



Cascades Reports Strong Results for the Fourth Quarter of 2020 and 3rd Consecutive Annual Record Levels of Sales and Adjusted OIBD *Positive containerboard industry dynamics support optimistic outlook*

Kingsey Falls, Quebec, February 25, 2021 - Cascades Inc. (TSX: CAS) reports its unaudited financial results for the three-month period and fiscal year ended December 31, 2020.

Q4 2020 Highlights

- Sales of \$1,284 million (compared with \$1,275 million in Q3 2020 (+1%) and \$1,227 million in Q4 2019 (+5%))
- As reported (including specific items)
 - Operating income of \$109 million (compared with \$73 million in Q3 2020 (+49%) and operating loss of \$(1) million in Q4 2019)
 - Operating income before depreciation and amortization (OIBD)¹ of \$181 million (compared with \$154 million in Q3 2020 (+18%) and \$76 million in Q4 2019 (+138%))
 - Net earnings per share of \$0.72 (compared with \$0.51 in Q3 2020 and net loss per share of \$(0.27) in Q4 2019)
- Adjusted (excluding specific items)¹
 - Operating income of \$94 million (compared with \$81 million in Q3 2020 (+16%) and \$75 million in Q4 2019 (+25%))
 - OIBD of \$166 million (compared with \$162 million in Q3 2020 (+2%) and \$152 million in Q4 2019 (+9%))
 - Net earnings per share of \$0.42 (compared with \$0.50 in Q3 2020 and \$0.30 in Q4 2019)

2020 Annual Highlights

- Sales of \$5,157 million (compared with \$4,996 million in 2019 (+3%))
- As reported (including specific items)
 - Operating income of \$366 million (compared with \$261 million in 2019² (+40%))
 - Operating income before depreciation and amortization (OIBD)¹ of \$665 million (compared with \$550 million in 2019² (+21%))
 - Net earnings per share of \$2.04 (compared with \$0.77 in 2019²)
- Adjusted (excluding specific items)¹
 - Operating income of \$376 million (compared with \$315 million in 2019 (+19%))
 - OIBD of \$675 million (compared with \$604 million in 2019 (+12%))
 - Net earnings per share of \$1.95 (compared with \$1.02 in 2019)
- Net debt¹ of \$1,679 million as at December 31, 2020 (compared with \$1,982 million as at September 30, 2020) reflecting solid cash flow from operations, the \$125 million equity offering and appreciation of the Canadian dollar. Net debt to adjusted OIBD ratio¹ at 2.5x down from 3.0x at September 30, 2020.
- Adjusted free cash flow of \$285 million, or \$2.97 per share, in 2020, compared to \$107 million, or \$1.14 per share, in 2019.
- Total capital expenditures paid, net of disposals, of \$195 million in 2020, compared to \$231 million in 2019; Forecasted 2021 capital expenditures of between \$450 million and \$475 million include \$250 million envelope for the Bear Island containerboard conversion project in Virginia, USA.
- Announced planned progressive and permanent closure of tissue operations at the Laval plant, located in Québec, in June 2021, and that Tissue operations in Pennsylvania ceased in December 2020.
- Reno De Medici S.p.A. (Boxboard Europe) announced the signature of a put option for the sale of its French subsidiary, which produces virgin fiber-based boxboard, in February 2021. The transaction is expected to close at the end of the second quarter of 2021.

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 very pleased with our strong fourth quarter performance. Consolidated adjusted OIBD of \$166 million surpassed our cautious outlook for the period, represented an increase of 2% sequentially and 9% year-over, and drove annual profitability to a record level for the third consecutive year. These results demonstrate good operational execution within the context of a challenging environment, benefits being realized from our ongoing margin improvement initiatives, and the resiliency and dedication of our employees throughout the challenges of COVID-19. Sequentially, fourth quarter performance was driven by a solid contribution from the Containerboard segment, itself fueled by stronger than expected demand on both the manufacturing and converting side. The Tissue segment also generated good results, with stable consumer retail tissue demand helping to offset lower demand levels for Away-from-Home products as a result of COVID-19. The Tissue segment generated a solid fourth quarter adjusted OIBD margin of 10.5% in spite of ongoing challenging market conditions. The Specialty Products and European Boxboard segments generated slightly lower results in the quarter.

We have made significant progress on the strategic side in 2020. A large portion of our announced modernization investments in the Tissue segment have been completed, with the remaining two state-of-the-art converting lines expected to be installed in the coming quarters. In Containerboard, we announced details of our strategic Bear Island conversion project in mid-October, and helped to de-risk the project with a concurrent \$125 million equity issuance offering. The European Boxboard segment announced the acquisition of Papelera del Principado S.A. ("Papirinsa") and three affiliated companies, that will strengthen and consolidate Reno de Medici's competitive positioning within European recycled boxboard markets, and is expected to close at the end of the first quarter of 2021. At the corporate level, we continued to proactively manage our long-term debt profile, redeeming our 2023 senior notes and issuing 2028 senior notes under beneficial terms. On a broader basis, we advanced our margin improvement initiatives throughout the year, with these efforts contributing approximately \$75 million to our consolidated adjusted OIBD level in 2020."

Discussing near-term outlook, Mr. Plourde commented, "Our near-term outlook is positive despite ongoing COVID-19 related uncertainty. Demand levels in Containerboard remain strong which, combined with recent industry price increases, are expected to help offset raw material pricing headwinds. In Tissue, stronger than expected volumes in December, usual seasonal softness in the first quarter, and unfavourable demand impact on Away-from-Home products related to COVID-19 are expected to translate into weaker sequential performance. We expect the ongoing modernization, cost management and margin improvement initiatives to partially counter softer demand factors. Near-term performance in Specialty Products is forecasted to remain stable sequentially, with higher average selling prices and good demand trends for consumer food packaging offsetting slightly higher raw material costs. Results in European Boxboard are expected to remain stable, with higher volumes and a favourable exchange rate mitigating higher forecasted raw material and energy costs. On a consolidated basis, raw material costs are expected to be a headwind for our businesses sequentially, with average OCC prices increasing in line with usual seasonal trends for the period. Prices for white recycled fibers remain stable, while those for virgin pulp are expected to increase given recent moves in index pricing. Raw materials remain readily available, and we do not foresee any changes in this regard.

Looking further ahead, 2021 will be a busy year. The highlight will be our Bear Island containerboard project, which will account for the lion's share of our capex program. We will also be finalizing modernization investments in our tissue converting operations, with all of these projects encompassed within our \$450 to \$475 million capital program for 2021. We expect these investments to be fully funded by solid projected cash flows for the year, in part driven by our ongoing margin improvement initiatives that are targeting net revenue management, production efficiency, organizational effectiveness and supply chain optimization. These initiatives are expected to contribute 1% annually to consolidated OIBD margins in both 2021 and 2022, regardless of external factors. As we continue to navigate the challenges and uncertainties inherent in the ongoing COVID-19 business environment, we remain focused on ensuring the health and safety of our employees, and on proactively engaging with our customers to ensure that their needs and expectations are met consistently, promptly and professionally."

Financial Summary

Selected consolidated information

(in millions of Canadian dollars, except amounts per share) (unaudited)	2020	2019	Q4 2020	Q3 2020	Q4 2019
Sales	5,157	4,996	1,284	1,275	1,227
As Reported					
Operating income before depreciation and amortization (OIBD) ^{1 2}	665	550	181	154	76
Operating income (loss) ²	366	261	109	73	(1)
Net earnings (loss) ²	198	72	73	49	(26)
per share ²	\$ 2.04	\$ 0.77	\$ 0.72	\$ 0.51	\$ (0.27)
Adjusted¹					
Operating income before depreciation and amortization (OIBD)	675	604	166	162	152
Operating income	376	315	94	81	75
Net earnings	187	96	42	48	29
per share	\$ 1.95	\$ 1.02	\$ 0.42	\$ 0.50	0.30
Margin (OIBD)	13.1%	12.1%	12.9%	12.7%	12.4%

Segmented OIBD as reported

(in millions of Canadian dollars) (unaudited)	2020	2019	Q4 2020	Q3 2020	Q4 2019
Packaging Products					
Containerboard	436	443	150	101	98
Boxboard Europe	122	92	18	31	8
Specialty Products	58	52	15	16	9
Tissue Papers²	145	67	27	25	(3)
Corporate Activities	(96)	(104)	(29)	(19)	(36)
OIBD as reported	665	550	181	154	76

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)	2020	2019	Q4 2020	Q3 2020	Q4 2019
Packaging Products					
Containerboard	403	441	110	100	106
Boxboard Europe	129	108	27	29	24
Specialty Products	60	55	15	16	9
Tissue Papers	175	86	40	36	35
Corporate Activities	(92)	(86)	(26)	(19)	(22)
Adjusted OIBD	675	604	166	162	152

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

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

Sales of \$1,284 million grew by \$57 million, or 5%, compared with the same period last year. This was driven by stronger volumes in all packaging segments, most notably in the Containerboard segment which benefited from strong demand on both the manufacturing and converting side. This was partially offset by lower volumes in the Tissue segment attributable to continued COVID-19 related market contraction in the Away-from-Home segment. Year-over-year consolidated sales levels also benefited from favourable average selling prices and sales mix, with price increases realized in Tissue and stable pricing and sales mix in both Containerboard and Specialty Products more than mitigated the impacts of a less favourable pricing and mix environment for European Boxboard. Foreign exchange rates were beneficial for the European Boxboard business, which more than offset the impact of less favourable foreign exchange rates for Tissue and Containerboard.

The Corporation generated an operating income before depreciation and amortization (OIBD) of \$181 million in the fourth quarter of 2020, up from \$76 million in the fourth quarter of 2019. On an adjusted basis, fourth quarter OIBD totaled \$166 million, an increase of \$14 million, or 9% from the \$152 million generated in the same period last year. Results from the Containerboard segment increased 4% year-over-year, as benefits from higher volumes and lower production costs more than offset the impact from higher raw material prices. Stronger year-over-year Tissue results reflected more favourable sales mix and price increases, the effects of which more than mitigated the effects of lower COVID-19 related volumes and higher raw material costs. Adjusted OIBD in the Specialty Products segment increased compared to the prior year period, as higher volumes, beneficial favourable pricing and sales mix, and lower energy and production costs offset higher raw material costs. Our North American business segments also benefited from the positive impacts being generated by our margin improvement program that was started in the first quarter of 2020. In Europe, lower energy and production costs, combined with beneficial foreign exchange rates and slightly higher volume, more than offset less favourable pricing and sales mix and slightly higher raw material costs.

On an adjusted basis¹, fourth quarter 2020 OIBD stood at \$166 million, versus \$152 million in the previous year. The main specific items, before income taxes, that impacted our fourth quarter 2020 OIBD and/or net earnings were:

- \$40 million gain from the sale of a building and the land of the Containerboard Packaging facility located in Etobicoke, Ontario, Canada (OIBD and net earnings);
- \$2 million environmental provision related to a Tissue plant in Pennsylvania, USA (OIBD and net earnings);
- \$8 million of restructuring charges recorded in Tissue and Corporate Activities as part of profitability improvement and restructuring initiatives (OIBD and net earnings);
- \$13 million of impairment charges, primarily in the Tissue Papers and Boxboard Europe segments, related to changes in the valuation of certain assets due to the current economic and market demand conditions (OIBD and net earnings);
- \$2 million unrealized loss on financial instruments (OIBD and net earnings);
- \$11 million unrealized gain on interest rate swaps and option fair value (net earnings);
- \$3 million foreign exchange gain on long-term debt and financial instruments (net earnings);
- \$3 million fair value revaluation loss on investments (net earnings).

For the 3-month periods ended December 31, 2020, the Corporation posted net earnings of \$73 million, or \$0.72 per share, compared to net loss of \$26 million, or \$(0.27) per share, in the same period of 2019. On an adjusted basis¹, the Corporation generated net earnings of \$42 million in the fourth quarter of 2020, or \$0.42 per share, compared to net earnings of \$29 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.

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 March 25, 2021 to shareholders of record at the close of business on March 10, 2021. This dividend is an "eligible dividend" as per the Income Tax Act (R.C.S. (1985), Canada). Cascades purchased 190,200 shares for cancellation during the fourth quarter of 2020 at an average price of \$14.46.

2020 Fourth Quarter Results Conference Call Details

Management will discuss the 2020 fourth 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 March 25, 2021 by dialing 1-855-859-2056 (international dial-in 1-416-849-0833), access code 5877077.

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 85 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)	December 31, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	384	155
Accounts receivable	659	610
Current income tax assets	23	32
Inventories	569	598
Current portion of financial assets	5	10
	1,640	1,405
Long-term assets		
Investments in associates and joint ventures	82	80
Property, plant and equipment	2,772	2,770
Intangible assets with finite useful life	160	182
Financial assets	16	16
Other assets	50	55
Deferred income tax assets	170	153
Goodwill and other intangible assets with indefinite useful life	522	527
	5,412	5,188
Liabilities and Equity		
Current liabilities		
Bank loans and advances	12	11
Trade and other payables	861	792
Current income tax liabilities	17	17
Current portion of long-term debt	102	85
Current portion of provisions for contingencies and charges	14	5
Current portion of financial liabilities and other liabilities	25	137
	1,031	1,047
Long-term liabilities		
Long-term debt	1,949	2,022
Provisions for contingencies and charges	57	49
Financial liabilities	6	5
Other liabilities	202	198
Deferred income tax liabilities	210	198
	3,455	3,519
Equity		
Capital stock	622	491
Contributed surplus	13	15
Retained earnings	1,146	1,003
Accumulated other comprehensive loss	(28)	(17)
Equity attributable to Shareholders	1,753	1,492
Non-controlling interests	204	177
Total equity	1,957	1,669
	5,412	5,188

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 December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Sales	1,284	1,227	5,157	4,996
Cost of sales and expenses				
Cost of sales (including depreciation and amortization of \$72 million for 3-month period (2019 — \$77 million) and \$299 million for the year (2019 — \$289 million))	1,078	1,022	4,321	4,232
Selling and administrative expenses	112	133	460	453
Loss (gain) on acquisitions, disposals and others	(38)	5	(43)	(24)
Impairment charges and restructuring costs	21	67	52	78
Foreign exchange gain	—	(1)	—	(2)
Loss (gain) on derivative financial instruments	2	2	1	(2)
	1,175	1,228	4,791	4,735
Operating income (loss)	109	(1)	366	261
Financing expense	26	27	105	101
Interest expense (revenue) on employee future benefits and other liabilities	(10)	(6)	(7)	42
Loss on repurchase of long-term debt	—	14	6	14
Foreign exchange loss (gain) on long-term debt and financial instruments	(3)	1	(6)	(6)
Fair value revaluation loss on investments	3	—	3	—
Share of results of associates and joint ventures	(5)	(3)	(14)	(9)
Earnings (loss) before income taxes	98	(34)	279	119
Provision for (recovery of) income taxes	21	(11)	45	19
Net earnings (loss) including non-controlling interests for the period	77	(23)	234	100
Net earnings attributable to non-controlling interests	4	3	36	28
Net earnings (loss) attributable to Shareholders for the period	73	(26)	198	72
Net earnings (loss) per common share				
Basic	\$ 0.72	\$ (0.27)	\$ 2.04	\$ 0.77
Diluted	\$ 0.72	\$ (0.27)	\$ 2.02	\$ 0.75
Weighted average basic number of common shares outstanding	99,937,437	94,287,895	95,924,835	93,987,980
Weighted average number of diluted common shares	101,009,931	95,748,973	97,061,136	95,515,822

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Net earnings (loss) including non-controlling interests for the period	77	(23)	234	100
Other comprehensive income (loss)				
Items that may be reclassified subsequently to earnings				
Translation adjustments				
Change in foreign currency translation of foreign subsidiaries	(50)	(18)	(7)	(75)
Change in foreign currency translation related to net investment hedging activities	30	13	3	45
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)	2	(2)
Recovery of (provision for) income taxes	(2)	1	(2)	1
	(22)	(5)	(4)	(31)
Items that are not released to earnings				
Actuarial gain (loss) on employee future benefits	(3)	10	(22)	(3)
Recovery of (provision for) income taxes	1	(2)	6	1
	(2)	8	(16)	(2)
Other comprehensive income (loss)	(24)	3	(20)	(33)
Comprehensive income (loss) including non-controlling interests for the period	53	(20)	214	67
Comprehensive income attributable to non-controlling interests for the period	—	1	43	14
Comprehensive income (loss) attributable to Shareholders for the period	53	(21)	171	53

CONSOLIDATED STATEMENTS OF EQUITY

For the year ended December 31, 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 year, as reported	491	15	1,000	(17)	1,489	177	1,666
Business combinations	—	—	3	—	3	—	3
Adjusted balance - Beginning of year	491	15	1,003	(17)	1,492	177	1,669
Comprehensive income (loss)							
Net earnings	—	—	198	—	198	36	234
Other comprehensive income (loss)	—	—	(16)	(11)	(27)	7	(20)
Dividends	—	—	182	(11)	171	43	214
Dividends	—	—	(31)	—	(31)	(16)	(47)
Issuance of common shares on public offering	125	—	(4)	—	121	—	121
Stock options expense	—	1	—	—	1	—	1
Issuance of common shares upon exercise of stock options	10	(3)	—	—	7	—	7
Redemption of common shares	(4)	—	(4)	—	(8)	—	(8)
Balance - End of year	622	13	1,146	(28)	1,753	204	1,957

For the year ended December 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
Balance - End of previous year, as reported	490	16	1,000	2	1,508	180	1,688
Business combinations	—	—	(2)	—	(2)	—	(2)
Adjusted balance - End of previous year	490	16	998	2	1,506	180	1,686
New IFRS adoption	—	—	(9)	—	(9)	—	(9)
Adjusted balance - Beginning of year	490	16	989	2	1,497	180	1,677
Comprehensive income (loss)							
Net earnings	—	—	72	—	72	28	100
Other comprehensive loss	—	—	—	(19)	(19)	(14)	(33)
Dividends	—	—	72	(19)	53	14	67
Dividends	—	—	(23)	—	(23)	(17)	(40)
Issuance of common shares upon exercise of stock options	6	(1)	—	—	5	—	5
Redemption of common shares	(5)	—	(4)	—	(9)	—	(9)
Disposal of a subsidiary	—	—	—	—	—	(1)	(1)
Acquisition of non-controlling interests	—	—	(31)	—	(31)	1	(30)
Balance - End of year	491	15	1,003	(17)	1,492	177	1,669

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Operating activities				
Net earnings (loss)	73	(26)	198	72
Adjustments for:				
Financing expense and interest expense (revenue) on employee future benefits and other liabilities	16	21	98	143
Loss on repurchase of long-term debt	—	14	6	14
Depreciation and amortization	72	77	299	289
Loss (gain) on acquisitions, disposals and others	(38)	5	(43)	(27)
Impairment charges and restructuring costs	21	62	52	68
Unrealized loss (gain) on derivative financial instruments	2	2	1	(2)
Foreign exchange loss (gain) on long-term debt and financial instruments	(3)	1	(6)	(6)
Provision for (recovery of) income taxes	21	(11)	45	19
Fair value revaluation loss on investments	3	—	3	—
Share of results of associates and joint ventures	(5)	(3)	(14)	(9)
Net earnings attributable to non-controlling interests	4	3	36	28
Net financing expense paid	(6)	(32)	(79)	(133)
Premium paid on repurchase of long-term debt	—	(11)	(4)	(11)
Net income taxes paid	(10)	(13)	(9)	(27)
Dividends received	3	6	10	9
Provisions for contingencies and charges and others liabilities	(7)	(4)	(26)	(26)
	146	91	567	401
Changes in non-cash working capital components	60	72	20	59
	206	163	587	460
Investing activities				
Disposals of associates and joint ventures	—	—	3	1
Payments for property, plant and equipment	(85)	(73)	(250)	(258)
Proceeds from disposals of property, plant and equipment	46	6	55	27
Change in intangible and other assets	(5)	(5)	(13)	(8)
Cash received (paid) for business combinations	—	3	2	(311)
Proceeds on disposals of a subsidiary, net of cash disposed	—	—	—	9
	(44)	(69)	(203)	(540)
Financing activities				
Bank loans and advances	3	(3)	1	(5)
Change in credit facilities	(50)	(278)	(131)	39
Issuance of unsecured senior notes, net of related expenses	—	1,026	409	1,026
Repurchase of unsecured senior notes	—	(776)	(264)	(776)
Increase in other long-term debt	33	(1)	33	6
Payments of other long-term debt, including lease obligations	(92)	(31)	(156)	(125)
Settlement of derivative financial instruments	—	—	1	—
Issuance of common shares on public offering, net of transaction fees	120	—	120	—
Issuance of common shares upon exercise of stock options	—	1	7	5
Redemption of common shares	(3)	(1)	(8)	(9)
Payment of other liabilities	—	—	(121)	—
Dividends paid to non-controlling interests	(3)	(3)	(16)	(17)
Dividends paid to the Corporation's Shareholders	(9)	(8)	(31)	(23)
	(1)	(74)	(156)	121
Net change in cash and cash equivalents during the period	161	20	228	41
Currency translation on cash and cash equivalents	(4)	(3)	1	(9)
Cash and cash equivalents - Beginning of the period	227	138	155	123
Cash and cash equivalents - End of the period	384	155	384	155

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 TO

For the 3-month periods ended December 31,											
		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		295	255	205	196	—	—	—	—	500	451
Boxboard Europe		—	—	—	—	82	62	172	181	254	243
Specialty Products		46	32	76	71	—	1	1	1	123	105
Intersegment sales		(4)	(3)	(2)	—	—	—	—	—	(6)	(3)
		337	284	279	267	82	63	173	182	871	796
Tissue Papers											
		71	65	310	332	—	—	—	—	381	397
Intersegment sales and Corporate Activities		29	31	3	3	—	—	—	—	32	34
		437	380	592	602	82	63	173	182	1,284	1,227

SALES TO

For the years ended December 31,											
		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		1,130	1,079	787	746	—	—	1	2	1,918	1,827
Boxboard Europe		—	—	—	—	322	309	730	739	1,052	1,048
Specialty Products		165	136	305	304	—	2	3	50	473	492
Intersegment sales		(13)	(13)	(5)	(1)	—	—	—	—	(18)	(14)
		1,282	1,202	1,087	1,049	322	311	734	791	3,425	3,353
Tissue Papers											
		278	257	1,336	1,242	—	—	1	10	1,615	1,509
Intersegment sales and Corporate Activities		115	124	2	10	—	—	—	—	117	134
		1,675	1,583	2,425	2,301	322	311	735	801	5,157	4,996

OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Packaging Products				
Containerboard	150	98	436	443
Boxboard Europe	18	8	122	92
Specialty Products	15	9	58	52
	183	115	616	587
Tissue Papers	27	(3)	145	67
Corporate Activities	(29)	(36)	(96)	(104)
Operating income before depreciation and amortization	181	76	665	550
Depreciation and amortization	(72)	(77)	(299)	(289)
Financing expense and interest expense (revenue) on employee future benefits and other liabilities	(16)	(21)	(98)	(143)
Loss on repurchase of long-term debt	—	(14)	(6)	(14)
Foreign exchange gain (loss) on long-term debt and financial instruments	3	(1)	6	6
Fair value revaluation loss on investments	(3)	—	(3)	—
Share of results of associates and joint ventures	5	3	14	9
Earnings (loss) before income taxes	98	(34)	279	119

PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended December 31,		For the years ended December 31,	
	2020	2019	2020	2019
Packaging Products				
Containerboard	44	28	111	83
Boxboard Europe	18	15	41	56
Specialty Products	10	9	25	20
	72	52	177	159
Tissue Papers	42	36	104	110
Corporate Activities	10	8	26	48
Total acquisitions	124	96	307	317
Proceeds from disposals of property, plant and equipment	(46)	(6)	(55)	(27)
Right-of-use assets acquisitions and acquisitions included in other debts	(27)	(8)	(63)	(50)
	51	82	189	240
Acquisitions for property, plant and equipment included in "Trade and other payables"				
Beginning of year	28	31	46	37
End of year	(40)	(46)	(40)	(46)
Payments for property, plant and equipment net of proceeds from disposals	39	67	195	231

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 and option fair value revaluation, foreign exchange gains or losses on long-term debt and financial instruments, fair value revaluation gain or losses on investments, 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:

	Q4 2020					
(in millions of Canadian dollars) (unaudited)	Containerboard	Boxboard Europe	Specialty Products	Tissue Papers	Corporate Activities	Consolidated
Operating income (loss)	122	5	12	10	(40)	109
Depreciation and amortization	28	13	3	17	11	72
Operating income (loss) before depreciation and amortization	150	18	15	27	(29)	181
Specific items:						
Loss (gain) on acquisitions, disposals and others	(40)	—	—	2	—	(38)
Impairment charges (reversals)	(2)	9	—	5	1	13
Restructuring costs	—	—	—	6	2	8
Unrealized loss on derivative financial instruments	2	—	—	—	—	2
	(40)	9	—	13	3	(15)
Adjusted operating income (loss) before depreciation and amortization	110	27	15	40	(26)	166
Adjusted operating income (loss)	82	14	12	23	(37)	94

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 derivative 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

Q4 2019

(in millions of Canadian dollars) (unaudited)	Containerboard	Boxboard Europe	Specialty Products	Tissue Papers ¹	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

Net earnings (loss), 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)	2020	2019 ¹	Q4 2020	Q3 2020	Q4 2019
Net earnings (loss) attributable to Shareholders for the period	198	72	73	49	(26)
Net earnings attributable to non-controlling interests	36	28	4	9	3
Provision for (recovery of) income taxes	45	19	21	(3)	(11)
Fair value revaluation loss on investments	3	—	3	—	—
Share of results of associates and joint ventures	(14)	(9)	(5)	(3)	(3)
Foreign exchange loss (gain) on long-term debt and financial instruments	(6)	(6)	(3)	(11)	1
Financing expense and interest expense (revenue) on employee future benefits and other liabilities and other liabilities and loss on repurchase of long-term debt	104	157	16	32	42
Operating income	366	261	109	73	6
Specific items:					
Loss (gain) on acquisitions, disposals and others	(43)	(24)	(38)	(7)	5
Inventory adjustment resulting from business acquisition	—	2	—	—	2
Impairment charges	39	69	13	13	64
Restructuring costs	13	9	8	3	3
Unrealized loss (gain) on derivative financial instruments	1	(2)	2	(1)	2
	10	54	(15)	8	76
Adjusted operating income	376	315	94	81	82
Depreciation and amortization	299	289	72	81	77
Adjusted operating income before depreciation and amortization	675	604	166	162	159

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

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				
	2020	2019 ²	Q4 2020	Q3 2020	Q4 2019	2020	2019 ²	Q4 2020	Q3 2020	Q4 2019
As per IFRS	198	72	73	49	(26)	\$ 2.04	\$ 0.77	\$ 0.72	\$ 0.51	\$ (0.27)
Specific items:										
Loss (gain) on acquisitions, disposals and others	(43)	(24)	(38)	(7)	5	\$ (0.38)	\$ (0.28)	\$ (0.34)	\$ (0.05)	\$ 0.04
Inventory adjustment resulting from business acquisition	—	2	—	—	2	—	\$ 0.02	—	—	\$ 0.02
Impairment charges	39	69	13	13	64	\$ 0.29	\$ 0.53	\$ 0.09	\$ 0.10	\$ 0.49
Restructuring costs	13	9	8	3	3	\$ 0.10	\$ 0.07	\$ 0.05	\$ 0.03	\$ 0.02
Unrealized loss (gain) on derivative financial instruments	1	(2)	2	(1)	2	\$ 0.02	\$ (0.02)	\$ 0.02	—	\$ 0.01
Loss on repurchase of long-term debt	6	14	—	6	14	\$ 0.05	\$ 0.11	—	\$ 0.05	\$ 0.11
Unrealized gain on interest rate swaps and option fair value	(11)	—	(11)	—	(1)	\$ (0.12)	—	\$ (0.12)	—	\$ (0.01)
Foreign exchange loss (gain) on long-term debt and financial instruments	(6)	(6)	(3)	(11)	1	\$ (0.05)	\$ (0.06)	\$ (0.02)	\$ (0.12)	\$ 0.01
Fair value revaluation loss on investments	3	—	3	—	—	\$ 0.02	—	\$ 0.02	—	—
Tax effect on specific items, other tax adjustments and attributable to non-controlling interest ¹	(13)	(38)	(5)	(4)	(35)	\$ (0.02)	\$ (0.12)	—	\$ (0.02)	\$ (0.12)
	(11)	24	(31)	(1)	55	\$ (0.09)	\$ 0.25	\$ (0.30)	\$ (0.01)	\$ 0.57
Adjusted	187	96	42	48	29	\$ 1.95	\$ 1.02	\$ 0.42	\$ 0.50	\$ 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)	2020	2019 ¹	Q4 2020	Q3 2020	Q4 2019
Cash flow from operating activities	587	460	206	136	163
Changes in non-cash working capital components	(20)	(59)	(60)	(30)	(72)
Depreciation and amortization	(299)	(289)	(72)	(81)	(77)
Net income taxes paid	9	27	10	1	13
Net financing expense paid	79	133	6	49	32
Premium paid on long-term debt repurchase	4	11	—	4	11
Gain (loss) on acquisitions, disposals and others	43	27	38	7	(5)
Impairment charges and restructuring costs	(52)	(68)	(21)	(16)	(62)
Unrealized gain (loss) on derivative financial instruments	(1)	2	(2)	1	(2)
Dividend received, employee future benefits and others	16	17	4	2	(2)
Operating income	366	261	109	73	(1)
Depreciation and amortization	299	289	72	81	77
Operating income before depreciation and amortization	665	550	181	154	76

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)	2020	2019	Q4 2020	Q3 2020	Q4 2019
Cash flow from operating activities	587	460	206	136	163
Changes in non-cash working capital components	(20)	(59)	(60)	(30)	(72)
Cash flow from operating activities (excluding changes in non-cash working capital components)	567	401	146	106	91
Specific items paid	15	24	6	9	16
Adjusted cash flow from operating activities	582	425	152	115	107
Capital expenditures & other assets ¹ and right-of-use assets payments, net of disposals	(250)	(278)	(55)	(60)	(80)
Dividends paid to the Corporation's Shareholders and to non-controlling interests	(47)	(40)	(12)	(11)	(11)
Adjusted free cash flow	285	107	85	44	16
Adjusted free cash flow per share	\$ 2.97	\$ 1.14	\$ 0.85	\$ 0.46	\$ 0.17
Weighted average basic number of shares outstanding	95,924,835	93,987,980	99,937,437	95,019,694	94,287,895

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)	December 31, 2020	September 30, 2020	December 31, 2019
Long-term debt	1,949	1,947	2,022
Current portion of long-term debt	102	253	85
Bank loans and advances	12	9	11
Total debt	2,063	2,209	2,118
Less: Cash and cash equivalents	384	227	155
Net debt	1,679	1,982	1,963
Adjusted OIBD (last twelve months)	675	661	604
Net debt / Adjusted OIBD ratio	2.5 x	3.0 x	3.3 x

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

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