

PRESS RELEASE



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Cascades Reports Results for the First Quarter of 2025

Kingsey Falls, Québec, May 8, 2025 - Cascades Inc. (TSX: CAS) reports its unaudited financial results for the three-month period ended March 31, 2025.

Q1 2025 Highlights

- Sales of \$1,154 million (compared with \$1,211 million in Q4 2024 and \$1,109 million in Q1 2024);
- Operating income of \$50 million (compared with \$16 million in Q4 2024 and \$9 million in Q1 2024);
- Net earnings per common share of \$0.07 (compared with a net loss per common share of (\$0.13) in Q4 2024 and a net loss per common share of (\$0.20) in Q1 2024);
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A)¹) of \$125 million (compared with \$146 million in Q4 2024 and \$103 million in Q1 2024);
- Adjusted net earnings per common share¹ of \$0.13 (compared with adjusted net earnings per common share¹ of \$0.25 in Q4 2024 and adjusted net loss per common share¹ \$0.00 in Q1 2024);
- Net debt¹ of \$2,216 million as of March 31, 2025 (compared with \$2,096 million as of December 31, 2024). Net debt to EBITDA (A) ratio¹ of 4.2x, unchanged from December 31, 2024;
- Total capital expenditures, net of disposals, totaled \$36 million in Q1 2025, compared to \$29 million in Q4 2024 and \$41 million in Q1 2024. The Corporation's 2025 forecasted capital expenditures before disposals will be approximately \$175 million.

Hugues Simon, President and CEO, commented: "Our first quarter performance was driven by lower volumes across our businesses as uncertainty regarding tariffs led to a deterioration in consumer and business sentiment beginning in mid-February, resulting in lower sales and profitability levels sequentially. Results were similarly impacted by usual higher seasonal energy costs, increased operational costs due to lower production, and higher transportation costs. Offsetting these factors were favourable average selling prices and raw material costs across our businesses. Broadly, the depreciation of the Canadian dollar benefited quarterly results."

Discussing near-term outlook, Mr. Simon commented, "We are expecting stronger second quarter results. The sequential improvement in packaging will reflect benefits from the implementation of previously announced price increases. We expect improved tissue performance to be driven by volume growth, with positive retail tissue trends and a pick up in Away-from-Home, along with pricing initiatives, the benefits of which are expected to mitigate higher raw material costs. Broadly, continued uncertainty in the macro-economic environment may impact future demand levels across North America and our outlook."

¹ Some information represents non-IFRS Accounting Standards Financial measures, other financial measures or non-IFRS Accounting Standards ratios which are not standardized under IFRS Accounting Standards and therefore might not be comparable to similar financial measures disclosed by other corporations. Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

Financial Summary

Selected consolidated information

(in millions of Canadian dollars, except amounts per common share) (unaudited)	Q1 2025	Q4 2024	Q1 2024
Sales	1,154	1,211	1,109
As Reported			
Operating income	50	16	9
Net earnings (loss)	7	(13)	(20)
per common share (basic)	\$0.07	(\$0.13)	(\$0.20)
Adjusted¹			
Earnings before interest, taxes, depreciation and amortization (EBITDA (A))	125	146	103
Net earnings (loss)	13	25	—
per common share (basic)	\$0.13	\$0.25	\$—
Margin (EBITDA (A) / Sales)	10.8%	12.1%	9.3%
Net debt¹	2,216	2,096	2,020
Net debt / EBITDA (A) ratio¹	4.2x	4.2x	3.8x

Segmented sales

(in millions of Canadian dollars) (unaudited)	Q1 2025	Q4 2024	Q1 2024
Packaging Products	762	782	709
Tissue Papers	364	394	367
Inter-segment sales, Corporate, Recovery and Recycling activities	28	35	33
Sales	1,154	1,211	1,109

Segmented operating income (loss)

(in millions of Canadian dollars) (unaudited)	Q1 2025	Q4 2024	Q1 2024
Packaging Products	60	58	12
Tissue Papers	24	4	31
Corporate, Recovery and Recycling activities	(34)	(46)	(34)
Operating income	50	16	9

Segmented EBITDA (A)¹

(in millions of Canadian dollars) (unaudited)	Q1 2025	Q4 2024	Q1 2024
Packaging Products	109	132	75
Tissue Papers	37	45	50
Corporate, Recovery and Recycling activities	(21)	(31)	(22)
EBITDA (A)¹	125	146	103

¹ Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

Analysis of results for the three-month period ended March 31, 2025 (compared to the same period last year)

The Corporation's first quarter sales of \$1,154 million increased by \$45 million compared with the same period last year. This increase was driven by consolidated net benefits of \$47 million from higher selling prices and \$45 million from a more favourable foreign exchange. These were partially offset by \$48 million from lower volumes.

The first quarter EBITDA (A)¹ totaled \$125 million, an increase of \$22 million, or 21%, from the \$103 million generated in the same period last year. This increase was driven by net benefits of \$47 million from higher selling prices, mainly in the packaging products segment and a more favourable exchange rate. These were partially offset by net impacts of \$10 million from higher production and energy costs and \$15 million from lower volumes.

The main specific items, before income taxes, that impacted our first quarter of 2025 operating income and/or net earnings were:

- \$1 million of impairment charge on some equipment related to a closed facility in Canada (operating income and net earnings);
- \$4 million of costs related to a legal settlement with a supplier involved in the construction of Bear Island (operating income and net earnings);
- \$5 million of restructuring costs related to a plant closure in the United States and corporate organizational changes (operating income and net earnings);
- \$4 million unrealized gain on financial instruments (operating income and net earnings);

For the three-month period ended March 31, 2025, the Corporation posted net earnings of \$7 million, or \$0.07 per common share, compared to a net loss of \$(20) million, or (\$0.20) per common share, in the same period of 2024. On an adjusted basis¹, the Corporation posted net earnings of \$13 million in the first quarter of 2025, or \$0.13 per common share, compared to a net loss of less than a million dollars, or \$0.00 per common share, in the same period of 2024.

¹ Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

Dividend on common shares and normal course issuer bid

The Board of Directors of Cascades declared a quarterly dividend of \$0.12 per common share to be paid on June 5, 2025 to shareholders of record at the close of business on May 22, 2025. This dividend is an "eligible dividend" as per the Income Tax Act (R.C.S. (1985), Canada). During the first quarter of 2025, Cascades purchased no common shares for cancellation.

2025 First Quarter Results Conference Call Details

Management will discuss the 2025 first quarter financial results during a conference call today at 9:00 a.m. ET. The call can be accessed by dialing 1-800-990-4777 (international 1-289-819-1299). 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 8, 2025 by dialing 1-888-660-6345 (international 1-289-819-1450), access code 38876 #.

Founded in 1964, Cascades offers sustainable, innovative and value-added packaging, hygiene and recovery solutions. The company employs approximately 9,600 women and men across a network of 68 operating facilities, including 18 Recovery and Recycling facilities which are part of Corporate Activities and joint ventures managed by the Corporation, in North America. 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 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.

CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars) (unaudited)	March 31, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	29	27
Accounts receivable	484	469
Current income tax assets	5	4
Inventories	734	685
Current portion of financial assets	2	1
	1,254	1,186
Long-term assets		
Investments in associates and joint ventures	99	97
Property, plant and equipment	2,826	2,847
Intangible assets with finite useful life	39	41
Other assets	107	105
Deferred income tax assets	219	220
Goodwill and other intangible assets with indefinite useful life	504	504
	5,051	5,000
Liabilities and Equity		
Current liabilities		
Bank loans and advances	4	10
Trade and other payables	689	748
Current income tax liabilities	4	2
Current portion of unsecured senior notes of \$296 million to be refinanced (\$175 million in 2024)	296	175
Current portion of long-term debt	72	67
Current portion of provisions for charges	47	42
Current portion of financial liabilities and other liabilities	34	43
	1,146	1,087
Long-term liabilities		
Long-term debt	1,873	1,871
Provisions for charges	54	58
Other liabilities	78	80
Deferred income tax liabilities	133	133
	3,284	3,229
Equity		
Capital stock	617	616
Contributed surplus	16	16
Retained earnings	1,013	1,019
Accumulated other comprehensive income	72	73
Equity attributable to Shareholders	1,718	1,724
Non-controlling interests	49	47
Total equity	1,767	1,771
	5,051	5,000

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	For the 3-month periods ended March 31,	
	2025	2024
Sales	1,154	1,109
Supply chain and logistic	679	668
Wages and employee benefits expenses	280	267
Depreciation and amortization	69	67
Maintenance and repair	64	62
Other operational costs	6	9
Impairment charges	1	2
Other loss	4	3
Restructuring costs	5	23
Unrealized gain on derivative financial instruments	(4)	(1)
Operating income	50	9
Financing expense	36	35
Share of results of associates and joint ventures	(3)	(3)
Earnings (loss) before income taxes	17	(23)
Provision for (recovery of) income taxes	5	(6)
Net earnings (loss) including non-controlling interests for the period	12	(17)
Net earnings attributable to non-controlling interests	5	3
Net earnings (loss) attributable to Shareholders for the period	7	(20)
Net earnings (loss) per common share		
Basic	\$0.07	(\$0.20)
Diluted	\$0.07	(\$0.20)
Weighted average basic number of common shares outstanding	100,993,811	100,703,177
Weighted average number of diluted common shares	101,421,656	101,216,020

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended March 31,	
	2025	2024
Net earnings (loss) including non-controlling interests for the period	12	(17)
Other comprehensive income (loss)		
Items that may be reclassified subsequently to earnings		
Translation adjustments		
Change in foreign currency translation of foreign subsidiaries	(41)	26
Change in foreign currency translation related to net investment hedging activities	40	(10)
Recovery of income taxes	—	1
	(1)	17
Items that are not released to earnings		
Actuarial gain (loss) on employee future benefits	(1)	7
Provision for income taxes	—	(2)
	(1)	5
Other comprehensive income (loss)	(2)	22
Comprehensive income including non-controlling interests for the period	10	5
Comprehensive income attributable to non-controlling interests for the period	5	4
Comprehensive income attributable to Shareholders for the period	5	1

CONSOLIDATED STATEMENTS OF EQUITY

For the 3-month period ended March 31, 2025

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON- CONTROLLING INTERESTS	TOTAL EQUITY
Balance - Beginning of period	616	16	1,019	73	1,724	47	1,771
Comprehensive income (loss)							
Net earnings	—	—	7	—	7	5	12
Other comprehensive income (loss)	—	—	(1)	(1)	(2)	—	(2)
Dividends	—	—	6	(1)	5	5	10
Dividends	—	—	(12)	—	(12)	(3)	(15)
Issuance of common shares upon exercise of stock options	1	—	—	—	1	—	1
Balance - End of period	617	16	1,013	72	1,718	49	1,767

For the 3-month period ended March 31, 2024

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON- CONTROLLING INTERESTS	TOTAL EQUITY
Balance - Beginning of period	613	15	1,096	15	1,739	42	1,781
Comprehensive income (loss)							
Net earnings (loss)	—	—	(20)	—	(20)	3	(17)
Other comprehensive income	—	—	5	16	21	1	22
Dividends	—	—	(15)	16	1	4	5
Dividends	—	—	(12)	—	(12)	(3)	(15)
Stock options expense	—	1	—	—	1	—	1
Acquisition of non-controlling interests	—	—	(2)	—	(2)	(1)	(3)
Balance - End of period	613	16	1,067	31	1,727	42	1,769

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the 3-month periods
ended March 31,

(in millions of Canadian dollars) (unaudited)	2025	2024
Operating activities		
Net earnings (loss) attributable to Shareholders for the period	7	(20)
Adjustments for:		
Financing expense	36	35
Depreciation and amortization	69	67
Impairment charges	1	2
Other loss	4	3
Restructuring costs	5	23
Unrealized gain on derivative financial instruments	(4)	(1)
Provision for (recovery of) income taxes	5	(6)
Share of results of associates and joint ventures	(3)	(3)
Net earnings attributable to non-controlling interests	5	3
Net financing expense paid	(49)	(47)
Net income taxes paid	(2)	(5)
Dividends received	—	1
Provisions for charges and other liabilities	(29)	(20)
	45	32
Changes in non-cash working capital components	(97)	(70)
	(52)	(38)
Investing activities		
Payments for property, plant and equipment	(36)	(41)
Change in intangible and other assets	1	—
	(35)	(41)
Financing activities		
Bank loans and advances	(6)	2
Change in credit facilities	267	77
Change in credit facilities without recourse to the Corporation	1	15
Repurchase of unsecured senior notes	(175)	—
Increase in delayed draw unsecured term loan credit facility	36	—
Payments of other long-term debt, including lease obligations (2025 - \$18 million for the 3-month period; 2024 - \$20 million for the 3-month period)	(19)	(21)
Issuance of common shares upon exercise of stock options	1	—
Dividends paid to non-controlling interests	(3)	(3)
Acquisition of non-controlling interests	—	(3)
Dividends paid to the Corporation's Shareholders	(12)	(12)
	90	55
Net change in cash and cash equivalents during the period	3	(24)
Currency translation on cash and cash equivalents	(1)	1
Cash and cash equivalents - Beginning of the period	27	54
Cash and cash equivalents - End of the period	29	31

SEGMENTED INFORMATION

In the fourth quarter of 2024, the Corporation announced organizational changes designed to support its strategic growth. These changes involve the combination of the Containerboard and Specialty Products activities into a single operational unit. Since January 2025, the Corporation's operations are managed in two segments: Packaging Products and Tissue Papers. The comparative figures have been restated to conform with the current year's presentation. The accounting policies of the reportable segments are the same as the Corporation's accounting policies described in the most recent Audited Consolidated Financial Statements for the year ended December 31, 2024.

The Corporation's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The Chief Executive Officer has authority for resource allocation and management of the Corporation's performance and is therefore the CODM. The CODM assesses the performance of each reportable segment based on sales and earnings before interest, taxes, depreciation and amortization, adjusted to exclude specific items (EBITDA (A)). The CODM considers EBITDA (A) to be the best performance measure of the Corporation's activities.

Sales for each segment are prepared on the same basis as those of the Corporation. Inter-segment operations are recorded on the same basis as sales to third parties, which are at fair market value.

EBITDA (A) does not have a standardized meaning under IFRS Accounting Standards; accordingly, it may not be comparable to similarly named measures used by other companies. Investors should not view EBITDA (A) as an alternative measure to, for example, net earnings, or as a measure of operating results, which are IFRS Accounting Standards measures.

Sales by business segment are shown in the following table:

For the 3-month periods ended March 31 (in millions of Canadian dollars) (unaudited)	SALES					
	2025			2024		
	Total	Inter-segment	External	Total	Inter-segment	External
Packaging Products	762	(13)	749	709	(12)	697
Tissue Papers	364	—	364	367	(1)	366
Corporate, Recovery and Recycling activities	73	(32)	41	82	(36)	46
	1,199	(45)	1,154	1,158	(49)	1,109

EBITDA (A) by business segment is reconciled to IFRS Accounting Standards measure, namely operating income (loss), and is shown in the following table:

(in millions of Canadian dollars) (unaudited)	For the 3-month period ended March 31, 2025			
	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	60	24	(34)	50
Depreciation and amortization	46	13	10	69
Impairment charges	—	—	1	1
Other loss	4	—	—	4
Restructuring costs	1	—	4	5
Unrealized gain on derivative financial instruments	(2)	—	(2)	(4)
EBITDA (A)	109	37	(21)	125
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	603	304	52	959

For the 3-month period ended March 31, 2024

(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	12	31	(34)	9
Depreciation and amortization	43	13	11	67
Impairment charges	2	—	—	2
Other loss	3	—	—	3
Restructuring costs	16	6	1	23
Unrealized gain on derivative financial instruments	(1)	—	—	(1)
EBITDA (A)	75	50	(22)	103
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	589	295	51	935

Payments for property, plant and equipment by business segment are shown in the following table:

(in millions of Canadian dollars) (unaudited)	PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT	
	For the 3-month periods ended March 31,	
	2025	2024
Packaging Products	34	14
Tissue Papers	8	8
Corporate, Recovery and Recycling activities	6	6
Total acquisitions	48	28
Right-of-use assets acquisitions and provisions (non-cash)	(24)	(3)
	24	25
Acquisitions for property, plant and equipment included in "Trade and other payables"		
Beginning of the period	32	45
End of the period	(20)	(29)
Payments for property, plant and equipment	36	41

SUPPLEMENTAL INFORMATION ON NON-IFRS ACCOUNTING STANDARDS MEASURES AND OTHER FINANCIAL 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 that of other corporations and some of these items 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 repurchase of long-term debt, 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 hedge instruments and option fair value revaluation, foreign exchange gains or losses on long-term debt and financial instruments, fair value revaluation gains or losses on investments, specific items of discontinued operations and other significant items of an unusual, non-cash or non-recurring nature.

RECONCILIATION AND USES OF NON-IFRS ACCOUNTING STANDARDS MEASURES AND OTHER FINANCIAL 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 Accounting Standards ("non-IFRS Accounting Standards measures"), which are also calculated on an adjusted basis to exclude specific items. We believe that providing certain key performance and capital measures, as well as non-IFRS Accounting Standards 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 Accounting Standards measures and other financial measures are used in our financial disclosures:

Non-IFRS Accounting Standards measures

- Adjusted earnings before interest, taxes, depreciation and amortization or EBITDA (A): represents the operating income (as published in the Consolidated Statements of Earnings (Loss) of the Consolidated Financial Statements) before depreciation and amortization excluding specific items. Measure used to assess recurring operating performance and the contribution of each segment on a comparable basis.
- Adjusted net earnings: Measure used to assess the Corporation's consolidated financial performance on a comparable basis.
- Adjusted cash flow: Measure used to assess the Corporation's capacity to generate cash flows to meet financial obligations and/or discretionary items such as share repurchases, dividend increases and strategic investments.
- Free cash flow: Measure used to calculate the excess cash the Corporation generates by subtracting capital expenditures (excluding strategic projects) from the EBITDA (A).
- Working capital: Measure used to assess the short-term liquidity of the Corporation.

Other financial measures

- Total debt: Measure used to calculate all the Corporation's debt, including long-term debt and bank loans. Often put in relation to equity to calculate the debt-to-equity ratio.
- Net debt: Measure used to calculate the Corporation's total debt less cash and cash equivalents. Often put in relation to EBITDA (A) to calculate net debt to EBITDA (A) ratio.

Non-IFRS Accounting Standards ratios

- Net debt to EBITDA (A) ratio: Ratio used to assess the Corporation's ability to pay its debt and evaluate financial leverage.
- EBITDA (A) margin: Ratio used to assess operating performance and the contribution of each segment on a comparable basis calculated as a percentage of sales.
- Adjusted net earnings per common share: Ratio used to assess the Corporation's consolidated financial performance on a comparable basis.
- Ratio of net debt / (total equity and net debt): Ratio used to evaluate the Corporation's financial leverage and the risk to Shareholders.
- Working capital as a percentage of sales: Ratio used to assess the Corporation's operating liquidity performance.
- Adjusted cash flow per common share: Ratio used to assess the Corporation's financial flexibility.

- Free cash flow ratio: Ratio used to measure the liquidity and efficiency of how much more cash the Corporation generates than it uses to run the business by subtracting capital expenditures (excluding strategic projects) from the EBITDA (A) calculated as a percentage of sales.

Non-IFRS Accounting Standards measures and other financial measures are mainly derived from the consolidated financial statements, but do not have meanings prescribed by IFRS Accounting Standards. 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 Accounting Standards. In addition, our definitions of non-IFRS Accounting Standards measures and other financial measures may differ from those of other corporations. Any such modification or reformulation may be significant.

In the fourth quarter of 2024, the Corporation announced organizational changes designed to support its strategic growth. These changes involve the combination of the Containerboard and Specialty Products activities into a single operational unit. Since January 2025, the Corporation's operations are managed in two segments: Packaging Products and Tissue Papers. The comparative figures have been restated to conform with the current year's presentation.

The CODM assesses the performance of each reportable segment based on sales and earnings before interest, taxes, depreciation and amortization, adjusted to exclude specific items (EBITDA (A)¹). The CODM considers EBITDA (A)¹ to be the best performance measure of the Corporation's activities.

EBITDA (A)¹ by business segment is reconciled to IFRS Accounting Standards measure, namely operating income (loss), and is shown in the following table:

	Q1 2025			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	60	24	(34)	50
Depreciation and amortization	46	13	10	69
Impairment charges	—	—	1	1
Other loss	4	—	—	4
Restructuring costs	1	—	4	5
Unrealized gain on derivative financial instruments	(2)	—	(2)	(4)
EBITDA (A)¹	109	37	(21)	125
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	603	304	52	959

	Q4 2024			
(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	58	4	(46)	16
Depreciation and amortization	48	14	14	76
Impairment charges	32	23	—	55
Other gain	(7)	—	(1)	(8)
Restructuring costs	2	4	2	8
Unrealized gain on derivative financial instruments	(1)	—	—	(1)
EBITDA (A)¹	132	45	(31)	146
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	609	325	64	998

¹ Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

(in millions of Canadian dollars) (unaudited)	Packaging Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
Operating income (loss)	12	31	(34)	9
Depreciation and amortization	43	13	11	67
Impairment charges	2	—	—	2
Other loss	3	—	—	3
Restructuring costs	16	6	1	23
Unrealized gain on derivative financial instruments	(1)	—	—	(1)
EBITDA (A)¹	75	50	(22)	103
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	589	295	51	935

The following table reconciles net earnings (loss) and net earnings (loss) per common share, as reported, with adjusted net earnings (loss)¹ and adjusted net earnings (loss) per common share¹:

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	NET EARNINGS (LOSS)			NET EARNINGS (LOSS) PER COMMON SHARE ²		
	Q1 2025	Q4 2024	Q1 2024	Q1 2025	Q4 2024	Q1 2024
As reported	7	(13)	(20)	\$0.07	(\$0.13)	(\$0.20)
Specific items:						
Impairment charges	1	55	2	\$0.01	\$0.41	\$0.01
Other loss (gain)	4	(8)	3	\$0.03	(\$0.07)	\$0.02
Restructuring costs	5	8	23	\$0.04	\$0.06	\$0.18
Unrealized gain on derivative financial instruments	(4)	(1)	(1)	(\$0.03)	(\$0.01)	(\$0.01)
Unrealized gain on interest rate hedge instrument	—	(2)	(2)	—	(\$0.02)	(\$0.01)
Foreign exchange loss on long-term debt and financial instruments	—	1	1	—	\$0.01	\$0.01
Tax effect on specific items, other tax adjustments and attributable to non-controlling interest ²	—	(15)	(6)	\$0.01	—	—
	6	38	20	\$0.06	\$0.38	\$0.20
Adjusted¹	13	25	—	\$0.13	\$0.25	—
Weighted average basic number of common shares outstanding				100,993,811	100,988,040	100,703,177

The following table reconciles cash flow from operating activities with EBITDA (A)¹:

(in millions of Canadian dollars) (unaudited)	Q1 2025	Q4 2024	Q1 2024
Cash flow from operating activities	(52)	154	(38)
Changes in non-cash working capital components	97	(45)	70
Net income taxes paid	2	—	5
Net financing expense paid	49	22	47
Provisions for charges and other liabilities, net of dividends received	29	15	19
EBITDA (A)¹	125	146	103

¹ Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

² Specific amounts per common 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. Please refer to "Provision for (recovery of) income taxes" section for more details.

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 activities¹. It also reconciles adjusted cash flow from operating activities¹ to adjusted cash flow generated (used)¹, which is also calculated on a per common share basis:

(in millions of Canadian dollars, except per common share amounts or otherwise noted) (unaudited)	Q1 2025	Q4 2024	Q1 2024
Cash flow from operating activities	(52)	154	(38)
Changes in non-cash working capital components	97	(45)	70
Cash flow from operating activities (excluding changes in non-cash working capital components)	45	109	32
Restructuring costs paid	17	20	14
Adjusted cash flow from operating activities¹	62	129	46
Payments for property, plant and equipment	(36)	(45)	(41)
Change in intangible and other assets	1	(3)	—
Lease obligation payments	(18)	(17)	(20)
Proceeds from disposals of property, plant and equipment	—	16	—
Dividends paid to non-controlling interests	9	80	(15)
Dividends paid to the Corporation's Shareholders and to non-controlling interests	(3)	(3)	(3)
	(12)	(12)	(12)
Adjusted cash flow generated (used)¹	(6)	65	(30)
Adjusted cash flow generated (used) per common share¹ (in Canadian dollars)	(\$0.06)	\$0.64	(\$0.30)
Weighted average basic number of common shares outstanding	100,993,811	100,988,040	100,703,177

The following table reconciles total debt¹ and net debt¹ with the ratio of net debt to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A))¹:

(in millions of Canadian dollars) (unaudited)	March 31, 2025	December 31, 2024	March 31, 2024
Long-term debt	1,873	1,871	1,816
Current portion of unsecured senior notes of \$296 million to be refinanced (\$175 million in 2024)	296	175	175
Current portion of long-term debt	72	67	58
Bank loans and advances	4	10	2
Total debt¹	2,245	2,123	2,051
Less: Cash and cash equivalents	(29)	(27)	(31)
Net debt¹ as reported	2,216	2,096	2,020
Last twelve months EBITDA (A) ¹	523	501	527
Net debt / EBITDA (A) ratio¹	4.2x	4.2x	3.8x

¹ Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

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