

PRESS RELEASE



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Cascades Announces a Continuation of Solid Results for the First Quarter of 2020

Navigating the Covid-19 pandemic by providing our customers essential products while ensuring the health and safety of our employees

Kingsey Falls, Québec, May 7, 2020 - Cascades Inc. (TSX: CAS) reports its unaudited financial results for the three-month period ended March 31, 2020.

Q1 2020 Highlights

- Sales of \$1,313 million
(compared with \$1,227 million in Q4 2019 (+7%) and \$1,230 million in Q1 2019 (+7%))
- As reported (including specific items)
 - Operating income of \$90 million
(compared with an operating loss of \$1 million in Q4 2019 and an operating income of \$72 million in Q1 2019 (+25%))
 - Operating income before depreciation and amortization (OIBD)¹ of \$161 million
(compared with \$76 million in Q4 2019 (+112%) and \$139 million in Q1 2019 (+16%))
 - Net earnings per share of \$0.24
(compared with net loss per share of \$0.27 in Q4 2019 and net earnings per share of \$0.26 in Q1 2019)
- Adjusted (excluding specific items)¹
 - Operating income of \$90 million
(compared with \$75 million in Q4 2019 (+20%) and \$68 million in Q1 2019 (+32%))
 - OIBD of \$161 million
(compared with \$152 million in Q4 2019 (+6%) and \$135 million in Q1 2019 (+19%))
 - Net earnings per share of \$0.42
(compared with \$0.30 in Q4 2019 and \$0.14 in Q1 2019)
- Exercised option to acquire the Caisse de dépôt et placement du Québec's ("CDPQ") 20.2% interest in the Greenpac Mill, increasing the Corporation's ownership to 86.3%; Transaction was settled January 3, 2020 for a total purchase price of \$121 million.
- Net debt¹ of \$2,212 million as at March 31, 2020 (compared with \$1,963 million as at December 31, 2019) reflecting FX impact (\$140 million) and the acquisition of CDPQ's interest in Greenpac Mill (\$121 million); Net debt to adjusted OIBD ratio¹ at 3.5x.

¹ For further details, please refer to the "Supplemental Information on non-IFRS Measures" section.

Mr. Mario Plourde, President and Chief Executive Officer, commented: "Our first quarter results are a testament to the dedication and hard work of every one of our employees during these challenging times. We are very proud of their commitment to support our customers and communities by ensuring that our facilities meet the heightened demand for the essential tissue and packaging products we produce. Within this difficult context, first quarter sales increased 7% from the prior quarter. This reflected improvements in all business segments, most notably in Tissue, European Boxboard and specific Specialty Packaging products as a result of consumer buying patterns related to Covid-19 and strategic actions taken in recent quarters. Sales growth of 7% year-over-year was largely driven by increases in Tissue, which benefited from higher volumes and favourable average selling price, sales mix and exchange rate. Containerboard sales also increased year-over-year, as higher volumes and a beneficial exchange rate offset the impacts from a less favourable sales mix and lower average selling price. Sales in European Boxboard decreased slightly year-over-year largely due to lower average selling prices, while lower sales in Specialty Products reflect a business divestiture and mill closure in 2019.

First quarter adjusted OIBD of \$161 million, which is net of a \$10 million expected credit loss provision taken against accounts receivable amounts across our business segments, increased 6% sequentially and 19% compared to the prior year period. The sequential performance was driven by improved results in Tissue that reflected volume growth combined with a higher average selling price. Stronger sequential performances from the European Boxboard and Specialty Packaging segments also benefited from volume growth. European Boxboard results also reflected lower raw material pricing and lower average selling prices, while the reverse was true for Specialty Packaging. The year-over-year growth was entirely attributable to the improved performance in the Tissue segment.

Discussing near-term outlook, Mr. Plourde commented, "At this time we expect second quarter performance to be the result of a combination of tailwinds and headwinds in our different business segments. Specifically, Tissue results will reflect elevated raw material prices due to higher

white recycled grade fibre costs and a greater use of virgin pulp due to lower levels of available recycled material. Containerboard margins are also expected to be impacted by higher OCC prices. Volumes in both Tissue and Containerboard are also forecasted to slow sequentially following an easing of the Covid-19 related pantry stocking trends seen in the first quarter and lower demand levels following business closures. Near-term Specialty Product performance is expected to reflect stronger consumer packaging trends, the effects of which should offset softness in industrial packaging. Boxboard Europe results are expected to increase slightly, supported by steady demand and announced industry price increases.

Our priority is the health and safety of our employees, ensuring the continuity of our production to meet the needs of our customers, supporting community initiatives and working in partnership with customers impacted by the current business environment. We will remain vigilant in our cash flow management, and expect our projected available liquidity levels to meet future requirements. We will adjust investment plans further should they be required while continuing to manage our debt level. Given the uncertainty regarding the potential impact from the Covid-19 pandemic over the coming months, we are focused on prudent cash flow management, and have therefore reduced planned capital expenditures to a range of \$175 to \$200 million for the year, down from \$250 million previously, but are maintaining our current dividend policy. Analysis of our Bear Island conversion project has continued at a slower pace given current circumstances, and as such we will not be providing any updated specifics or schedule at this time."

Financial Summary

Selected consolidated information

(in millions of Canadian dollars, except amounts per share) (unaudited)	Q1 2020	Q4 2019	Q1 2019
Sales	1,313	1,227	1,230
As Reported			
Operating income before depreciation and amortization (OIBD) ¹	161	76	139
Operating income (loss)	90	(1)	72
Net earnings (loss)	22	(26)	24
per share	\$ 0.24	\$ (0.27)	\$ 0.26
Adjusted¹			
Operating income before depreciation and amortization (OIBD)	161	152	135
Operating income	90	75	68
Net earnings	39	29	13
per share	\$ 0.42	\$ 0.30	0.14
Margin (OIBD)	12.3%	12.4%	11.0%

¹ - Refer to the "Supplemental Information on Non-IFRS Measures" section.

Segmented OIBD as reported

(in millions of Canadian dollars) (unaudited)	Q1 2020	Q4 2019	Q1 2019
Packaging Products			
Containerboard	102	98	111
Boxboard Europe	31	8	29
Specialty Products	11	9	13
Tissue Papers	45	(3)	4
Corporate Activities	(28)	(36)	(18)
Operating income (loss) as reported	161	76	139

Segmented adjusted OIBD¹

(in millions of Canadian dollars) (unaudited)

	Q1 2020	Q4 2019	Q1 2019
Packaging Products			
Containerboard	99	106	104
Boxboard Europe	30	24	29
Specialty Products	12	9	14
Tissue Papers	45	35	9
Corporate Activities	(25)	(22)	(21)
Adjusted OIBD	161	152	135

¹ - Refer to the "Supplemental Information on Non-IFRS Measures" section.

Analysis of results for the three-month period ended March 31, 2020 (compared to the same period last year)

Sales of \$1,313 million grew by \$83 million, or 7%, compared with the same period last year. This reflected increases in all segments with the exception of Specialty Products, but was largely driven by the Tissue segment, where sales grew \$98 million, or 28%, compared to the prior year. Specifically, sales in the Tissue segment reflected increased consumer demand in light of Covid-19, higher average selling price, more favourable sales mix and foreign exchange impact, and the addition of Orchids assets in the second half of 2019. European Boxboard sales decreased by \$7 million, or 3%, compared with the previous year. This was largely driven by lower average selling prices in both recycled and virgin boxboard and a less favourable Canadian dollar - euro exchange rate, the effects of which were partially offset by higher volumes. Sales in the Specialty Products segment decreased 12% or \$16 million year-over-year, reflecting the divestiture of the European activities and closure of the felt vinyl backing mill during the second half of 2019, the impacts of which outweighed the benefits from higher volume in Consumer packaging and favourable exchange rate. Lastly, sales in the Containerboard Packaging group increased by 4% or \$17 million year-over-year, due primarily to higher volume and, to a lesser extent, by a more favourable exchange rate. These benefits were partially offset by a lower average selling price and less favourable sales mix year-over-year.

The Corporation generated an operating income before depreciation and amortization (OIBD) of \$161 million in the first quarter of 2020, which is net of a \$10 million expected credit loss provision taken on accounts receivable amounts across the Corporation's business segments in relation to the current uncertainty caused by the pandemic. This compares with the \$139 million generated in the same period last year, an increase of \$22 million. The annual improvement was driven by the Tissue segment, where results benefited from lower raw material prices, volume gains, and more favourable average selling price and sales mix. European Boxboard results also improved slightly year-over-year, as benefits from lower raw material costs and higher volumes offset the impacts from lower average selling prices and higher production costs. The decrease in Containerboard results reflect a lower average selling price, higher operational and freight costs and less favourable sales mix, the effects of which mitigated the benefit from lower raw material costs. Specialty Products performance reflect higher operating and maintenance costs, partially offset by volume gains and improved realized spreads in some sub-sectors.

On an adjusted basis¹, first quarter 2020 OIBD stood at \$161 million, versus \$135 million in the previous year. The main specific items, before income taxes, that impacted our first quarter 2020 OIBD and/or net earnings were:

- \$1 million charge related to an environmental provision for a Specialty Products plant in Québec that was closed in a prior year (OIBD and net earnings)
- \$1 million unrealized gain on financial instruments (OIBD and net earnings)
- \$17 million foreign exchange loss on long-term debt and financial instruments (net earnings)

For the 3-month period ended March 31, 2020, the Corporation posted net earnings of \$22 million, or \$0.24 per share, compared to net earnings of \$24 million, or \$0.26 per share, in the same period of 2019. On an adjusted basis¹, the Corporation generated net earnings of \$39 million in the first quarter of 2020, or \$0.42 per share, compared to net earnings of \$13 million, or \$0.14 per share, in the same period of 2019.

¹ For further details, please refer to the "Supplemental Information on non-IFRS Measures" section.

Dividend on common shares and normal course issuer bid

The Board of Directors of Cascades declared a quarterly dividend of \$0.08 per share to be paid on June 4, 2020 to shareholders of record at the close of business on May 21, 2020. This dividend is an "eligible dividend" as per the Income Tax Act (R.C.S. (1985), Canada). During the first quarter of 2020, Cascades purchased 445,354 shares for cancellation at a weighted average price of \$11.53.

2020 First Quarter Results Conference Call Details

Management will discuss the 2020 first quarter financial results during a conference call today at 9:00 a.m. EDT. The call can be accessed by dialing 1-888-231-8191 (international dial-in 1-647-427-7450). The conference call, including the investor presentation, will be broadcast live on the Cascades website (www.cascades.com under the "Investors" section). A replay of the call will be available on the Cascades website and may also be accessed by phone until June 9, 2020 by dialing 1-855-859-2056 (international dial-in 1-416-849-0833), access code 7475335.

Founded in 1964, Cascades offers sustainable, innovative and value-added packaging, hygiene and recovery solutions. The company employs 11,000 women and men across a network of over 90 facilities in North America and Europe. Driven by its participative management, half a century of experience in recycling, and continuous research and development efforts, Cascades continues to provide innovative products that customers have come to rely on, while contributing to the well-being of people, communities and the entire planet. Cascades' shares trade on the Toronto Stock Exchange under the ticker symbol CAS. Certain statements in this release, including statements regarding future results and performance, are forward-looking statements (as such term is defined under the Private Securities Litigation Reform Act of 1995) 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 the Corporation's products, increases in raw material costs, fluctuations in selling prices and adverse changes in general market and industry conditions and other factors listed in the Corporation's Securities and Exchange Commission filings.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars) (unaudited)	March 31, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	153	155
Accounts receivable	733	606
Current income tax assets	22	32
Inventories	606	598
Current portion of financial assets	11	10
	1,525	1,401
Long-term assets		
Investments in associates and joint ventures	86	80
Property, plant and equipment	2,904	2,770
Intangible assets with finite useful life	180	182
Financial assets	31	16
Other assets	52	55
Deferred income tax assets	150	153
Goodwill and other intangible assets with indefinite useful life	549	527
	5,477	5,184
Liabilities and Equity		
Current liabilities		
Bank loans and advances	9	11
Trade and other payables	846	788
Current income tax liabilities	21	17
Current portion of long-term debt	92	85
Current portion of provisions for contingencies and charges	4	5
Current portion of financial liabilities and other liabilities	32	137
	1,004	1,043
Long-term liabilities		
Long-term debt	2,264	2,022
Provisions for contingencies and charges	53	49
Financial liabilities	14	5
Other liabilities	190	198
Deferred income tax liabilities	213	198
	3,738	3,515
Equity		
Capital stock	492	491
Contributed surplus	14	15
Retained earnings	1,023	1,003
Accumulated other comprehensive income (loss)	13	(17)
Equity attributable to Shareholders	1,542	1,492
Non-controlling interests	197	177
Total equity	1,739	1,669
	5,477	5,184

CONSOLIDATED STATEMENTS OF EARNINGS

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	For the 3-month periods ended March 31,	
	2020	2019
Sales	1,313	1,230
Cost of sales and expenses		
Cost of sales (including depreciation and amortization of \$71 million (2019 — \$67 million))	1,092	1,058
Selling and administrative expenses	131	104
Loss (gain) on acquisitions, disposals and others	1	(10)
Impairment charges and restructuring costs	—	9
Gain on derivative financial instruments	(1)	(3)
	1,223	1,158
Operating income	90	72
Financing expense	27	25
Interest expense on employee future benefits and other liabilities	1	14
Foreign exchange loss (gain) on long-term debt and financial instruments	17	(6)
Share of results of associates and joint ventures	(3)	(2)
Earnings before income taxes	48	41
Provision for income taxes	15	8
Net earnings including non-controlling interests for the period	33	33
Net earnings attributable to non-controlling interests	11	9
Net earnings attributable to Shareholders for the period	22	24
Net earnings per common share		
Basic	\$ 0.24	\$ 0.26
Diluted	\$ 0.23	\$ 0.26
Weighted average basic number of common shares outstanding	94,248,804	94,166,959
Weighted average number of diluted common shares	95,523,990	95,736,437

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31,	
	2020	2019
Net earnings including non-controlling interests for the period	33	33
Other comprehensive income (loss)		
Items that may be reclassified subsequently to earnings		
Translation adjustments		
Change in foreign currency translation of foreign subsidiaries	102	(37)
Change in foreign currency translation related to net investment hedging activities	(59)	21
Cash flow hedges		
Change in fair value of foreign exchange forward contracts	—	1
Change in fair value of interest rate swaps	(1)	—
Change in fair value of commodity derivative financial instruments	—	(1)
	42	(16)
Items that are not released to earnings		
Actuarial gain (loss) on employee future benefits	10	(5)
Recovery (provision) of income taxes	(3)	2
	7	(3)
Other comprehensive income (loss)	49	(19)
Comprehensive income including non-controlling interests for the period	82	14
Comprehensive income attributable to non-controlling interests for the period	23	2
Comprehensive income attributable to Shareholders for the period	59	12

CONSOLIDATED STATEMENTS OF EQUITY

For the 3-month period ended March 31, 2020

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance - End of previous period, as reported	491	15	1,000	(17)	1,489	177	1,666
Business combinations	—	—	3	—	3	—	3
Adjusted balance - Beginning of period	491	15	1,003	(17)	1,492	177	1,669
Comprehensive income							
Net earnings	—	—	22	—	22	11	33
Other comprehensive income	—	—	7	30	37	12	49
Dividends	—	—	29	30	59	23	82
Issuance of common shares upon exercise of stock options	4	(1)	—	—	3	—	3
Redemption of common shares	(3)	—	(2)	—	(5)	—	(5)
Balance - End of period	492	14	1,023	13	1,542	197	1,739

For the 3-month period ended March 31, 2019

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Adjusted balance - Beginning of period	490	16	989	2	1,497	180	1,677
Comprehensive income (loss)							
Net earnings	—	—	24	—	24	9	33
Other comprehensive loss	—	—	(3)	(9)	(12)	(7)	(19)
Dividends	—	—	21	(9)	12	2	14
Redemption of common shares	(3)	—	(2)	—	(5)	—	(5)
Balance - End of period	487	16	1,004	(7)	1,500	178	1,678

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the 3-month periods
ended March 31,

(in millions of Canadian dollars) (unaudited)	2020	2019
Operating activities		
Net earnings attributable to Shareholders for the period	22	24
Adjustments for:		
Financing expense and interest expense on employee future benefits and other liabilities	28	39
Depreciation and amortization	71	67
Loss (gain) on acquisitions, disposals and others	1	(9)
Impairment charges and restructuring costs	—	5
Unrealized loss (gain) on derivative financial instruments	(1)	(3)
Foreign exchange loss (gain) on long-term debt and financial instruments	17	(6)
Provision for income taxes	15	8
Share of results of associates and joint ventures	(3)	(2)
Net earnings attributable to non-controlling interests	11	9
Net financing expense paid	(17)	(43)
Net income taxes received	9	—
Employee future benefits and others	—	(7)
	153	82
Changes in non-cash working capital components	(34)	(30)
	119	52
Investing activities		
Payments for property, plant and equipment	(74)	(66)
Proceeds from disposals of property, plant and equipment	1	1
Change in intangible and other assets	(2)	(1)
	(75)	(66)
Financing activities		
Bank loans and advances	(2)	2
Change in credit facilities	97	64
Payments of other long-term debt	(20)	(41)
Issuance of common shares upon exercise of stock options	3	—
Redemption of common shares	(5)	(5)
Payment of other liabilities	(121)	—
Dividends paid to non-controlling interests	(3)	(4)
Dividends paid to the Corporation's Shareholders	(7)	(4)
	(58)	12
Change in cash and cash equivalents during the period	(14)	(2)
Currency translation on cash and cash equivalents	12	(4)
Cash and cash equivalents - Beginning of period	155	123
Cash and cash equivalents - End of period	153	117

SEGMENTED INFORMATION

The Corporation analyzes the performance of its operating segments based on their operating income before depreciation and amortization, which is not a measure of performance under International Financial Reporting Standards (IFRS); however, the chief operating decision-maker (CODM) uses this performance measure to assess the operating performance of each reportable segment. Earnings for each segment are prepared on the same basis as those of the Corporation. Intersegment operations are recorded on the same basis as sales to third parties, which are at fair market value. The accounting policies of the reportable segments are the same as the Corporation's accounting policies described in its most recent audited consolidated financial statements for the year ended December 31, 2019.

The Corporation's operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The Chief Executive Officer has authority for resource allocation and management of the Corporation's performance and is therefore the CODM.

The Corporation's operations are managed in four segments: Containerboard, Boxboard Europe and Specialty Products (which constitutes the Corporation's Packaging Products), and Tissue Papers.

(in millions of Canadian dollars) (unaudited)	SALES	
	For the 3-month periods ended March 31,	
	2020	2019
Packaging Products		
Containerboard	458	441
Boxboard Europe	272	279
Specialty Products	113	129
Intersegment sales	(3)	(4)
	840	845
Tissue Papers	446	348
Intersegment sales and Corporate Activities	27	37
	1,313	1,230

(in millions of Canadian dollars) (unaudited)	OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	
	For the 3-month periods ended March 31,	
	2020	2019
Packaging Products		
Containerboard	102	111
Boxboard Europe	31	29
Specialty Products	11	13
	144	153
Tissue Papers	45	4
Corporate Activities	(28)	(18)
Operating income before depreciation and amortization	161	139
Depreciation and amortization	(71)	(67)
Financing expense and interest expense on employee future benefits and other liabilities	(28)	(39)
Foreign exchange gain (loss) on long-term debt and financial instruments	(17)	6
Share of results of associates and joint ventures	3	2
Earnings before income taxes	48	41

For the 3-month periods
ended March 31,

(in millions of Canadian dollars) (unaudited)

	2020	2019
Packaging Products		
Containerboard	16	22
Boxboard Europe	5	11
Specialty Products	5	3
	26	36
Tissue Papers	24	29
Corporate Activities	6	11
Total acquisitions	56	76
Proceeds from disposals of property, plant and equipment	(1)	(1)
Right-of-use assets and included in other debts	(9)	(15)
	46	60
Acquisitions for property, plant and equipment included in "Trade and other payables"		
Beginning of period	46	37
End of period	(19)	(32)
Payments for property, plant and equipment net of proceeds from disposals	73	65

SUPPLEMENTAL INFORMATION ON NON-IFRS MEASURES

SPECIFIC ITEMS

The Corporation incurs some specific items that adversely or positively affect its operating results. We believe it is useful for readers to be aware of these items as they provide additional information to measure performance, compare the Corporation's results between periods, and assess operating results and liquidity, notwithstanding these specific items. Management believes these specific items are not necessarily reflective of the Corporation's 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 Corporation's available cash.

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 asset 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 and financial instruments, 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. This 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 the contribution of each segment when excluding depreciation and amortization. OIBD is widely used by investors as a measure of a corporation's ability to incur and service debt and as an evaluation metric.
- Adjusted OIBD: Used to assess operating performance and the 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 obligations 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 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.

The reconciliation of operating income (loss) to OIBD, to adjusted operating income (loss) and to adjusted OIBD by business segment is as follows:

Q1 2020						
(in millions of Canadian dollars) (unaudited)	Containerboard	Boxboard Europe	Specialty Products	Tissue Papers	Corporate Activities	Consolidated
Operating income (loss)	74	20	8	28	(40)	90
Depreciation and amortization	28	11	3	17	12	71
Operating income (loss) before depreciation and amortization	102	31	11	45	(28)	161
Specific items:						
Loss on acquisitions, disposals and others	—	—	1	—	—	1
Unrealized loss (gain) on financial instruments	(3)	(1)	—	—	3	(1)
	(3)	(1)	1	—	3	—
Adjusted operating income (loss) before depreciation and amortization	99	30	12	45	(25)	161
Adjusted operating income (loss)	71	19	9	28	(37)	90

Q4 2019						
(in millions of Canadian dollars) (unaudited)	Containerboard	Boxboard Europe	Specialty Products	Tissue Papers	Corporate Activities	Consolidated
Operating income (loss)	69	(6)	5	(21)	(48)	(1)
Depreciation and amortization	29	14	4	18	12	77
Operating income (loss) before depreciation and amortization	98	8	9	(3)	(36)	76
Specific items :						
Loss on acquisitions, disposals and others	4	—	—	—	1	5
Inventory adjustment resulting from business acquisition	—	—	—	2	—	2
Impairment charges	2	14	—	34	14	64
Restructuring costs	1	—	—	2	—	3
Unrealized loss (gain) on derivative financial instruments	1	2	—	—	(1)	2
	8	16	—	38	14	76
Adjusted operating income (loss) before depreciation and amortization	106	24	9	35	(22)	152
Adjusted operating income (loss)	77	10	5	17	(34)	75

(in millions of Canadian dollars) (unaudited)	Containerboard	Boxboard Europe	Specialty Products	Tissue Papers	Corporate Activities	Consolidated
Operating income (loss)	84	18	9	(8)	(31)	72
Depreciation and amortization	27	11	4	12	13	67
Operating income (loss) before depreciation and amortization	111	29	13	4	(18)	139
Specific items:						
Gain on acquisitions, disposals and others	(10)	—	—	—	—	(10)
Impairment charges	3	—	—	1	—	4
Restructuring costs	—	—	1	4	—	5
Unrealized gain on financial instruments	—	—	—	—	(3)	(3)
	(7)	—	1	5	(3)	(4)
Adjusted operating income (loss) before depreciation and amortization	104	29	14	9	(21)	135
Adjusted operating income (loss)	77	18	10	(3)	(34)	68

Net earnings (loss), as per IFRS, is reconciled below with operating income (loss), adjusted operating income and adjusted operating income before depreciation and amortization:

(in millions of Canadian dollars) (unaudited)	Q1 2020	Q4 2019	Q1 2019
Net earnings (loss) attributable to Shareholders for the period	22	(26)	24
Net earnings attributable to non-controlling interests	11	3	9
Provision for (recovery of) income taxes	15	(11)	8
Share of results of associates and joint ventures	(3)	(3)	(2)
Foreign exchange loss (gain) on long-term debt and financial instruments	17	1	(6)
Financing expense and interest expense on employee future benefits and other liabilities	28	35	39
Operating income (loss)	90	(1)	72
Specific items:			
Loss (gain) on acquisitions, disposals and others	1	5	(10)
Inventory adjustment resulting from business acquisition	—	2	—
Impairment charges	—	64	4
Restructuring costs	—	3	5
Unrealized loss (gain) on derivative financial instruments	(1)	2	(3)
	—	76	(4)
Adjusted operating income	90	75	68
Depreciation and amortization	71	77	67
Adjusted operating income before depreciation and amortization	161	152	135

The following table reconciles net earnings (loss) and net earnings (loss) per share, as per IFRS, with adjusted net earnings and adjusted net earnings per share:

(in millions of Canadian dollars, except amounts per share) (unaudited)	NET EARNINGS (LOSS)			NET EARNINGS (LOSS) PER SHARE ¹		
	Q1 2020	Q4 2019	Q1 2019	Q1 2020	Q4 2019	Q1 2019
As per IFRS	22	(26)	24	\$ 0.24	\$ (0.27)	\$ 0.26
Specific items:						
Loss (gain) on acquisitions, disposals and others	1	5	(10)	\$ 0.01	\$ 0.04	\$ (0.11)
Inventory adjustment resulting from business acquisition	—	2	—	—	\$ 0.02	—
Impairment charges	—	64	4	—	\$ 0.49	\$ 0.03
Restructuring costs	—	3	5	—	\$ 0.02	\$ 0.04
Unrealized loss (gain) on derivative financial instruments	(1)	2	(3)	\$ (0.01)	\$ 0.01	\$ (0.02)
Loss on repurchase of long-term debt	—	14	—	—	\$ 0.11	—
Unrealized gain on interest rate swaps and option fair value	—	(1)	—	—	\$ (0.01)	—
Foreign exchange loss (gain) on long-term debt and financial instruments	17	1	(6)	\$ 0.18	\$ 0.01	\$ (0.06)
Tax effect on specific items, other tax adjustments and attributable to non-controlling interest ¹	—	(35)	(1)	—	\$ (0.12)	—
	17	55	(11)	\$ 0.18	\$ 0.57	\$ (0.12)
Adjusted	39	29	13	\$ 0.42	\$ 0.30	\$ 0.14

¹ Specific amounts per share are calculated on an after-tax basis and are net of the portion attributable to non-controlling interests. Per share amounts in line item "Tax effect on specific items, other tax adjustments and attributable to non-controlling interests" only include the effect of tax adjustments.

The following table reconciles cash flow from operating activities with operating income and operating income before depreciation and amortization:

(in millions of Canadian dollars) (unaudited)	Q1 2020	Q4 2019	Q1 2019
Cash flow from operating activities	119	163	52
Changes in non-cash working capital components	34	(72)	30
Depreciation and amortization	(71)	(77)	(67)
Net income taxes paid (received)	(9)	13	—
Net financing expense paid	17	32	43
Premium paid on long-term debt repurchase	—	11	—
Gain (loss) on acquisitions, disposals and others	(1)	(5)	9
Impairment reversals and restructuring costs	—	(62)	(5)
Unrealized gain (loss) on derivative financial instruments	1	(2)	3
Dividend received, employee future benefits and others	—	(2)	7
Operating income (loss)	90	(1)	72
Depreciation and amortization	71	77	67
Operating income before depreciation and amortization	161	76	139

The following table reconciles cash flow from operating activities with cash flow from operating activities (excluding changes in non-cash working capital components) and adjusted cash flow from operating activities. It also reconciles adjusted cash flow from operating activities to adjusted free cash flow, which is also calculated on a per share basis:

(in millions of Canadian dollars, except amount per share or otherwise mentioned) (unaudited)	Q1 2020	Q4 2019	Q1 2019
Cash flow from operating activities	119	163	52
Changes in non-cash working capital components	34	(72)	30
Cash flow from operating activities (excluding changes in non-cash working capital components)	153	91	82
Specific items, net of current income taxes if applicable	—	16	3
Adjusted cash flow from operating activities	153	107	85
Capital expenditures & other assets ¹ and right-of-use assets payments, net of disposals	(84)	(80)	(76)
Dividends paid to the Corporation's Shareholders and to non-controlling interests	(10)	(11)	(8)
Adjusted free cash flow	59	16	1
Adjusted free cash flow per share	\$ 0.63	\$ 0.17	\$ 0.01
Weighted average basic number of shares outstanding	94,248,804	94,287,895	94,166,959

¹ Excluding increase in investments

The following table reconciles total debt and net debt with the ratio of net debt to adjusted operating income before depreciation and amortization (adjusted OIBD):

(in millions of Canadian dollars)	March 31, 2020	December 31, 2019	March 31, 2019
Long-term debt	2,264	2,022	1,904
Current portion of long-term debt	92	85	73
Bank loans and advances	9	11	18
Total debt	2,365	2,118	1,995
Less: Cash and cash equivalents	153	155	117
Net debt	2,212	1,963	1,878
Adjusted OIBD (last twelve months)	630	604	521
Net debt / Adjusted OIBD ratio	3.5x	3.25x	3.6x

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