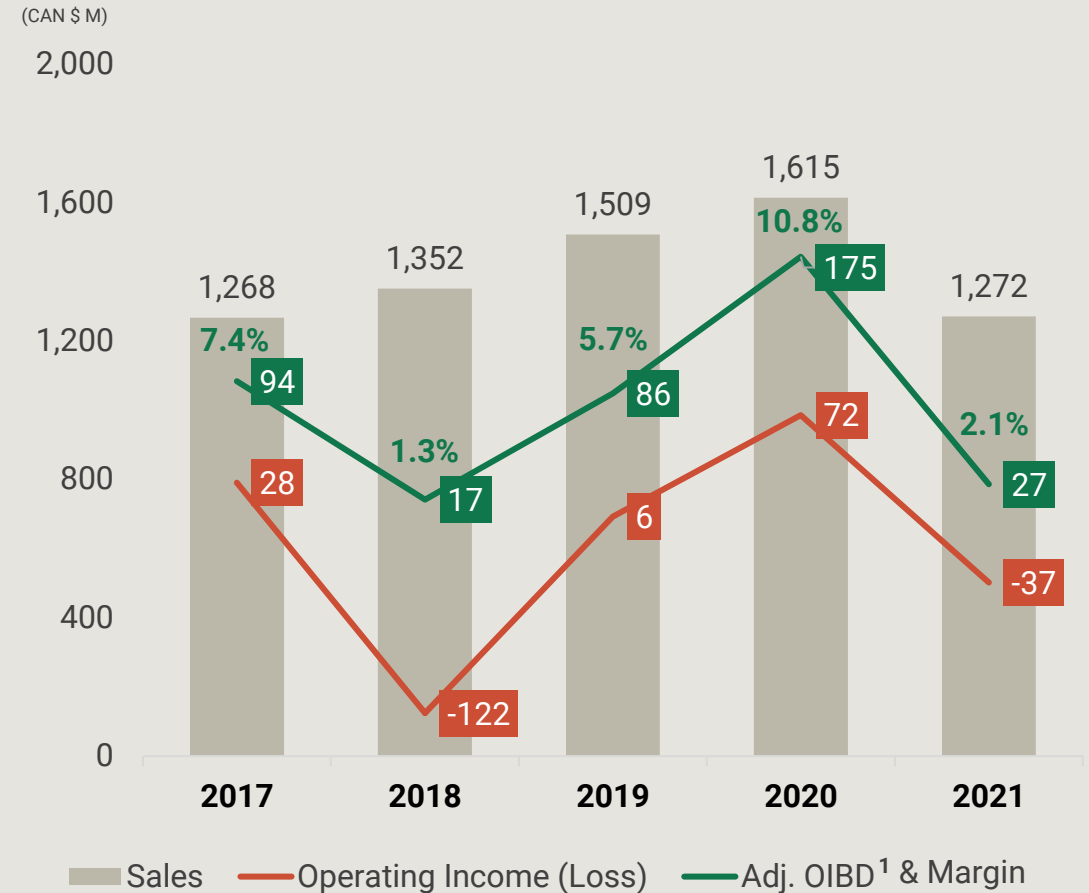
Branded: 19%  
Private label: 17%

## Parent Rolls

**10%**  
of 2021 sales

**2021 INTEGRATION RATE: 74%**

## 4<sup>th</sup> largest tissue producer in N.A.



<sup>1</sup> Please click [here](#) for supplemental information on non-IFRS measures and other financial measures.

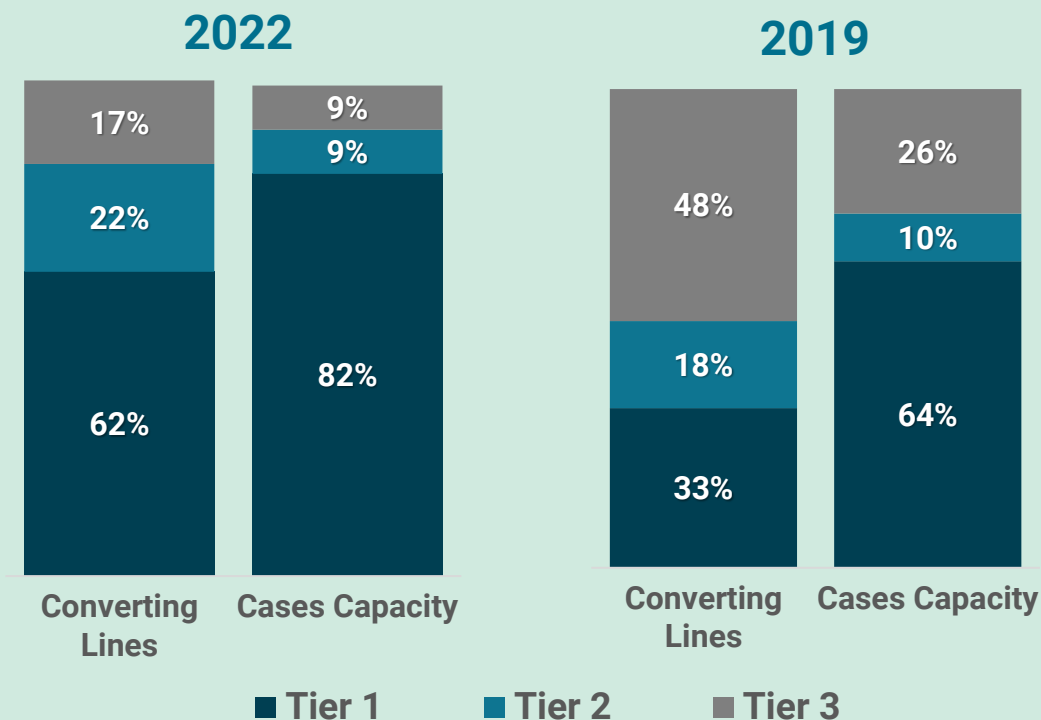




# Tissue Papers

More than \$400 M invested between 2017 – 2021 to strengthen and modernize our platform.

ACTION	EQUIPMENT	CAPACITY
<b>Closed</b> 7 facilities	4 paper machines	104 K s.t.
	28 converting lines	16 M cases
<b>Added</b>	13 converting lines (6 sites)	15 M cases
<b>Moved</b>	5 converting lines (3 sites)	3 M cases



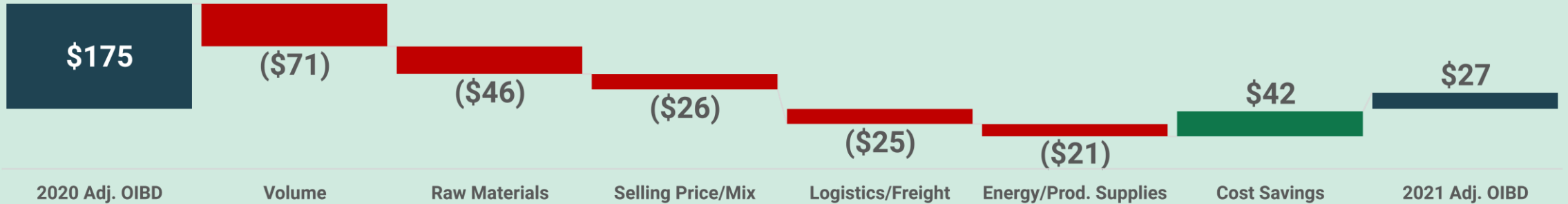
+ Acquired Orchids Paper Products assets in 2019 (US\$235 M)

✓ Improved quality of assets

# Tissue Papers – What happened in 2021?

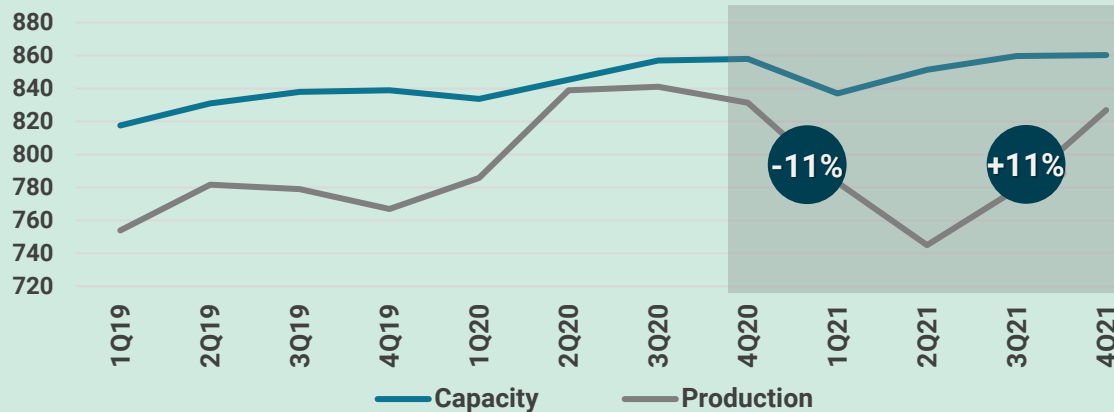
Volume + raw material headwinds accounted for 80% of the reduction in adjusted OIBD<sup>1</sup>

(CAN\$ Millions)

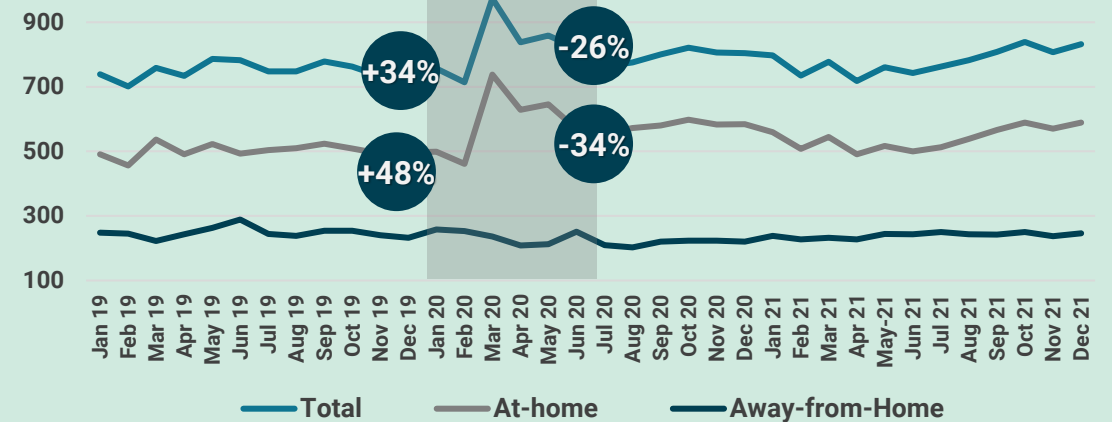


Covid-19 had a significant disruptive and unpredictable impact on demand & production

Average US Monthly Parent Roll Capacity & Production<sup>2</sup> ('000 s.t.)



US Tissue Converted Products Shipments<sup>2</sup> ('000 s.t.)



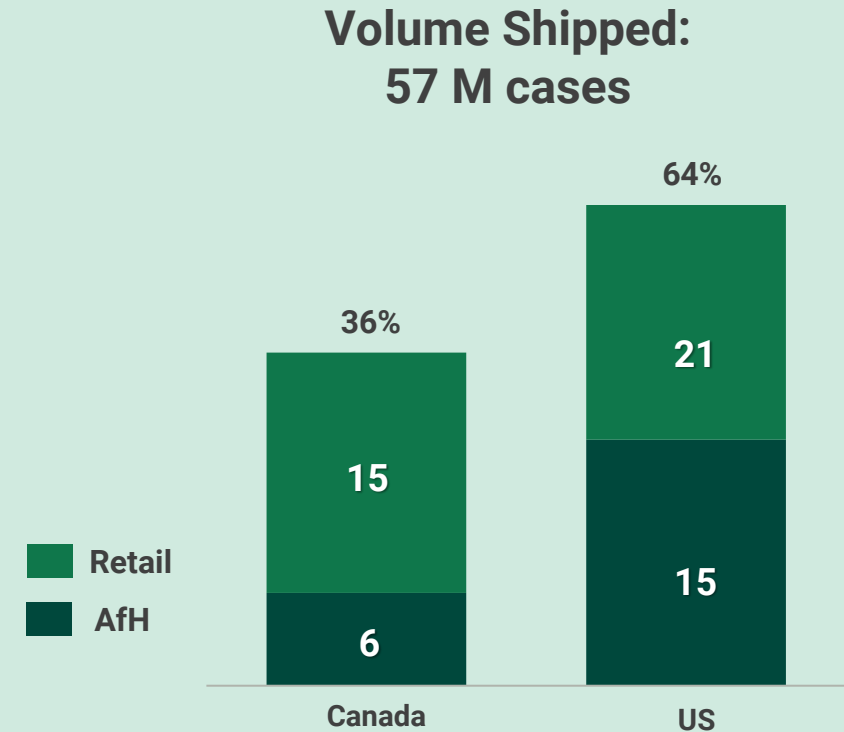
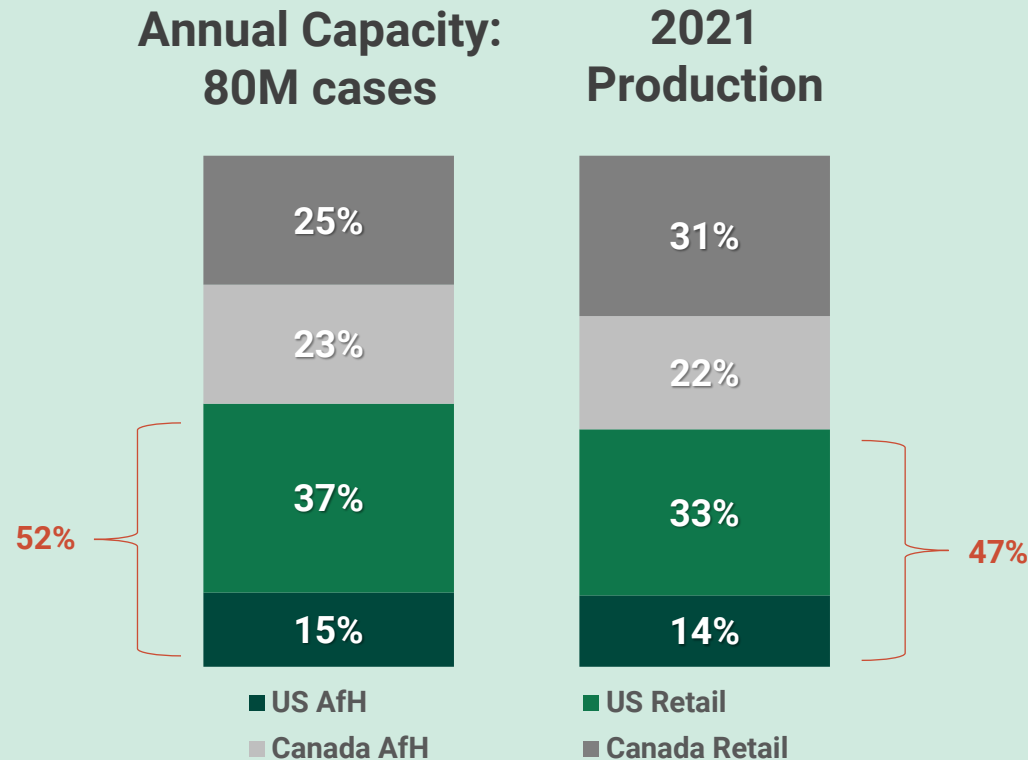
<sup>1</sup> Please click [here](#) for supplemental information on non-IFRS measures and other financial measures. <sup>2</sup> Source: RISI – US Tissue Monthly Data Report, January 31, 2022.

# Tissue Papers – What happened in 2021?

Our US and Canadian businesses are interconnected

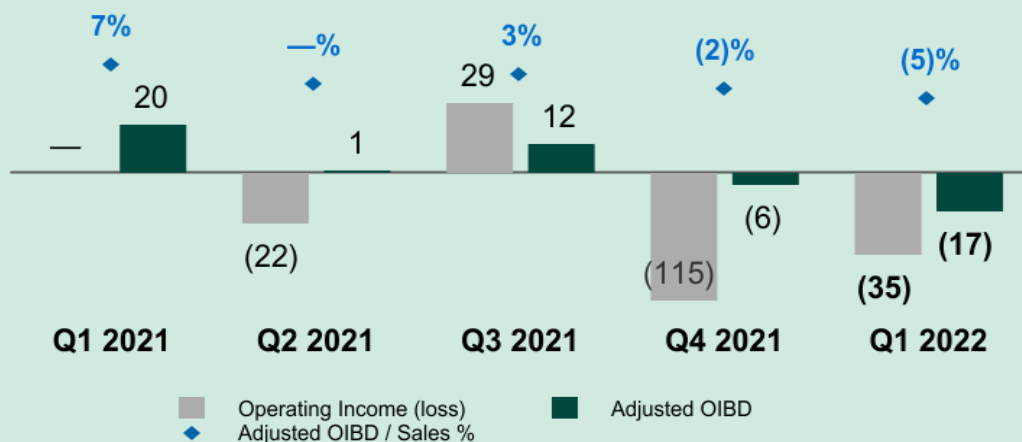
52% of our annual capacity is in the US...  
... in 2021 only 47% came from there

...while 64% of our 2021 volume was sold in the U.S.



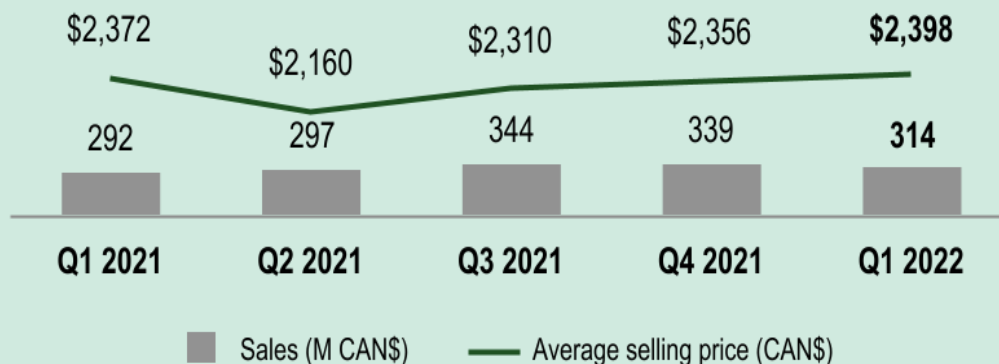
# Tissue Papers

## Quarterly Operating Income & Adjusted OIBD<sup>1</sup> (M CAN\$)

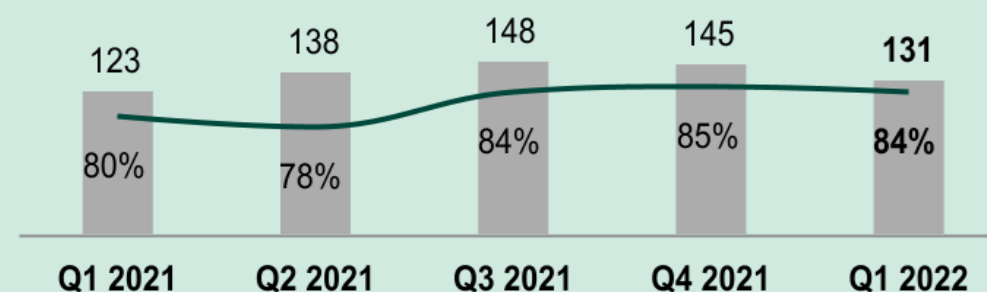


- Continued to see positive demand level momentum for both Away-from-Home and Retail tissue as effects of pandemic stabilize and economic reopening continues.
- Significant increase in input and logistics costs during the quarter impacted results prior to realization of benefits from announced price increases beginning in the second quarter.
- Focused on productivity, increasing capacity utilization, evaluation of additional profitability initiatives to mitigate significant cost inflation.
- Improving labour environment with increased availability; training of new employees being ramped up.

## Quarterly Sales and Average Selling Price

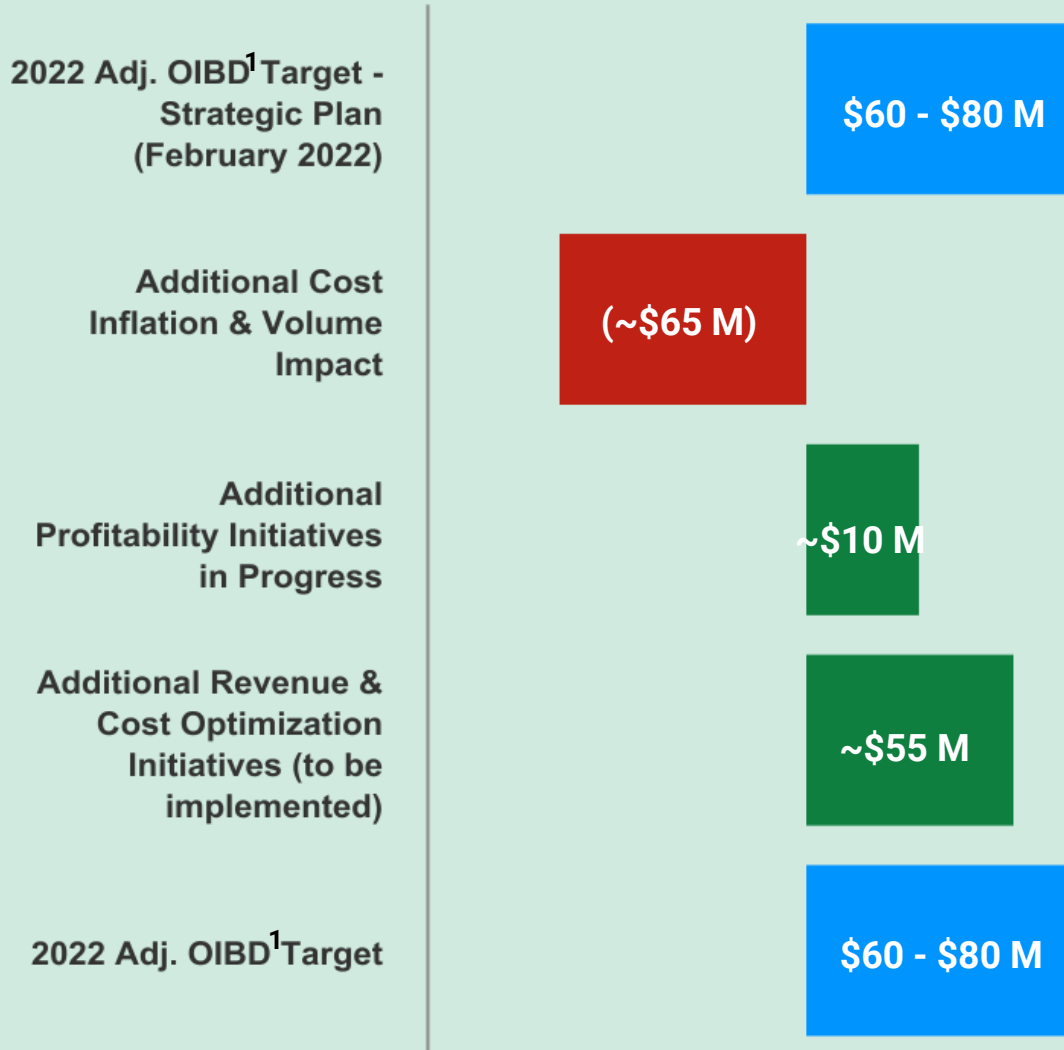


## Quarterly Shipments ('000 s.t. and % capacity utilization<sup>2</sup>)



(1) Please click [here](#) for supplemental information on non-IFRS measures and other financial measures.  
 (2) Utilization rate defined as total manufacturing shipments divided by practical capacity.

# Tissue Papers – Strategic Plan Update

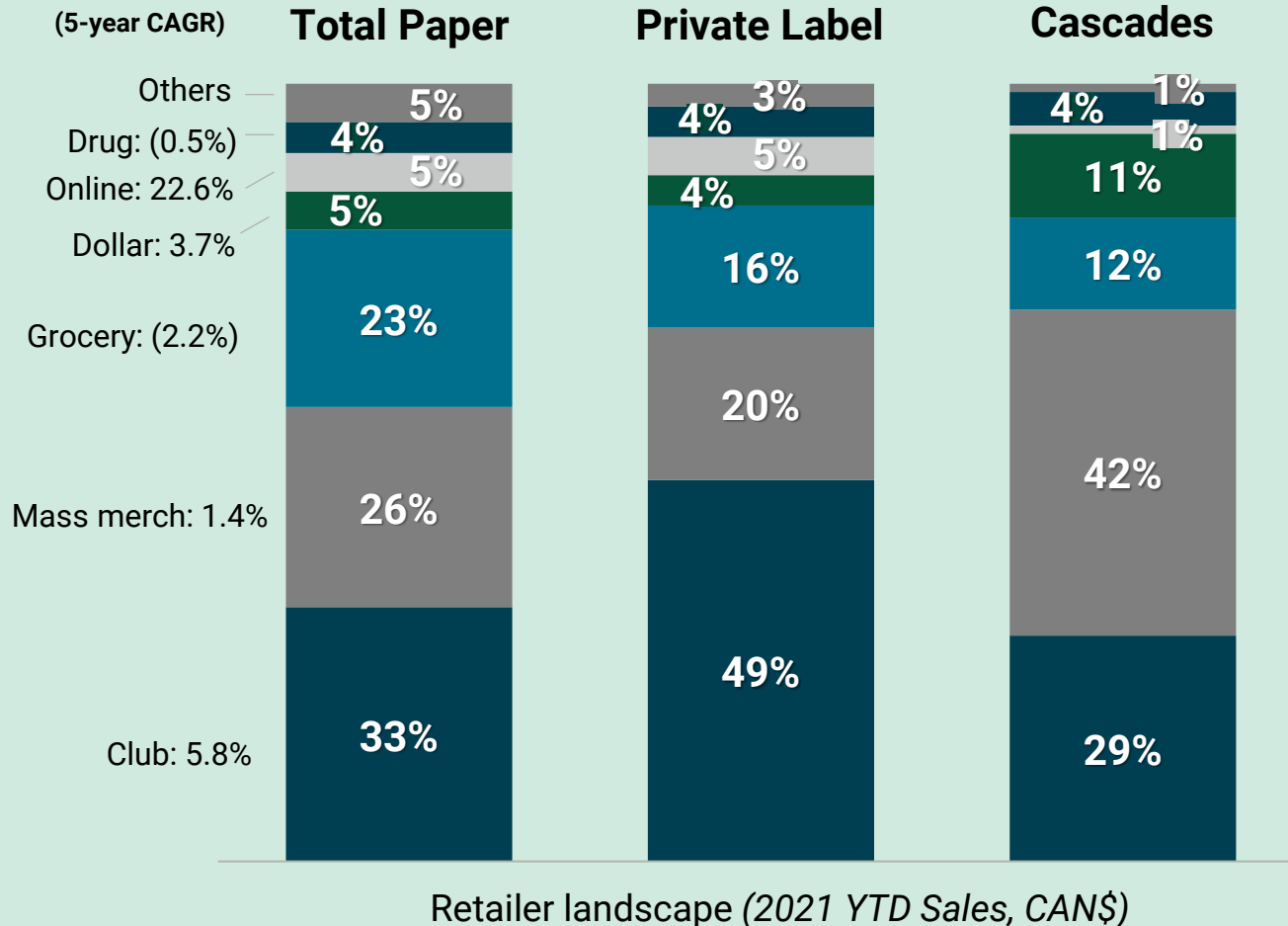


- Our plan is progressing as expected despite significant additional cost headwinds in recycled fibre, virgin pulp and energy (~\$15 M) and transportation (~\$35 M). 2022 target of 65-70 M cases is now revised to ~64 M.
- Profitability initiatives, as outlined in our Strategic Plan, are being implemented as planned; Benefits will be weighted to the second half of 2022, as expected.
- Benefits from announced price increases for Retail and Away-from-Home (AfH) products will begin contributing to results in Q2.
- New price increases announced in AfH effective July 1<sup>st</sup>
- Cost inflation to continue to impact results in the coming quarters; Evaluation of additional revenue and cost improvement initiatives in progress, expected to help offset evolving cost headwinds.
- Continue to expect to generate 2022 OIBD within our targeted range of \$60 - \$80 M as disclosed in our Strategic Plan update.

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

# Tissue Papers

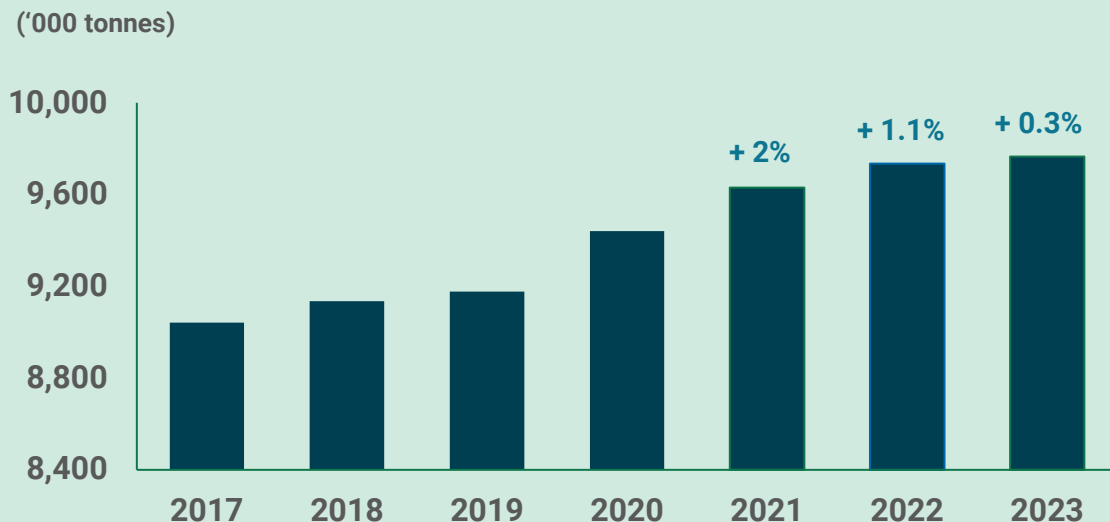
The majority of our retail tissue business is in growing retail segments.



- ~60% of Private Label volume is sold in Club and Mass Merchandiser customer segments
- Majority of Cascades' Retail tissue share is in the Private Label segments Club and Mass merchandiser
- Cascades has more exposure to Mass merchandiser and Dollar segments compared to the market
- Cascades has lower exposure to grocery segment than the market

# Tissue Papers

## Tissue Capacity<sup>1</sup>



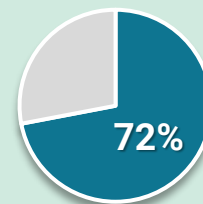
US GDP Growth<sup>1</sup>

Forecasted N.A. Population Growth<sup>2</sup>

	2021	2022	2023
US GDP Growth <sup>1</sup>	6.5%	4.1%	2.3%
Forecasted N.A. Population Growth <sup>2</sup>	0.8%	0.8%	0.8%

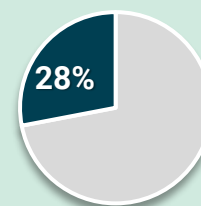
## Key Market Growth Drivers<sup>3</sup>

### Retail



- Premiumization; demand for Ultra and Premium product segments
- Consumers increasingly brand agnostic, willing to purchase private label

### Away-from-Home (AFH)



- Economies re-opening, people returning to offices and public spaces
- Customer demand for sustainable tissue solutions and greater recycled content

<sup>1</sup> Source: RISI, NA Packaging Outlook Nov 2021. Tissue capacity data, World Tissue Capacity Report, Sep 2021. Note: effective capacity considers learning curves of new expansions and acquisitions/divestments. Total production capacity is total reported capacity. <sup>2</sup> Source: Organization for Economic Cooperation and Development (OECD), Feb 2022. Reflects FY2020 Breakdown. Source: AF&PA, Paper Packaging Canada, RISI, Equity Research

# WHERE WE ARE GOING

**Our 2022-2024 Strategic Plan outlines our detailed actionable objectives – Our Path Forward**





# 2022 OUTLOOK



Good demand dynamics for  
Packaging products

Announced selling price increases  
in all business segments

Return to normalized demand levels in the  
tissue as the reopening of the economy  
accelerates

Benefits from our new Strategic Plan,  
including key Tissue profitability initiatives

Bear Island start-up December 2022



Price of natural gas

Availability and cost of  
logistics

Raw material costs,  
particularly white recycled  
fibre grades

Inflationary pressure on  
operational costs including  
labour, production supplies,  
energy and logistics



# 2022 – 2024 Strategic Plan: Top Priorities

An integrated company with strong assets to drive value for shareholders



# 2022 – 2024 Strategic Plan: Business Objectives

## CONTAINERBOARD

Be the go-to solution  
for businesses

- Complete Bear Island start-up
- Increase integration with new converting capacity in the U.S.
- Achieve 2024 revenue of ~ \$2.9 B
- Generate 2024 OIBD<sup>1</sup> margin of ~19% - 21%
- Invest \$325 M in CAPEX in 2022 (including \$275 M for Bear Island)

## SPECIALTY PRODUCTS

Be the leader in  
sustainable packaging

- Increase pace of new sustainable product development and commercial launches
- Continue to develop and grow our share of targeted markets
- Achieve 2024 revenue of ~ \$700 M
- Generate 2024 OIBD<sup>1</sup> margin of ~ 17% - 19%
- Invest ~\$40 M in 2022 in state-of-the-art technology & automation to support sales growth

## TISSUE PAPERS

The path forward to  
improved profitability

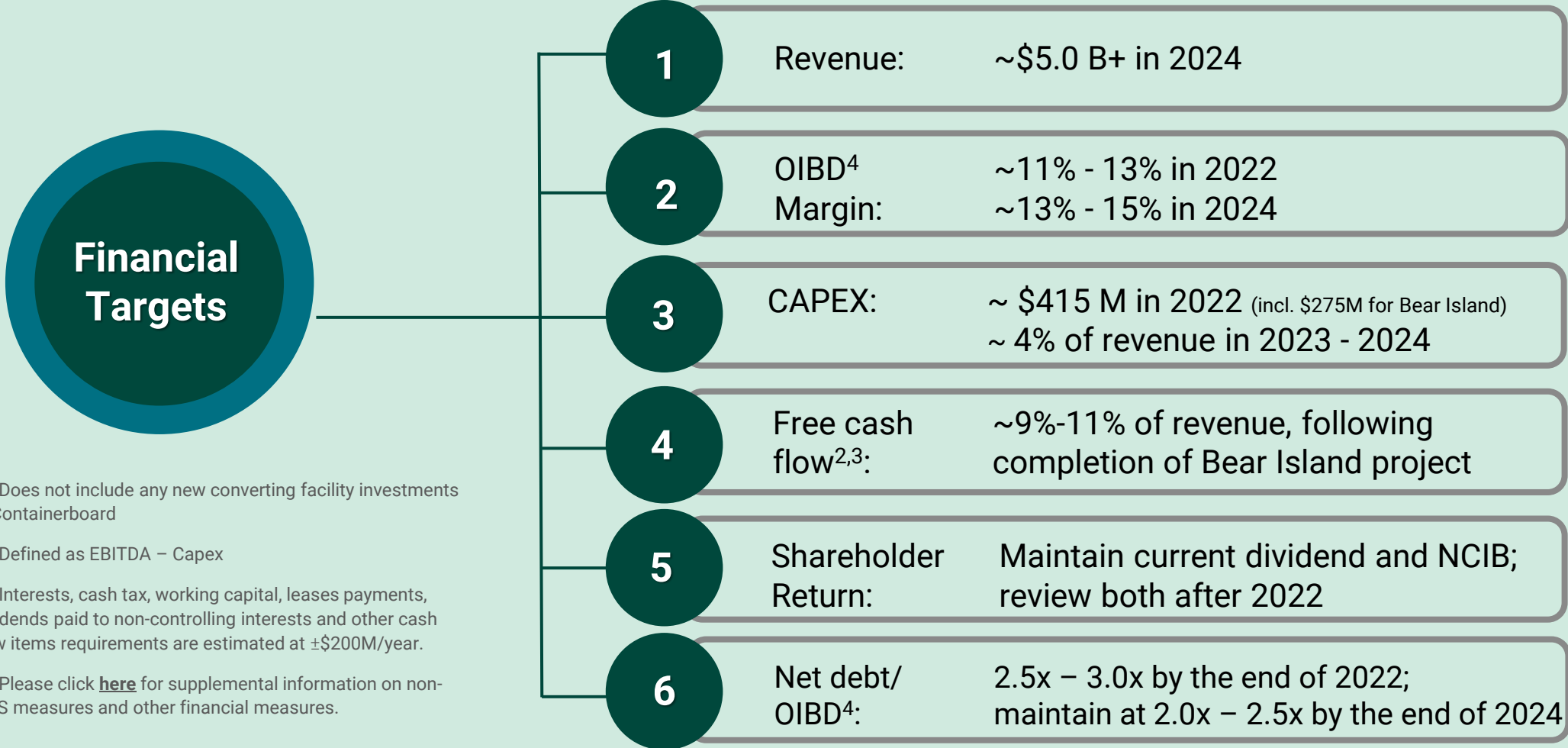
- Leverage well invested asset base and limit CAPEX to \$35 M annually through 2024
- Focus on production execution and efficiency, particularly in our U.S. operations
- Strengthen commercial strategies to drive value
- Achieve 2024 revenue of ~ \$1.7 B and OIBD<sup>1</sup> margin of ~ 9% - 10%
- Enhance business expertise and market intelligence to drive performance

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



# 2022 – 2024 Strategic Plan: Financial Targets

Focused on free cash flow generation + maintaining financial flexibility



(1) Does not include any new converting facility investments in Containerboard

(2) Defined as EBITDA – Capex

(3) Interests, cash tax, working capital, leases payments, dividends paid to non-controlling interests and other cash flow items requirements are estimated at ±\$200M/year.

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



# APPENDICES



# Quarterly Financial Results & KPIs

(In millions of CAN\$, except per common share amounts, where noted)					2020 <sup>2</sup>					2021	2022	
	Q1	Q2	Q3	Q4	Year	Q1 <sup>2</sup>	Q2	Q3	Q4	Year	Q1	
<b>FINANCIAL RESULTS</b>												
<b>Sales</b>	<b>1,041</b>	<b>1,020</b>	<b>1,014</b>	<b>1,030</b>	<b>4,105</b>	<b>942</b>	<b>956</b>	<b>1,030</b>	<b>1,028</b>	<b>3,956</b>	<b>1,038</b>	
<b>Operating income (loss)</b>	<b>70</b>	<b>64</b>	<b>54</b>	<b>104</b>	<b>292</b>	<b>44</b>	<b>23</b>	<b>73</b>	<b>(90)</b>	<b>50</b>	<b>(4)</b>	
Adjusted OIBD <sup>1</sup>	131	143	133	139	546	122	98	107	62	389	58	
<b>Net earnings (loss)</b>	<b>22</b>	<b>54</b>	<b>49</b>	<b>73</b>	<b>198</b>	<b>22</b>	<b>3</b>	<b>32</b>	<b>105</b>	<b>162</b>	<b>(15)</b>	
Adjusted net earnings (loss) <sup>1</sup>	39	58	48	42	187	29	8	(1)	(9)	27	(15)	
<b>Net earnings (loss) per common share</b>	<b>\$0.24</b>	<b>\$0.57</b>	<b>\$0.51</b>	<b>\$0.72</b>	<b>\$2.04</b>	<b>\$0.22</b>	<b>\$0.02</b>	<b>\$0.32</b>	<b>\$1.04</b>	<b>\$1.60</b>	<b>(\$0.15)</b>	
Adjusted net earnings (loss) per common share <sup>1</sup>	\$0.42	\$0.61	\$0.50	\$0.42	\$1.95	\$0.29	\$0.07	(\$0.01)	(\$0.09)	\$0.26	(\$0.15)	
<b>KEY PERFORMANCE INDICATORS</b>												
Total Shipments <sup>2,3</sup> ('000 s.t.)	555	527	556	551	2,189	514	523	525	513	2,075	<b>503</b>	
Capacity Utilization <sup>2,3,4</sup>	95%	90%	90%	93%	92%	92%	90%	91%	88%	90%	<b>90%</b>	
LTM Working Capital (% LTM sales) <sup>1</sup>	9.6%	9.4%	9.2%	8.8%	8.8%	8.4%	8.4%	8.5%	8.6%	8.6%	<b>9.3%</b>	

(1) Please click [here](#) for supplemental information on non-IFRS measures and other financial measures. (2) Q1 2021 and 2020 consolidated results have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the "Discontinued Operations" section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details. (3) Not including the Specialty Products segment. (4) Utilization rate defined as total manufacturing shipments divided by practical capacity. Please refer to the 2021 Annual Report for definitions of the KPIs.



# Cash Flow Overview

(In millions of CAN\$, except per common share amounts)					2020 <sup>4</sup>					2021	2022
	Q1	Q2	Q3	Q4	Year	Q1 <sup>4</sup>	Q2	Q3	Q4	Year	Q1
Cash flow from operations	124	125	78	131	458	82	87	58	20	247	21
Specific items <sup>1</sup>	—	—	9	6	15	4	2	12	31	49	7
Adjusted cash flow from operations <sup>2</sup>	124	125	87	137	473	86	89	70	51	296	28
<i>Including: Net financing expense paid</i>	<i>(16)</i>	<i>(7)</i>	<i>(48)</i>	<i>(5)</i>	<i>(76)</i>	<i>(40)</i>	<i>(4)</i>	<i>(41)</i>	<i>(11)</i>	<i>(96)</i>	<i>(30)</i>
Capital expenditures & other assets, lease obligations payments, net of disposals	(74)	(48)	(53)	(41)	(216)	(87)	(83)	(19)	(106)	(295)	(110)
Dividends <sup>3</sup>	(10)	(12)	(11)	(12)	(45)	(12)	(10)	(17)	(16)	(55)	(16)
Adjusted free cash flow generated (used) <sup>2</sup>	40	65	23	84	212	(13)	(4)	34	(71)	(54)	(98)
Adjusted free cash flow generated (used) per common share <sup>2</sup>	\$0.42	\$0.69	\$0.24	\$0.84	\$2.21	(\$0.13)	(\$0.04)	\$0.33	(\$0.70)	(\$0.53)	(\$0.97)

(1) Specific items: premiums paid on the repurchase of long-term debt and restructuring costs. (2) Please click [here](#) for supplemental information on non-IFRS measures and other financial measures. (3) Paid to our shareholders and to non-controlling interests. (4) Q1 2021 and 2020 consolidated cash flows have been adjusted to reflect retrospective adjustments of discontinued operations. Please refer to the “Discontinued Operations” section and Note 5 of the 2021 Audited Consolidated Financial Statements for more details.



# Historical Reference Prices and Fibre Costs

	2020					2021					2022	Q1 2022 vs Q1 2021		Q1 2022 vs Q4 2021		
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	(units)	(%)	(units)	(%)	
These indexes should only be used as an indicator of trends and they may be different than our actual selling prices or purchasing costs.																
<b>Selling Prices (average)</b>																
<b>PACKAGING PRODUCTS</b>																
<b>Containerboard (US\$/short ton)</b>																
Linerboard 42-lb. unbleached kraft, Eastern US (open market)	715	715	715	748	723	772	825	858	875	833	895	123	16%	20	2%	
Corrugating medium 26-lb. semichemical, Eastern US (open market)	615	615	615	648	623	675	735	775	795	745	818	143	21%	23	3%	
<b>Specialty Products (US\$/short ton)</b>																
Uncoated recycled boxboard - 20-pt. bending chip (series B)	710	700	700	720	708	740	793	867	980	845	1,027	287	39%	47	5%	
<b>TISSUE PAPERS (US\$/short ton)</b>																
Parent rolls, recycled fibres (transaction)	1,111	1,138	1,123	1,110	1,120	1,115	1,159	1,170	1,178	1,156	1,213	98	9%	35	3%	
Parent rolls, virgin fibres (transaction)	1,416	1,450	1,427	1,418	1,428	1,453	1,550	1,544	1,511	1,515	1,504	51	4%	(7)	—	
<b>Raw Material Prices (average)</b>																
<b>RECYCLED PAPER</b>																
<b>North America (US\$/short ton)</b>																
Sorted residential papers, No. 56 (SRP - Northeast average)	8	18	33	39	24	44	59	108	108	80	98	54	123%	(10)	(9%)	
Old corrugated containers, No. 11 (OCC - Northeast average)	36	93	58	59	61	79	102	162	167	127	140	61	77%	(27)	(16%)	
Sorted office papers, No. 37 (SOP - Northeast average)	89	160	109	80	109	94	117	153	173	134	205	111	118%	32	18%	
<b>VIRGIN PULP (US\$/metric ton)</b>																
Northern bleached softwood kraft, Canada	1,127	1,158	1,140	1,138	1,141	1,302	1,598	1,542	1,472	1,478	1,527	225	17%	55	4%	
Bleached hardwood kraft, mixed, Canada/US	890	897	875	868	883	1,037	1,297	1,320	1,262	1,229	1,312	275	27%	50	4%	



# SENSITIVITIES<sup>1</sup>

		SHIPMENTS / CONSUMPTION ( '000 s.t, '000 mm Btu for Natural Gas)	INCREASE	OIBD IMPACT (in CAN\$ M)
<b>SELLING PRICE<sup>2</sup> (Manufacturing &amp; Converting)</b>				
<b>North America</b>	Linerboard, Eastern US	400	US\$25/s.t.	13
	Corrugated medium, Eastern US	330	US\$25/s.t.	10
	Converted products	840	US\$25/s.t.	26
	Tissue Papers	550	US\$25/s.t.	17
<b>RAW MATERIALS<sup>2</sup> (Recycled Papers, Pulp, Gas)</b>				
<b>North America</b>	Brown grades (OCC & others)	1,660	US\$15/s.t.	(31)
	Groundwood grades (SRP & others)	110	US\$15/s.t.	(2)
	White grades (SOP & others)	330	US\$15/s.t.	(6)
	Virgin pulp	180	US\$30/s.t.	(7)
	Natural gas	8,200	US\$1.00/mmBtu	(10)
<b>EXCHANGE RATE<sup>3</sup></b>				
Translation - U.S. subsidiaries			CAN\$/US\$ 0.01 change	1

<sup>1</sup> Sensitivity calculated according to 2021 volumes or consumption with year-end closing exchange rate of CAN\$/US\$ 1.25, excluding hedging programs and the impact of related expenses such as discounts, commissions on sales and profit-sharing. <sup>2</sup> Based on 2021 external manufacturing & converting shipments, and fibre and pulp consumption. Including purchases sourced internally from our recovery and recycling operations. Adjusted to reflect acquisitions, disposals and closures, if needed. <sup>3</sup> As an example, based on CAN\$/US\$ 1.25 to CAN\$/US\$ 1.26.



