DISCLAIMER

FORWARD-LOOKING STATEMENT

Certain statements in this presentation, including statements regarding future results and performance, are forward-looking statements within the meaning of securities legislation based on current expectations. The accuracy of such statements is subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those projected, including, but not limited to, the effect of general economic conditions, decreases in demand for Cascades Inc.’s (“Cascades,” “CAS,” the “Company,” the “Corporation,” “us” or “we”) products, the prices and availability of raw materials, changes in the relative values of certain currencies, fluctuations in selling prices and adverse changes in general market and industry conditions. This presentation may also include price indices as well as variance and sensitivity analyses that are intended to provide the reader with a better understanding of the trends related to our business activities. These items are based on the best estimates available to the Corporation.

SUPPLEMENTAL INFORMATION ON NON-IFRS MEASURES – SPECIFIC ITEMS

The Corporation incurs some specific items that adversely or positively affected its operating results. We believe it is useful for readers to be aware of these items, as they provide additional information to measure the performance, compare the Corporation’s results between periods and to assess operating results and liquidity, notwithstanding these specific items. Management believes these specific items are not necessarily reflective of the Corporation underlying business operations in measuring and comparing its performance and analyzing future trends. Our definition of specific items may differ from those of other corporations and some of them may arise in the future and may reduce the cash available to us.

They include, but are not limited to, charges for (reversals of) impairment of assets, restructuring gains or costs, loss on refinancing and repurchase of long-term debt, some deferred tax assets provisions or reversals, premiums paid on long-term debt refinancing, gains or losses on the acquisition or sale of a business unit, gains or losses on the share of results of associates and joint ventures, unrealized gains or losses on derivative financial instruments that do not qualify for hedge accounting, unrealized gains or losses on interest rate swaps, foreign exchange gains or losses on long-term debt, specific items of discontinued operations and other significant items of an unusual, non-cash or non-recurring nature.

RECONCILIATION OF NON-IFRS MEASURES

To provide more information for evaluating the Corporation’s performance, the financial information included in this analysis contains certain data that are not performance measures under IFRS (“non-IFRS measures”) which are also calculated on an adjusted basis to exclude specific items. We believe that providing certain key performance measures and non-IFRS measures is useful to both management and investors as they provide additional information to measure the performance and financial position of the Corporation. It also increases the transparency and clarity of the financial information. The following non-IFRS measures are used in our financial disclosures:

- Operating income before depreciation and amortization (OIBD): Used to assess operating performance and contribution of each segment when excluding depreciation & amortization. OIBD is widely used by investors as a measure of a corporation’s ability to incur and service debt and as an evaluation metric.
- Adjusted OIBD: Used to assess operating performance and contribution of each segment on a comparable basis.
- Adjusted operating income: Used to assess operating performance of each segment on a comparable basis.
- Adjusted net earnings: Used to assess the Corporation’s consolidated financial performance on a comparable basis.
- Adjusted free cash flow: Used to assess the Corporation’s capacity to generate cash flows to meet financial obligation and/or discretionary items such as share repurchase, dividend increase and strategic investments.
- Net debt to adjusted OIBD ratio: Used to measure the Corporation’s credit performance and evaluate the financial leverage.
- Net debt to adjusted OIBD ratio on a pro forma basis: Used to measure the Corporation’s credit performance and evaluate the financial leverage on a comparable basis including significant business acquisitions and excluding significant business disposals, if any.

Non-IFRS measures are mainly derived from the consolidated financial statements but do not have meanings prescribed by IFRS. These measures have limitations as an analytical tool, and should not be considered on their own or as a substitute for an analysis of our results as reported under IFRS. In addition, our definitions of non-IFRS measures may differ from those of other corporations. Any such modification or reformulation may be significant.

All amounts in this presentation are in Canadian dollars unless otherwise indicated.

Please click here for supplemental information on non-IFRS measures.
FINANCIAL REVIEW
## QUARTERLY FINANCIAL RESULTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4,001</td>
<td>1,006</td>
<td>1,130</td>
<td>1,082</td>
</tr>
<tr>
<td>2017</td>
<td>4,321</td>
<td>1,098</td>
<td>1,180</td>
<td>1,175</td>
</tr>
<tr>
<td>2018</td>
<td>4,649</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Financial results**

- **Sales**
  - 2016: 4,001
  - 2017: 4,321
  - 2018: 4,649

- **Operating income (loss)**
  - 2016: 221
  - 2017: 175
  - 2018: 230

- **Adjusted OIBD**
  - 2016: 403
  - 2017: 393
  - 2018: 489

- **Net earnings (loss)**
  - 2016: 135
  - 2017: 507
  - 2018: 59

- **Adjusted net earnings**
  - 2016: 114
  - 2017: 68
  - 2018: 79

- **Net earnings (loss) per share**
  - 2016: $1.42
  - 2017: $5.35
  - 2018: $0.62

- **Adjusted net earnings per share**
  - 2016: $1.21
  - 2017: $0.72
  - 2018: $0.83

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

---

**Strong sales and significant increase in Adjusted OIBD year-over-year in 2018**
QUARTERLY RESULTS – BUSINESS SEGMENTS

**Containerboard (millions of CAN$)**

<table>
<thead>
<tr>
<th>Period</th>
<th>Operating Income</th>
<th>Adjusted OIBD&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2017</td>
<td>51</td>
<td>74</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>77</td>
<td>121</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>105</td>
<td>82</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>94</td>
<td>117</td>
</tr>
<tr>
<td>Q4 2018</td>
<td>84</td>
<td>111</td>
</tr>
</tbody>
</table>

**Specialty Products (millions of CAN$)**

<table>
<thead>
<tr>
<th>Period</th>
<th>Operating Income</th>
<th>Adjusted OIBD&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2017</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td>Q4 2018</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

**Boxboard Europe (millions of CAN$)**

<table>
<thead>
<tr>
<th>Period</th>
<th>Operating Income</th>
<th>Adjusted OIBD&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2017</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>28</td>
<td>22</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>30</td>
<td>10</td>
</tr>
<tr>
<td>Q4 2018</td>
<td>19</td>
<td>20</td>
</tr>
</tbody>
</table>

**Tissue Papers (millions of CAN$)**

<table>
<thead>
<tr>
<th>Period</th>
<th>Operating Income (Loss)</th>
<th>Adjusted OIBD&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2017</td>
<td>12</td>
<td>(6)</td>
</tr>
<tr>
<td>Q1 2018</td>
<td>13</td>
<td>(2)</td>
</tr>
<tr>
<td>Q2 2018</td>
<td>7</td>
<td>(9)</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>5</td>
<td>(11)</td>
</tr>
<tr>
<td>Q4 2018</td>
<td></td>
<td>(100)</td>
</tr>
</tbody>
</table>

(1) Please click [here](#) for supplemental information on non-IFRS measures.
QUARTERLY RESULTS – BUSINESS SEGMENT SHIPMENTS

**Containerboard** ('000 s.t. and % capacity utilization)

- Q4 2017: 372 t, 92%
- Q1 2018: 352 t, 89%
- Q2 2018: 385 t, 100%
- Q3 2018: 370 t, 92%
- Q4 2018: 368 t, 93%

**Boxboard Europe** ('000 s.t. and % capacity utilization)

- Q4 2017: 270 t, 93%
- Q1 2018: 103%
- Q2 2018: 276 t, 96%
- Q3 2018: 259 t, 90%
- Q4 2018: 292 t, 90%

**Tissue Papers** ('000 s.t. and % capacity utilization)

- Q4 2017: 146 t, 84%
- Q1 2018: 149 t, 88%
- Q2 2018: 163 t, 92%
- Q3 2018: 164 t, 92%
- Q4 2018: 149 t, 87%

(1) Utilization rate defined as total manufacturing shipments divided by practical capacity.
RAW MATERIAL COSTS - INDEX LIST PRICES

(US$/ton)

Recycled Fibre Prices

Current (Feb-19)

201

58

MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV

Recycled Fibre Prices

Virgin Pulp Prices

(US$/ton)

Current (Feb-19)

1,380

1,180

Recovered Paper Prices

Q4-2017

Q3-2018

Q4-2018

Q4/Q4

Q4/Q3

White grades - Basket of products (Northeast average)\(^1\)

171

224

219

28%

(2)%

Brown grades - OCC No. 11 (Northeast average)

99

68

68

(31)%

—%

Virgin Pulp Prices

NBSK (Canadian sources delivered to Eastern US)

1,183

1,377

1,428

21%

4%

NBHK (Canada/US sources delivered to Eastern US)

1,052

1,192

1,213

15%

2%

Sequentially, average Q4/18 OCC price remained stable; White recycled fibre prices decreased slightly; Virgin pulp prices continued to increase, but have started to decrease in 2019

Source: RISI.

(1) Basket of white recycled paper, including grades such as SOP, Hard White Envelope and Coated Book Stock; Northeast average. Weighted average based on Cascades’ consumption of each grade.
PRODUCT REFERENCE SELLING PRICES

Containerboard - Selected Products

<table>
<thead>
<tr>
<th></th>
<th>Current (Feb)</th>
<th>Current (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linerboard</td>
<td>755</td>
<td>650</td>
</tr>
<tr>
<td>Corrugating medium</td>
<td>650</td>
<td>500</td>
</tr>
</tbody>
</table>

Boxboard Europe - Selected Products

<table>
<thead>
<tr>
<th></th>
<th>Current (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coated duplex</td>
<td>1,072</td>
</tr>
<tr>
<td>White-lined chipboard</td>
<td>673</td>
</tr>
</tbody>
</table>

Specialty Products - Selected Products

<table>
<thead>
<tr>
<th></th>
<th>Current (Feb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncoated recycled folding</td>
<td>730</td>
</tr>
</tbody>
</table>

Tissue Papers - Selected Products

<table>
<thead>
<tr>
<th></th>
<th>Current (Dec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virgin parent rolls</td>
<td>1,429</td>
</tr>
<tr>
<td>Recycled parent rolls</td>
<td>1,114</td>
</tr>
</tbody>
</table>
NEAR TERM FACTORS – Q1 2019

- **Raw materials**: lower OCC price, positive trends in virgin pulp and SOP white recycled fiber grade
- **Tissue Papers**: price increases announced in various products and sub-segments
- **Boxboard Europe**: volume benefit related to acquisition of Barcelona Cartonboard
- **Specialty Products**: recent acquisition of US moulded pulp assets

- **Tissue Papers**: market-related challenges and operational issues at the St. Helens, Oregon paper mill
- **Containerboard**: seasonal volume softness and slight decrease in MEDIUM index pricing
- **Ongoing challenges in transportation**

---

<table>
<thead>
<tr>
<th>Q1 2019</th>
<th>Containerboard Packaging</th>
<th>Boxboard Europe¹</th>
<th>Specialty Products</th>
<th>Tissue Papers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OIBD² Trend</strong></td>
<td>YoY ↑</td>
<td>QoQ ↓</td>
<td>YoY ↓</td>
<td>QoQ ↔</td>
</tr>
<tr>
<td>REFLECTING:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VOLUME</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SELLING PRICE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RAW MATERIAL COST</td>
<td>↔</td>
<td>↓</td>
<td>↑</td>
<td>↔</td>
</tr>
<tr>
<td>EXCHANGE RATE</td>
<td>↑</td>
<td>↓</td>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td>ENERGY COST</td>
<td>↓</td>
<td>↓</td>
<td>↓</td>
<td>↓</td>
</tr>
</tbody>
</table>

---

(1) Including the contribution of Barcelona Cartonboard as of November 1, 2018
(2) Please click [here](#) for supplemental information on non-IFRS measures.
Revenues: $4.6 B  (+6.9% 5-yr CAGR\(^3\))
Adj. EBITDA\(^2\): $489 M  (+9.5% 5-yr CAGR\(^3\))
Adj. CF Ops.: $361 M  (+6.8% 5-yr CAGR\(^3\))
Net debt at $1.77 B
Net debt/Adjusted EBITDA\(^2\): 3.5x

KPIs

Shipments: 3,225 (‘000 s.t.)
Adjusted OIBD\(^2\) margin: 10.5%
ROCE: 4.6%
Working capital (% of LTM sales): 10.6%
Capacity utilization rate: 93%

Sales by Geography (2018)

Europe\(^1\)  21%
U.S.  34%
Canada  45%

Export: ~22% of our Canadian sales

Sales by Segment

- Containerboard  38%
- Boxboard Europe\(^1\)  28%
- Specialty Products  14%
- Tissue Papers  20%

1 Via 57.95% equity ownership in Reno de Medici S.p.A. (RdM).
2 Pro-forma for the 2017 and 2018 business acquisitions on a LTM basis. Please click here for supplemental information on non-IFRS measures.
3 5 year CAGR 2014 - 2018
ANNUAL RESULTS

Sales (CAN$ M)
CAGR: + 6.9%

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (CAN$ M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>3,561</td>
</tr>
<tr>
<td>2015</td>
<td>3,861</td>
</tr>
<tr>
<td>2016</td>
<td>4,001</td>
</tr>
<tr>
<td>2017</td>
<td>4,321</td>
</tr>
<tr>
<td>2018</td>
<td>4,649</td>
</tr>
</tbody>
</table>

Operating Income & Margin (CAN$ M and %)
CAGR: + 13.8%

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income &amp; Margin (CAN$ M and %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>+ 3.8%</td>
</tr>
<tr>
<td>2015</td>
<td>+ 4.0%</td>
</tr>
<tr>
<td>2016</td>
<td>+ 5.5%</td>
</tr>
<tr>
<td>2017</td>
<td>+ 4.0%</td>
</tr>
<tr>
<td>2018</td>
<td>+ 5.1%</td>
</tr>
</tbody>
</table>

Adjusted OIBD¹ & Margin (CAN$ M and %)
CAGR: + 9.5%

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted OIBD¹ &amp; Margin (CAN$ M and %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>+ 9.5%</td>
</tr>
<tr>
<td>2015</td>
<td>+ 11.0%</td>
</tr>
<tr>
<td>2016</td>
<td>+ 10.1%</td>
</tr>
<tr>
<td>2017</td>
<td>+ 9.1%</td>
</tr>
<tr>
<td>2018</td>
<td>+ 10.8%</td>
</tr>
</tbody>
</table>

Adjusted Free Cash Flow per Share¹ (CAN$)

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted Free Cash Flow per Share¹ (CAN$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$0.86</td>
</tr>
<tr>
<td>2015</td>
<td>$1.53</td>
</tr>
<tr>
<td>2016</td>
<td>$1.18</td>
</tr>
<tr>
<td>2017</td>
<td>$0.56</td>
</tr>
<tr>
<td>2018</td>
<td>$0.57</td>
</tr>
</tbody>
</table>

(1) Please click [here](#) for supplemental information on non-IFRS measures.
ANNUAL FINANCIAL RATIOS & DEBT MATURITIES

Net Debt / LTM Adjusted OIBD\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>5.0x</td>
<td>4.6x</td>
<td>4.7x</td>
<td>4.0x</td>
<td>3.8x</td>
<td>3.6x</td>
<td>3.5x</td>
</tr>
</tbody>
</table>

Interest Coverage Ratio\(^2\)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>3.0x</td>
<td>3.4x</td>
<td>3.4x</td>
<td>4.7x</td>
<td>4.6x</td>
<td>4.3x</td>
<td>5.7x</td>
</tr>
</tbody>
</table>

Net Debt / Net Debt + Total Equity

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>58%</td>
<td>57%</td>
<td>62%</td>
<td>64%</td>
<td>59%</td>
<td>49%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Long-Term Debt Maturities (as at December 31, 2018)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>55</td>
<td>231</td>
<td>457</td>
<td>631</td>
<td>273</td>
<td>239</td>
<td></td>
</tr>
<tr>
<td>Years</td>
<td>1</td>
<td>&gt; 1 year</td>
<td>2021</td>
<td>2022</td>
<td>2023</td>
<td>2025</td>
<td></td>
</tr>
</tbody>
</table>

Weighted Average Interest Rate of 5.20%

2018 leverage ratio of 3.5x\(^3\); Targeting leverage ratio of 2.5x

Bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 47.44%), interest coverage ratio > 2.25x (currently at 4.43x).

(1) Please click here for supplemental information on non-IFRS measures.
(2) Last twelve months adjusted OIBD to financing expense.
(3) Pro-forma to include 2017 and 2018 business acquisitions on a LTM basis.
Largest Canadian corrugated box producer (~32% market share)

#5 NA containerboard producer (based on capacity)

2018 integration rate: 76%, targeting 85%

Annual capacity of 1,559K s.t.:
- 84% recycled vs. 16% virgin
- 53% linerboard vs. 47% medium

2015-2018 CAGR: sales +12.2%; Adj. OIBD +21.1%

2018 adjusted OIBD margin of 22.3%

1 Capacity adjusted for WestRock’s November 2, 2018 acquisition of Kapstone. 2 Including associates and JVs and Greenpac. 3 Please click here for supplemental information on non-IFRS measures. 4 OIBD margin including Greenpac on a pro-forma basis: 21.3% in 2015, 18.5% in 2016 and 15.1% in 2017.
CONTAINERBOARD PACKAGING

- Average capacity growth of ± 3% annually over 2016 - 2021 period
  ✓ NA demand CAGR 2016 - 2021: ± 2.4%
- February industry fundamentals:
  ✓ Capacity util.: 89.5% vs. 93.1% in January
  ✓ Mill inventories: -3.8% vs Jan levels
  ✓ Box plant inventories: -1.6% vs Jan levels
  ✓ Weeks of supply: 3.9

Consolidated North American Market

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>IP</td>
</tr>
<tr>
<td>2</td>
<td>WestRock/Kapstone</td>
</tr>
<tr>
<td>3</td>
<td>Koch/GP</td>
</tr>
<tr>
<td>4</td>
<td>PCA</td>
</tr>
<tr>
<td>5</td>
<td>Cascades</td>
</tr>
<tr>
<td>6</td>
<td>Pratt</td>
</tr>
<tr>
<td></td>
<td>Others</td>
</tr>
<tr>
<td></td>
<td>Top 4</td>
</tr>
</tbody>
</table>

Industry Operating Rates

Industry Expected Capacity

1 Source: RISI, RBC, BMO, Company reports and estimates. New capacity, net of capacity shutdowns. 2 Based on capacity. * Export focused and/or lower grade.
BOXBOARD EUROPE

- **57.95% equity ownership** of Reno de Medici, a public Italian company; 6 recycled mill (1,085K m.t.) & 1 virgin boxboard mill (165K m.t.)
- **2nd largest** coated recycled boxboard producer in Europe
- Well positioned **PanEuropean asset base and sales network**: Italy, France, Germany and Spain
- **Acquired Barcelona Cartonboard S.A.U.** for €46.4M (implied 5.7x pro-forma): 7th largest European producer of WLC, **annual capacity of 180K tons** of coated cartonboard, closed on October 31, 2018

**2018 adjusted OIBD** margin of 10.4%

---

1 Please click [here](#) for supplemental information on non-IFRS measures.
2 Including Barcelona Cartonboard.
BOXBOARD EUROPE
Leading European Producer of Coated Board

Top Cartonboard Producers\(^1\)
(Total Market)

- Mayr-Melnhof
- Metsä Board
- Stora Enso
- Reno De Medici
- Holmen Iggesund
- Kotkamills
- Weig Karton
- International Paper
- Buchmann
- Smurfit Kappa

Top FBB Producers\(^1\)
(Virgin)

- Metsä Board
- Stora Enso
- Kotkamills
- Mayr-Melnhof
- International Paper
- Holmen Iggesund
- Pankaboard
- Buchmann
- BillerudKorsnäs

Top WLC Producers\(^1\)
(Recycled)

- Mayr-Melnhof
- Reno De Medici
- Weig Karton
- Smurfit Kappa
- Buchmann
- Fiskeby Board
- Barcelona Cartonboard
- KappaStar Holding - Umka
- Paprinsa
- Pak Group

\(^1\) Source: PÖYRY, Reno de Medici. Capacity in 1,000 t/a. SBS = Solid Bleached Sulphate (virgin); FBB = Folding Boxboard (virgin); CUK = Coated Unbleached Kraft (virgin); WLC = White Lined Chipboard (recycled).

Barcelona Cartonboard, acquired October 31, 2018
Diversified industrial & consumer products packaging player

Encompasses Recovery operations, where results reflect variations in raw material pricing

Largest paper collector in Canada with 19 facilities and 1.45 million s.t. of material processed in 2018

A leading position in industrial packaging with Cascades Sonoco JV

2018 sales (IFRS) of $659M, vs. $856M (Non-IFRS) with JVs at 100%

2015-2018 sales CAGR: +4.4%

Focusing on Growth Sectors

2018 adjusted OIBD\(^1\) margin of 6.1%

---

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

\(^2\) Cascades’ 19 facilities: 16 are located in Canada and 3 are located in the US.
SPECIALTY PRODUCTS

CASCADeS RECOvEry+ SUB-SEGMENT

Recovery & Recycling is our “forest” and manages procurement of all raw material fibre for our North American operations.

CIRCULAR ECONOMY APPROACH

FIBER\(^1\) USED IN 2018:
2.3 million s.t.

- 18% (0.4 M st) Brown recycled fibre
- 68% (1.6 M st) Pulp
- 9% (0.2 M st) White recycled fibre
- 5% (0.1 M st) Groundwood recycled fibre

- In 2018, we collected or purchased 3.2 million s.t. of fibre, of which 71% was used internally, and the remaining 29% was sold to external customers

\(^1\) North America only. 2018 figures. In Europe, we use approximately 1.3 M s.t. of additional recycled and virgin fibre annually in our production of boxboard.
5th largest tissue producer in NA based on capacity (650K s.t.), growing Western US footprint

Recent results reflect higher raw material prices & increased transportation costs, as well as elevated capacity additions in the industry

2018 integration rate: 70%, targeting 85%

CAPEX focused on converting platform will:
  ✓ Modernize equipment & reduce fixed cost base
  ✓ Improve efficiency & productivity
  ✓ Align product offering with customer requirements

2015-2018 sales CAGR: +3.0%

2018 adjusted OIBD\(^1\) margin of \textbf{1.2}\%
TISSUE PAPERS
Established Positioning in North American Tissue Market

CAS Sales by Country (2018)

Canada (31%)
- Branded 41%
- Away-from-home 41%
- Private Label 59%
- At-home 59%

US (69%)
- Branded 25%
- Away-from-home 51%
- Private Label 75%
- At-home 49%


- Retail - branded 36%
- Retail - private label 2%
- AfH - branded 14%
- AfH - private label 17%
- Parent rolls 31%

NA Tissue sales:
~ 75% recycled and ~ 25% virgin

Tissue Market Demand

1.8% growth represents ~190K s.t. / year

Historical CAGR 2.3%

North American Tissue Capacity Additions

1 Source: RISI, company estimates
## TISSUE PAPERS
**Diversified Capacity and Positioning**

### 2018 NORTH AMERICAN TISSUE MANUFACTURERS

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Capacity ('000 s.t.)</th>
<th>Market Share</th>
<th>Capacity Retail</th>
<th>Capacity AfH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Georgia-Pacific</td>
<td>2,849</td>
<td>29%</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>2</td>
<td>Procter &amp; Gamble</td>
<td>1,494</td>
<td>15%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>3</td>
<td>Kimberly-Clark</td>
<td>1,466</td>
<td>15%</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>4</td>
<td>Essity (ex-SCA)</td>
<td>721</td>
<td>7%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>5</td>
<td><strong>Cascades Tissue</strong></td>
<td><strong>650</strong></td>
<td><strong>7%</strong></td>
<td><strong>62%</strong></td>
<td><strong>38%</strong></td>
</tr>
<tr>
<td>6</td>
<td>Clearwater Paper</td>
<td>435</td>
<td>4%</td>
<td>90%</td>
<td>10%</td>
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<tr>
<td>7</td>
<td>KP Tissue</td>
<td>422</td>
<td>4%</td>
<td>77%</td>
<td>23%</td>
</tr>
<tr>
<td>8</td>
<td>First Quality Tissue</td>
<td>319</td>
<td>3%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>9</td>
<td>Irving Tissue</td>
<td>282</td>
<td>3%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>10</td>
<td>ST Paper &amp; Tissue</td>
<td>160</td>
<td>2%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td><strong>Others</strong></td>
<td><strong>1,125</strong></td>
<td><strong>11%</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>9,923</strong></td>
<td></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: RISI, company estimates.
STRATEGIC PLAN
BUILDING ON OUR PAST, POSITIONING FOR THE FUTURE
# Modernize Our Platforms

## Modernize
- Replace older equipment
- Invest in organic growth

## Integrate
- Increase our integration rate to 85% by investing in conversion capacity

## Optimize
- Improve geographic footprint to better serve our customers, increase penetration of national accounts

### Integration Rates

<table>
<thead>
<tr>
<th>Location</th>
<th>Integration Rate</th>
<th>Conversion Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scappoose, OR</td>
<td>76%¹</td>
<td>85%²</td>
</tr>
<tr>
<td>Piscataway, NJ</td>
<td>70%¹</td>
<td>85%²</td>
</tr>
</tbody>
</table>

¹ 2018 integration rate including associates, joint ventures and Greenpac. ² Including associates, joint ventures.
MODERNIZE OUR PLATFORMS
Strategic Capital Investments\(^1\) to Strengthen & Consolidate Positioning

<table>
<thead>
<tr>
<th>Year</th>
<th>Containerboard</th>
<th>Boxboard Europe</th>
<th>Specialty Products</th>
<th>Tissue Papers</th>
<th>Corporate &amp; IT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>51</td>
<td>26</td>
<td>77</td>
<td>43</td>
<td>42</td>
</tr>
<tr>
<td>2017</td>
<td>65</td>
<td>32</td>
<td>64</td>
<td>42</td>
<td>29</td>
</tr>
<tr>
<td>2018</td>
<td>243</td>
<td>34</td>
<td>88</td>
<td>29</td>
<td>29</td>
</tr>
</tbody>
</table>

**2018 HIGHLIGHTS**

- Construction of Piscataway containerboard corrugated plant
  - $135 M, incl. $56 M of lease value
- Bear Island acquisition
  - $46 M
- Tissue modernization incl. Wagram, NC facility
  - $45 M

**2018 CF IMPACT**

- Total investments: $435
- Sale of NY facility & others: ($85)
- Non-cash leases & others: ($79)
- NET CASH UTILIZATION: $271

**Planned CAPEX**

- $330 M - $400 M

**2019\(^2\) MAJOR PROJECTS**

- Tissue modernization
  - ± $80 M - $100 M
- Begin Bear Island conversion to containerboard
  - ± $60 M
- Warehouse & rolling equipment replacement
  - ± $45 M

---

\(^1\) In millions of CAN$, including capitalization of IT projects and value of capital leases.

\(^2\) Amount is subject to change depending on business and/or economic conditions.
CREATE VALUE
Focused on Long-Term Value Creation

**INVESTMENT**

- Modernize equipment, reduce fixed cost base
- 2019 Capex: $330M - $400M funded by CF from operations
- Opportunistic M&A
- Increase integration, optimize footprint
- IRR target: 15%¹

**BALANCE SHEET**

- Allocate $100M of FCF toward debt reduction annually
- Targeted leverage ratio of \(2.5\) \(x\)
- Disciplined & strategic management of capital allocation

**SHAREHOLDERS**

- Maintain current dividend strategy
- Opportunistic market share buyback
- 2% NCIB renewed for March 2019

Disciplined, Strategic & Targeted Capital Allocation Aligned with Long-Term Value Creation, Supported by Customer Focus and Commitment to Innovation

¹ Cascades uses a WACC of 9%. Actual IRR may vary by project. A limited number of projects with returns below IRR target may be undertaken for strategic purposes.
275 employees provide engineering & consulting services internally, to major customers & external clients.

FOCUS ON CUSTOMERS AND INNOVATION

CUSTOMERS

- MAJOR PROJECTS
- OPERATIONAL EFFICIENCY
- TECHNICAL SERVICES

INNOVATION

- 37 people dedicated to innovation

Multi-disciplinary approach focused on:
- Food & Beverage
- Hygiene Solutions
- Productivity
- Sustainability
- E-commerce

Supported by:
- Containerboard
- Specialty Products
- Tissue Papers
- CAS Innovation Centre
- CAS R&D Centre
FOCUS ON CUSTOMERS AND INNOVATION

OBJECTIVES:
• 20% of sales from innovative products in 2020
• Leverage our diverse portfolio to cross-sell
• Reinforce position as THE provider of sustainable solutions

- Polystyrene foam packaging containing 50% recycled material
- Recyclable insulated container, made with FSC® certified recycled materials
- Hand towel dispenser that is 99.9% jam free, patented dispenser technology
- Water-based coating that acts as a barrier against grease and humidity for takeout containers
- Low-density PETE containing 80% post-consumer material

- Produces innovative, lightweight recycled linerboard – XP grades
- Greenpac XP MILL
- Cascades Pro Tandem
- Cascades Ultratill™

- FlexSHIELD™
- Evok
- NorthBox

- Packaging mushrooms with care
- Fresh to your door
APPENDIX
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>Q4-18</th>
<th>Q3-18</th>
<th>Q2-18</th>
<th>Q1-18</th>
<th>Q4-17</th>
<th>Q3-17</th>
<th>Q2-17</th>
<th>Q1-17</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
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<td></td>
<td></td>
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<tr>
<td>Containerboard</td>
<td>1,840</td>
<td>472</td>
<td>472</td>
<td>475</td>
<td>421</td>
<td>1,652</td>
<td>440</td>
<td>438</td>
<td>428</td>
<td>346</td>
<td>1,370</td>
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<td>245</td>
<td>210</td>
<td>232</td>
<td>246</td>
<td>838</td>
<td>212</td>
<td>202</td>
<td>213</td>
<td>211</td>
<td>796</td>
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<td>164</td>
<td>164</td>
<td>159</td>
<td>703</td>
<td>161</td>
<td>181</td>
<td>188</td>
<td>173</td>
<td>620</td>
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<td>361</td>
<td>342</td>
<td>305</td>
<td>1,268</td>
<td>301</td>
<td>323</td>
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<td>306</td>
<td>1,305</td>
<td>1,236</td>
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<td>(135)</td>
<td>(33)</td>
<td>(35)</td>
<td>(34)</td>
<td>(33)</td>
<td>(140)</td>
<td>(32)</td>
<td>(41)</td>
<td>(37)</td>
<td>(30)</td>
<td>(90)</td>
<td>(80)</td>
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<tr>
<td>Total</td>
<td>4,649</td>
<td>1,196</td>
<td>1,172</td>
<td>1,179</td>
<td>1,098</td>
<td>4,321</td>
<td>1,082</td>
<td>1,103</td>
<td>1,130</td>
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<td>4,001</td>
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<tr>
<td>Containerboard</td>
<td>381</td>
<td>84</td>
<td>94</td>
<td>82</td>
<td>121</td>
<td>164</td>
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<td>50</td>
<td>30</td>
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<td>158</td>
<td>170</td>
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<tr>
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<td>60</td>
<td>9</td>
<td>10</td>
<td>22</td>
<td>19</td>
<td>34</td>
<td>11</td>
<td>5</td>
<td>13</td>
<td>5</td>
<td>19</td>
<td>(28)</td>
</tr>
<tr>
<td>Specialty Products</td>
<td>24</td>
<td>9</td>
<td>9</td>
<td>4</td>
<td>2</td>
<td>46</td>
<td>9</td>
<td>10</td>
<td>14</td>
<td>13</td>
<td>51</td>
<td>31</td>
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<tr>
<td>Tissue Papers</td>
<td>-122</td>
<td>(100)</td>
<td>(11)</td>
<td>(9)</td>
<td>(2)</td>
<td>28</td>
<td>(6)</td>
<td>9</td>
<td>17</td>
<td>8</td>
<td>75</td>
<td>64</td>
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<td>Corporate activities</td>
<td>(113)</td>
<td>(35)</td>
<td>(24)</td>
<td>(26)</td>
<td>(28)</td>
<td>(97)</td>
<td>(20)</td>
<td>(23)</td>
<td>(26)</td>
<td>(28)</td>
<td>(82)</td>
<td>(84)</td>
</tr>
<tr>
<td>Total</td>
<td>230</td>
<td>(33)</td>
<td>78</td>
<td>73</td>
<td>112</td>
<td>175</td>
<td>45</td>
<td>51</td>
<td>48</td>
<td>31</td>
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<td>153</td>
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<tr>
<td>Adjusted OIBD¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Containerboard</td>
<td>410</td>
<td>111</td>
<td>117</td>
<td>105</td>
<td>77</td>
<td>247</td>
<td>74</td>
<td>72</td>
<td>56</td>
<td>45</td>
<td>216</td>
<td>231</td>
</tr>
<tr>
<td>Boxboard Europe</td>
<td>97</td>
<td>20</td>
<td>19</td>
<td>30</td>
<td>28</td>
<td>68</td>
<td>19</td>
<td>14</td>
<td>21</td>
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<td>53</td>
<td>63</td>
</tr>
<tr>
<td>Specialty Products</td>
<td>40</td>
<td>10</td>
<td>14</td>
<td>9</td>
<td>7</td>
<td>67</td>
<td>14</td>
<td>15</td>
<td>20</td>
<td>18</td>
<td>65</td>
<td>58</td>
</tr>
<tr>
<td>Tissue Papers</td>
<td>17</td>
<td>(8)</td>
<td>5</td>
<td>7</td>
<td>13</td>
<td>94</td>
<td>12</td>
<td>24</td>
<td>35</td>
<td>23</td>
<td>150</td>
<td>119</td>
</tr>
<tr>
<td>Total</td>
<td>489</td>
<td>113</td>
<td>137</td>
<td>134</td>
<td>105</td>
<td>393</td>
<td>105</td>
<td>106</td>
<td>107</td>
<td>75</td>
<td>403</td>
<td>426</td>
</tr>
<tr>
<td>Adjusted OIBD¹ Margin</td>
<td>10.5%</td>
<td>9.4%</td>
<td>11.7%</td>
<td>11.4%</td>
<td>9.6%</td>
<td>9.1%</td>
<td>9.7%</td>
<td>9.6%</td>
<td>9.5%</td>
<td>7.5%</td>
<td>10.1%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

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

#### SELLING PRICE

**North America**

**Europe**
- Boxboard: 1,370 quantities, €25/s.t.

#### RAW MATERIALS

**North America**
- Brown grades (OCC & others): 1,570 quantities, US$15/s.t.
- Groundwood grades (SRP & others): 120 quantities, US$15/s.t.
- White grades (SOP & others): 470 quantities, US$15/s.t.
- Virgin pulp: 160 quantities, US$30/s.t.
- Natural gas: 8,600 quantities, US$1.00/mmBtu

**Europe**
- Brown grades (OCC & others): 970 quantities, €15/s.t.
- Groundwood grades (SRP & others): 170 quantities, €15/s.t.
- White grades (SOP & others): 130 quantities, €15/s.t.
- Virgin pulp: 80 quantities, €30/s.t.
- Natural gas: 5,400 quantities, €1.00/mmBtu

#### EXCHANGE RATE

- Sales less purchases in US$ from Canadian operations: CAN$/US$ 0.01 change
- Translation - U.S. subsidiaries: CAN$/US$ 0.01 change
- Translation - European subsidiaries: CAN$/€ 0.01 change

---

1. Sensitivity calculated according to 2018 volumes or consumption with year-end closing exchange rate of CAN$/US$ 1.36 and CAN$/€ 1.56, excluding hedging programs and the impact of related expenses such as discounts, commissions on sales and profit-sharing.
2. Based on 2018 external manufacturing & converting shipments, and fibre and pulp consumption. Including purchases sourced internally from our recovery and recycling operations. Adjusted to reflect acquisitions, disposals and closures, if needed.
3. As an example, based on CAN$/US$ 1.36 to CAN$/US$ 1.37, and from CAN$/€ 1.56 to CAN$/€ 1.57.
# IMPACT OF NEW IFRS 16 - ACCOUNTING FOR LEASES

## Statements of Earnings Impact *

<table>
<thead>
<tr>
<th>Impact</th>
<th>Based on 2018 (CAN$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in OIBD</td>
<td>23</td>
</tr>
<tr>
<td>Increase in depreciation</td>
<td>20</td>
</tr>
<tr>
<td>Increase in financial expenses</td>
<td>4</td>
</tr>
</tbody>
</table>

## Balance Sheet Impact *

<table>
<thead>
<tr>
<th>Impact</th>
<th>Based on 2018 (CAN$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in assets</td>
<td>80</td>
</tr>
<tr>
<td>Increase in long term debt</td>
<td>80</td>
</tr>
<tr>
<td>Change in equity</td>
<td>—</td>
</tr>
</tbody>
</table>

## By Segment *

<table>
<thead>
<tr>
<th>Segment</th>
<th>(CAN$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Containerboard</td>
<td>5</td>
</tr>
<tr>
<td>Europe</td>
<td>4</td>
</tr>
<tr>
<td>Specialty Products</td>
<td>7</td>
</tr>
<tr>
<td>Tissue</td>
<td>3</td>
</tr>
<tr>
<td>Corporate</td>
<td>4</td>
</tr>
<tr>
<td>Consolidated</td>
<td>23</td>
</tr>
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* Subject to change based on final review
OPERATIONALLY DIVERSIFIED

<table>
<thead>
<tr>
<th>BUSINESS SEGMENT</th>
<th>OPERATIONS</th>
<th>LOCATION</th>
<th>CAPACITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTAINERBOARD</td>
<td>6 Manufacturing</td>
<td>4 Canada / 2 US</td>
<td>1.56 M s.t.</td>
</tr>
<tr>
<td>PACKAGING</td>
<td>21 Converting</td>
<td>16 Canada / 5 US</td>
<td>15.0 B ft</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 Manufacturing</td>
<td>2 Canada / 5 US</td>
<td>380,000 s.t.</td>
</tr>
<tr>
<td></td>
<td>10 Converting</td>
<td>2 Canada / 8 US</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>4 Manufacturing/Converting</td>
<td>3 Canada / 1 US</td>
<td>270,000 s.t.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TISSUE</td>
<td>7 Manufacturing</td>
<td>2 Canada / 5 US</td>
<td>380,000 s.t.</td>
</tr>
<tr>
<td></td>
<td>10 Converting</td>
<td>2 Canada / 8 US</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>4 Manufacturing/Converting</td>
<td>3 Canada / 1 US</td>
<td>270,000 s.t.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BOXBOARD EUROPE</td>
<td>6 Recycled boxboard</td>
<td>3 Italy / 1 Germany / 1 France / 1 Spain</td>
<td>1,085,000 m.t.</td>
</tr>
<tr>
<td></td>
<td>1 Virgin boxboard</td>
<td>France</td>
<td>165,000 m.t.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPECIALTY PRODUCTS</td>
<td>2 Manufacturing</td>
<td>Canada</td>
<td>160,000 s.t.</td>
</tr>
<tr>
<td></td>
<td>8 Consumer product packaging</td>
<td>4 Canada / 4 U.S.</td>
<td>101.1 M Kg</td>
</tr>
<tr>
<td></td>
<td>11 Industrial packaging</td>
<td>5 Canada / 4 U.S. / 2 Europe</td>
<td>367,000 s.t.</td>
</tr>
<tr>
<td></td>
<td>19 Recovery &amp; Recycling facilities</td>
<td>16 Canada / 3 U.S.</td>
<td>1.45 M s.t.</td>
</tr>
</tbody>
</table>

2018 capacity. 1 Including joint ventures. 2 Via our 57.95% equity ownership in Reno de Medici S.p.A. (RdM) 3 Including Barcelona Cartonboard, effective November 1, 2018. 4 Containerboard capacity includes Greenpac Mill capacity of 540,000 s.t., and Piscataway, NJ converting capacity of 2.4 billion ft².
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For more information:
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