

Q1 2020 FINANCIAL RESULTS

May 7, 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.



OUR RESPONSE - COVID-19

Employees & Operations

All Cascades operations considered essential

Health & well-being of our employees is our priority:

- Work-related travel & plant visits restricted

- Workplace social distancing measures in place

- Extensive cleaning protocols, safety measures & equipment at all operations

Initiated comprehensive business continuity plans, which are monitored and updated regularly, as needed

Customers & Suppliers

Ongoing communication with customers to ensure product fulfillment, continuity of delivery and early identification of supply gaps

Adapting logistics when possible to accommodate customer needs, including some direct to store delivery

Actively engaged with customers impacted by Covid-19 pandemic to manage Account Receivables

Community

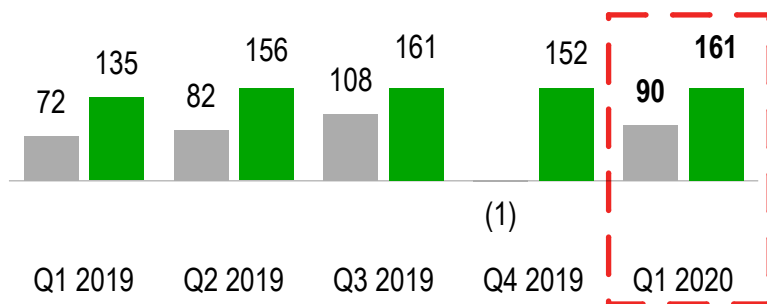
Working closely with partner companies in the production of over 1 million medical visors for health workers

Helping to maintain the supply chain of FoodLink in upstate New York by providing free transportation of food to local food pantries

Supplying 36,000 boxes for the delivery of more than 1.6 million local meals

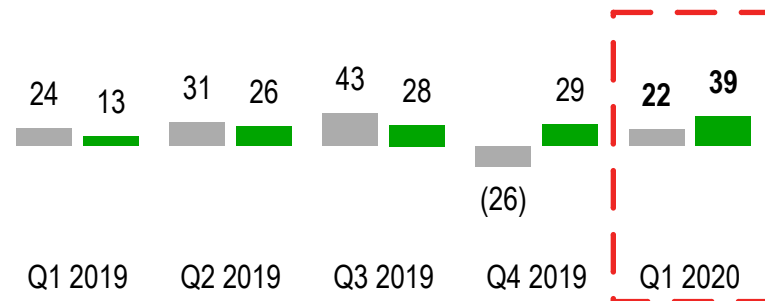
Installed 2 portable lavatory units in key areas in Quebec to provide truck drivers with essential services

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\$

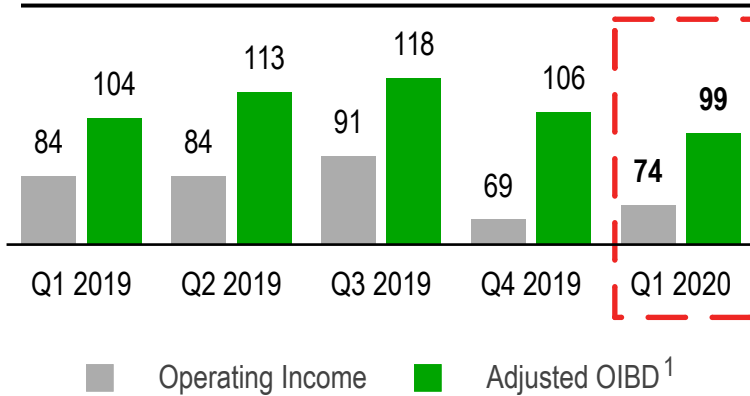
(In millions of CAN\$, except amount per share)					2018					2019	2020	
	Q1	Q2	Q3	Q4 ²	Year	Q1	Q2	Q3 ²	Q4	Year	Q1	
Financial results												
Sales	1,098	1,180	1,175	1,196	4,649	1,230	1,275	1,264	1,227	4,996	1,313	
Operating income (loss)	112	73	78	(35)	228	72	82	108	(1)	261	90	
Adjusted OIBD ¹	105	136	137	113	489	135	156	161	152	604	161	
Net earnings (loss)	61	27	36	(67)	57	24	31	43	(26)	72	22	
Adjusted net earnings ¹	12	31	38	—	79	13	26	28	29	96	39	
Net earnings (loss) per share	\$0.65	\$0.28	\$0.38	\$(0.71)	\$0.75	\$0.26	\$0.33	\$0.45	\$(0.27)	\$0.77	\$0.24	
Adjusted net earnings per share ¹	\$0.13	\$0.30	\$0.40	—	\$1.30	\$0.14	\$0.28	\$0.30	\$0.30	\$1.02	\$0.42	

First quarter sales and adjusted OIBD increased both sequentially and year-over-year

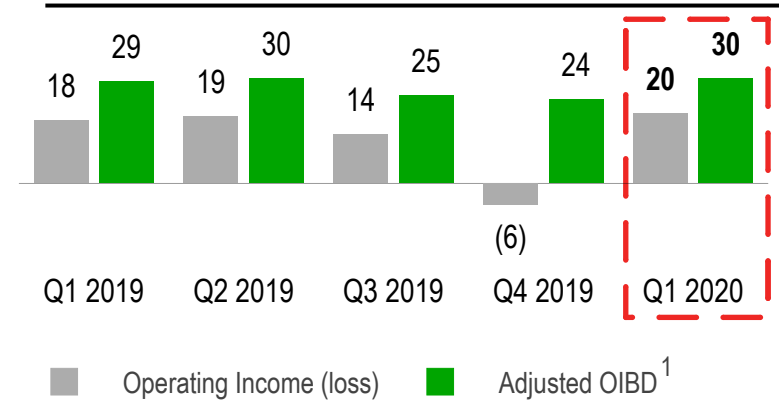
(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) 2019 third quarter results have been adjusted to reflect retrospective adjustments of purchase price allocation. Please refer to Note 4 of the 2020 first quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.

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

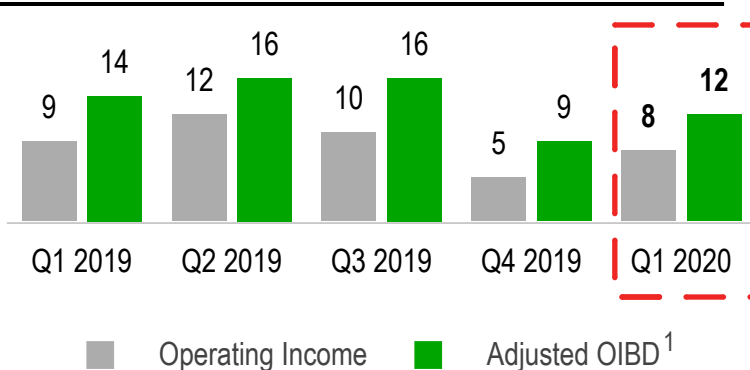
Containerboard (millions of CAN\$)



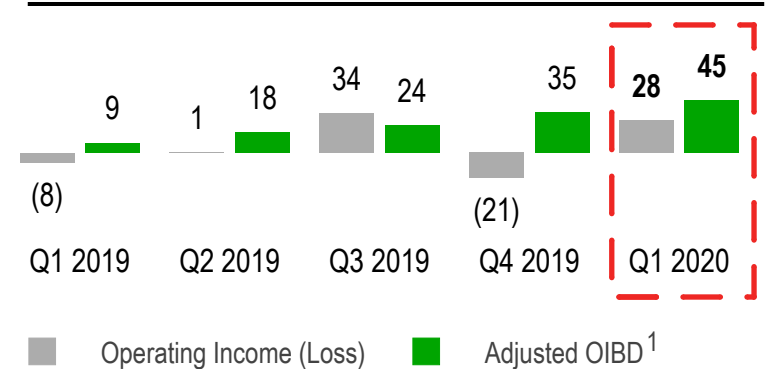
Boxboard Europe² (millions of CAN\$)



Specialty Products² (millions of CAN\$)



Tissue Papers (millions of CAN\$)

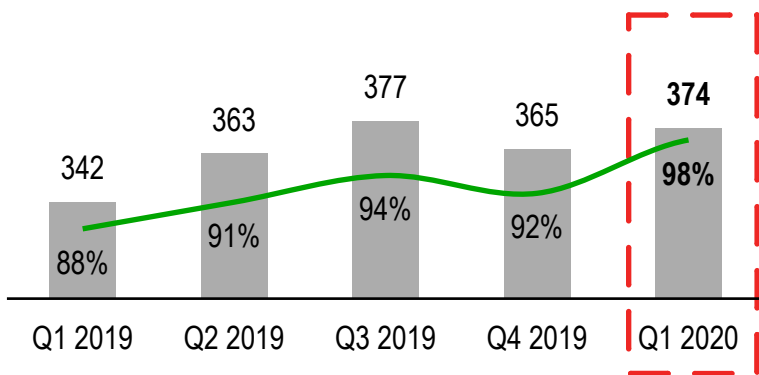


(1) Please click [here](#) for supplemental information on non-IFRS measures. (2) 2019 third quarter results have been adjusted to reflect retrospective adjustments of purchase price allocation. Please refer to Note 4 of the 2020 first quarter Unaudited Condensed Interim Consolidated Financial Statements for more details.

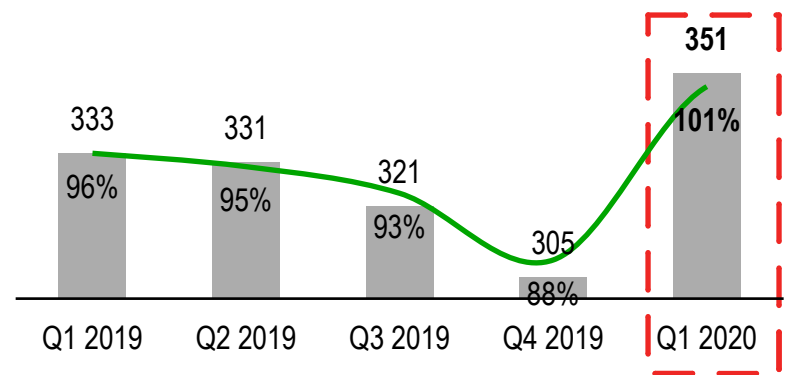


HISTORICAL SEGMENTED QUARTERLY SHIPMENTS

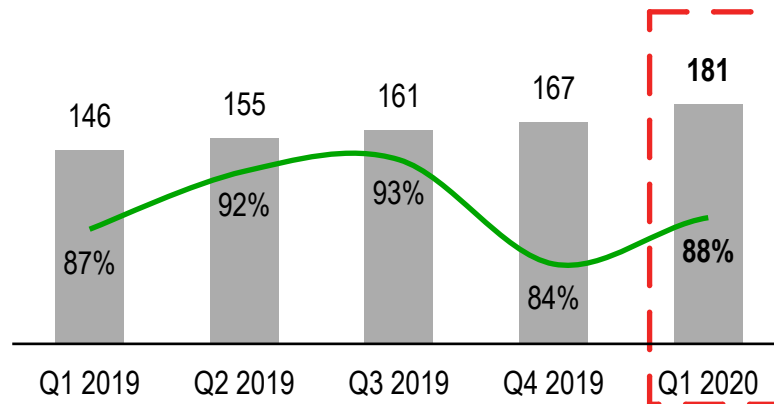
Containerboard ('000 s.t. and % capacity utilization¹)



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



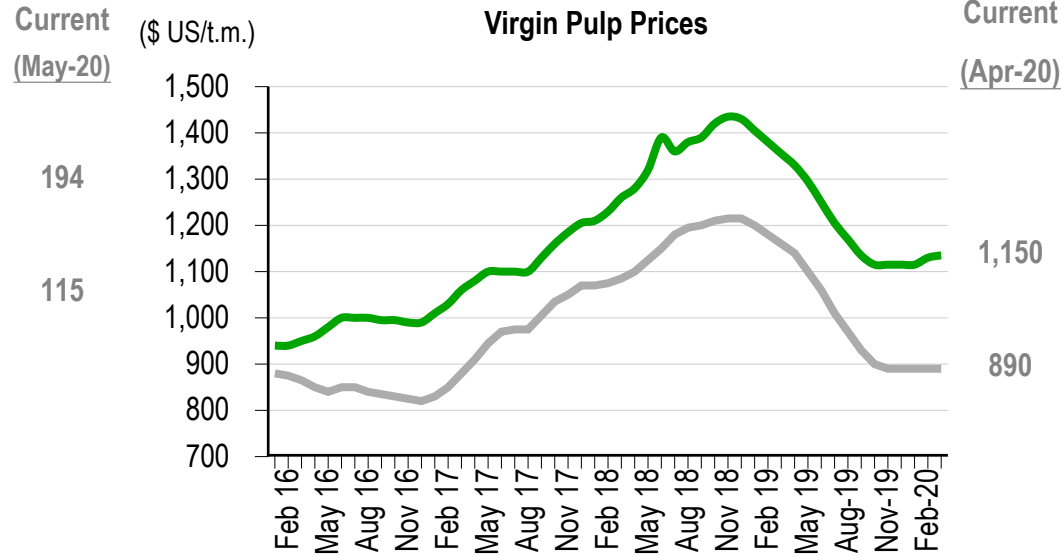
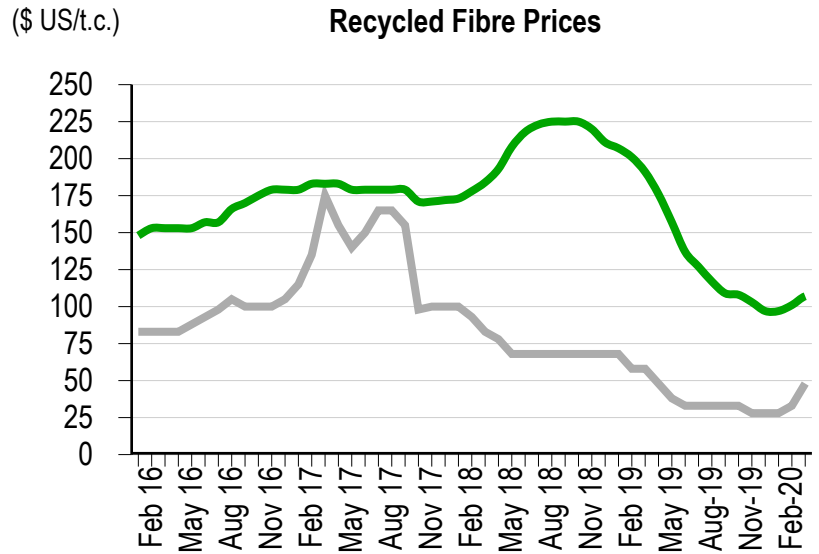
Tissue Papers ('000 s.t. and % capacity utilization¹)



(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)

	<u>Q1-2019</u>	<u>Q4-2019</u>	<u>Q1-2020</u>	<u>Q1/Q1</u>	<u>Q1/Q4</u>
White grades - Basket of products (Northeast average) ¹	200	103	102	(49)%	(1)%
Brown grades - OCC No. 11 (Northeast average)	61	30	36	(41)%	20%

Virgin Pulp Prices

NBSK (Canadian sources delivered to Eastern US)

NBHK (Canada/US sources delivered to Eastern US)

	<u>Q1-2019</u>	<u>Q4-2019</u>	<u>Q1-2020</u>	<u>Q1/Q1</u>	<u>Q1/Q4</u>
NBSK (Canadian sources delivered to Eastern US)	1,380	1,115	1,127	(18)%	1%
NBHK (Canada/US sources delivered to Eastern US)	1,180	893	890	(25)%	—

Prices of both recycled fibres and virgin pulp decreased significantly year-over-year, remaining low in Q1; OCC increased sequentially while prices of other raw material grades were stable

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.		
	Q1 2020	Q4 2019	Q1 2019
Shipments ('000 s.t.)	374	2%	9%
Average selling price (CAN\$/unit)	1,225	(1)%	(5)%
Sales (M\$)	458	2%	4%
Operating income (M\$)	74	7%	(12)%
Adjusted OIBD ¹ (M\$)	99	(7)%	(5)%
% of sales	21.6%		

Comments on sequential performance

- ➔ Shipments increased by 2% sequentially. This was driven by a 7% increase in manufacturing shipments that reflect higher demand and production levels. The integration rate decreased by 2%. Shipments of converted products decreased by 2% on a sequential basis.
- ➔ The average first quarter selling price decreased by 1% in Canadian dollars sequentially. This reflects a less favourable sales mix and lower average selling prices in the manufacturing activity sector, attributable to announced industry price decreases.
- ➔ The sequential sales increase is attributable to the higher volume and the depreciation of the Canadian dollar.
- ➔ Adjusted OIBD decreased by 7% on a sequential basis. This reflects a lower average selling price, slightly higher raw material and operational costs, and an expected credit loss provision taken for outstanding accounts receivable. These were partially offset by increased sales levels.

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

FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
46,500	8,200	~ 13,000 to 14,000	~ 10,000 to 11,000	~ 14,000 to 15,000	~ 45,000 to 48,000

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



TISSUE PAPERS

Results	Change vs.		
	Q1 2020	Q4 2019	Q1 2019
Shipments ('000 s.t.)			
181	8%	24%	
Average selling price (CAN\$/unit)			
2,466	4%	3%	
Sales (M\$)			
446	12%	28%	
Operating income (M\$)			
28	233%	450%	
Adjusted OIBD¹ (M\$)			
45	29%	400%	
% of sales			
10.1%			

Comments on sequential performance

- ➔ The 8% sequential increase in shipments was driven in large part by Covid-19 related demand. Specifically, shipments of converted products increased 7%, while shipments of parent rolls increased 13% from Q4 2019 levels.
- ➔ The average selling price in Canadian dollars increased 4% sequentially. This reflects the 2% depreciation of the Canadian dollar compared to the US dollar, and a more favourable sales and customer mix.
- ➔ The volume and price factors detailed above had a combined positive impact of 12% on sales on a sequential basis.
- ➔ Adjusted OIBD increased by \$10 million, or 29%, sequentially. This reflects the beneficial impact of the higher average selling price, higher shipment levels, and improved operational efficiency. These were partially offset by the higher amount of external parent roll purchases that were required during the current period.

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



PACKAGING PRODUCTS / BOXBOARD EUROPE

Results	Change vs.		
	Q1 2020	Q4 2019	Q1 2019
Shipments ('000 s.t.)			
351	15%	5%	
Average selling price¹ (CAN\$/unit)			
750	(1)%	(6)%	
(Euro€/unit)			
506	(3)%	(4)%	
Sales (M\$)			
272	12%	(3)%	
Operating income (M\$)			
20	433%	11%	
Adjusted OIBD¹ (M\$)			
30	25%	3%	
% of sales			
11.0%			

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

Comments on sequential performance

- ➔ Shipments of virgin boxboard increased by 9,000 s.t., or 26%, in the first quarter of 2020 compared to the prior quarter, while shipments of recycled boxboard increased 37,000 s.t., or 14%. These increases reflect higher demand in Europe related to Covid-19 in the current period, and lower shipment levels in the fourth quarter in part due to the usual holiday work stoppages in December.
- ➔ The sequential decrease in the average selling price is a reflection of the net impact of the 1% depreciation of the Canadian dollar compared to the euro, the 1% decrease in the average selling price of virgin boxboard and 3% decrease in the average selling price of recycled boxboard.
- ➔ The higher sequential sales volume reflects the increase in shipment volumes as discussed above, and the 1% depreciation of the Canadian dollar compared to the euro. These were partially offset by the lower average selling prices.
- ➔ The sequential increase in adjusted OIBD reflects the usual seasonal volume trends in the first quarter, in addition to higher shipment levels and lower energy and raw material costs. These were partially offset by the lower average selling price in the current period.



PACKAGING PRODUCTS / SPECIALTY PRODUCTS

Results	Change vs.	
	Q4 2019	Q1 2019
Q1 2020		
Sales (M\$)		
113	8%	(12)%
Operating income (M\$)		
8	60%	(11)%
Adjusted OIBD¹ (M\$)		
12	33%	(14)%
% of sales		
10.6%		

Comments on sequential performance

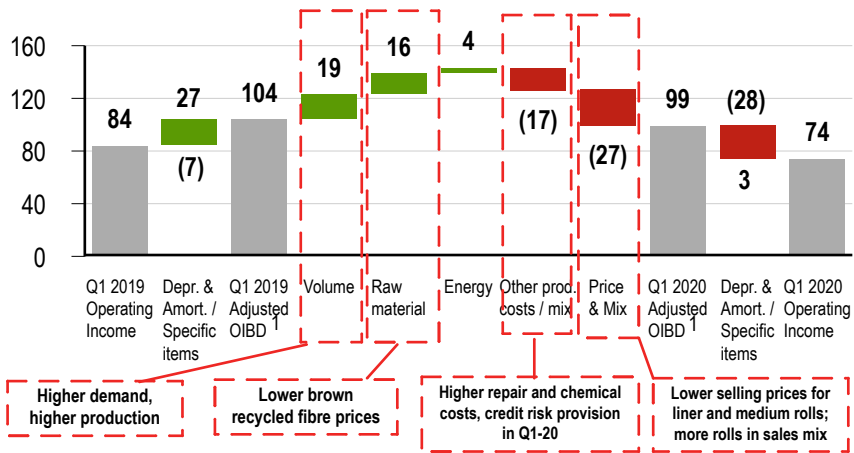
- ➔ The sequential sales increase reflects increases in most business sub-segments. This was most notable in Industrial Products following a slight slowdown in this sub-segment in the fourth quarter, and in the Consumer packaging sector following usual fourth quarter seasonal softness. Stronger demand levels were observed at the end of the first quarter as a result of the Covid-19 pandemic.
- ➔ The sequential increase in adjusted OIBD reflects the higher sales volumes, a more favourable exchange rate, and resumption of normal operations at the Rockingham moulded pulp facility following the fire at the plant at the end of the third quarter in 2019. Production was resumed at the facility during the fourth quarter.

CHANGE IN THE PRESENTATION OF SEGMENTED INFORMATION

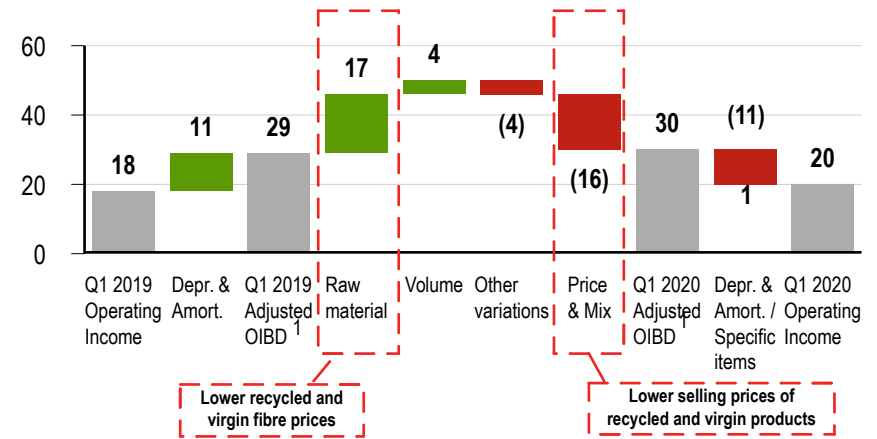
The Corporation reclassified Recovery activities results (sales, OIBD and adjusted OIBD figures) to Corporate Activities in the fourth quarter of 2019. Results from these activities had been included within the Specialty Products segment previously. Prior annual and quarterly figures were adjusted to reflect the change.

SEGMENTED YoY OPERATING INCOME (LOSS) WATERFALLS

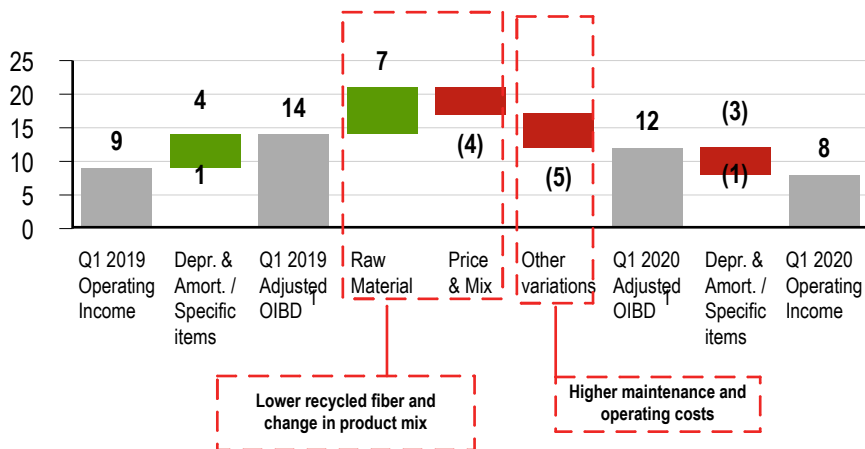
Containerboard (millions of CAN\$)



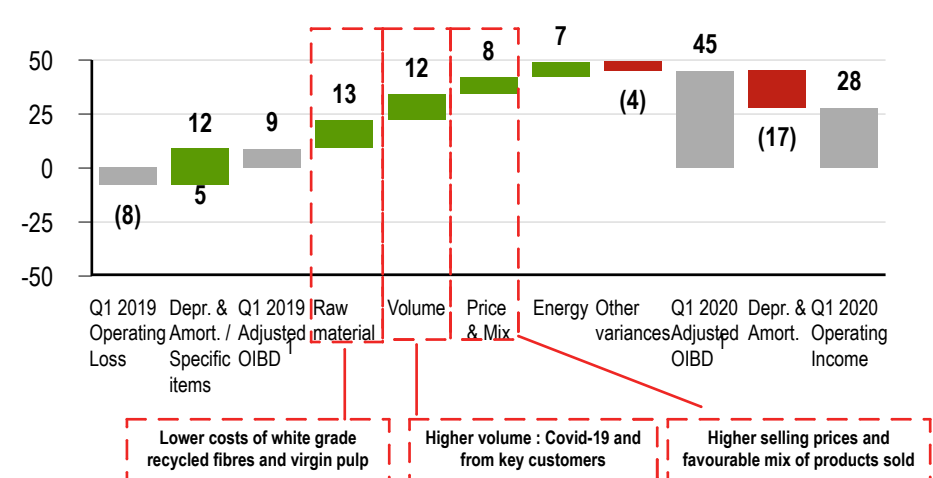
Boxboard Europe (millions of CAN\$)



Specialty Products (millions of CAN\$)



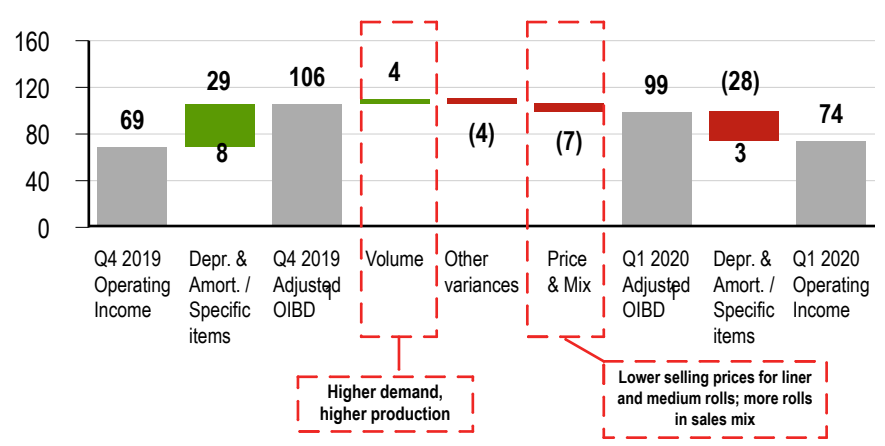
Tissue Papers (millions of CAN\$)



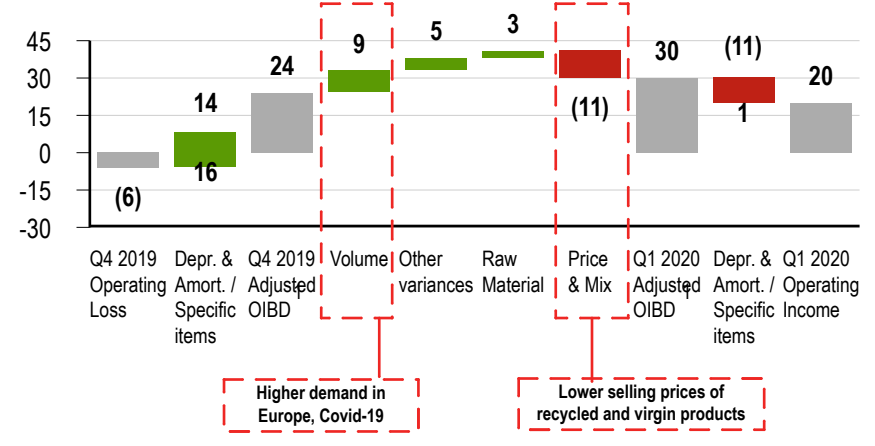


SEGMENTED SEQUENTIAL OPERATING INCOME (LOSS) WATERFALLS

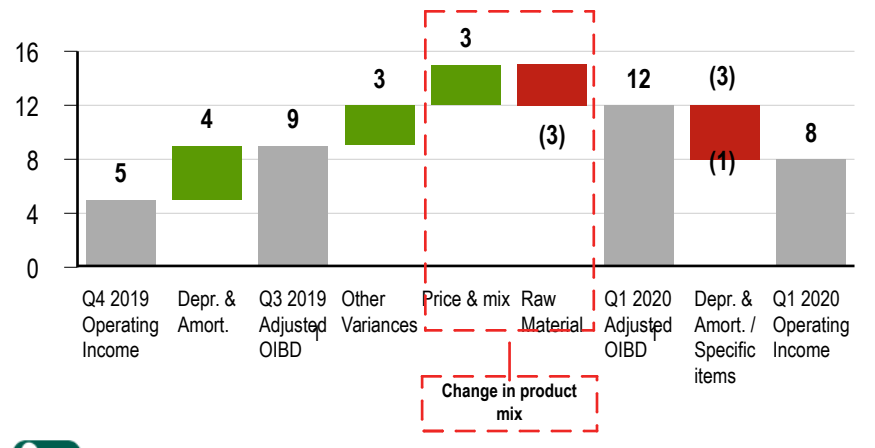
Containerboard (millions of CAN\$)



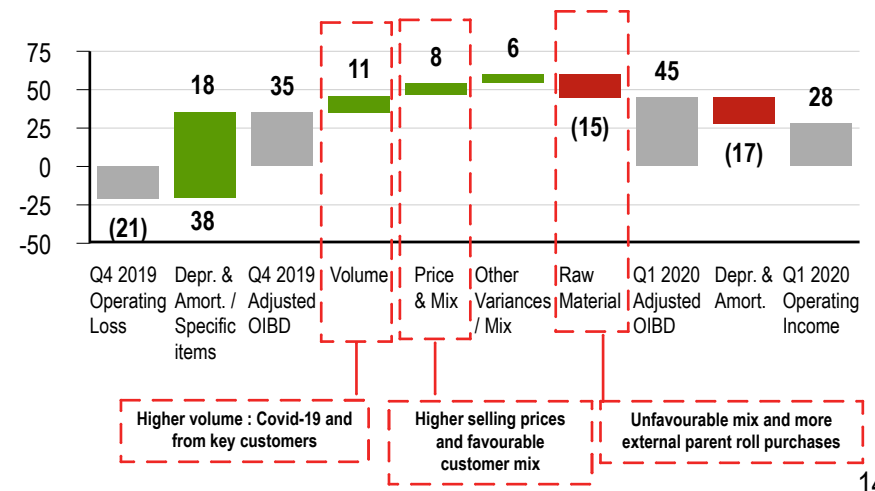
Boxboard Europe (millions of CAN\$)



Specialty Products (millions of CAN\$)



Tissue Papers (millions of CAN\$)



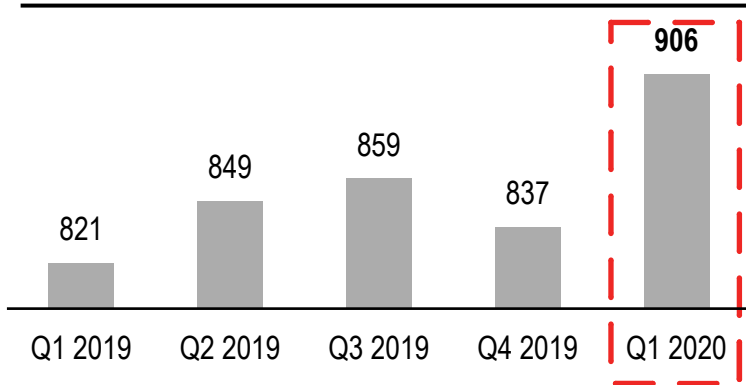
FINANCIAL REVIEW



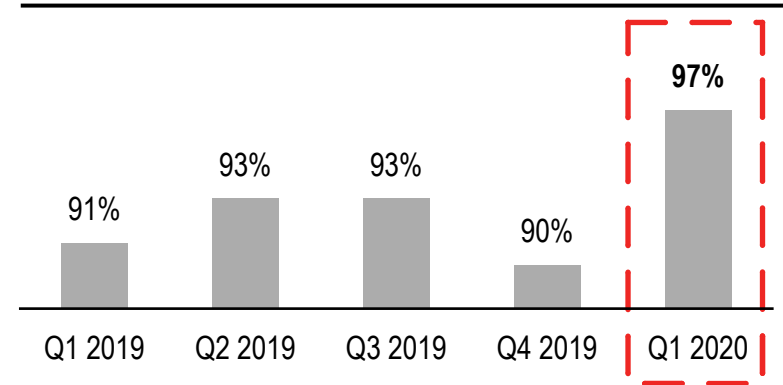


KEY PERFORMANCE INDICATORS (KPIs)

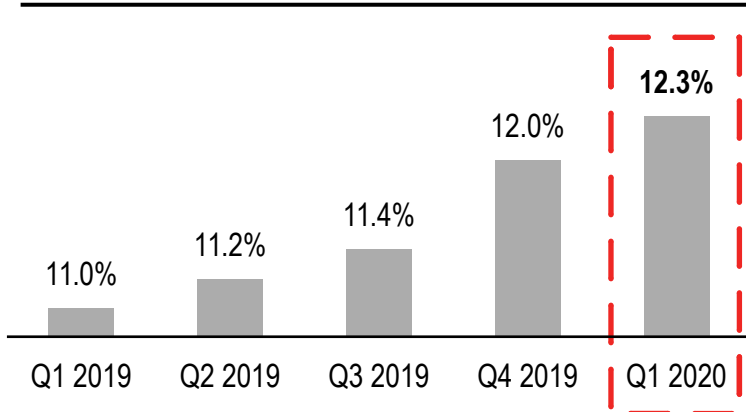
Total Shipments¹ ('000 s.t.)



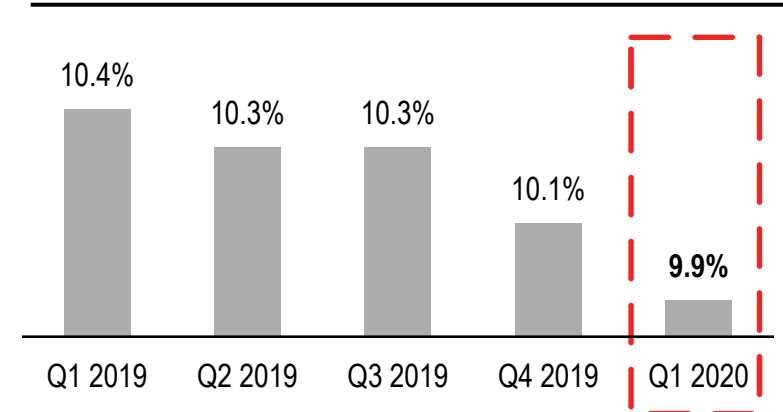
Capacity Utilization Rate¹⁻² (manufacturing only)



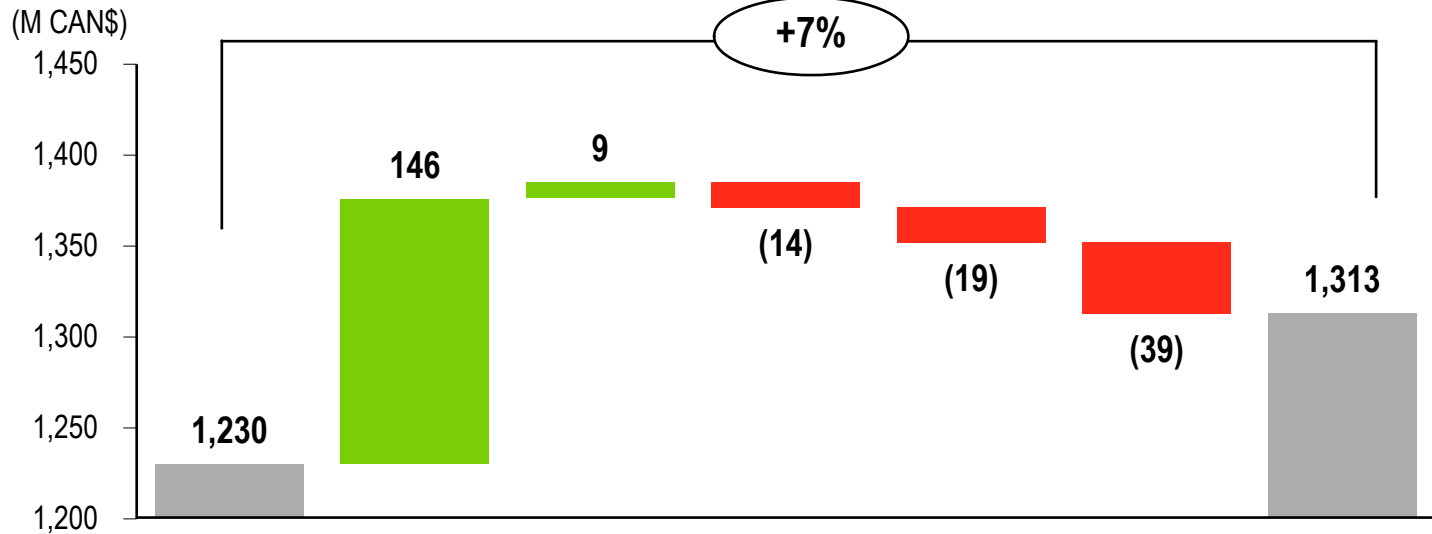
LTM Return on Assets



LTM Working Capital (% of LTM Sales)



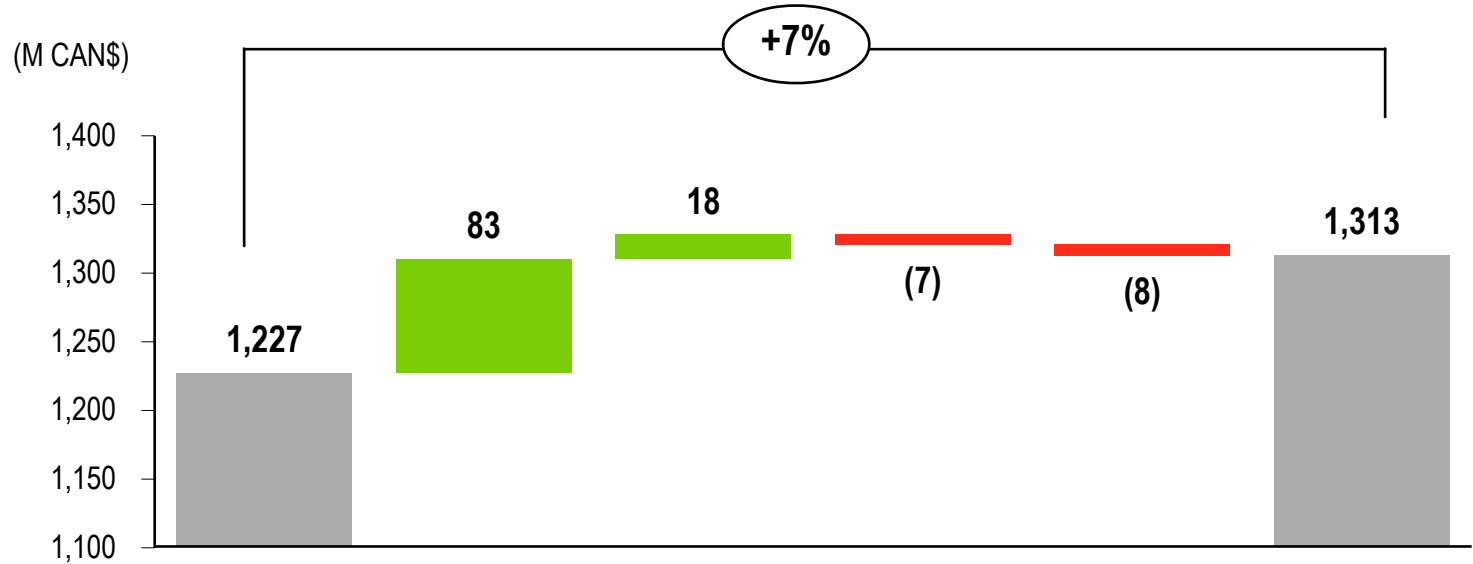
YEAR OVER YEAR SALES RECONCILIATION



(M CAN\$)	Sales Q1-2019	Volume	Other Variances	Recovery & Recycling	Business closure and disposal	Price & Mix	Sales Q1-2020
Containerboard	441	41	3	—	—	(27)	458
Boxboard Europe	279	15	(6)	—	—	(16)	272
Specialty Products	129	5	2	—	(19)	(4)	113
Tissue Papers	348	85	5	—	—	8	446
Corporate & Elim.	33	—	5	(14)	—	—	24
Total	1,230	146	9	(14)	(19)	(39)	1,313

YoY sales increase driven by Covid-19 demand & buying patterns and Orchids acquisition, partly offset by less favourable selling price & mix in all segments except Tissue, lower contribution from Recovery & Recycling, business closure & disposal in Specialty Products

SEQUENTIAL SALES RECONCILIATION

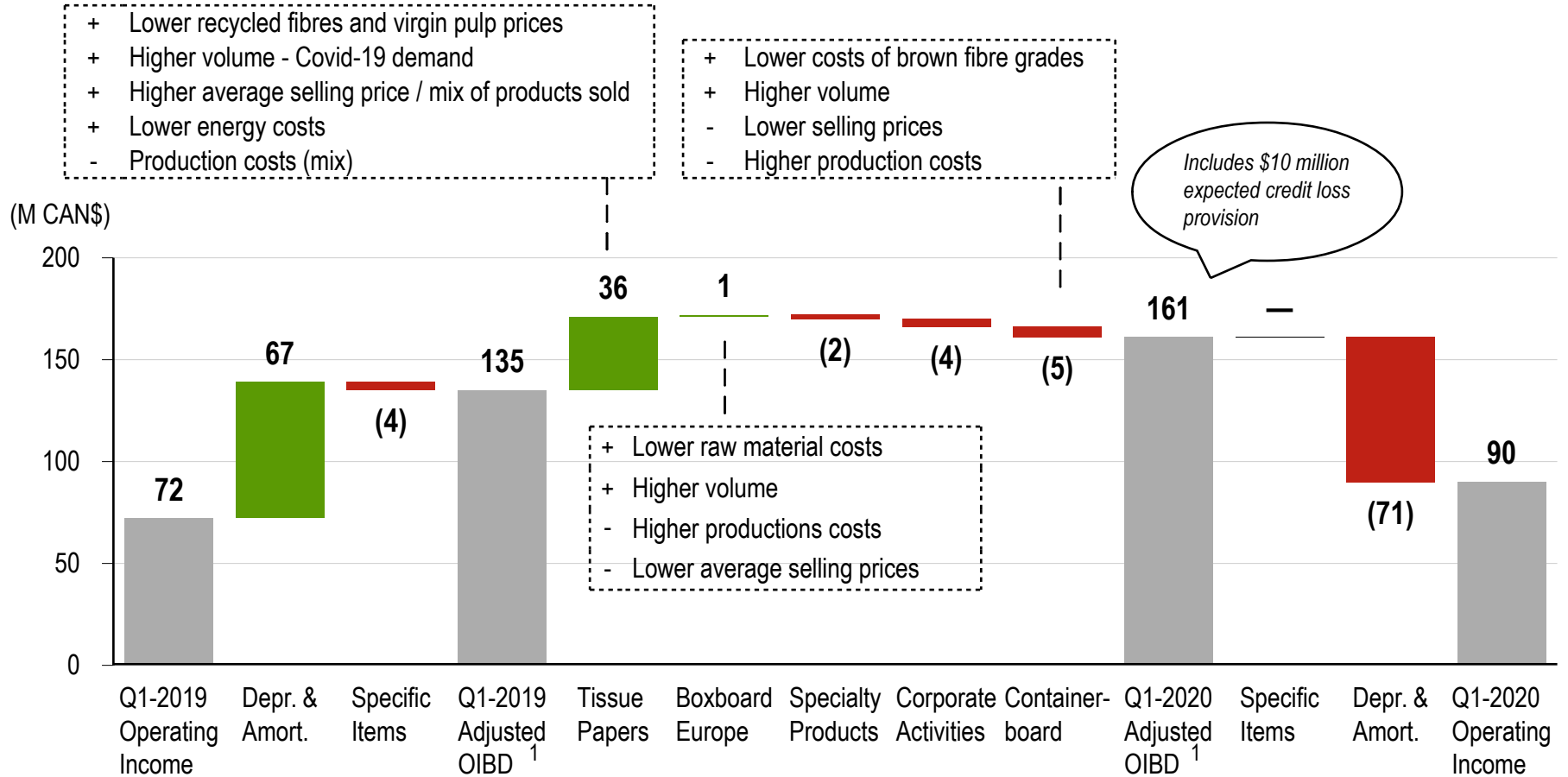


(M CAN\$)	Sales Q4-2019	Volume	F/X CAN \$	Price & Mix	Other variances	Sales Q1-2020
Containerboard	451	10	4	(7)	—	458
Boxboard Europe	243	36	4	(11)	—	272
Specialty Products	105	4	2	3	(1)	113
Tissue Papers	397	33	8	8	—	446
Corporate & Elim.	31	—	—	—	(7)	24
Total	1,227	83	18	(7)	(8)	1,313

Higher sequential sales reflect Covid-19 demand & buying patterns at the end of the quarter and favourable FX; partly offset by less favourable selling price & mix in Containerboard and Boxboard Europe



YEAR-OVER-YEAR OPERATING INCOME RECONCILIATION

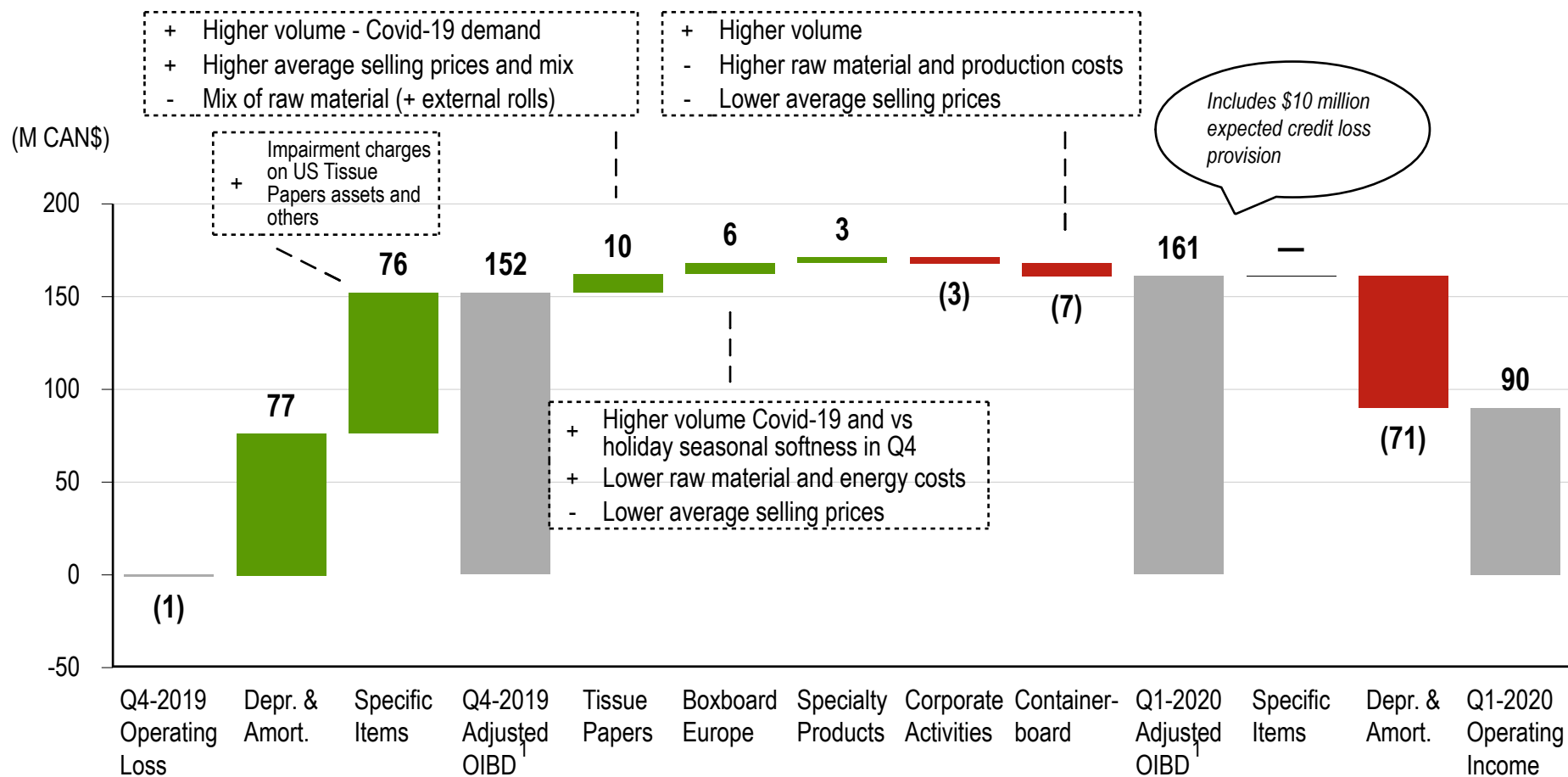


Increase driven by solid Tissue results reflecting benefits from pricing and sales mix, raw material costs, and higher volume related to Covid-19 and Orchids acquisition; partly offset by expected credit loss provision on accounts receivable taken across all business segments

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



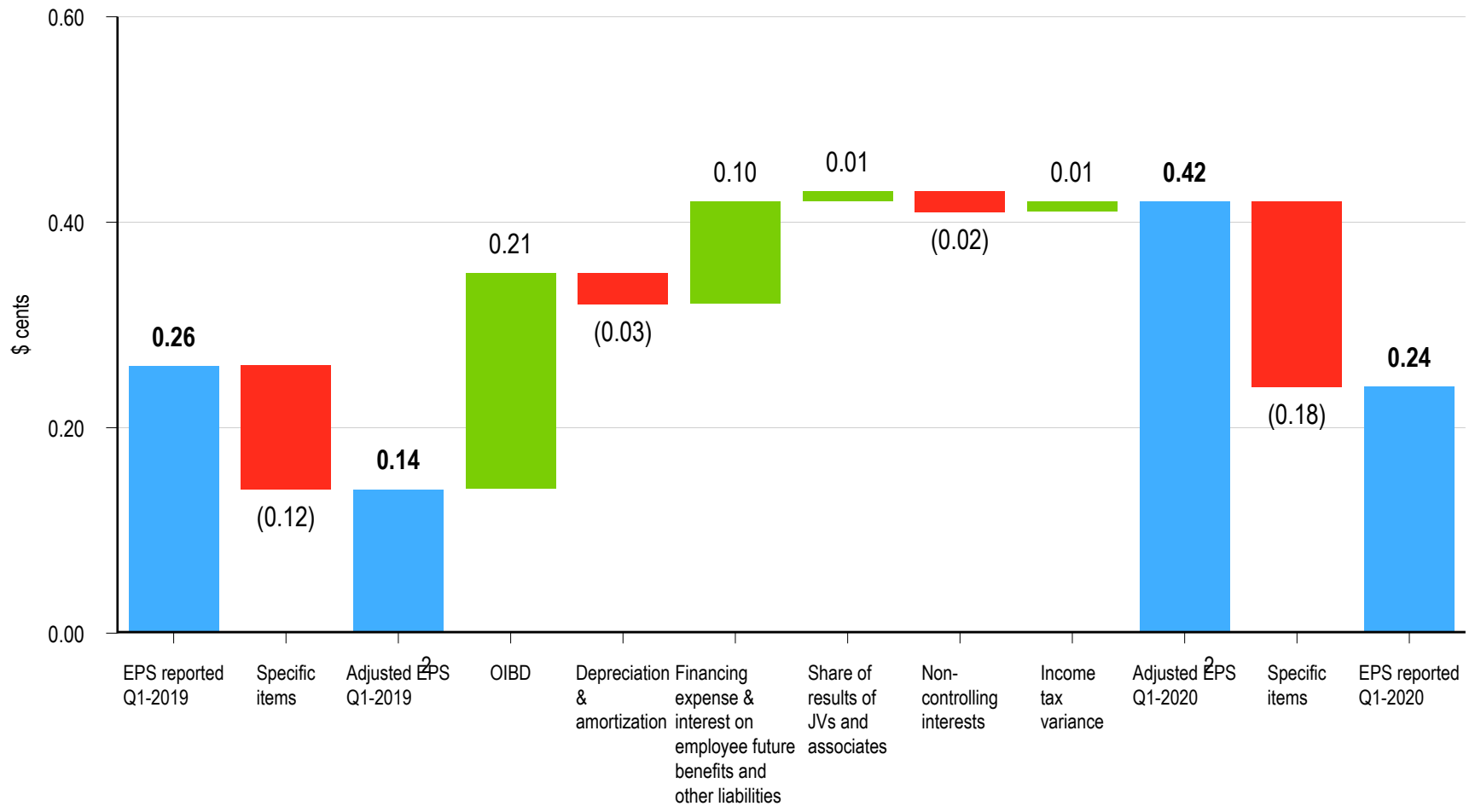
SEQUENTIAL OPERATING INCOME (LOSS) RECONCILIATION



Higher overall volume from Covid-19 related demand & buying patterns and lower raw material costs; partly offset by lower average selling price in Boxboard Europe and Containerboard and expected credit loss provision on accounts receivable

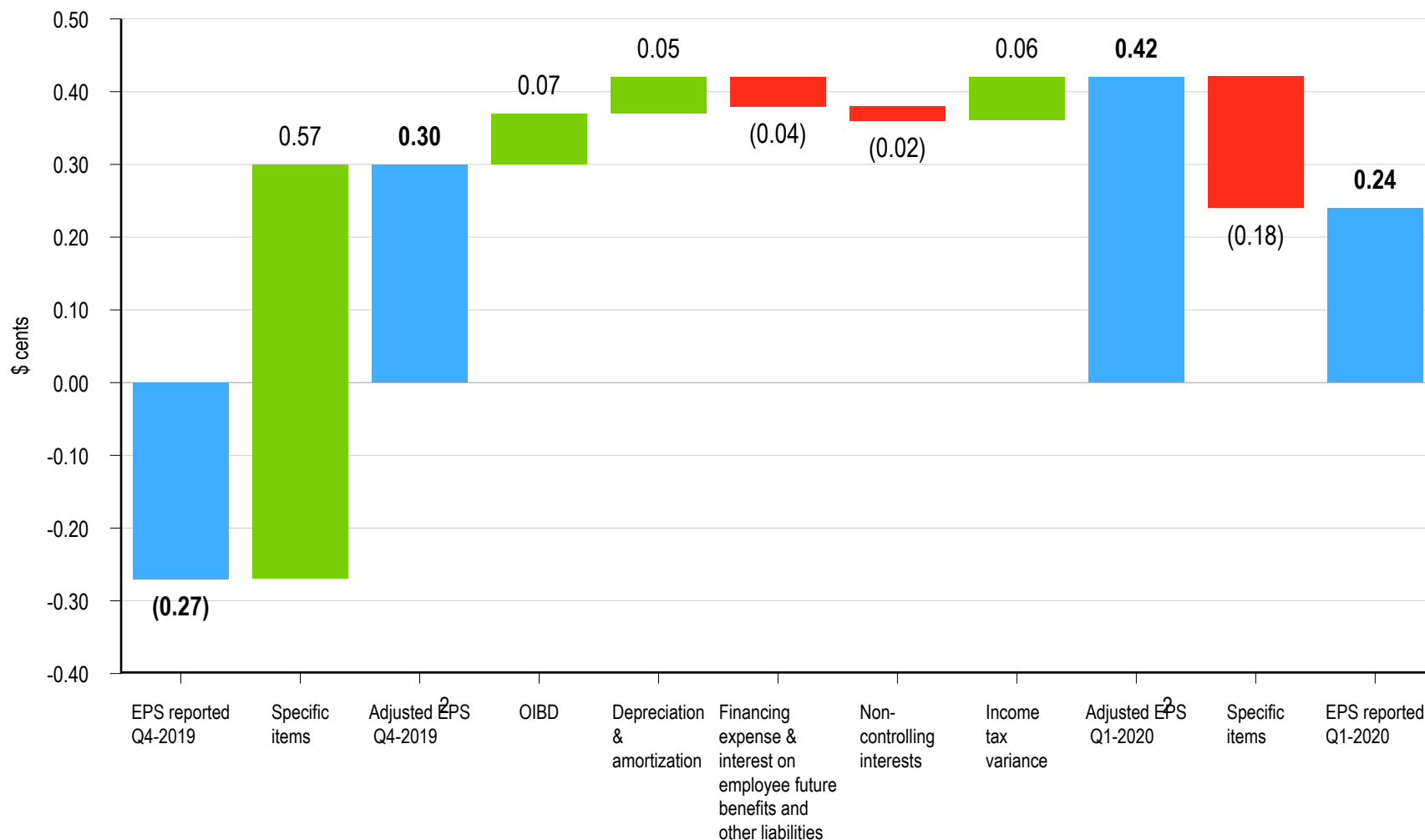


QUARTERLY YEAR-OVER-YEAR ADJUSTED EPS VARIANCE^{1,2}



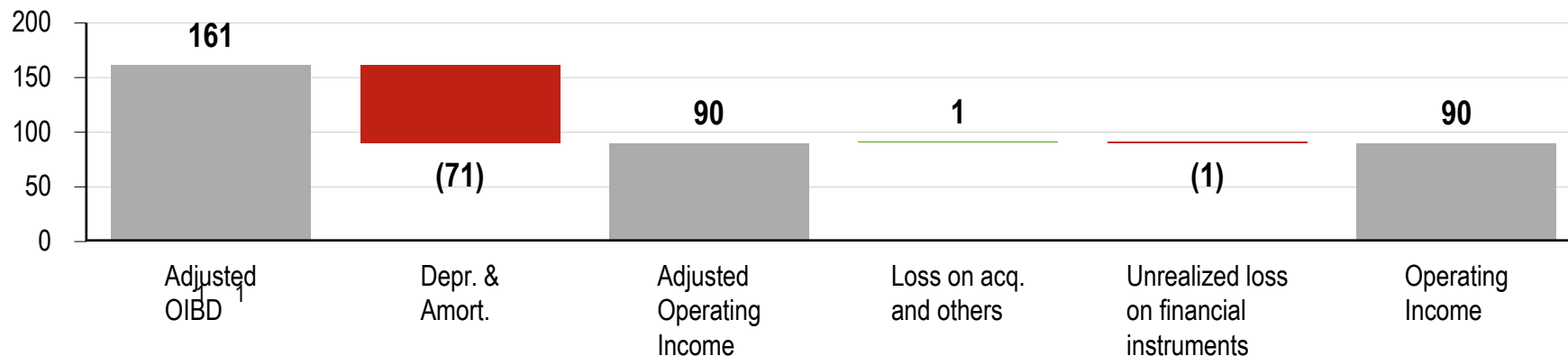


QUARTERLY SEQUENTIAL ADJUSTED EPS VARIANCE^{1,2}



Q1-20 ADJUSTED OIBD TO OPERATING INCOME RECONCILIATION

(M CAN\$)



(M CAN\$)	Container-board	Boxboard Europe	Specialty Products	Tissue Papers	Corporate Activities	Total
Operating income (loss)	74	20	8	28	(40)	90
Specific items:						
Loss on acquisitions, disposals and others	—	—	1	—	—	1
Unrealized loss (gain) on financial instruments	(3)	(1)	—	—	3	(1)
Total Specific items	(3)	(1)	1	—	3	—
Adjusted operating income (loss)¹	71	19	9	28	(37)	90
Depreciation and amortization	28	11	3	17	12	71
Adjusted OIBD¹	99	30	12	45	(25)	161

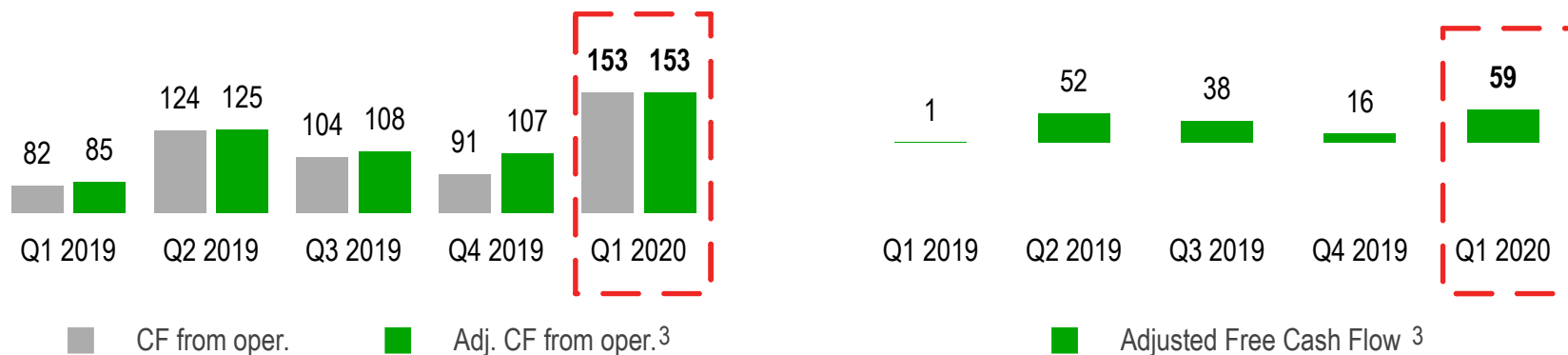
(1) Please click [here](#) for supplemental information on non-IFRS measures.



NET EARNINGS - IFRS VS ADJUSTED

	NET EARNINGS (LOSS)	NET EARNINGS PER SHARE ¹
(in millions of Canadian dollars, except amount per share)	Q1-2020	Q1-2020
As per IFRS	22	\$ 0.24
Specific items:		
Loss on acquisitions, disposals and others	1	\$ 0.01
Unrealized gain on financial instruments	(1)	\$ (0.01)
Foreign exchange loss on long-term debt & financial instruments	17	\$ 0.18
	17	\$ 0.18
Adjusted²	39	\$ 0.42

CASH FLOW OVERVIEW



Figures above in millions of CAN\$

Figures above in millions of CAN\$

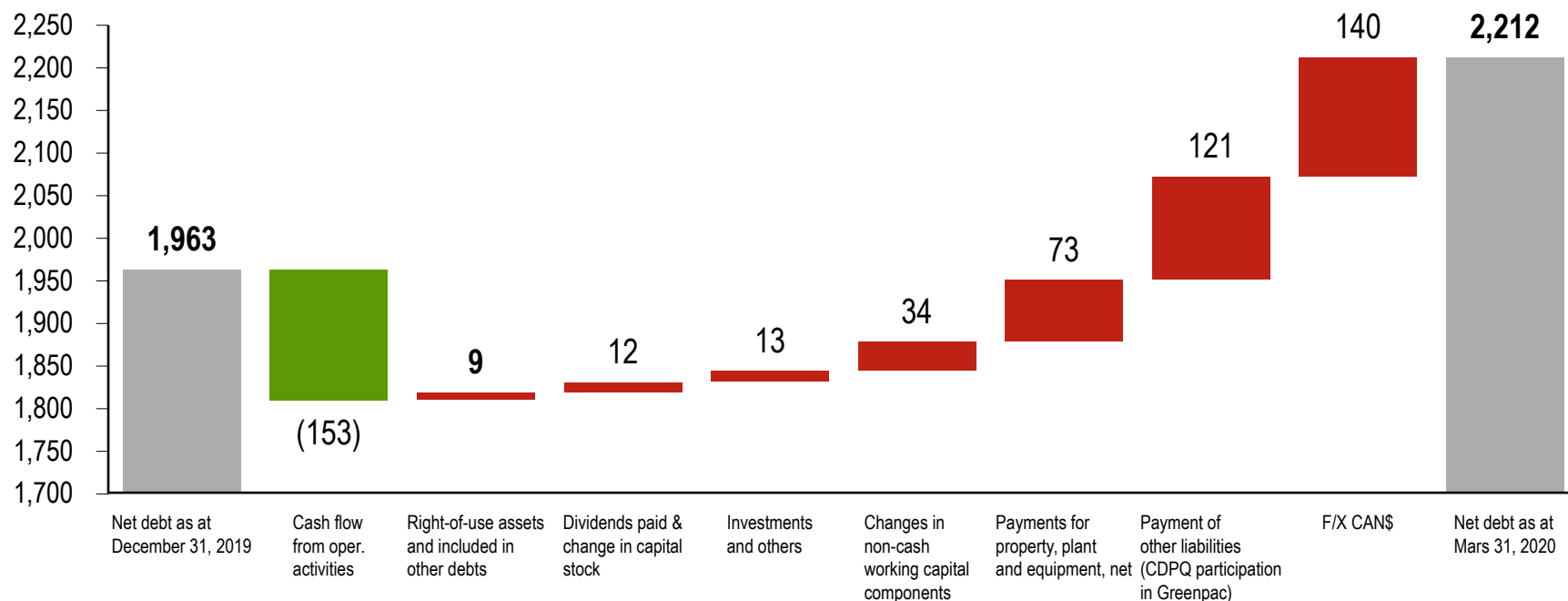
(In millions of CAN\$, except amount per share)					2018					2019	2020
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1
Cash flow from operations	69	111	92	89	361	82	124	104	91	401	153
Specific items ¹	—	—	—	—	—	3	1	4	16	24	—
Adjusted cash flow from operations ³	69	111	92	89	361	85	125	108	107	425	153
<i>Including: Net financing expense paid</i>	(37)	(18)	(39)	(13)	(107)	(43)	(16)	(42)	(32)	(133)	(17)
Capital expenditures & other assets ² , right-of-use assets payments, net of disposals	(9) ⁵	(72)	(129)	(65)	(275)	(76)	(64)	(58)	(80)	(278)	(84)
Dividends ⁴	(6)	(12)	(5)	(9)	(32)	(8)	(9)	(12)	(11)	(40)	(10)
Adjusted free cash flow ³	54	27	(42)	15	54	1	52	38	16	107	59
Adjusted free cash flow per share ³	\$0.56	\$0.29	\$(0.44)	\$0.16	\$0.57	\$0.01	\$0.56	\$0.40	\$0.17	\$1.14	\$0.63

YoY and QoQ increase in adjusted Free Cash Flow reflects higher CF from Operations and lower financing expense paid; offset by higher CAPEX payments



NET DEBT¹ RECONCILIATION - Q1 2020

(M CAN\$)



Q4-2019
\$604 million
3.25x

LTM adjusted OIBD¹
Net debt/LTM adjusted OIBD¹

Q1-2020
\$630 million
3.5x

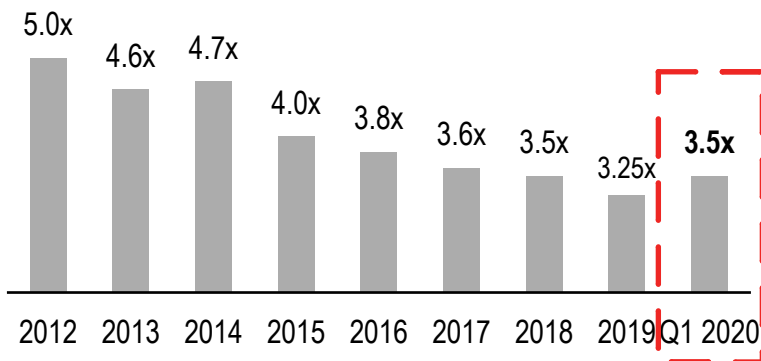
Solid Cash Flow from Operations more than offset by CAPEX, acquisition cost for CDPQ participation in Greenpac and unfavourable FX impact at the end of the quarter

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

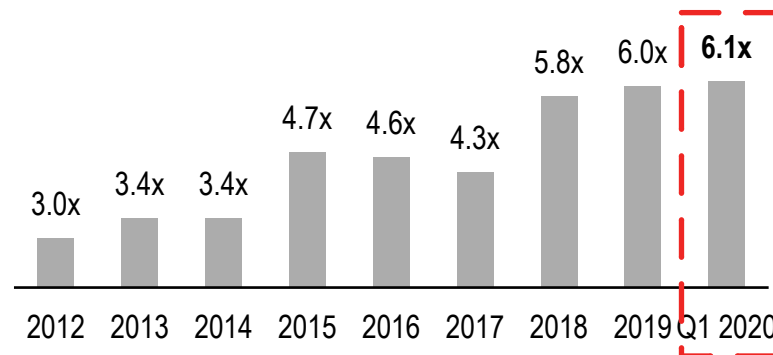


CONSOLIDATED FINANCIAL RATIOS & DEBT MATURITIES

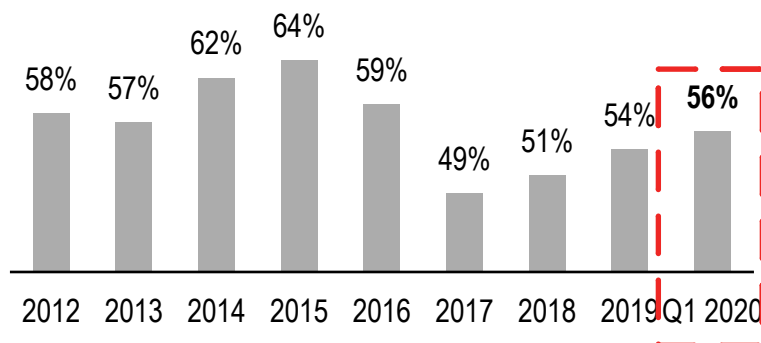
Net Debt / LTM Adjusted OIBD^{1,3}



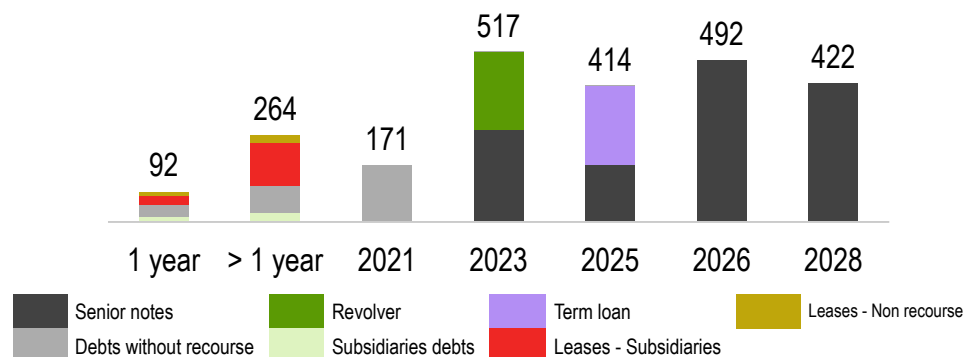
Interest Coverage Ratio^{2,3}



Net Debt / Net Debt + Total Equity



Long-Term Debt Maturities (as at March 31, 2020)



Leverage ratio of 3.5x at the end of Q1 2020, up from 3.25x³ at the end of 2019

Bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 53.91%), interest coverage ratio > 2.25x (currently at 4,62x).

(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.

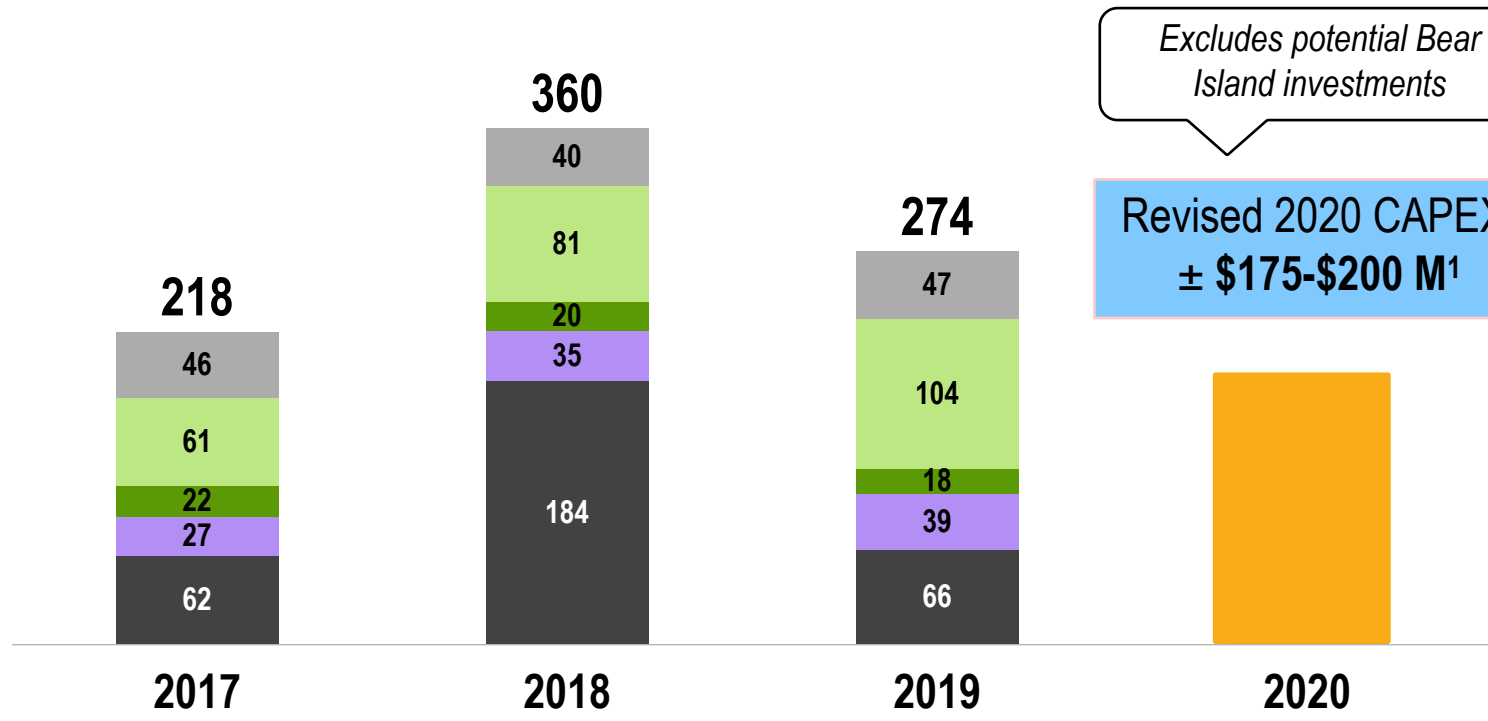


CAPITAL INVESTMENTS

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

Excludes potential Bear Island investments

Revised 2020 CAPEX: ± \$175-\$200 M¹



- Containerboard
- Boxboard Europe
- Specialty Products
- Tissue Papers
- Corporate & IT

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

CONCLUDING REMARKS





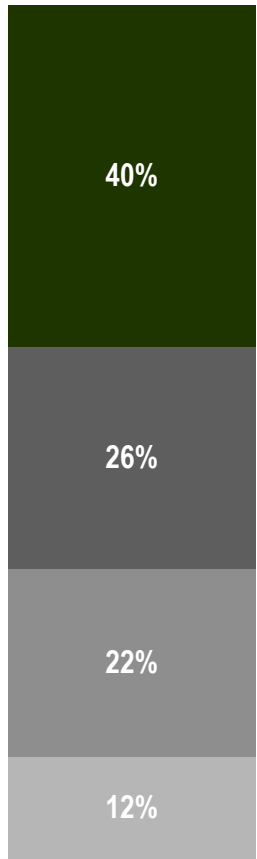
KEY NEAR-TERM MARKET CONSIDERATIONS - COVID-19

APPROXIMATE % OF LTM Q1
2020 PACKAGING SALES BY
END CUSTOMER INDUSTRY

INDUSTRY

NEAR-TERM
POTENTIAL
IMPACT

RATIONALE AND ASSUMPTIONS



→ Paper
Converters



Stable demand for Cascades' non-integrated liner & medium tonnage that is sold to external third party converters, with potential for varying impact depending on end market.

→ Food &
Beverage



Retail food & beverage potentially positive (pantry-stocking) ; Positive impact on essential perishable food items (fruit, vegetables, meat, dairy, eggs etc.) ; Commercial (restaurants, food courts etc) negative due to temporary and/or permanent closures.

→ Durable
Goods



Varying impact (+/-) depending on customer/end market, in part depending on essential nature of industry segment.

→ Retail



Increased demand for certain consumer staples (personal care, Rx) and online sales, partially offset by decline in certain consumer discretionary items.



NEAR TERM FACTORS



- Tissue: higher volume and average selling price expected to help support YoY results
- Containerboard: expect slight volume increase YoY
- Boxboard Europe: volume & raw material favorable YoY; Price increase recently announced
- Specialty Products: stronger sequential volume
- Lower energy costs and favourable FX for all business segments



- Raw material: higher sequential prices expected to negatively impact all segments
- Tissue: softer results QoQ driven by lower volumes following strong Q1 Covid-19 demand
- Containerboard & Boxboard Europe: headwinds from lower QoQ volume

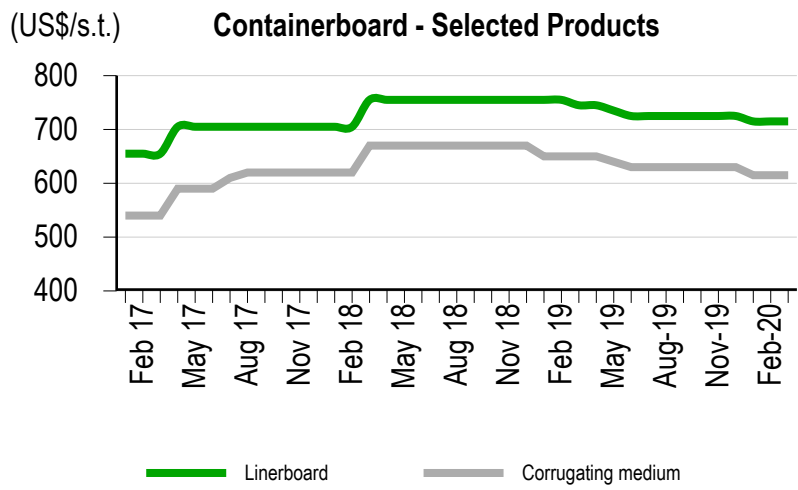
Q2 2020	Containerboard		Boxboard Europe ¹		Specialty Products		Tissue Papers	
OIBD ² Trend	YoY ↓	QoQ ↓	YoY ↑	QoQ ↑	YoY ↔	QoQ ↑	YoY ↑	QoQ ↓
REFLECTING:								
VOLUME	↗	↘	↗	↘	↗	↗	↗	↘
SELLING PRICE	↘	↔	↘	↔	↔	↔	↗	↗
RAW MATERIAL COST	↗	↗	↘	↗	↗	↗	↘	↗
EXCHANGE RATE	↗	↗	↔	↗	↗	↗	↗	↗
ENERGY COST	↘	↘	↘	↘	↘	↘	↘	↘

APPENDIX

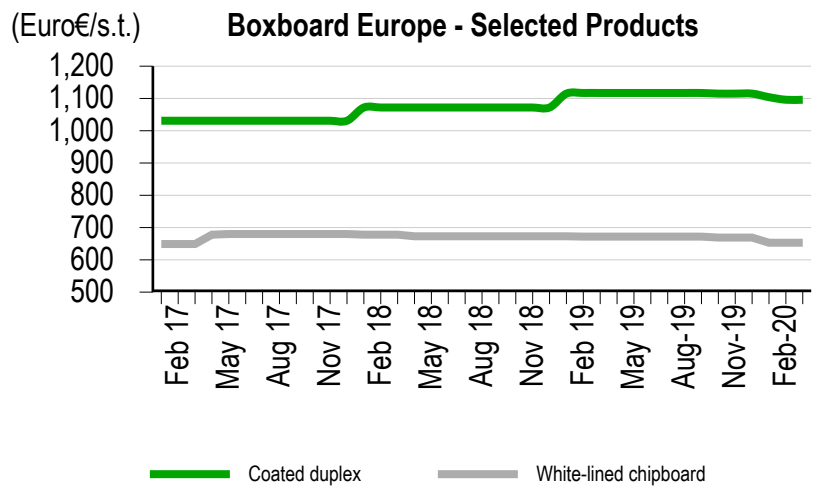




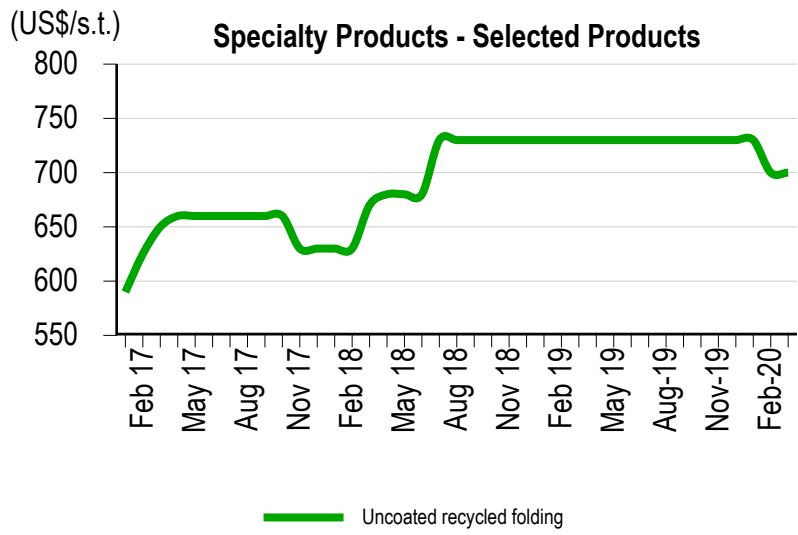
SELECTED REFERENCE PRICES



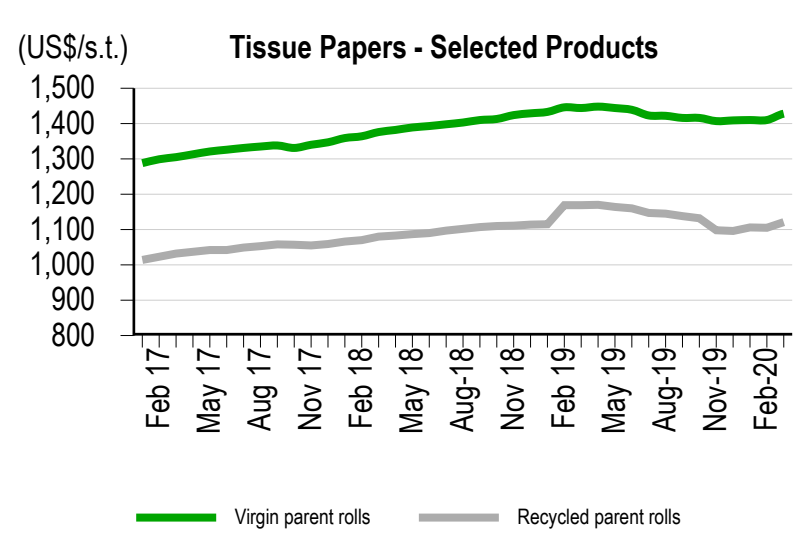
Current (Apr-20)
715
615



Current (Apr-20)
1,096
653



Current (Apr-20)
700



Current (Mar-20)
1,428
1,121

SELECTED REFERENCE PRICES AND FIBRE COSTS

	2018					2019					2020	Q1 2020 vs Q1 2019		Q1 2020 vs Q4 2019		
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	(units)	(%)	(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)	722	755	755	755	747	752	735	725	725	734	715	(37)	(5)%	(10)	(1)%	
Corrugating medium 26-lb. semichemical, Eastern US (open market)	637	670	670	670	662	650	640	630	630	638	615	(35)	(5)%	(15)	(2)%	
Boxboard Europe (euro/metric ton)																
Recycled white-lined chipboard (WLC) index ¹	678	673	673	673	674	672	672	672	669	671	653	(19)	(3)%	(16)	(2)%	
Virgin coated duplex boxboard (FBB) index ²	1,072	1,072	1,072	1,072	1,072	1,117	1,117	1,117	1,115	1,117	1,099	(18)	(2)%	(16)	(1)%	
Specialty Products (US\$/short ton)																
Uncoated recycled boxboard - 20-pt. bending chip (series B)	643	680	730	730	696	730	730	730	730	730	710	(20)	(3)%	(20)	(3)%	
TISSUE PAPERS (US\$/short ton)																
Parent rolls, recycled fibres (transaction)	1,072	1,087	1,102	1,112	1,093	1,151	1,164	1,143	1,109	1,142	1,111	(40)	(3)%	2	—	
Parent rolls, virgin fibres (transaction)	1,366	1,388	1,404	1,422	1,395	1,441	1,444	1,420	1,411	1,429	1,416	(25)	(2)%	5	—	
Raw material (average)																
RECYCLED PAPER																
North America (US\$/short ton)																
Sorted residential papers, No. 56 (SRP - Northeast average)	59	31	28	28	36	24	16	10	8	15	8	(16)	(67)%	—	—	
Old corrugated containers, No. 11 (OCC - Northeast average)	92	71	68	68	74	61	40	33	30	41	36	(25)	(41)%	6	20%	
Sorted office papers, No. 37 (SOP - Northeast average)	165	193	210	203	193	183	140	101	88	128	89	(94)	(51)%	1	1%	
Europe (euro/metric ton)																
Recovered paper index ³	111	99	103	107	105	96	87	71	49	76	33	(63)	(66)%	(16)	(33)%	
VIRGIN PULP (US\$/metric ton)																
Northern bleached softwood kraft, Canada	1,233	1,310	1,377	1,428	1,342	1,380	1,292	1,170	1,115	1,239	1,127	(253)	(18)%	12	1%	
Bleached hardwood kraft, mixed, Canada/US	1,077	1,125	1,192	1,213	1,152	1,180	1,100	970	893	1,036	890	(290)	(25)%	(3)	—	

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.



Cascades

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For more information:

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