

PRESS RELEASE



Cascades Inc.
404 Marie-Victorin Blvd., P.O. Box 30
Kingsey Falls (Québec) Canada J0A 1B0
www.cascades.com

Telephone: 819-363-5100
Fax: 819-363-5155

Cascades Reports Results for the Third Quarter of 2020 **Positive outlook supported by favourable containerboard industry dynamics**

Kingsey Falls, Quebec, November 12, 2020 - Cascades Inc. (TSX: CAS) reports its unaudited financial results for the three-month period ended September 30, 2020.

Q3 2020 Highlights

- Sales of \$1,275 million (compared with \$1,285 million in Q2 2020 (-1%) and \$1,264 million in Q3 2019 (+1%))
- As reported (including specific items)
 - Operating income of \$73 million (compared with \$94 million in Q2 2020 (-22%) and \$108 million in Q3 2019² (-32%))
 - Operating income before depreciation and amortization (OIBD)¹ of \$154 million (compared with \$169 million in Q2 2020 (-9%) and \$181 million in Q3 2019² (-15%))
 - Net earnings per share of \$0.51 (compared with \$0.57 in Q2 2020 and \$0.45 in Q3 2019²)
- Adjusted (excluding specific items)¹
 - Operating income of \$81 million (compared with \$111 million in Q2 2020 (-27%) and \$88 million in Q3 2019 (-8%))
 - OIBD of \$162 million (compared with \$186 million in Q2 2020 (-13%) and \$161 million in Q3 2019 (+1%))
 - Net earnings per share of \$0.50 (compared with \$0.61 in Q2 2020 and \$0.30 in Q3 2019)
- Added US\$300 million of Senior Notes due in 2028; Redeemed US\$200 million of remaining 2023 Senior Notes.
- Net debt¹ of \$1,982 million as at September 30, 2020 (compared with \$2,077 million as at June 30, 2020) reflecting solid cash flow from operations. Net debt to adjusted OIBD ratio¹ at 3.0x down from 3.1x as at June 30, 2020.
- European Boxboard business announced the acquisition of Papelera del Principado S.A. ("Papirinsa").
- Announced plans for the Bear Island containerboard conversion project in Virginia, USA in October and concurrently completed a bought deal equity issue of 7,441,000 shares priced at \$16.80, generating gross proceed of \$125 million to finance a portion of the project.
- Announced the closure of two tissue production and converting operations in Pennsylvania.

¹ For further details, please refer to the "Supplemental Information on non-IFRS Measures" section.
² 2019 third quarter consolidated results have been adjusted to reflect retrospective adjustments of purchase price allocation.

Mario Plourde, President and CEO, commented: "We are pleased with our consolidated third quarter results. Within an ever-evolving business environment, demand levels for containerboard remained robust. This strength drove higher sequential quarterly sales volume in this business, offsetting higher energy costs and an approximate \$3 million impact from unplanned operational shutdowns at our Niagara Falls, NY complex. Similarly, our Specialty Products segment generated solid results, benefiting from strong demand for our sustainable food packaging product offerings. Results in our Tissue business were mixed. As expected, demand remained strong for consumer tissue, while the reverse was true for Away-from-Home products given the impact that Covid-19 is having on businesses, restaurants, hotels and schools. This segment, which accounts for approximately 40% of our annual tissue sales, experienced sharp decreases in demand for some products. We have taken steps to adjust production capacity by temporarily closing several facilities that serve this market, and continue to evaluate opportunities to adapt some capacity for different products. Lastly, results in the European Boxboard segment reflected the usual softer seasonal third quarter volumes, the effects of which were partially offset by favourable raw material pricing and lower energy costs.

On the strategic side, we are very pleased to have announced the launch of our Bear Island project in mid-October. This is an important strategic investment for our containerboard business, one which we are confident will benefit operational performance, enhance our product offering in lightweight recycled containerboard and position our containerboard platform for long-term profitable growth within this competitive industry. We are equally pleased to have completed the \$125 million equity issuance (offering) that was announced concurrently with the Bear Island project. The proceeds of this offering will be primarily dedicated to financing Bear Island, but may also be used for other ongoing capital projects. The European Boxboard segment also announced the strategic acquisition of one of the main European coated chipboard players, Papelera del Principado S.A. ("Papirinsa"), and three smaller adjoining companies, that will strengthen and consolidate Reno de Medici's position as the number two manufacturer of recycled boxboard in Europe, while strengthening its competitive position in Spain and the surrounding markets."

Discussing near-term outlook, Mr. Plourde commented, "In light of ongoing ambiguity related to the pandemic, we are cautiously optimistic regarding our performance in the near-term. Demand dynamics in containerboard remain strong, with results expected to also benefit from the announced US\$50/st price increase beginning in the fourth quarter. In Tissue, usual seasonal softness in the fourth quarter and Covid-19 driven demand contraction in the Away-from-Home product categories are expected to translate into weaker sequential performance. Ongoing modernization initiatives in this business, which include the integration of the Orchids assets and final investments in state-of-the-art converting equipment, are delivering targeted returns and will generate increasing benefits as implementation costs trend down. Near-term performance in Specialty Products is forecasted to remain solid, supported by continued strong demand trends for consumer food packaging, while sequential results in European Boxboard are expected to decrease slightly as a result of lack of certainty regarding volume and less favourable mix of products. On a consolidated basis, raw material costs are expected to continue to be favourable for our businesses. Looking ahead, results are projected to benefit from a margin improvement initiative started earlier this year that is expected to generate a 1% annual increase in our consolidated OIBD margin for the next two years. Given persistent uncertainty around Covid-19, we remain focused on the health and safety of our employees and working with our customers to ensure that their needs and expectations for our essential packaging and tissue products are not only met but surpassed. Cash flow management supported by operational flexibility, resilience and execution remain the top priorities for Cascades' management team, and will continue to be essential to successfully navigate the current unusual and less predictable environment."

Financial Summary

Selected consolidated information

(in millions of Canadian dollars, except amounts per share) (unaudited)	Q3 2020	Q2 2020	Q3 2019
Sales	1,275	1,285	1,264
As Reported			
Operating income before depreciation and amortization (OIBD) ^{1 2}	154	169	181
Operating income ²	73	94	108
Net earnings ²	49	54	43
per share ²	\$ 0.51	\$ 0.57	\$ 0.45
Adjusted¹			
Operating income before depreciation and amortization (OIBD)	162	186	161
Operating income	81	111	88
Net earnings	48	58	28
per share	\$ 0.50	\$ 0.61	0.30
Margin (OIBD)	12.7%	14.5%	12.7%

Segmented OIBD as reported

(in millions of Canadian dollars) (unaudited)	Q3 2020	Q2 2020	Q3 2019
Packaging Products			
Containerboard	101	83	120
Boxboard Europe	31	42	25
Specialty Products	16	16	14
Tissue Papers²	25	48	49
Corporate Activities	(19)	(20)	(27)
OIBD as reported	154	169	181

¹ Please refer to the "Supplemental Information on Non-IFRS Measures" section for reconciliation of these figures.

² 2019 third quarter consolidated results have been adjusted to reflect retrospective adjustments of purchase price allocation.

Segmented adjusted OIBD¹

(in millions of Canadian dollars) (unaudited)	Q3 2020	Q2 2020	Q3 2019
Packaging Products			
Containerboard	100	94	118
Boxboard Europe	29	43	25
Specialty Products	16	17	16
Tissue Papers	36	54	24
Corporate Activities	(19)	(22)	(22)
Adjusted OIBD	162	186	161

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

Analysis of results for the three-month period ended September 30, 2020 (compared to the same period last year)

Sales of \$1,275 million grew by \$11 million, or 1%, compared with the same period last year. This was largely a reflection of the volume-driven 7% increase in the Containerboard segment and favourable foreign exchange rate for all business segments. These benefits were offset by lower sales in the Tissue business driven by demand contraction in the Away-from-Home segment and lower average selling prices and/or less favourable sales mix in all packaging segments. While volumes grew in the Specialty Products segment, these benefits were largely offset by the mill closure and business divestiture completed in 2019.

The Corporation generated an operating income before depreciation and amortization (OIBD) of \$154 million in the third quarter of 2020, down from \$181 million in the third quarter of 2019². On an adjusted basis, third quarter OIBD totaled \$162 million, an increase of \$1 million, or 1% from the \$161 million generated in the same period last year. The annual adjusted OIBD reflects increases of \$12 million from Tissue and \$4 million from Boxboard Europe and stable results in the Specialty Products segment. These benefits were offset by a decrease of \$18 million from the Containerboard segment, as the benefits of increased volume were offset by higher year-over-year raw material costs and a less favourable selling price and sales mix. Research and development tax credits of \$9 million were recorded in the current quarter.

On an adjusted basis¹, third quarter 2020 OIBD stood at \$162 million, versus \$161 million in the previous year. The main specific items, before income taxes, that impacted our third quarter 2020 OIBD and/or net earnings were:

- \$7 million of gains recorded in Containerboard and Tissue related to the sale of previously closed assets (OIBD and net earnings);
- \$3 million of restructuring charges recorded in Containerboard following the announced closure of a converting facility in Ontario by no later than August 31, 2021 (OIBD and net earnings);
- \$13 million of impairment charges recorded in Tissue related to changes in the valuation of certain assets due to the current economic and market demand conditions (OIBD and net earnings);
- \$1 million unrealized gain on financial instruments (OIBD and net earnings);
- \$11 million foreign exchange gain on long-term debt and financial instruments (net earnings);

For the 3-month periods ended September 30, 2020, the Corporation posted net earnings of \$49 million, or \$0.51 per share, compared to net earnings of \$43 million, or \$0.45 per share, in the same period of 2019². On an adjusted basis¹, the Corporation generated net earnings of \$48 million in the third quarter of 2020, or \$0.50 per share, compared to net earnings of \$28 million, or \$0.30 per share, in the same period of 2019.

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

² 2019 third quarter consolidated results have been adjusted to reflect retrospective adjustments of purchase price allocation

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 December 3, 2020 to shareholders of record at the close of business on November 20, 2020. This dividend is an "eligible dividend" as per the Income Tax Act (R.C.S. (1985), Canada). Cascades did not purchase any shares for cancellation during the third quarter of 2020.

2020 Third Quarter Results Conference Call Details

Management will discuss the 2020 third 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 December 12, 2020 by dialing 1-855-859-2056 (international dial-in 1-416-849-0833), access code 4158758.

Founded in 1964, Cascades offers sustainable, innovative and value-added packaging, hygiene and recovery solutions. The company employs 12,000 women and men across a network of 88 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)	September 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	227	155
Accounts receivable	661	606
Current income tax assets	23	32
Inventories	606	598
Current portion of financial assets	9	10
	1,526	1,401
Long-term assets		
Investments in associates and joint ventures	86	80
Property, plant and equipment	2,785	2,770
Intangible assets with finite useful life	166	182
Financial assets	19	16
Other assets	48	55
Deferred income tax assets	179	153
Goodwill and other intangible assets with indefinite useful life	534	527
	5,343	5,184
Liabilities and Equity		
Current liabilities		
Bank loans and advances	9	11
Trade and other payables	800	788
Current income tax liabilities	19	17
Current portion of other debt without recourse to the Corporation to be refinanced	162	—
Current portion of long-term debt	91	85
Current portion of provisions for contingencies and charges	7	5
Current portion of financial liabilities and other liabilities	30	137
	1,118	1,043
Long-term liabilities		
Long-term debt	1,947	2,022
Provisions for contingencies and charges	55	49
Financial liabilities	4	5
Other liabilities	212	198
Deferred income tax liabilities	210	198
	3,546	3,515
Equity		
Capital stock	498	491
Contributed surplus	13	15
Retained earnings	1,089	1,003
Accumulated other comprehensive loss	(10)	(17)
Equity attributable to Shareholders	1,590	1,492
Non-controlling interests	207	177
Total equity	1,797	1,669
	5,343	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 September 30,		For the 9-month periods ended September 30,	
	2020	2019	2020	2019
Sales	1,275	1,264	3,873	3,769
Cost of sales and expenses				
Cost of sales (including depreciation and amortization of \$81 million for 3-month period (2019 — \$73 million) and \$227 million for 9-month period (2019 — \$212 million))	1,086	1,071	3,243	3,210
Selling and administrative expenses	107	105	348	320
Gain on acquisitions, disposals and others	(7)	(22)	(5)	(29)
Impairment charges and restructuring costs	16	1	31	11
Foreign exchange loss (gain)	1	—	—	(1)
Loss (gain) on derivative financial instruments	(1)	1	(1)	(4)
	1,202	1,156	3,616	3,507
Operating income	73	108	257	262
Financing expense	25	24	79	74
Interest expense on employee future benefits and other liabilities	1	24	3	48
Loss on repurchase of long-term debt	6	—	6	—
Foreign exchange gain on long-term debt and financial instruments	(11)	—	(3)	(7)
Share of results of associates and joint ventures	(3)	(2)	(9)	(6)
Earnings before income taxes	55	62	181	153
Provision for (recovery of) income taxes	(3)	12	24	30
Net earnings including non-controlling interests for the period	58	50	157	123
Net earnings attributable to non-controlling interests	9	7	32	25
Net earnings attributable to Shareholders for the period	49	43	125	98
Net earnings per common share				
Basic	\$ 0.51	\$ 0.45	\$ 1.32	\$ 1.04
Diluted	\$ 0.50	\$ 0.44	\$ 1.30	\$ 1.02
Weighted average basic number of common shares outstanding	95,019,694	93,860,367	94,577,538	93,886,909
Weighted average number of diluted common shares	96,077,440	95,519,226	95,735,264	95,437,252

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
	2020	2019	2020	2019
Net earnings including non-controlling interests for the period	58	50	157	123
Other comprehensive income (loss)				
Items that may be reclassified subsequently to earnings				
Translation adjustments				
Change in foreign currency translation of foreign subsidiaries	(14)	1	43	(57)
Change in foreign currency translation related to net investment hedging activities	7	(3)	(27)	32
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	2	1	2	(1)
	(5)	(1)	18	(26)
Items that are not released to earnings				
Actuarial gain (loss) on employee future benefits	(4)	2	(19)	(13)
Recovery of income taxes	1	—	5	3
	(3)	2	(14)	(10)
Other comprehensive income (loss)	(8)	1	4	(36)
Comprehensive income including non-controlling interests for the period	50	51	161	87
Comprehensive income attributable to non-controlling interests for the period	12	4	43	13
Comprehensive income attributable to Shareholders for the period	38	47	118	74

CONSOLIDATED STATEMENTS OF EQUITY

For the 9-month period ended September 30, 2020

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE 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 (loss)							
Net earnings	—	—	125	—	125	32	157
Other comprehensive income (loss)	—	—	(14)	7	(7)	11	4
Dividends	—	—	(22)	—	(22)	(13)	(35)
Issuance of common shares upon exercise of stock options	9	(2)	—	—	7	—	7
Redemption of common shares	(2)	—	(3)	—	(5)	—	(5)
Balance - End of period	498	13	1,089	(10)	1,590	207	1,797

For the 9-month period ended September 30, 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	—	—	98	—	98	25	123
Other comprehensive loss	—	—	(10)	(14)	(24)	(12)	(36)
Dividends	—	—	(15)	—	(15)	(14)	(29)
Issuance of common shares upon exercise of stock options	5	(1)	—	—	4	—	4
Redemption of common shares	(5)	—	(3)	—	(8)	—	(8)
Disposal of a subsidiary	—	—	—	—	—	(1)	(1)
Capital contribution from a non-controlling interest	—	—	(3)	—	(3)	—	(3)
Balance - End of period	490	15	1,056	(12)	1,549	178	1,727

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
	2020	2019	2020	2019
Operating activities				
Net earnings attributable to Shareholders for the period	49	43	125	98
Adjustments for:				
Financing expense and interest expense on employee future benefits and other liabilities	26	48	82	122
Loss on repurchase of long-term debt	6	—	6	—
Depreciation and amortization	81	73	227	212
Gain on acquisitions, disposals and others	(7)	(26)	(5)	(32)
Impairment charges and restructuring costs	16	1	31	6
Unrealized loss (gain) on derivative financial instruments	(1)	1	(1)	(4)
Foreign exchange gain on long-term debt and financial instruments	(11)	—	(3)	(7)
Provision for (recovery of) income taxes	(3)	12	24	30
Share of results of associates and joint ventures	(3)	(2)	(9)	(6)
Net earnings attributable to non-controlling interests	9	7	32	25
Net financing expense paid	(49)	(42)	(73)	(101)
Premium paid on repurchase of long-term debt	(4)	—	(4)	—
Net income taxes received (paid)	(1)	(12)	1	(14)
Dividends received	2	1	7	3
Employee future benefits and others	(4)	—	(19)	(22)
	106	104	421	310
Changes in non-cash working capital components	30	53	(38)	(13)
	136	157	383	297
Investing activities				
Disposals of associates and joint ventures	4	—	3	1
Payments for property, plant and equipment	(52)	(66)	(165)	(185)
Proceeds from disposals of property, plant and equipment	7	19	9	21
Change in intangible and other assets	(3)	(1)	(8)	(3)
Cash paid for business combinations	—	(300)	—	(314)
Proceeds on disposals of a subsidiary, net of cash disposed	—	9	—	9
	(44)	(339)	(161)	(471)
Financing activities				
Bank loans and advances	—	(2)	(2)	(2)
Change in credit facilities	(138)	252	(81)	317
Issuance of unsecured senior notes, net of related expenses	409	—	409	—
Repurchase of unsecured senior notes	(264)	—	(264)	—
Increase in other long-term debt	—	—	—	7
Payments of other long-term debt	(22)	(15)	(64)	(94)
Settlement of derivative financial instruments	—	—	1	—
Issuance of common shares upon exercise of stock options	—	4	7	4
Redemption of common shares	—	(3)	(5)	(8)
Partial disposal of a subsidiary to non-controlling interests	—	—	—	—
Payment of other liabilities	—	—	(121)	—
Dividends paid to non-controlling interests	(4)	(4)	(13)	(14)
Dividends paid to the Corporation's Shareholders	(7)	(8)	(22)	(15)
	(26)	224	(155)	195
Change in cash and cash equivalents during the period	66	42	67	21
Currency translation on cash and cash equivalents	(1)	(2)	5	(6)
Cash and cash equivalents - Beginning of period	162	98	155	123
Cash and cash equivalents - End of period	227	138	227	138

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.

SALES

For the 3-month periods ended September 30,											
		Canada		United States		Italy		Other countries		Total	
(in millions of Canadian dollars) (unaudited)		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Packaging Products											
Containerboard		307	289	199	184	—	—	—	—	506	473
Boxboard Europe		—	—	—	—	79	88	182	168	261	256
Specialty Products		42	35	75	74	—	—	—	14	117	123
Intersegment sales		(2)	(4)	(2)	—	—	—	—	—	(4)	(4)
		347	320	272	258	79	88	182	182	880	848
Tissue Papers											
		72	64	292	320	—	—	—	3	364	387
Intersegment sales and Corporate Activities		32	28	(1)	1	—	—	—	—	31	29
		451	412	563	579	79	88	182	185	1,275	1,264

SALES

For the 9-month periods ended September 30,											
		Canada		United States		Italy		Other countries		Total	
(in millions of Canadian dollars) (unaudited)		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Packaging Products											
Containerboard		835	824	582	550	—	—	1	2	1,418	1,376
Boxboard Europe		—	—	—	—	240	247	558	558	798	805
Specialty Products		119	104	229	233	—	1	2	49	350	387
Intersegment sales		(9)	(10)	(3)	(1)	—	—	—	—	(12)	(11)
		945	918	808	782	240	248	561	609	2,554	2,557
Tissue Papers											
		207	192	1,026	910	—	—	1	10	1,234	1,112
Intersegment sales and Corporate Activities		86	93	(1)	7	—	—	—	—	85	100
		1,238	1,203	1,833	1,699	240	248	562	619	3,873	3,769

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
	2020	2019	2020	2019
Packaging Products				
Containerboard	101	120	286	345
Boxboard Europe	31	25	104	84
Specialty Products	16	14	43	43
	148	159	433	472
Tissue Papers	25	49	118	70
Corporate Activities	(19)	(27)	(67)	(68)
Operating income before depreciation and amortization	154	181	484	474
Depreciation and amortization	(81)	(73)	(227)	(212)
Financing expense and interest expense on employee future benefits and other liabilities	(26)	(48)	(82)	(122)
Loss on repurchase of long-term debt	(6)	—	(6)	—
Foreign exchange gain on long-term debt and financial instruments	11	—	3	7
Share of results of associates and joint ventures	3	2	9	6
Earnings before income taxes	55	62	181	153

PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended September 30,		For the 9-month periods ended September 30,	
	2020	2019	2020	2019
Packaging Products				
Containerboard	36	19	67	55
Boxboard Europe	14	13	23	41
Specialty Products	6	4	15	11
	56	36	105	107
Tissue Papers	23	27	62	74
Corporate Activities	5	19	16	40
Total acquisitions	84	82	183	221
Proceeds from disposals of property, plant and equipment	(7)	(19)	(9)	(21)
Right-of-use assets acquisitions and acquisitions included in other debts	(23)	(9)	(36)	(42)
	54	54	138	158
Acquisitions for property, plant and equipment included in "Trade and other payables"				
Beginning of period	19	24	46	37
End of period	(28)	(31)	(28)	(31)
Payments for property, plant and equipment net of proceeds from disposals	45	47	156	164

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 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 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:

	Q3 2020					
(in millions of Canadian dollars) (unaudited)	Containerboard	Boxboard Europe	Specialty Products	Tissue Papers	Corporate Activities	Consolidated
Operating income (loss)	71	19	11	3	(31)	73
Depreciation and amortization	30	12	5	22	12	81
Operating income (loss) before depreciation and amortization	101	31	16	25	(19)	154
Specific items:						
Gain on acquisitions, disposals and others	(5)	—	—	(2)	—	(7)
Impairment charges	—	—	—	13	—	13
Restructuring costs	3	—	—	—	—	3
Unrealized loss (gain) on financial instruments	1	(2)	—	—	—	(1)
	(1)	(2)	—	11	—	8
Adjusted operating income (loss) before depreciation and amortization	100	29	16	36	(19)	162
Adjusted operating income (loss)	70	17	11	14	(31)	81

Q2 2020

(in millions of Canadian dollars) (unaudited)	Containerboard	Boxboard Europe	Specialty Products	Tissue Papers	Corporate Activities	Consolidated
Operating income (loss)	54	30	11	31	(32)	94
Depreciation and amortization	29	12	5	17	12	75
Operating income (loss) before depreciation and amortization	83	42	16	48	(20)	169
Specific items :						
Loss on acquisitions, disposals and others	—	—	1	—	—	1
Impairment charges	8	—	—	5	—	13
Restructuring costs	1	—	—	1	—	2
Unrealized loss (gain) on derivative financial instruments	2	1	—	—	(2)	1
	11	1	1	6	(2)	17
Adjusted operating income (loss) before depreciation and amortization	94	43	17	54	(22)	186
Adjusted operating income (loss)	65	31	12	37	(34)	111

Q3 2019

(in millions of Canadian dollars) (unaudited)	Containerboard	Boxboard Europe	Specialty Products	Tissue Papers ¹	Corporate Activities	Consolidated
Operating income (loss)	91	14	10	34	(41)	108
Depreciation and amortization	29	11	4	15	14	73
Operating income (loss) before depreciation and amortization	120	25	14	49	(27)	181
Specific items:						
Loss (gain) on acquisitions, disposals and others	(2)	—	1	(25)	4	(22)
Impairment charges	—	—	1	—	—	1
Unrealized loss on financial instruments	—	—	—	—	1	1
	(2)	—	2	(25)	5	(20)
Adjusted operating income (loss) before depreciation and amortization	118	25	16	24	(22)	161
Adjusted operating income (loss)	89	14	12	9	(36)	88

¹ 2019 third quarter consolidated results have been adjusted to reflect retrospective adjustments of purchase price allocation.

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

(in millions of Canadian dollars) (unaudited)	Q3 2020	Q2 2020	Q3 2019 ¹
Net earnings attributable to Shareholders for the period	49	54	43
Net earnings attributable to non-controlling interests	9	12	7
Provision for (recovery of) income taxes	(3)	12	12
Share of results of associates and joint ventures	(3)	(3)	(2)
Foreign exchange gain on long-term debt and financial instruments	(11)	(9)	—
Financing expense and interest expense on employee future benefits and other liabilities and other liabilities and loss on repurchase of long-term debt	32	28	48
Operating income	73	94	108
Specific items:			
Loss (gain) on acquisitions, disposals and others	(7)	1	(22)
Impairment charges	13	13	1
Restructuring costs	3	2	—
Unrealized loss (gain) on derivative financial instruments	(1)	1	1
	8	17	(20)
Adjusted operating income	81	111	88
Depreciation and amortization	81	75	73
Adjusted operating income before depreciation and amortization	162	186	161

¹ 2019 third quarter consolidated results have been adjusted to reflect retrospective adjustments of purchase price allocation.

The following table reconciles net earnings and net earnings 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			NET EARNINGS PER SHARE ¹		
	Q3 2020	Q2 2020	Q3 2019 ²	Q3 2020	Q2 2020	Q3 2019 ²
As per IFRS	49	54	43	\$ 0.51	\$ 0.57	\$ 0.45
Specific items:						
Loss (gain) on acquisitions, disposals and others	(7)	1	(22)	\$ (0.05)	—	\$ (0.24)
Impairment charges	13	13	1	\$ 0.10	\$ 0.10	0.01
Restructuring costs	3	2	—	\$ 0.03	\$ 0.02	—
Unrealized loss (gain) on derivative financial instruments	(1)	1	1	—	\$ 0.01	\$ 0.01
Loss on repurchase of long-term debt	6	—	—	\$ 0.05	—	—
Unrealized loss on interest rate swaps and option fair value	—	—	7	—	—	\$ 0.07
Foreign exchange gain on long-term debt and financial instruments	(11)	(9)	—	\$ (0.12)	\$ (0.09)	—
Tax effect on specific items, other tax adjustments and attributable to non-controlling interest ¹	(4)	(4)	(2)	\$ (0.02)	—	—
	(1)	4	(15)	\$ (0.01)	\$ 0.04	\$ (0.15)
Adjusted	48	58	28	\$ 0.50	\$ 0.61	\$ 0.30

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.

² 2019 third quarter consolidated results have been adjusted to reflect retrospective adjustments of purchase price allocation.

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)	Q3 2020	Q2 2020	Q3 2019 ¹
Cash flow from operating activities	136	128	157
Changes in non-cash working capital components	(30)	34	(53)
Depreciation and amortization	(81)	(75)	(73)
Net income taxes paid	1	7	12
Net financing expense paid	49	7	42
Premium paid on long-term debt repurchase	4	—	—
Gain (loss) on acquisitions, disposals and others	7	(1)	26
Impairment charges and restructuring costs	(16)	(15)	(1)
Unrealized gain (loss) on derivative financial instruments	1	(1)	(1)
Dividend received, employee future benefits and others	2	10	(1)
Operating income	73	94	108
Depreciation and amortization	81	75	73
Operating income before depreciation and amortization	154	169	181

¹ 2019 third quarter consolidated results have been adjusted to reflect retrospective adjustments of purchase price allocation.

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)	Q3 2020	Q2 2020	Q3 2019
Cash flow from operating activities	136	128	157
Changes in non-cash working capital components	(30)	34	(53)
Cash flow from operating activities (excluding changes in non-cash working capital components)	106	162	104
Specific items paid	9	—	4
Adjusted cash flow from operating activities	115	162	108
Capital expenditures & other assets ¹ and right-of-use assets payments, net of disposals	(60)	(51)	(58)
Dividends paid to the Corporation's Shareholders and to non-controlling interests	(11)	(14)	(12)
Adjusted free cash flow	44	97	38
Adjusted free cash flow per share	\$ 0.46	\$ 1.02	\$ 0.40
Weighted average basic number of shares outstanding	95,019,694	94,459,257	93,860,367

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)	September 30, 2020	June 30, 2020	September 30, 2019
Long-term debt	1,947	1,975	2,107
Current portion of long-term debt	253	255	87
Bank loans and advances	9	9	14
Total debt	2,209	2,239	2,208
Less: Cash and cash equivalents	227	162	138
Net debt	1,982	2,077	2,070
Adjusted OIBD (last twelve months)	661	660	565
Net debt / Adjusted OIBD ratio	3.0x	3.1x	3.7x

For further information:

Media:

Hugo D'Amours
Vice-President, Communications and Public Affairs
819-363-5184

Investors:

Jennifer Aitken, MBA
Director, Investor Relations
514-282-2697

Source:

Allan Hogg
Vice-President and Chief Financial Officer

Follow us on social media:

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