

Q4 2019 FINANCIAL RESULTS

February 27, 2020





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:

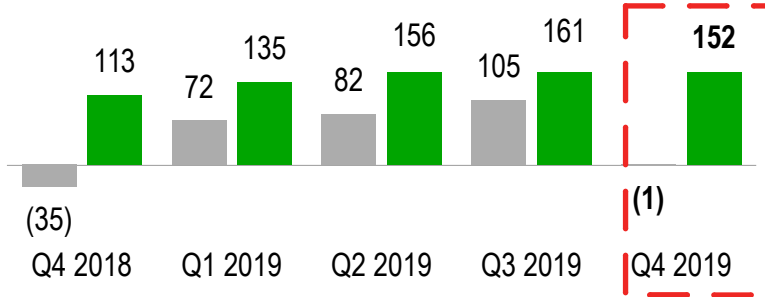
- Operating income before depreciation and amortization (OIBD): Used to assess operating performance and contribution of each segment when excluding depreciation & amortization. OIBD is widely used by investors as a measure of a corporation ability to incur and service debt and as an evaluation metric.
- 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.

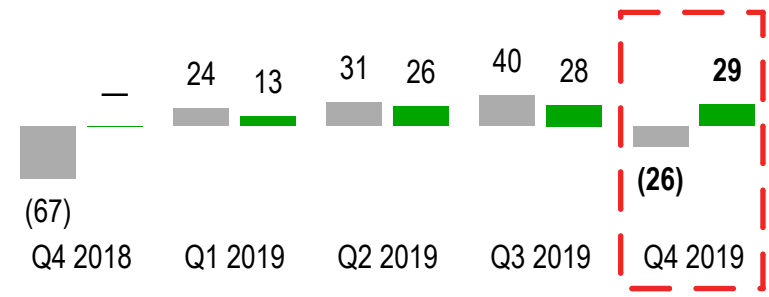
Please click [here](#) for supplemental information on non-IFRS measures.

SUMMARY OF QUARTERLY FINANCIAL RESULTS²



■ Operating Income (loss) ■ Adjusted OIBD¹

Figures above in millions of CAN\$



■ Net Earnings (loss) ■ Adjusted Net Earnings¹

Figures above in millions of CAN\$

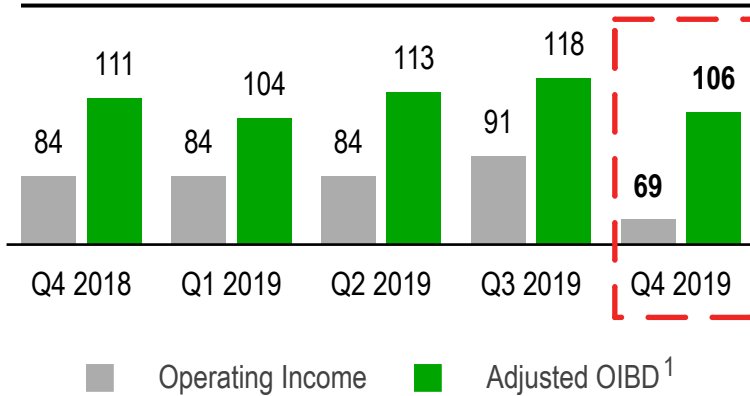
(In millions of CAN\$, except amount per share)	2017	2018				2019					
	Year	Q1	Q2	Q3	Q4 ²	Year					
Financial results											
Sales	4,321	1,098	1,180	1,175	1,196	4,649	1,230	1,275	1,264	1,227	4,996
Operating income (loss)	175	112	73	78	(35)	228	72	82	105	(1)	258
Adjusted OIBD ¹	393	105	136	137	113	489	135	156	161	152	604
Net earnings (loss)	507	61	27	36	(67)	57	24	31	40	(26)	69
Adjusted net earnings ¹	68	12	31	38	—	79	13	26	28	29	96
Net earnings (loss) per share	\$5.35	\$0.65	\$0.28	\$0.38	\$(0.71)	\$0.74	\$0.26	\$0.33	\$0.42	\$(0.27)	\$0.74
Adjusted net earnings per share ¹	\$0.72	\$0.13	\$0.30	\$0.40	—	\$1.02	\$0.14	\$0.28	\$0.30	\$0.30	\$1.02

Solid quarterly sales and year-over-year improvement in adjusted OIBD generated in Q4 2019

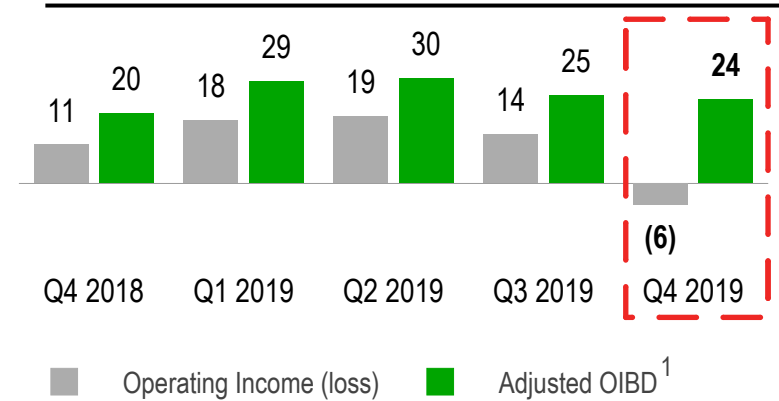
(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) 2019 third quarter and 2018 fourth quarter results have been adjusted to reflect retrospective adjustments of purchase price allocations. Please refer to Note 5 of the 2019 audited consolidated financial statements for more details.

HISTORICAL SEGMENTED QUARTERLY OPERATING INCOME (LOSS) & ADJUSTED OIBD^{1,2}

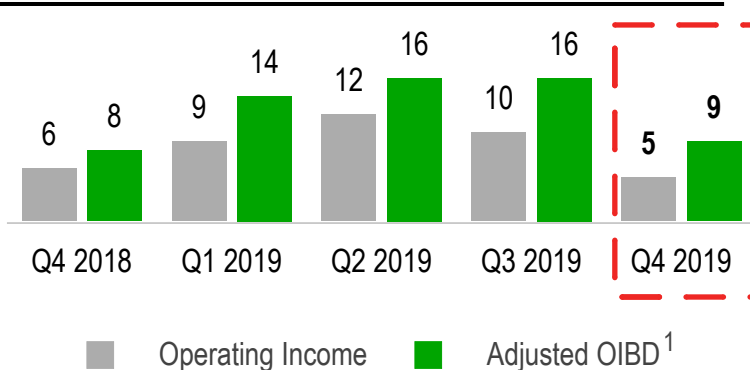
Containerboard (millions of CAN\$)



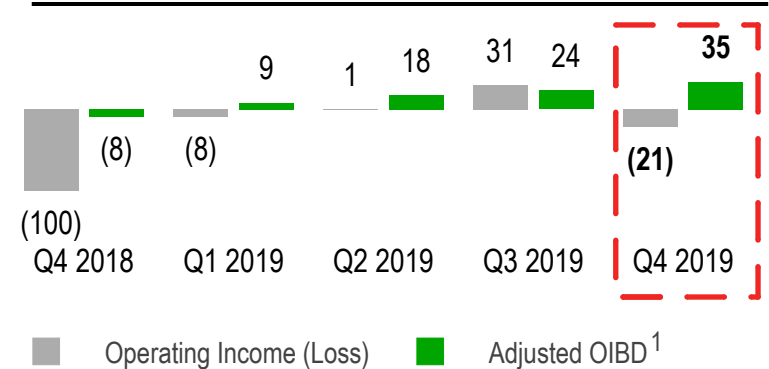
Boxboard Europe² (millions of CAN\$)



Specialty Products² (millions of CAN\$)



Tissue Papers (millions of CAN\$)

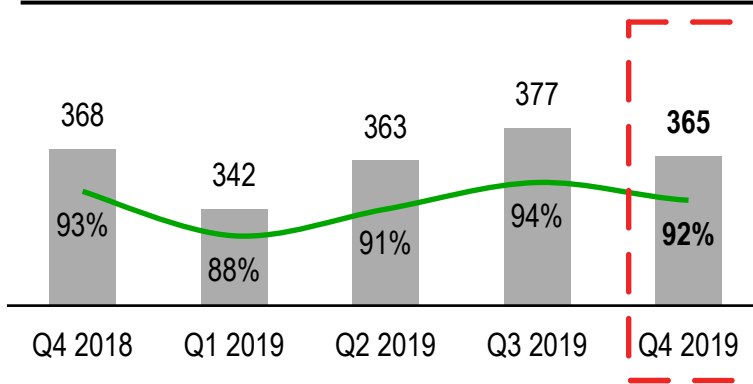


(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) 2019 third quarter and 2018 fourth quarter results have been adjusted to reflect retrospective adjustments of purchase price allocations. Please refer to Note 5 of the 2019 audited consolidated financial statements for more details.

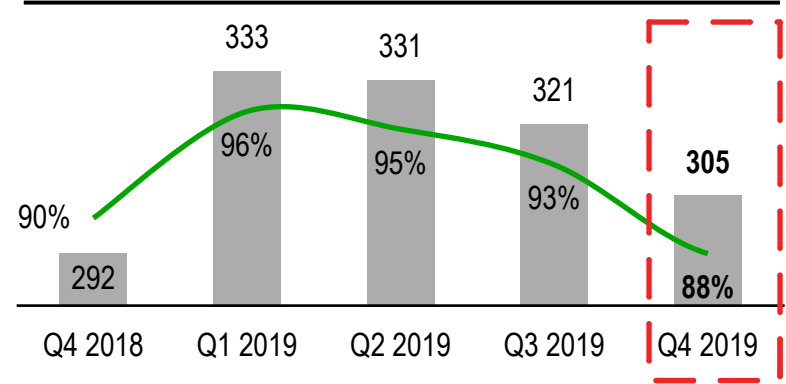


HISTORICAL SEGMENTED QUARTERLY SHIPMENTS

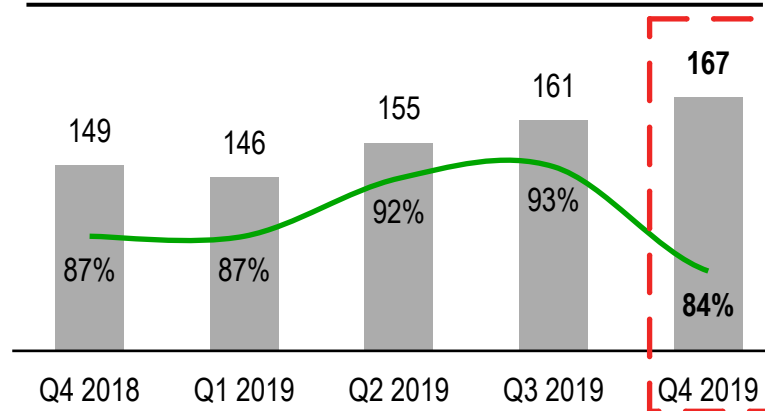
Containerboard ('000 s.t. and % capacity utilization¹)



Boxboard Europe ('000 s.t. and % capacity utilization¹)



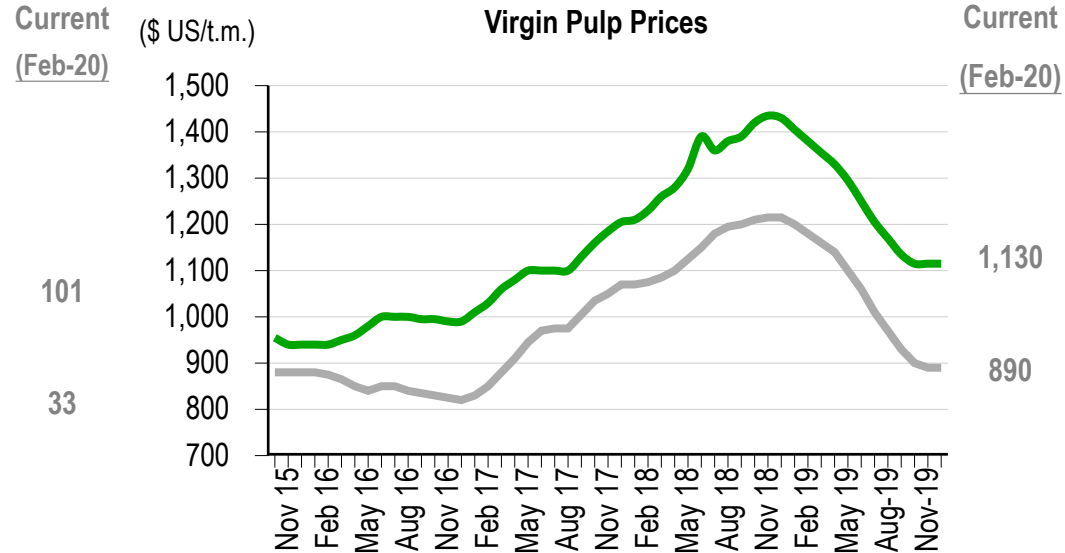
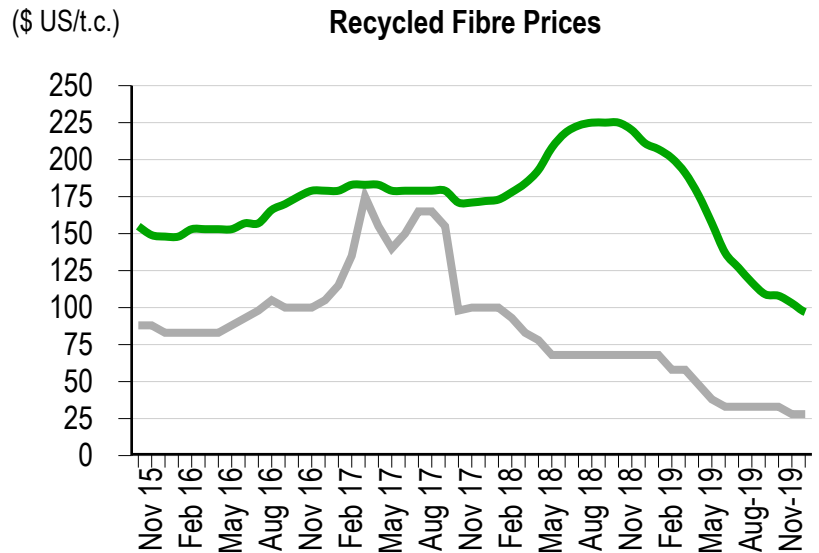
Tissue Papers ('000 s.t. and % capacity utilization¹)



(1) Utilization rate defined as total manufacturing shipments divided by practical capacity.



RAW MATERIAL COSTS - INDEX LIST PRICES



■ White grades (Basket of products)
 ■ Brown grades (OCC)

■ NBSK
 ■ NBHK

Recovered Paper Prices

White grades - Basket of products (Northeast average)¹

Brown grades - OCC No. 11 (Northeast average)

	Q4-2018	Q3-2019	Q4-2019	Q4/Q4	Q4/Q3
White grades - Basket of products (Northeast average) ¹	219	118	103	(53)%	(13)%
Brown grades - OCC No. 11 (Northeast average)	68	33	30	(56)%	(9)%

Virgin Pulp Prices

NBSK (Canadian sources delivered to Eastern US)

NBHK (Canada/US sources delivered to Eastern US)

	Q4-2018	Q3-2019	Q4-2019	Q4/Q4	Q4/Q3
NBSK (Canadian sources delivered to Eastern US)	1,428	1,170	1,115	(22)%	(5)%
NBHK (Canada/US sources delivered to Eastern US)	1,213	970	893	(26)%	(8)%

Raw material prices - recycled fibres and virgin pulp - remained low in Q4, and were favourable both sequentially and year-over-year

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.

SEGMENTED REVIEW



PACKAGING PRODUCTS / CONTAINERBOARD

Results	Change vs.	
	Q3 2019	Q4 2018
Shipments ('000 s.t.)		
365	(3)%	(1)%
Average selling price (CAN\$/unit)		
1,234	(2)%	(3)%
Sales (M\$)		
451	(5)%	(4)%
Operating income (M\$)		
69	(24)%	(18)%
Adjusted OIBD ¹ (M\$)		
106	(10)%	(5)%
% of sales		
23.5%		

Comments on sequential performance

- ➔ Fourth quarter shipments decreased sequentially. This reflects a 4% decrease in shipments of containerboard, which is attributable to the usual seasonal variations and a 2% decrease in capacity utilization rates. Corrugated product shipments in short tons also decreased by 2% from Q3 levels.
- ➔ The average fourth quarter selling price decreased by 2% in Canadian dollars sequentially. This reflects lower average selling prices in both the manufacturing and converting activity sectors, attributable to announced industry price decreases.
- ➔ The lower sequential sales level is attributable to the lower volume and decrease in average selling price.
- ➔ Adjusted OIBD decreased by 10% on a sequential basis. This reflects the lower sales volume and average selling price, and higher operational costs, most notably maintenance and logistics. These were partially offset by lower raw material costs.

Maintenance and capital investment downtime (in s.t.)

Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	FY 2020
8,500	~ 9,000	~ 11,000	~ 18,000	46,500	~ 8,000	~ 46,000

Market related downtime (in s.t.)

Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	FY 2020
-	~ 12,000	~ 3,000	-	15,000	-	-

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



TISSUE PAPERS

Results	Change vs.		
	Q4 2019	Q3 2019	Q4 2018
Shipments ('000 s.t.)			
167	4%	12%	
Average selling price (CAN\$/unit)			
2,377	(1)%	4%	
Sales (M\$)			
397	3%	17%	
Operating income (loss) (M\$)			
(21)	(168)%	79%	
Adjusted OIBD¹ (M\$)			
35	46%	538%	
% of sales			
8.8%			

Comments on sequential performance

- ➔ Sequential increase in shipments reflects the Orchids acquisition. Excluding Orchids, shipments decreased 5% from Q3. This is a reflection of lower shipments of converted products related to seasonality, and a 7% decrease in parent roll shipments attributable to better inventory management.
- ➔ The average selling price in Canadian dollars decreased slightly. This reflects the appreciation of the Canadian dollar compared to the US dollar, the higher portion of sales coming from parent rolls and a less favourable sales mix.
- ➔ The volume and price factors details above had a combined negative impact of 4% on sales. Conversely, the Orchids acquisition added \$22 million to sales on a sequential basis, which resulted in a net 3% increase in sales levels compared to Q3.
- ➔ Lower recycled fibre and virgin pulp prices were the main driving factors behind the \$11 million sequential increase in adjusted OIBD.

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



PACKAGING PRODUCTS / BOXBOARD EUROPE

Results	Change vs.	
	Q4 2019	Q3 2019 Q4 2018
Shipments ('000 s.t.)		
305	(5)%	4%
Average selling price¹		
(CAN\$/unit)		
759	1%	(6)%
(Euro€/unit)		
520	1%	(3)%
Sales (M\$)		
243	(5)%	(1)%
Operating income (M\$)		
(6)	(143)%	(155)%
Adjusted OIBD¹ (M\$)		
24	(4)%	20%
% of sales		
9.9%		

(1) Average selling price for manufacturing and converting activities only

Comments on sequential performance

- ➔ Shipments of virgin boxboard increased by 1,000 s.t., or 2%, sequentially, a level reflecting the usual seasonality associated with the August and December vacation period. Shipments of recycled boxboard decreased by 17,000 s.t., or 6%, sequentially, reflecting lower export shipments. Shipments of converted products remained stable compared to Q3.
- ➔ The sequential change in the average selling price is a reflection of the net impact of the 1% appreciation of the Canadian dollar compared to the euro, and the 1% decrease in the average selling price of both recycled and virgin boxboard.
- ➔ The lower sequential sales volume reflects the lower level of shipments as detailed above and the slight appreciation of the Canadian dollar compared to the euro.
- ➔ The sequential decrease in adjusted OIBD reflects the usual seasonal volume decrease and energy credits registered in the third quarter. Lower raw material costs completely offset the impact related to the lower average selling price in the current period.



PACKAGING PRODUCTS / SPECIALTY PRODUCTS

Results Q4 2019	Change vs.	
	Q3 2019	Q4 2018
Sales (M\$)		
105	(15)%	8%
Operating income (M\$)		
5	(50)%	(17)%
Adjusted OIBD¹ (M\$)		
9	(44)%	13
% of sales		
8.6%		

Comments on sequential performance

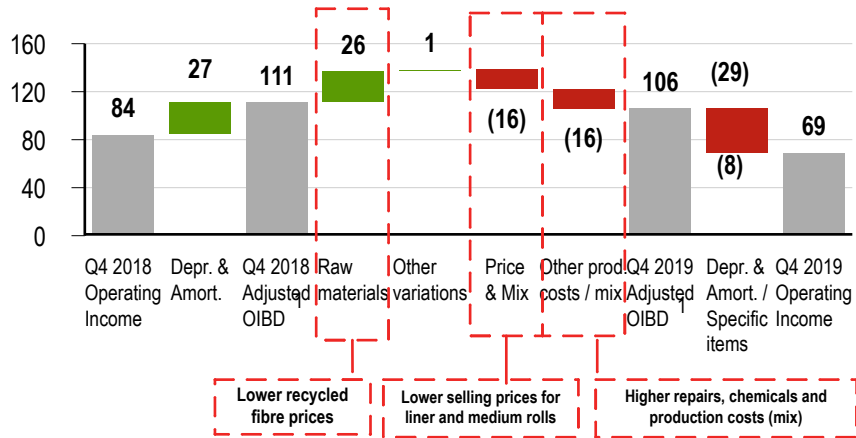
- ➔ The sequential sales decrease is largely attributable to the divestiture of the Rollpack operations in France at the end of the third quarter. Sales of plastic products were also down sequentially as a result of the usual seasonal demand shifts. Finally, sales levels also reflect slightly softer demand at the end of the year for URB products in the Industrial Products sub-segment.
- ➔ The sequential decrease in adjusted OIBD reflects lower sales volumes, and a decrease in results from the moulded pulp operations largely attributable to the fire at the Rockingham plant at the end of the third quarter. Production resumed at the facility in the fourth quarter. Higher maintenance costs incurred in certain facilities also impacted quarterly performance.

CHANGE IN THE PRESENTATION OF SEGMENTED INFORMATION

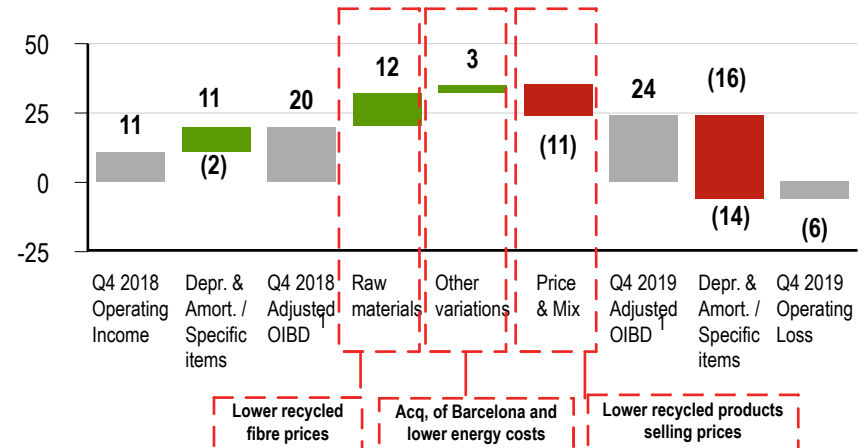
The Corporation reclassified Recovery activities results (sales, OIBD and adjusted OIBD figures) to Corporate Activities in the fourth quarter of 2019. Results from these activities had been included within the Specialty Products segment previously. Prior annual and quarterly figures were adjusted to reflect the change. As such, Corporate Activities cost levels increased year-over-year in part due to the negative impact that lower average prices of recycled material in 2019 had on results generated by Recovery Activities.

SEGMENTED YoY OPERATING INCOME (LOSS) WATERFALLS

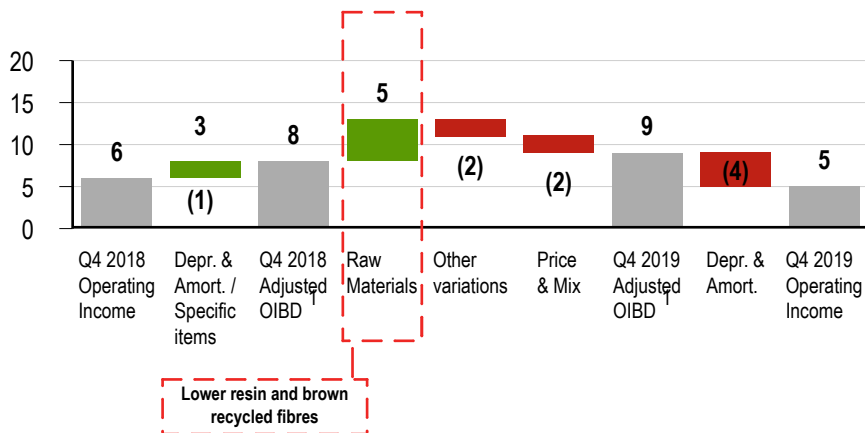
Containerboard (millions of CAN\$)



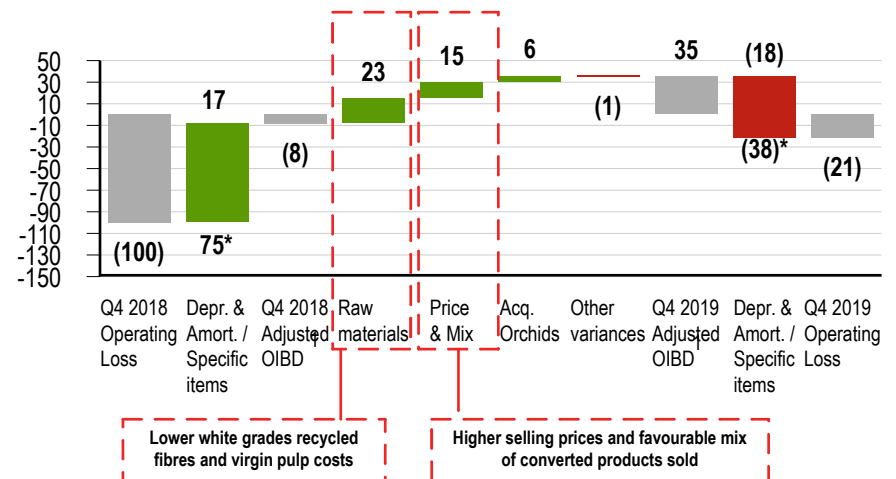
Boxboard Europe (millions of CAN\$)



Specialty Products (millions of CAN\$)

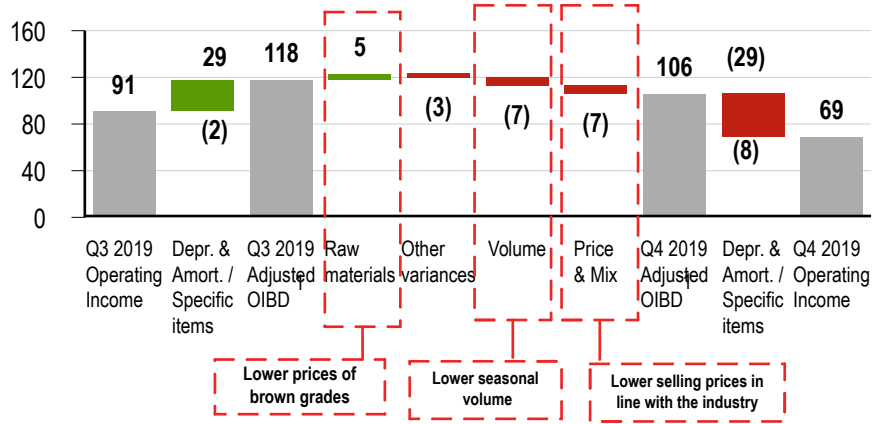


Tissue Papers (millions of CAN\$)

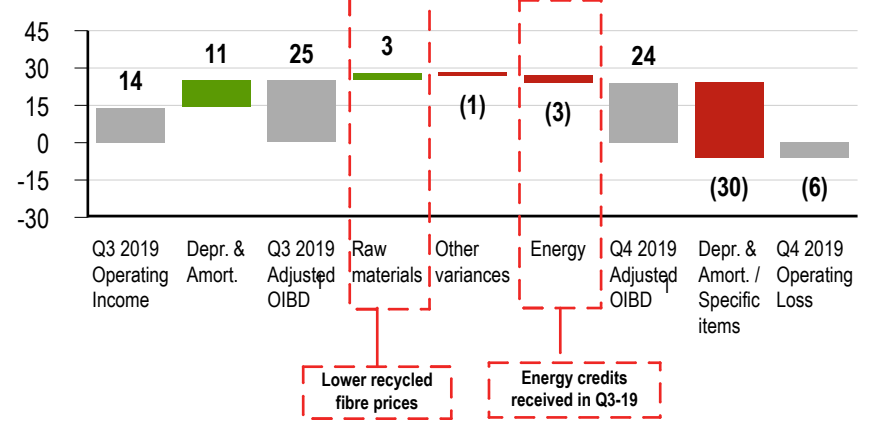


SEGMENTED SEQUENTIAL OPERATING INCOME (LOSS) WATERFALLS

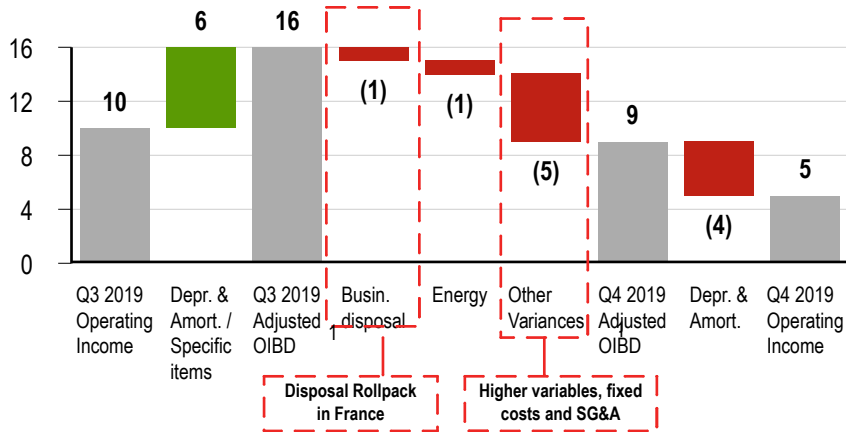
Containerboard (millions of CAN\$)



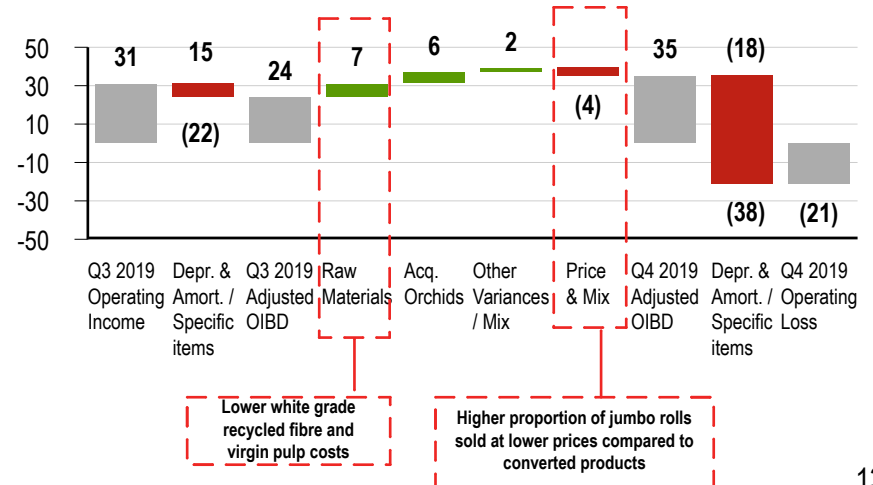
Boxboard Europe (millions of CAN\$)



Specialty Products (millions of CAN\$)



Tissue Papers (millions of CAN\$)



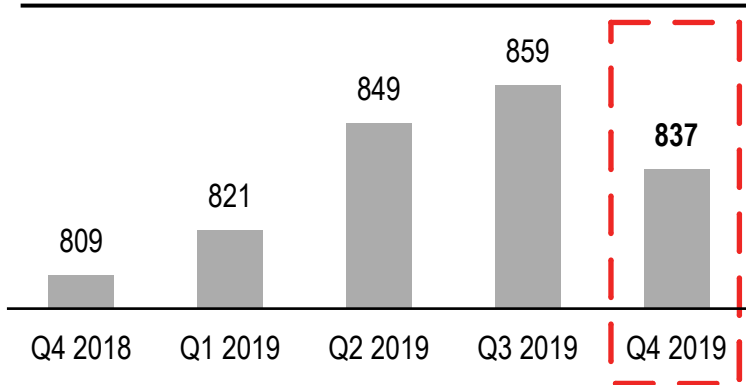
FINANCIAL REVIEW



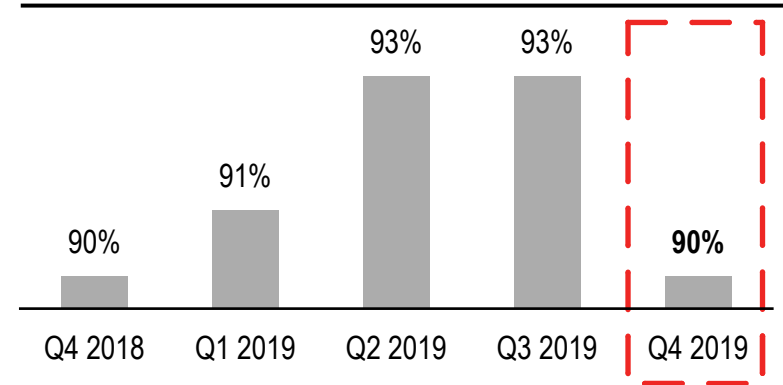


KEY PERFORMANCE INDICATORS (KPIs)

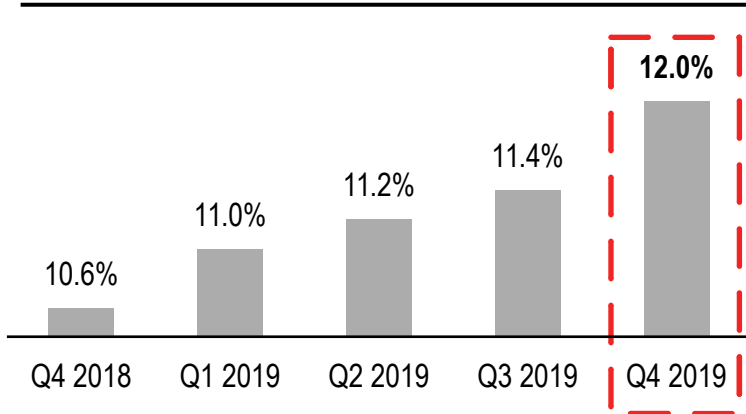
Total Shipments¹ ('000 s.t.)



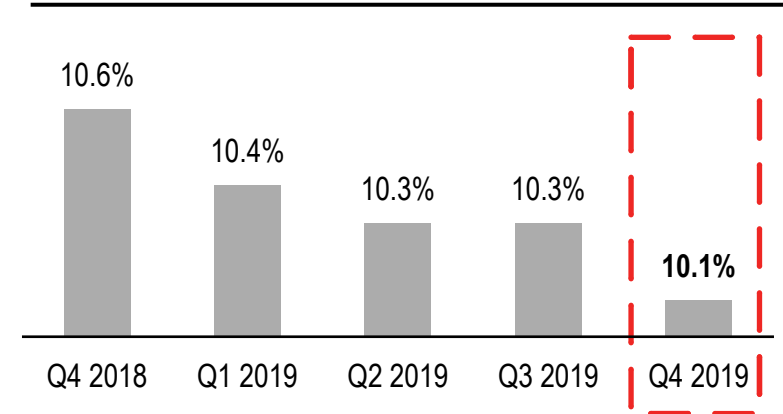
Capacity Utilization Rate¹⁻² (manufacturing only)



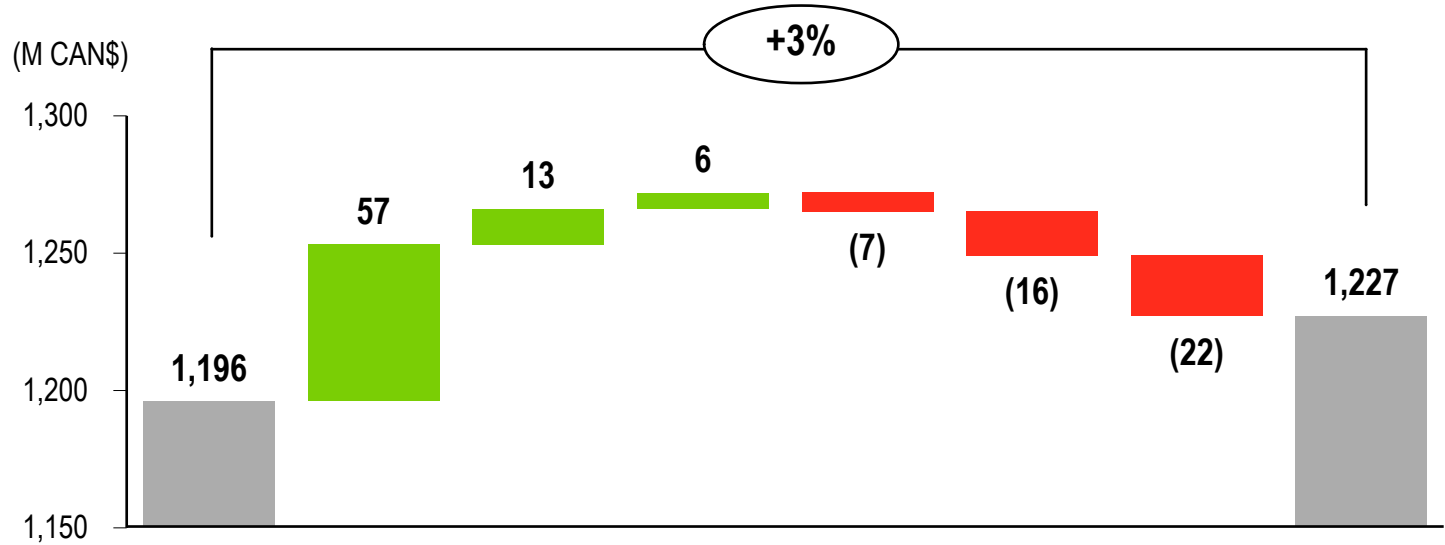
LTM Return on Assets



LTM Working Capital (% of LTM Sales)



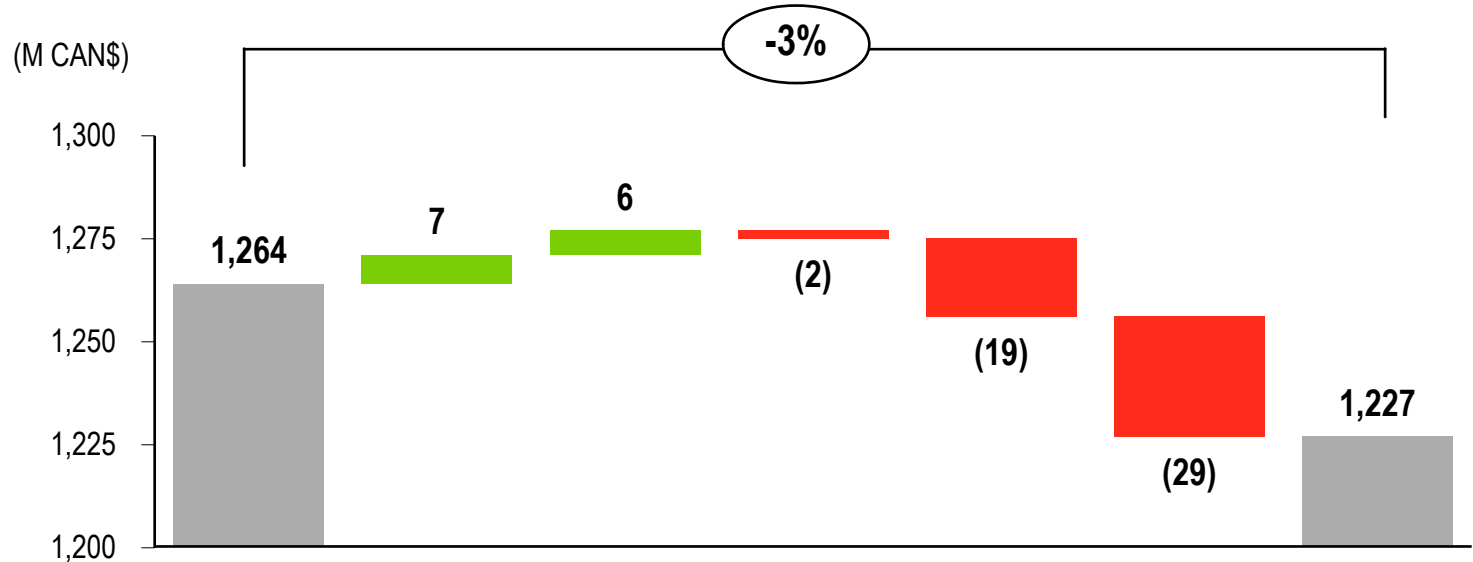
YEAR OVER YEAR SALES RECONCILIATION



(M CAN\$)	Sales Q4-2018	Business acquisitions	Other Variances	Volume	F/X CAN\$	Price & Mix	Recovery & Recycling	Sales Q4-2019
Containerboard	472	—	—	(5)	—	(16)	—	451
Boxboard Europe	245	18	—	(2)	(7)	(11)	—	243
Specialty Products	97	8	—	2	—	(2)	—	105
Tissue Papers	340	31	—	11	—	15	—	397
Corporate & Elim.	42	—	13	—	—	(2)	(22)	31
Total	1,196	57	13	6	(7)	(16)	(22)	1,227

**Sales increase driven by business acquisitions and higher Tissue volumes;
Less favourable selling price and mix in all segments except Tissue,
and lower results in Recovery activities.**

SEQUENTIAL SALES RECONCILIATION

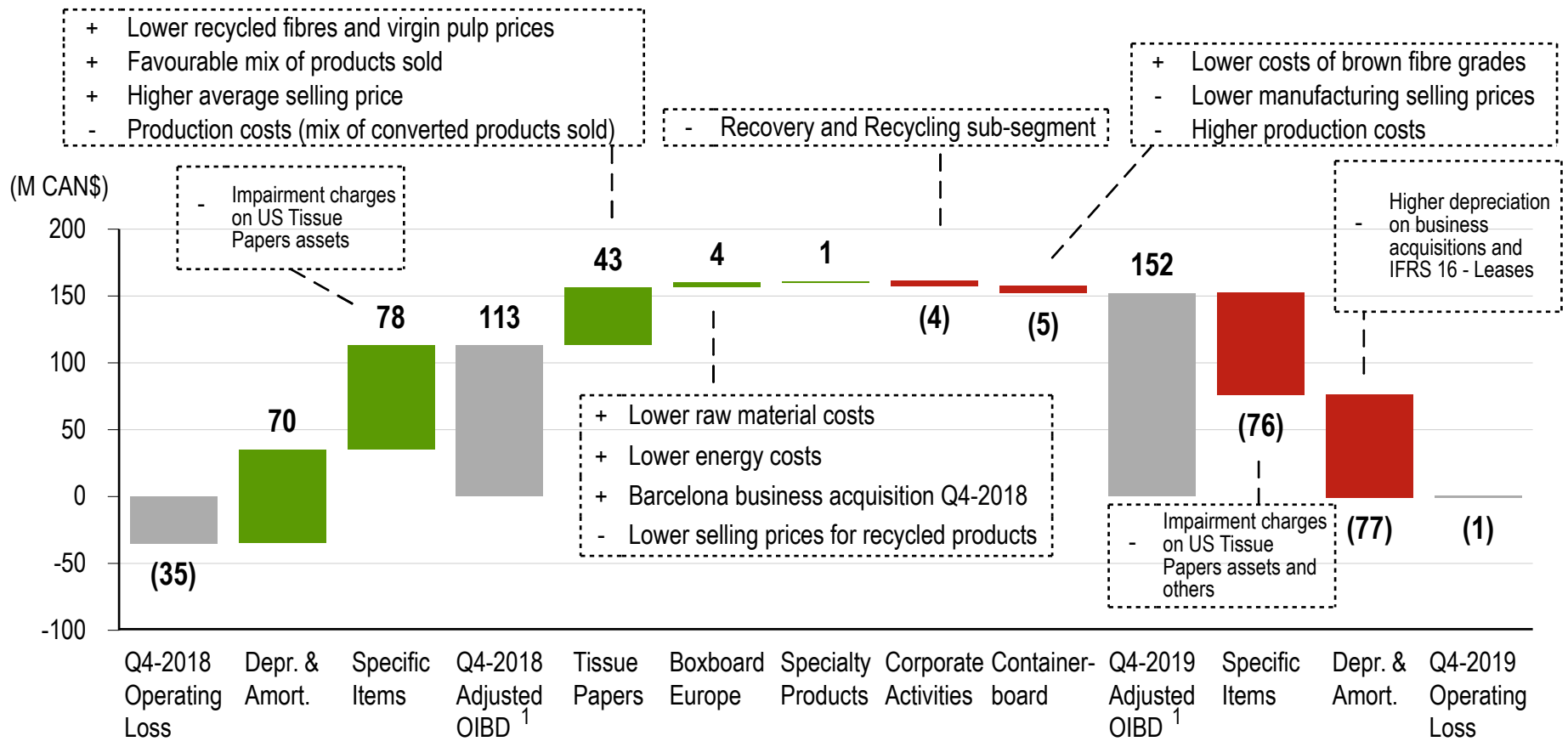


(M CAN\$)	Sales Q3-2019	Business acquisitions	Other variances	F/X CAN\$	Price & Mix	Volume	Sales Q4-2019
Containerboard	473	—	—	—	(7)	(15)	451
Boxboard Europe	256	—	—	(2)	(1)	(10)	243
Specialty Products	123	(15)	—	—	(7)	4	105
Tissue Papers	387	22	—	—	(4)	(8)	397
Corporate & Elim.	25	—	6	—	—	—	31
Total	1,264	7	6	(2)	(19)	(29)	1,227

Lower sales reflects seasonal volume decrease in all segments except Specialty Products, less favourable pricing & mix in all segments and FX for European Boxboard; Tissue sales benefited from the Orchids acquisition.



YEAR-OVER-YEAR OPERATING LOSS RECONCILIATION



Increase driven by solid Tissue results reflecting benefits from pricing, sales mix & raw material costs, and higher European Boxboard results; Offsetting these were lower Containerboard and Recovery activities results.

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

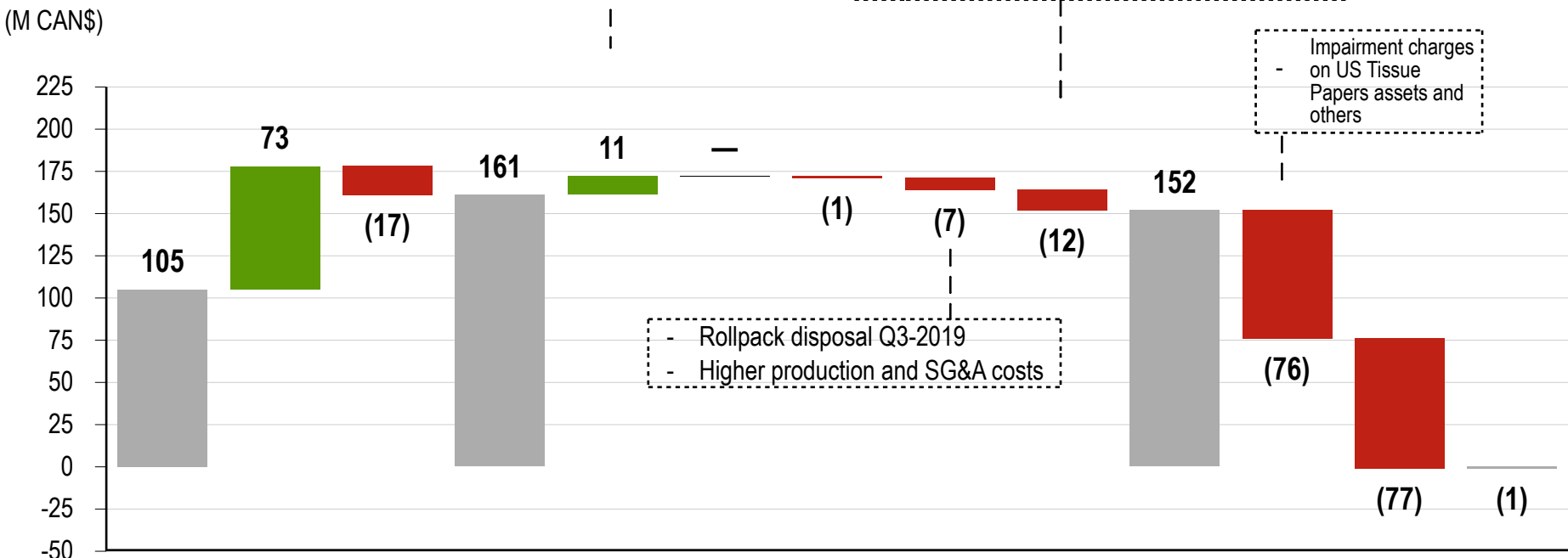
SEQUENTIAL OPERATING INCOME (LOSS) RECONCILIATION

- + Lower recycled fibres and virgin pulp prices
- + Orchids acquisition Q3-2019
- Lower volume

- Lower average selling price
- Lower seasonal volume
- Higher freight and R&M costs
- + Lower costs of brown fibre grades

- Impairment charges on US Tissue Papers assets and others

- Rollpack disposal Q3-2019
- Higher production and SG&A costs

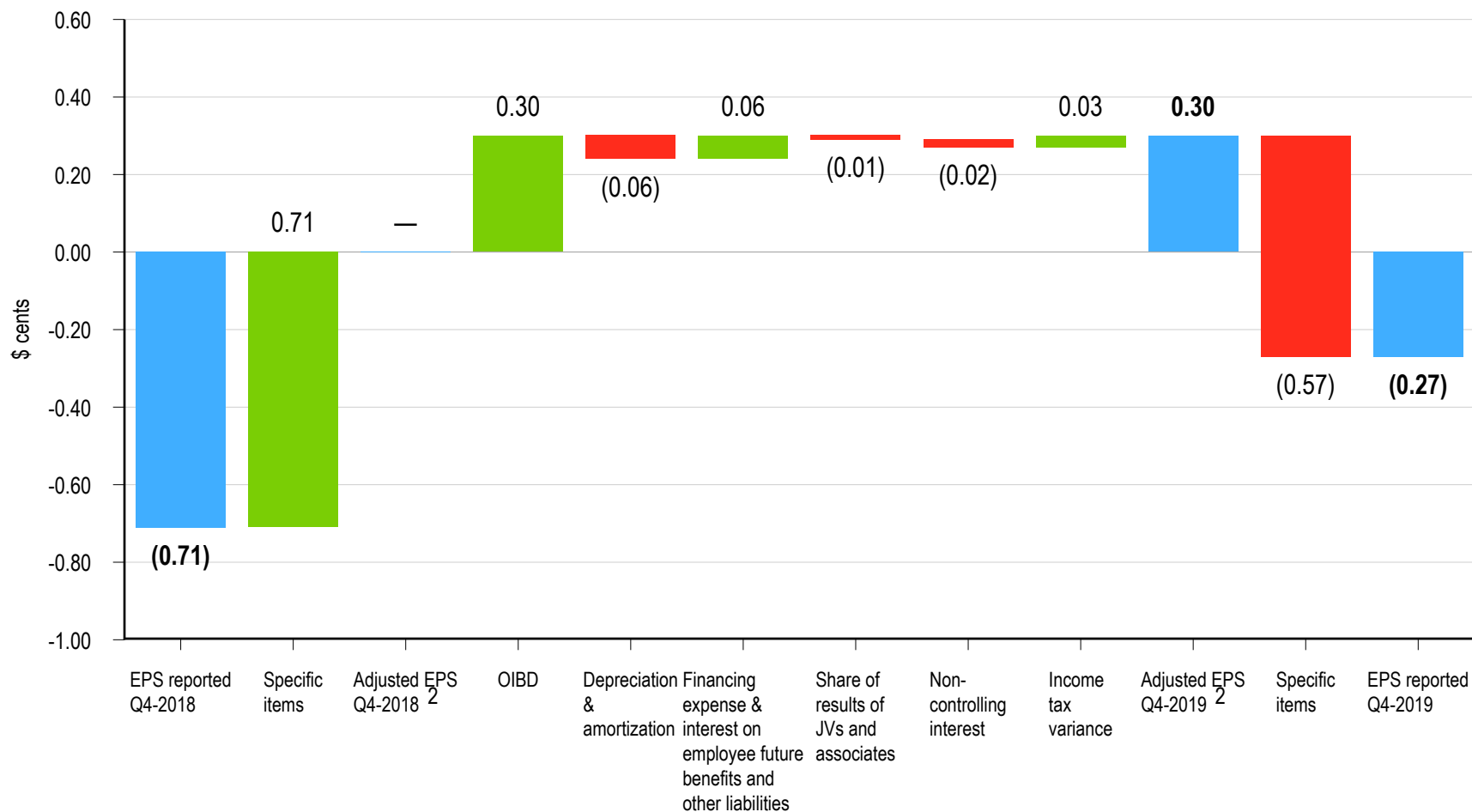


Q3-2019 Operating Income Depr. & Amort. Specific Items Q3-2019 Adjusted OIBD Tissue Papers Corporate Activities Boxboard Europe Specialty Products Containerboard Q4-2019 Adjusted OIBD Specific Items Depr. & Amort. Q4-2019 Operating Loss

Tissue increase reflects lower raw material costs and Orchids acquisition; Decrease in Containerboard driven by lower volumes & selling price and higher freight costs, partially offset by lower raw material prices; Lower results from Specialty Products largely driven by Rollpack divestiture in France

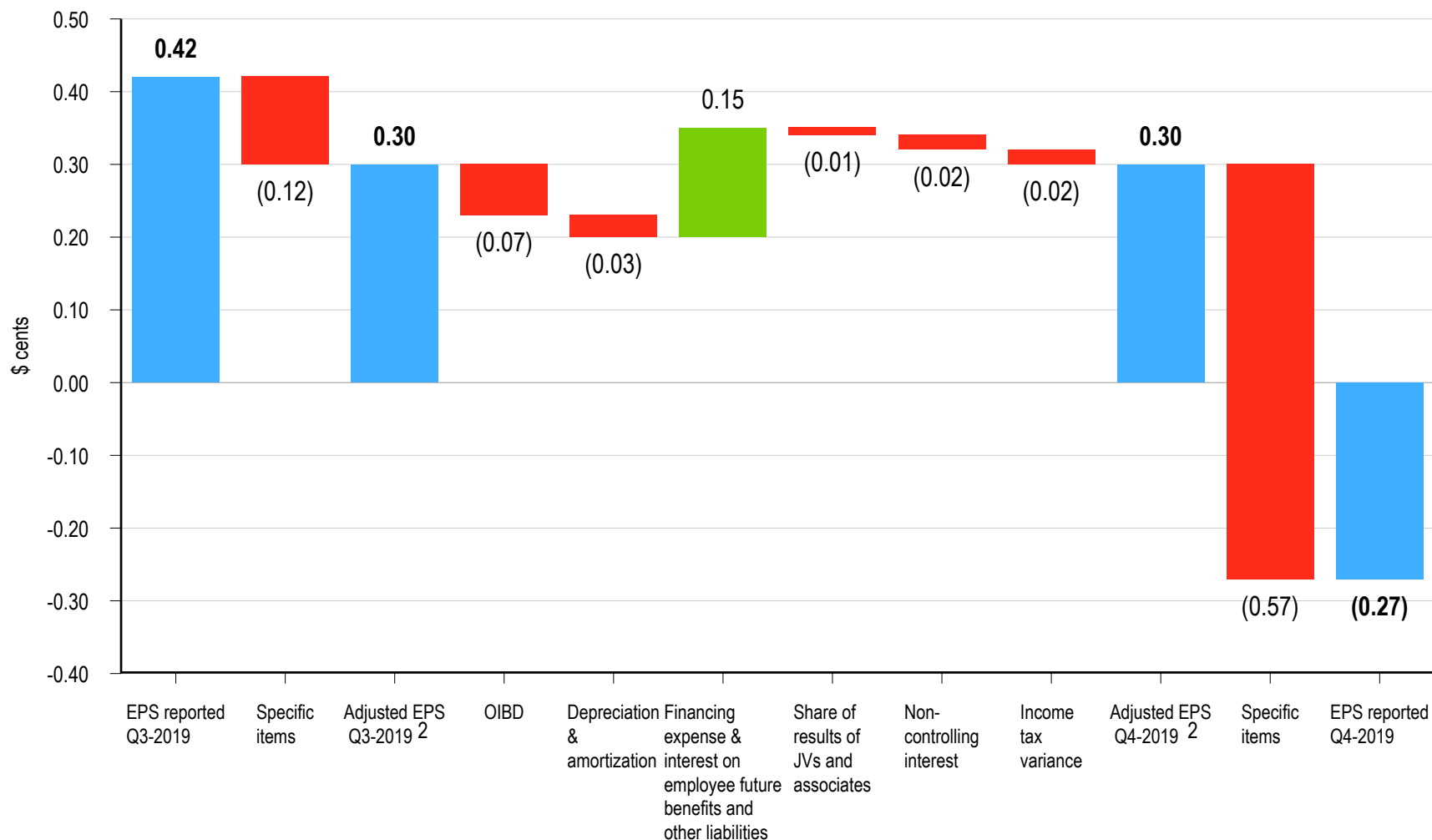


QUARTERLY YEAR-OVER-YEAR ADJUSTED EPS VARIANCE^{1,2}



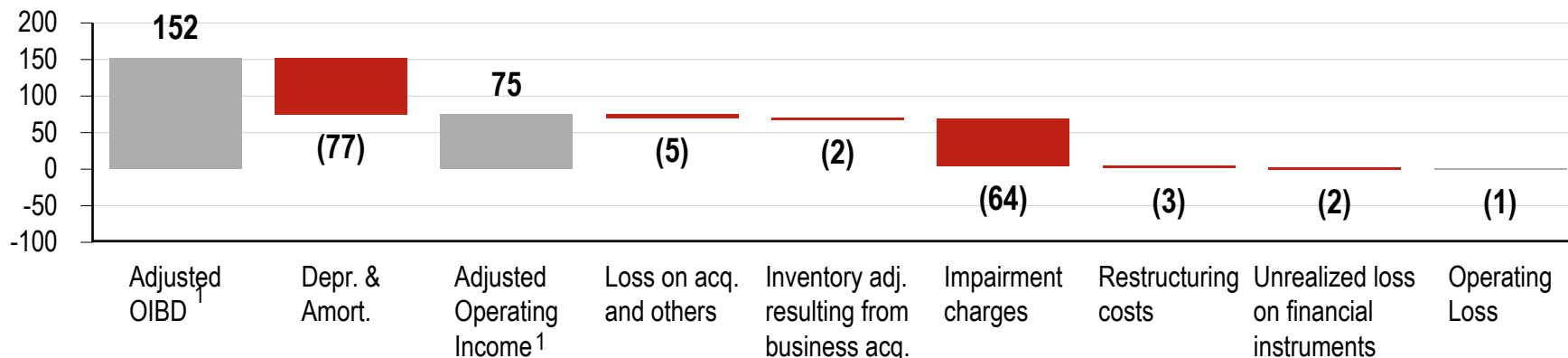


QUARTERLY SEQUENTIAL ADJUSTED EPS VARIANCE^{1,2}



Q4-19 ADJUSTED OIBD TO OPERATING INCOME (LOSS) RECONCILIATION

(M CAN\$)



(M CAN\$)	Container-board	Boxboard Europe	Specialty Products	Tissue Papers	Corporate Activities	Total
Operating income (loss)	69	(6)	5	(21)	(48)	(1)
Specific items:						
Loss on acquisitions, disposals and others	4	—	—	—	1	5
Inventory adjustment resulting from business	—	—	—	2	—	2
Impairment charges	2	14	—	34	14	64
Restructuring costs	1	—	—	2	—	3
Unrealized loss (gain) on financial instruments	1	2	—	—	(1)	2
Total Specific items	8	16	—	38	14	76
Adjusted operating income (loss)¹	77	10	5	17	(34)	75
Depreciation and amortization	29	14	4	18	12	77
Adjusted OIBD¹	106	24	9	35	(22)	152

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



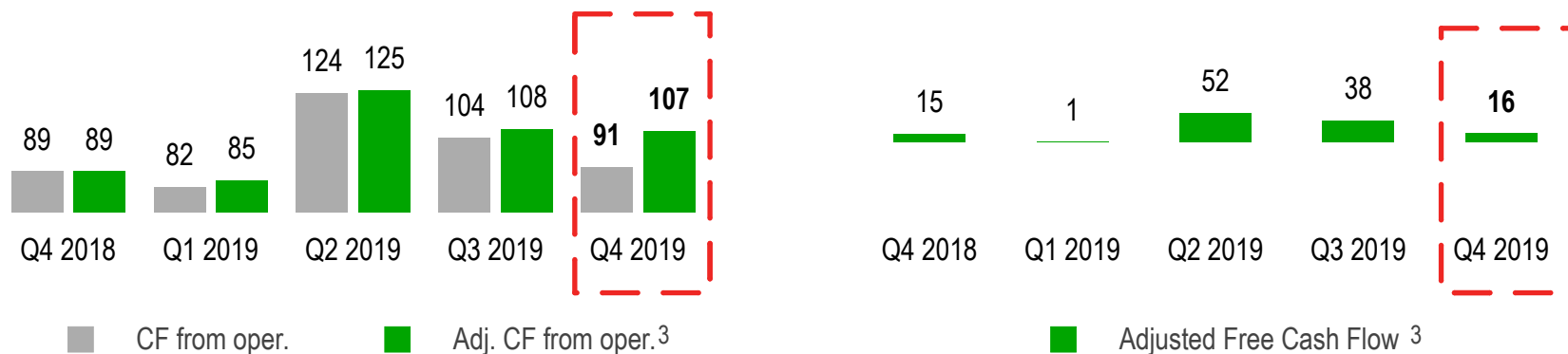
NET EARNINGS - IFRS VS ADJUSTED

	NET EARNINGS (LOSS)	NET EARNINGS (LOSS) PER SHARE ¹
(in millions of Canadian dollars, except amount per share)	Q4-2019	Q4-2019
As per IFRS	(26)	\$ (0.27)
Specific items:		
Loss on acquisitions, disposals and others	5	\$ 0.04
Inventory adjustment resulting from business acquisition	2	\$ 0.02
Impairment charges	64	\$ 0.49
Restructuring costs	3	\$ 0.02
Unrealized loss on financial instruments	2	\$ 0.01
Foreign exchange loss on long-term debt & financial instruments	1	\$ 0.01
Loss on repurchase of long-term debt	14	\$ 0.11
Unrealized gain on interest rate swaps	(1)	\$ (0.01)
Tax effect on specific items, other tax adjustments and attributable to non-controlling interest ¹	(35)	\$ (0.12)
	55	\$ 0.57
Adjusted²	29	\$ 0.30

(1) Specific amounts per share are calculated on an after-tax basis and are net of the portion attributable to non-controlling interest.

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

CASH FLOW OVERVIEW



Figures above in millions of CAN\$

Figures above in millions of CAN\$

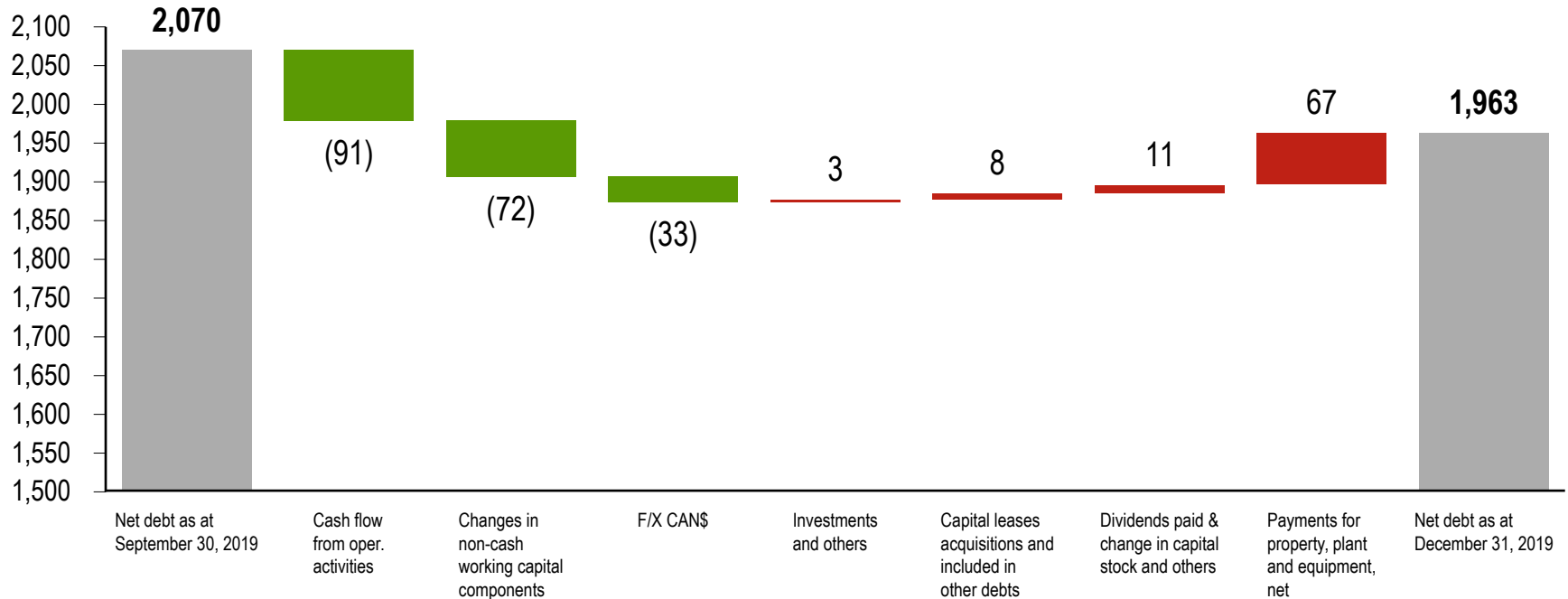
(In millions of CAN\$, except amount per share)	2017					2018					2019
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Cash flow from operations	260	69	111	92	89	361	82	124	104	91	401
Specific items ¹	17	—	—	—	—	—	3	1	4	16	24
Adjusted cash flow from operations ³	277	69	111	92	89	361	85	125	108	107	425
<i>Including: Net financing expense paid</i>	(99)	(37)	(18)	(39)	(13)	(107)	(43)	(16)	(42)	(32)	(133)
Capital expenditures & other assets ² , right-of-use assets payments, net of disposals	(205)	(9) ⁵	(72)	(129)	(65)	(275)	(76)	(64)	(58)	(80)	(278)
Dividends ⁴	(20)	(6)	(12)	(5)	(9)	(32)	(8)	(9)	(12)	(11)	(40)
Adjusted free cash flow ³	52	54	27	(42)	15	54	1	52	38	16	107
Adjusted free cash flow per share ³	\$0.56	\$0.56	\$0.29	\$(0.44)	\$0.16	\$0.57	\$0.01	\$0.56	\$0.40	\$0.17	\$1.14

YoY increase in adjusted FCF reflects higher CF from Operations, offset by increased CAPEX & financing expenses; QoQ decrease largely due to lower CF from Operations and higher CAPEX



NET DEBT¹ RECONCILIATION - Q4 2019

(M CAN\$)



Q3-2019
\$565 million
3.7x

LTM adjusted OIBD¹
Net debt/LTM adjusted OIBD¹

Q4-2019
\$604 million
3.25x

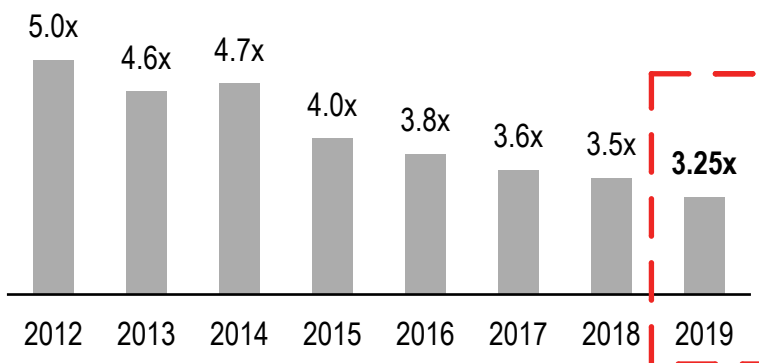
Solid Cash Flow from Operations, changes in non-cash WC components and favourable FX impact partially offset by capital expenditures

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

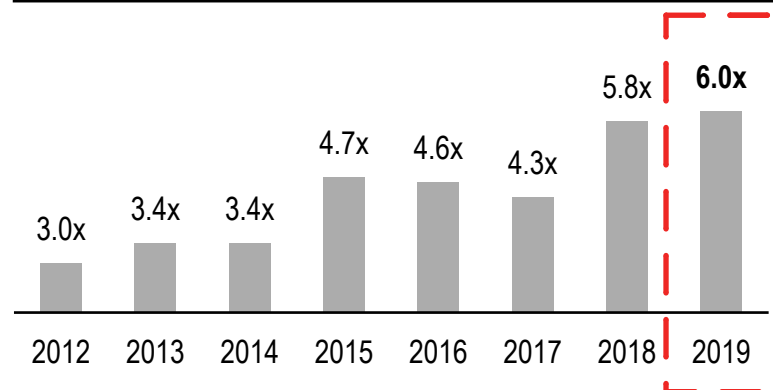


CONSOLIDATED FINANCIAL RATIOS & DEBT MATURITIES

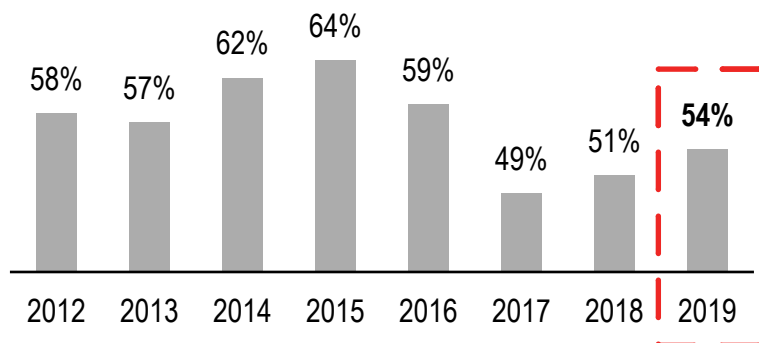
Net Debt / LTM Adjusted OIBD^{1,3}



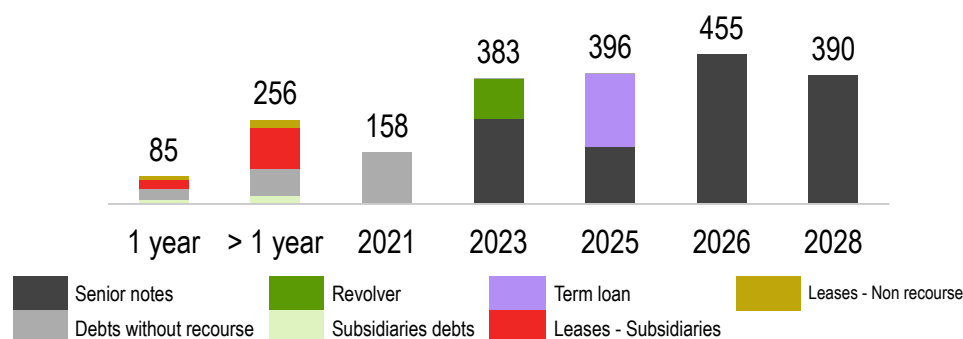
Interest Coverage Ratio^{2,3}



Net Debt / Net Debt + Total Equity



Long-Term Debt Maturities (as at December 31, 2019)



Leverage ratio of 3.25x at the end of 2019, down from 3.5x³ at the end of 2018

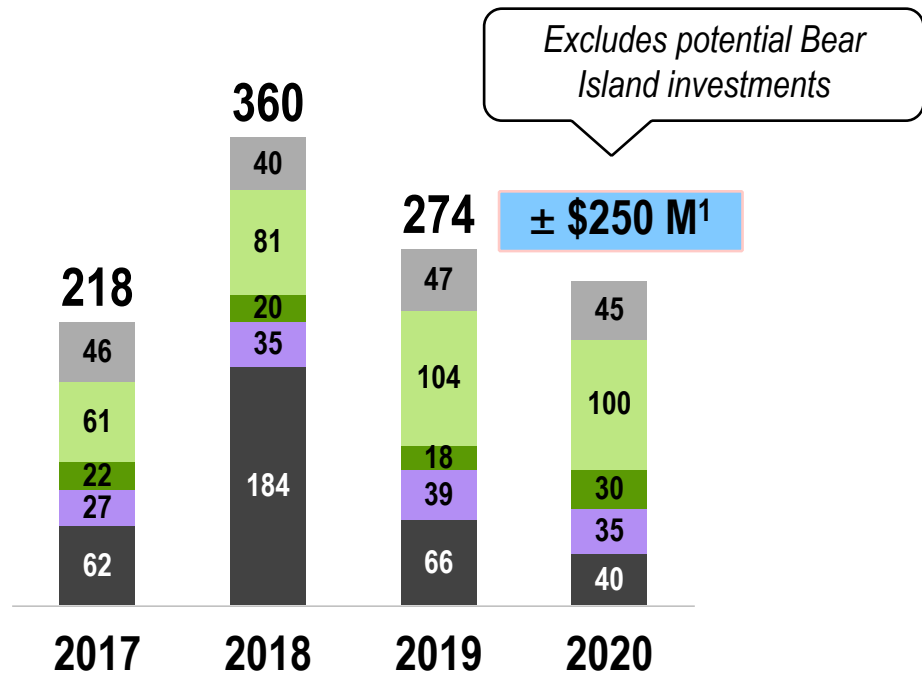
Bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 51.28%), interest coverage ratio > 2.25x (currently at 4.45x).

(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) Last twelve months adjusted OIBD to financing expense. (3) Pro-forma up to 2018 to include business acquisitions on a LTM basis, if applicable.



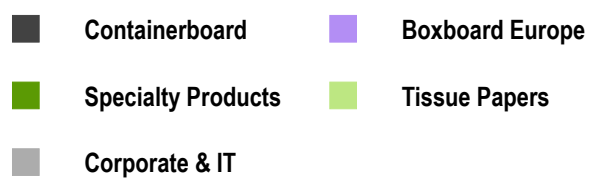
CAPITAL INVESTMENTS

(in millions of Canadian dollars, including capitalization of IT projects, excluding value of leases)



2020 CAPEX BUDGET¹

Containerboard	±\$40M
Boxboard Europe	±\$35M
Specialty Products	±\$30M
Tissue Papers	±\$100M
Corporate & IT	±\$45M
TOTAL	±\$250M



(1) Amount is subject to change depending on business and/or economic conditions.

CONCLUDING REMARKS





ORCHIDS PAPER - ACQUISITION UPDATE

- Expect annual OIBD¹ contribution of US\$25 - \$30 million in 2020, increasing to annual OIBD¹ run rate of ~US\$45 million in 2021²
- Cascades' outsourced tonnage being transferred to fill open capacity at Barnwell and Pryor
 - 75% of this tonnage had been transferred internally by the end of 2019, 100% by the end of Q2 2020
- Announced closure of Waterford, NY and Kingman, AZ converting plants scheduled for March 2020; volumes being redistributed internally
- Barnwell machine conversion from QRT to conventional completed in January 2020; ramp up expected to be complete by end of Q3 2020



NEAR TERM FACTORS



- Raw materials: prices for OCC, virgin pulp and SOP white recycled fiber grades remain low
- Tissue: contribution from Orchids, price increases, stable raw material costs
- Boxboard Europe: sequential volume benefit, lower energy cost sequentially & year-over-year
- Specialty Products: impact from recent asset sales offset by acquisitions in Q4 2018



- Raw material: slight increases in OCC, SOP and virgin pulp prices
- Tissue: lower Q1 seasonal volumes
- Containerboard: selling price, OCC cost headwinds
- Specialty Products: negative impact related to lower average selling price of packaging products
- Boxboard Europe: lower selling price expected sequentially and year-over-year

Q1 2020	Containerboard Packaging		Boxboard Europe ¹		Specialty Products		Tissue Papers	
OIBD ² Trend	YoY ↔	QoQ ↓	YoY ↔	QoQ ↑	YoY ↔	QoQ ↑	YoY ↑	QoQ ↓
REFLECTING:								
VOLUME	↗	↗	↔	↗	↗	↗	↗	↘
SELLING PRICE	↘	↘	↘	↘	↘	↘	↗	↗
RAW MATERIAL COST ³	↘	↘	↘	↔	↘	↔	↘	↔
EXCHANGE RATE	↘	↔	↘	↔	↘	↔	↘	↔
ENERGY COST	↘	↔	↘	↘	↘	↔	↘	↔

(1) Via our equity position in Reno de Medici S.p.A. (RdM). (2) Please click [here](#) for supplemental information on non-IFRS measures. (3) For Specialty Products Segment, raw material cost trend excludes recycled fibre pricing impact on Recovery & Recycling activities.

APPENDIX





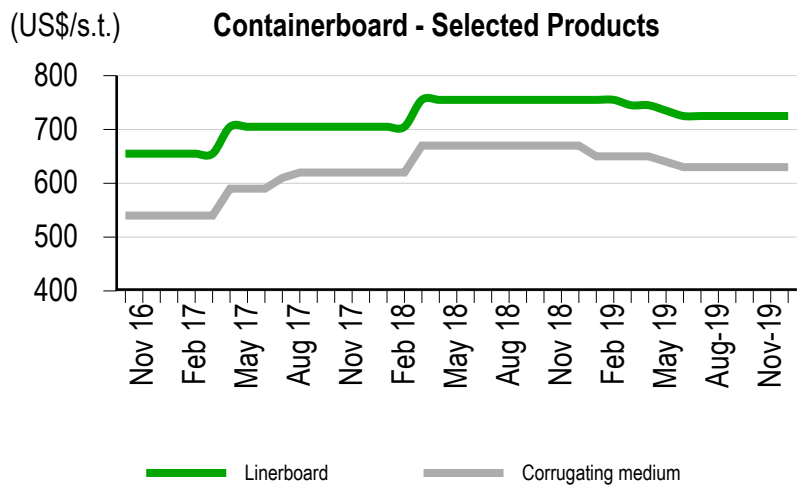
IMPACT OF NEW IFRS 16 - ACCOUNTING FOR LEASES

Impact on the Statements of Earnings* (in millions of Canadian dollars)	Q4-2019	2019
OIBD		
Containerboard	3	11
Europe	1	4
Specialty Products	1	3
Tissue Papers	1	4
Corporate	1	7
Increase in OIBD (total)	7	29
Increase in depreciation	7	27
Increase in financial expenses	1	3

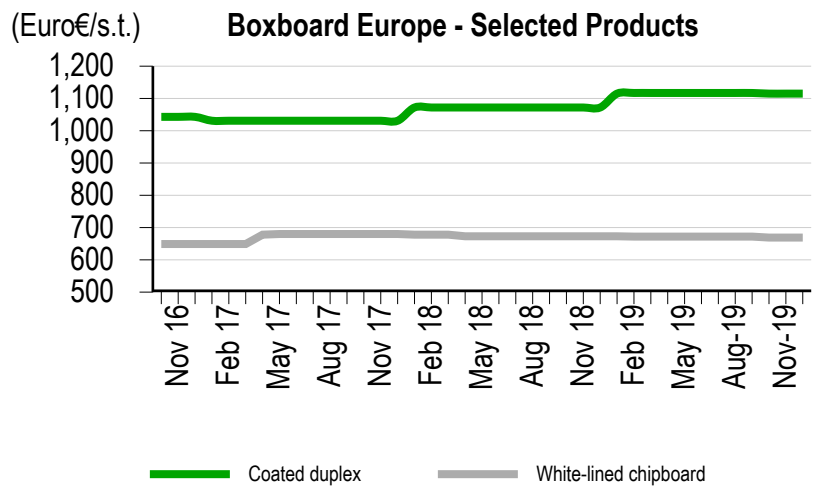
Impact on the Balance Sheet*	As of January 1 st , 2019
Increase in assets	87
Increase in debt	99
Decrease in deferred income tax liabilities	(3)
Decrease in equity	(9)



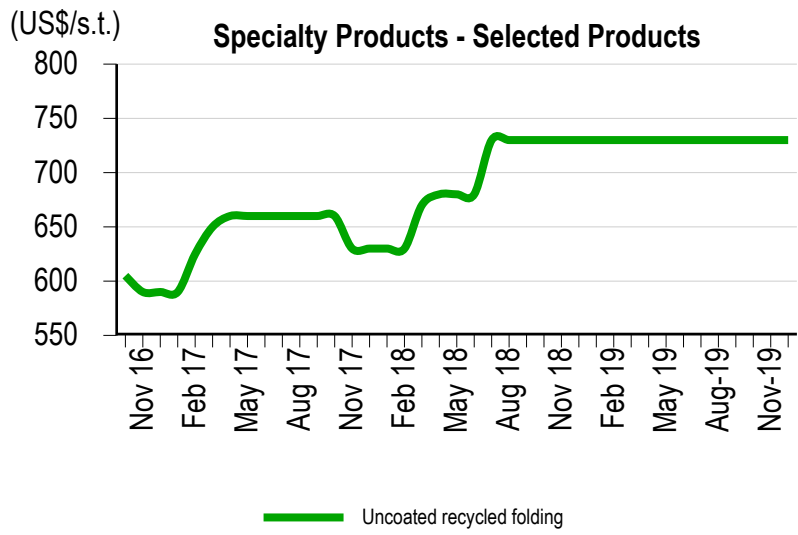
SELECTED REFERENCE PRICES



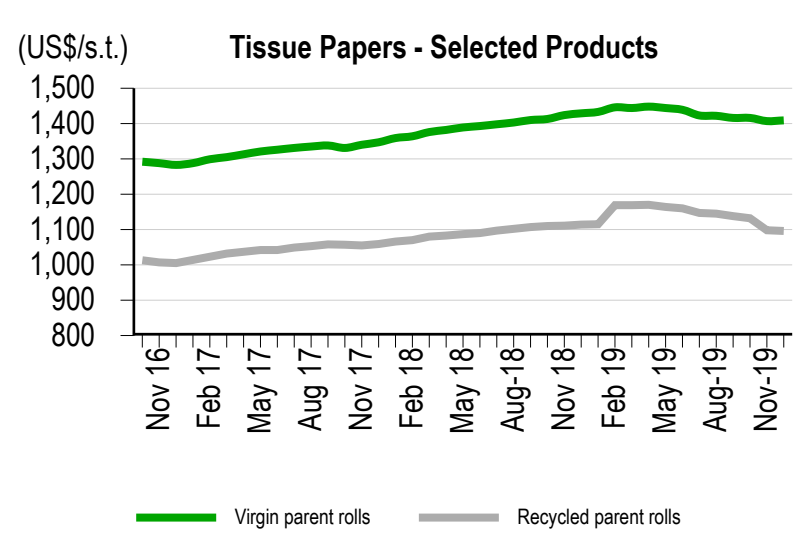
Current (Jan-20)
715
615



Current (Dec-19)
1,115
669



Current (Jan-20)
730



Current (Dec-19)
1,409
1,096

SELECTED REFERENCE PRICES AND FIBRE COSTS

	2017				2018				2019				Q4 2019 vs Q4 2018		Q4 2019 vs Q3 2019			
	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	(units)	(%)	
These indexes should only be used as an indicator of trends and they may be different than our actual selling prices or purchasing costs.																		
Selling prices (average)																		
PACKAGING PRODUCTS																		
Containerboard (US\$/short ton)																		
Linerboard 42-lb. unbleached kraft, Eastern US (open market)	693	722	755	755	755	747	752	735	725	725	734	(30)	(4)%	—	—			
Corrugating medium 26-lb. semichemical, Eastern US (open market)	592	637	670	670	670	662	650	640	630	630	638	(40)	(6)%	—	—			
Boxboard Europe (euro/metric ton)																		
Recycled white-lined chipboard (WLC) index ¹	672	678	673	673	673	674	672	672	672	669	671	(4)	(1)%	(3)	—			
Virgin coated duplex boxboard (FBB) index ²	1,031	1,072	1,072	1,072	1,072	1,072	1,117	1,117	1,117	1,115	1,117	43	4%	(2)	—			
Specialty Products (US\$/short ton)																		
Uncoated recycled boxboard - 20-pt. bending chip (series B)	645	643	680	730	730	696	730	730	730	730	730	—	—	—	—			
TISSUE PAPERS (US\$/short ton)																		
Parent rolls, recycled fibres (transaction)	1,043	1,072	1,087	1,102	1,112	1,093	1,151	1,164	1,143	1,109	1,142	(3)	—	(34)	(3)%			
Parent rolls, virgin fibres (transaction)	1,323	1,366	1,388	1,404	1,422	1,395	1,441	1,444	1,420	1,411	1,429	(11)	(1)%	(9)	(1)%			
Raw material (average)																		
RECYCLED PAPER																		
North America (US\$/short ton)																		
Sorted residential papers, No. 56 (SRP - Northeast average)	79	59	31	28	28	36	24	16	10	8	15	(20)	(71)%	(2)	(20)%			
Old corrugated containers, No. 11 (OCC - Northeast average)	138	92	71	68	68	74	61	40	33	30	41	(38)	(56)%	(3)	(9)%			
Sorted office papers, No. 37 (SOP - Northeast average)	169	165	193	210	203	193	183	140	101	88	128	(115)	(57)%	(13)	(13)%			
Europe (euro/metric ton)																		
Recovered paper index ³	142	111	99	103	107	105	96	87	71	49	76	(58)	(54)%	(22)	(31)%			
VIRGIN PULP (US\$/metric ton)																		
Northern bleached softwood kraft, Canada	1,105	1,233	1,310	1,377	1,428	1,342	1,380	1,292	1,170	1,115	1,239	(313)	(22)%	(55)	(5)%			
Bleached hardwood kraft, mixed, Canada/US	958	1,077	1,125	1,192	1,213	1,152	1,180	1,100	970	893	1,036	(320)	(26)%	(77)	(8)%			

Sources: RISI, Cascades and Reno de Medici. (1) The index is based on publication prices and represents an approximation of Cascades' recycled grades selling prices in Europe. It is weighted by country. (2) The index is based on publication prices and represents an approximation of Cascades' virgin grades selling prices in Europe. It is weighted by country. (3) The recovered paper index is based on publication prices and represents an approximation of Cascades' recovered paper purchase prices in Europe. It is weighted by country.



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For more information:

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