



**POSITIONED
FOR GROWTH**



**INVESTOR
PRESENTATION,
TORONTO**

April 9, 2018



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 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.

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 the 2017 supplemental information on non-IFRS measures.



INVESTMENT THESIS



- **Founded in 1964** by the Lemaire brothers in Kingsey Falls, Quebec, Canada
- 92 facilities¹, 11,000 employees, operations in Canada, US and Europe²
- **80%** of Cascades' products are made with **recycled fibres**
- Long-term circular economy advocates, practitioners & pioneers:
 - ✓ **“Closed-Loop” business model:** Recovery & Recycling
→ Manufacturing → Converting → Customers

**50+ Years of
Production &
Focus on
Sustainable
Development
& Innovation**



- 94.8 M common shares (~ 32% held by founders, Board of Directors & employees)
- Market cap³: CAN\$1.26 B
- TSX avg. daily trading volume³: 246,950 shares
- Member of: S&P/TSX Composite Index and S&P/TSX Dividend Index (*added June 19/17*), S&P/TSX Clean Technology Index, S&P/TSX Small Cap Index, BMO Small Cap Index
- Corporate credit ratings: Moody's: Ba2 (Stable), S&P: BB- (Stable)

**Publicly
Traded for
35 Years**



INVESTMENT THESIS

Diversified
Player, Strong
Competitive
Positioning

Leading market positions in growing North American packaging and tissue business segments, well-positioned in Europe

- # 6 containerboard producer in North America
- # 5 tissue producer in North America
- # 2 coated recycled boxboard producer in Europe¹
- # 1 paper collector in Canada



Focused on
Value
Creation and
Strategic
Growth

Repositioned, invested & restructured over 2011 – 2016:

- Invested more than \$400M in modern equipment
- Decreased working capital on sales to ~10% from 15% in 2011
- **Refocused NA platform** on growing packaging & tissue segments

2017 – 2022 focus:

- **Organic growth**, increasing **integration**, optimizing our geographic footprint, investing in **state of the art equipment**
- **Monetize benefits** from significant IT & internal processes optimizations
- **Differentiate** via innovation, customer focus, our **sustainable product offerings**





INVESTMENT THESIS

Financial Metrics

2017

Sales by Geography

- ✓ Revenues: \$4.3 B (+6.6% 5-yr CAGR)
- ✓ Adj. EBITDA: \$393 M (+6.6% 5-yr CAGR)
- ✓ Adj. CF Ops.: \$277 M (+11.7% 5-yr CAGR)
- ✓ Net debt stable at \$1.5 B
- ✓ Net debt/Adjusted EBITDA²: 3.6x

2017 SALES FROM (SOURCE)

21%

30%

49%

2017 SALES TO (DESTINATION)

Europe¹

21%

U.S.

40%

Canada

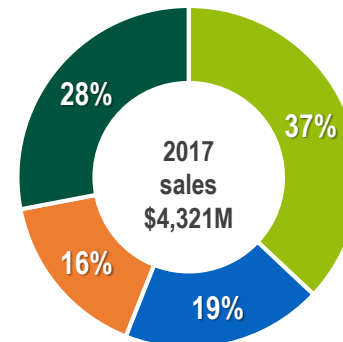
39%

Export: ~ 25% of our Canadian sales

KPIs

- ✓ Shipments: 3,114 ('000 s.t.)
- ✓ Adjusted OIBD² margin: 9.6%
- ✓ ROCE: 3.7%
- ✓ Working capital (% of sales): 10.1%
- ✓ Capacity utilization rate: 91%

Sales by Segment



- Containerboard
- Boxboard Europe¹
- Specialty Products
- Tissue Papers

% before inter-segment sales



INVESTMENT THESIS

Near-Term Business Drivers

Tailwinds

- ✓ Containerboard: implementation of linerboard/ medium price increases; lower OCC costs
- ✓ Benefits from business process modernization and implementation of ERP platform
- ✓ Sales volume increases at new tissue converting facility in Oregon
- ✓ Q2/18 start-up of new containerboard conversion facility in NJ (positive contribution beginning 2019)
- ✓ Announced price increases in European Boxboard division
- ✓ Segment specific price increases announced in Tissue

Headwinds

- ✓ Higher pulp prices (potential fluctuations in OCC & SOP pricing)
- ✓ Increased competitiveness and capacity additions in tissue segment
- ✓ Rumored and announced plant conversions in containerboard
- ✓ Potential fluctuations in Canadian dollar exchange rate

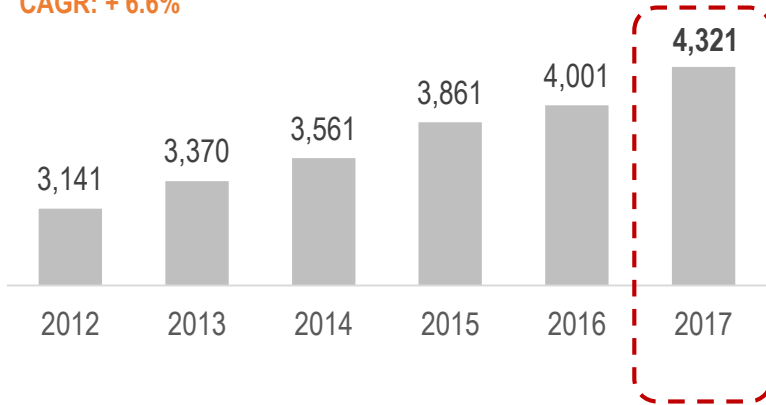


OPERATING PERFORMANCE AND FINANCIAL SITUATION

Strong Financial Profile

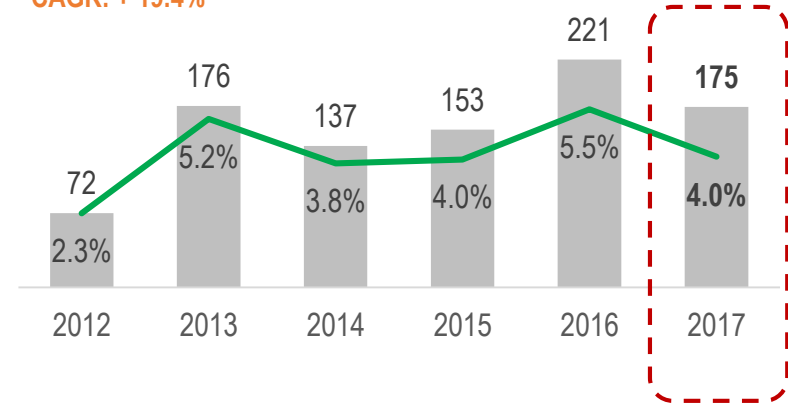
Sales (CAN\$ M)

CAGR: + 6.6%



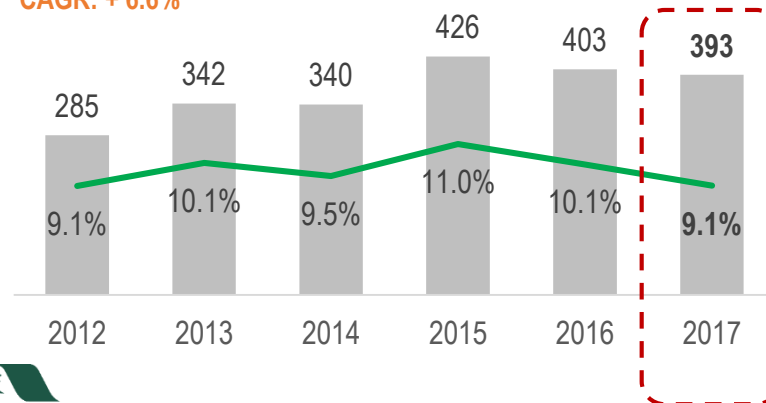
Operating Income & Margin (CAN\$ M and %)

CAGR: + 19.4%

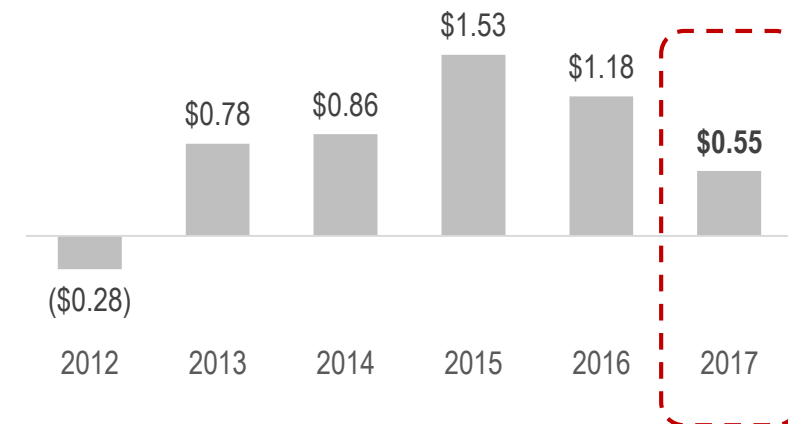


Adjusted OIBD¹ & Margin (CAN\$ M and %)

CAGR: + 6.6%



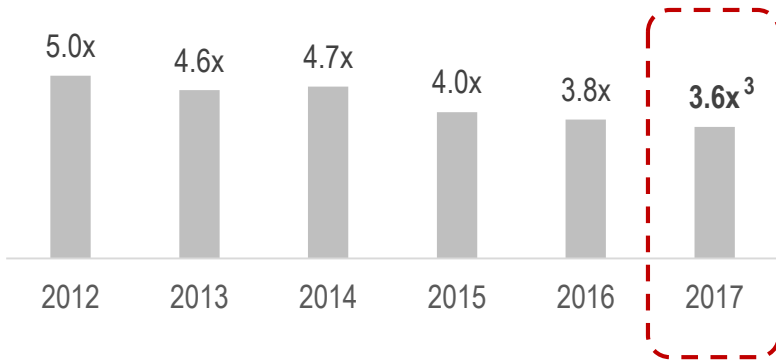
Adjusted Free Cash Flow per Share¹ (CAN\$)



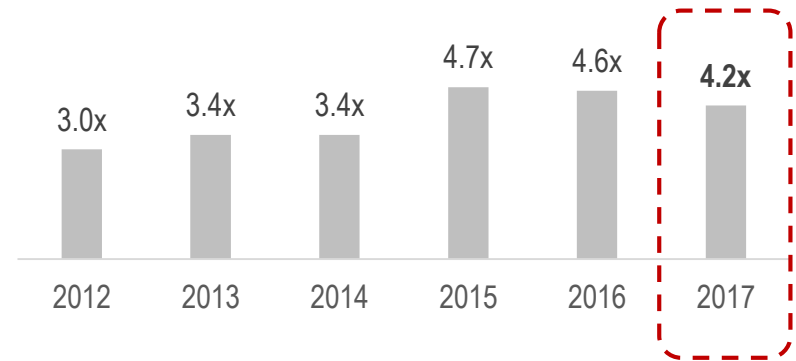
OPERATING PERFORMANCE AND FINANCIAL SITUATION

Consolidated Financial Ratios & Debt Maturities

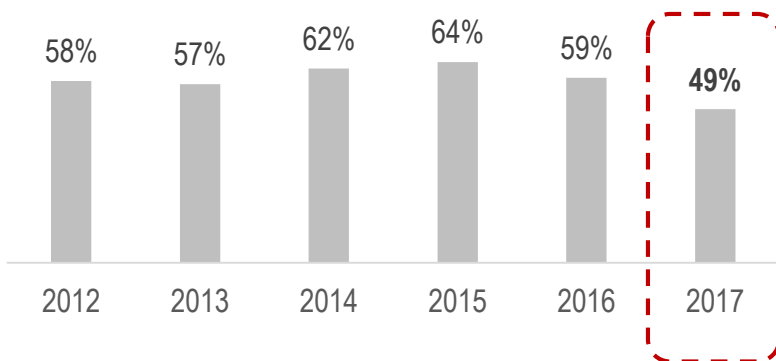
Net Debt / LTM Adjusted OIBD¹



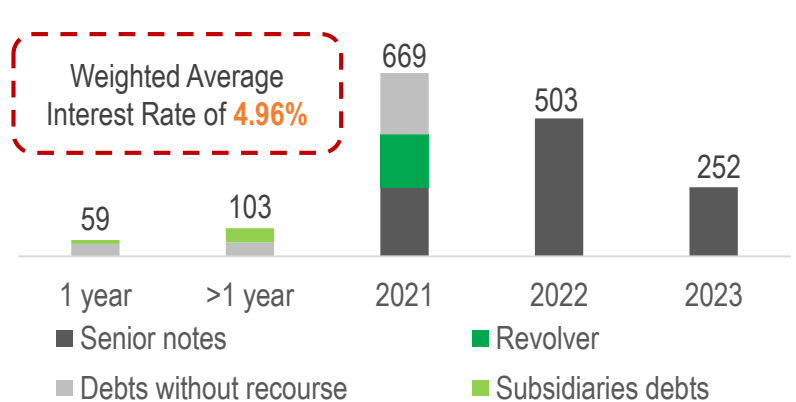
Interest Coverage Ratio²



Net Debt¹ / Net Debt + Total Equity



Long-Term Debt Maturities (as at December 31, 2017)



Long-term leverage ratio target of 2.5x

Bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 44.01%), interest coverage ratio > 2.25x (currently at 3.88x).

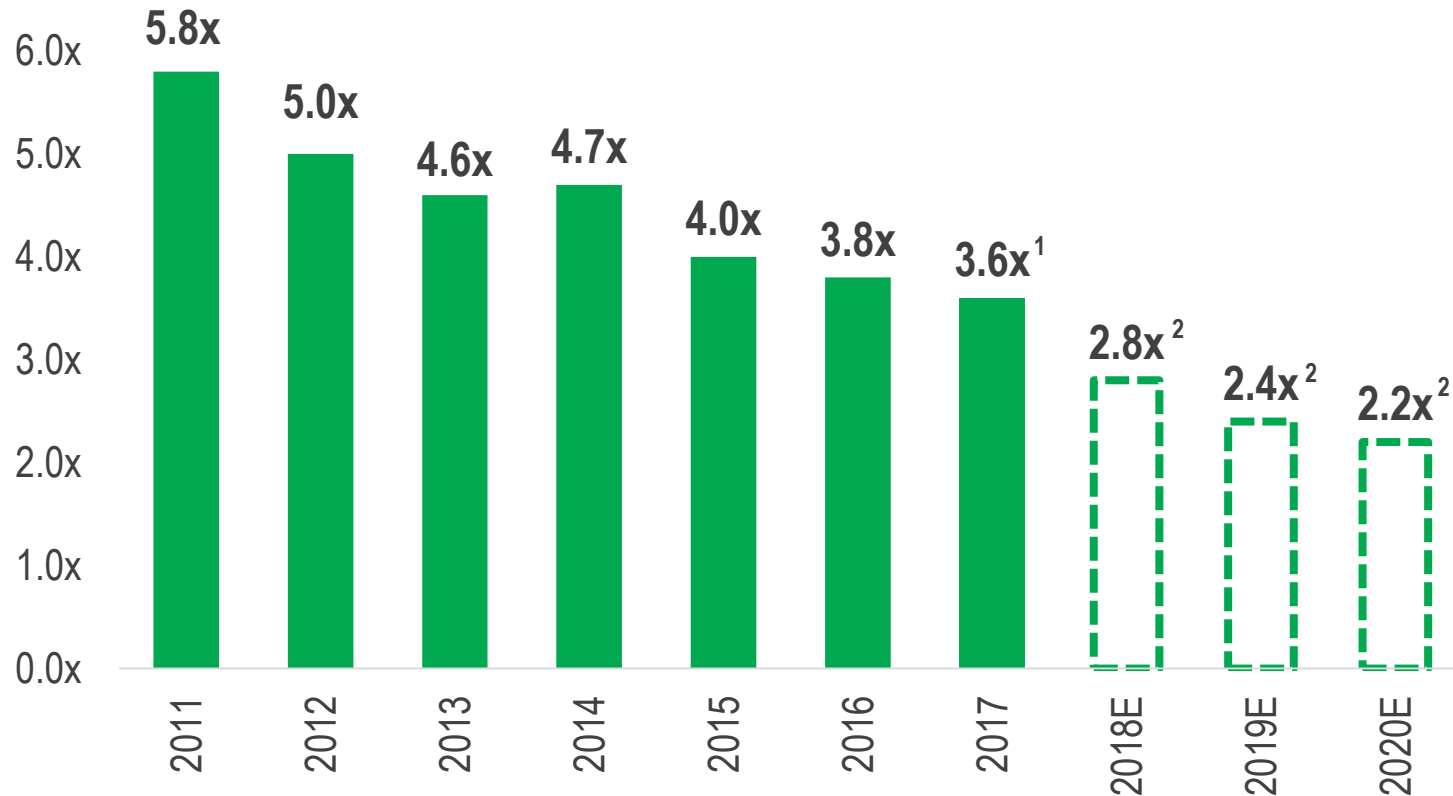
¹ Supplemental information on non-IFRS measures for 2017. ² Adjusted OIBD to financing expense.

³ Pro-forma for the 2017 business acquisitions on a LTM basis.



OPERATING PERFORMANCE AND FINANCIAL SITUATION

Leverage Ratio Target of 2.5x

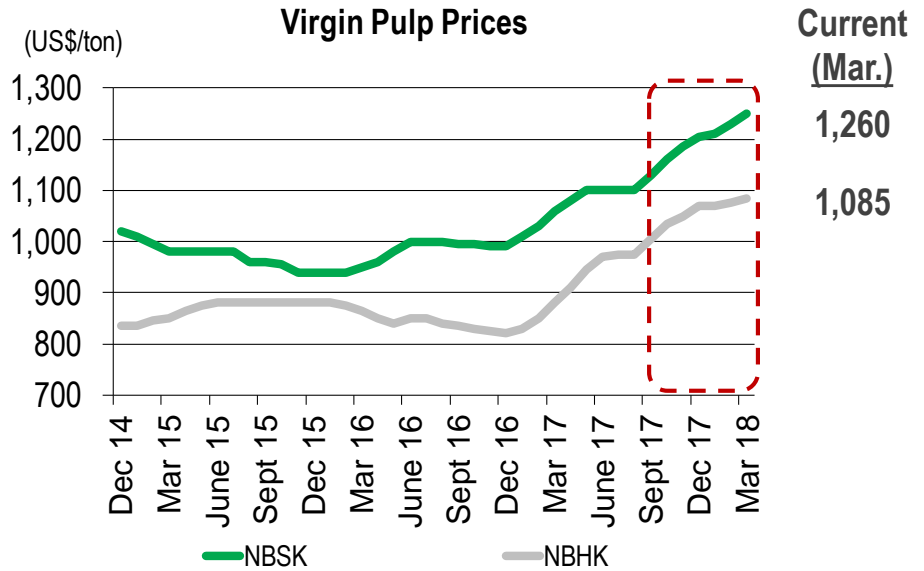
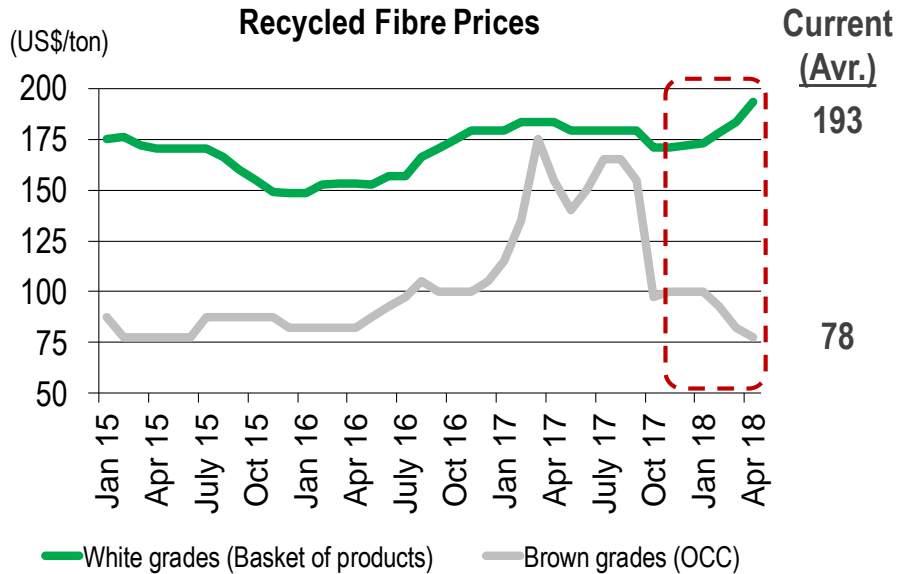


\$288 M of proceeds from the sale of equity stake in Boralex brought us closer to our targeted leverage ratio

¹ Pro-forma for the 2017 business acquisitions on a LTM basis.

² Based on Street's adjusted OIBD estimates of \$512 million for 2018 and \$548 million for 2019. Assuming stable adjusted OIBD for 2020 (\$548 million), FX US\$/CAN\$ at 1.25 and \$100 million of free cash flow dedicated to debt reduction annually.

RAW MATERIAL COSTS – INDEX LIST PRICES



Recovered Paper Prices

	Q4-2016	Q3-2017	Q4-2017	Actual	Q4/Q4	Q4/Q3	2017/2016
White grades - Basket of products (Northeast average) ¹	178	179	171	193	-4%	-5%	+10%
Brown grades - OCC No. 11 (Northeast average)	102	162	99	78	-2%	-39%	+48%

Virgin Pulp Prices

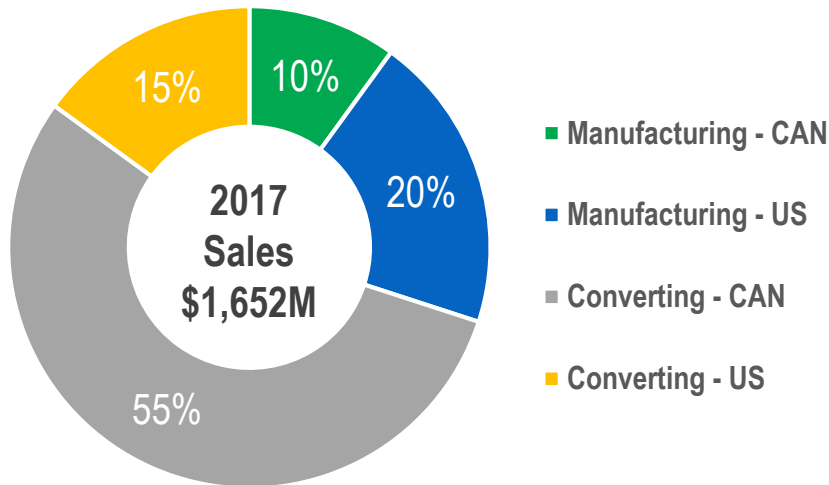
NBSK (Canadian sources delivered to Eastern US)	992	1,110	1,183	1,260	+19%	+7%	+13%
NBHK (Canada/US sources delivered to Eastern US)	825	985	1,052	1,085	+27%	+7%	+13%

OCC prices down sharply in Q4 due to China's restriction on recovered paper import permits; Strong demand for pulp pushed NBSK & NBHK prices 7% higher in Q4

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.

CONTAINERBOARD PACKAGING

A Leading Canadian and Major North American Player

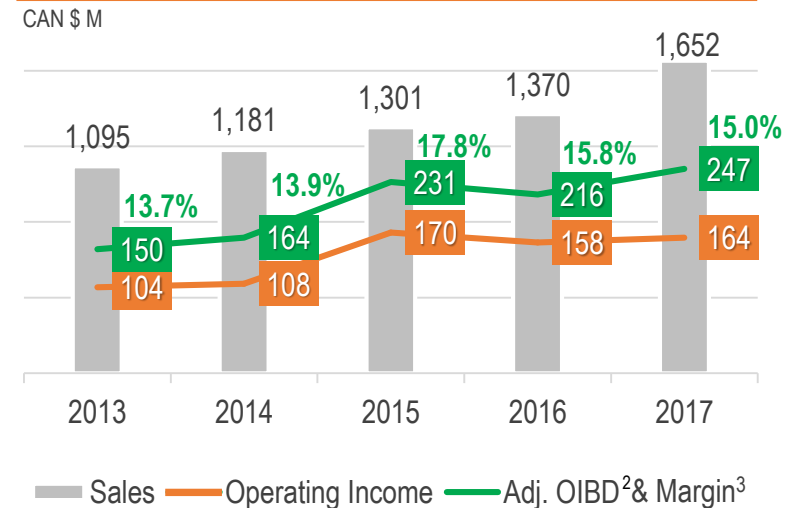


2017 adjusted OIBD² margin of **15%**



- Largest corrugated box producer in Canada with ~31% market share
- 64%¹ integration rate, targeting 85%¹ in the mid-term
- Strong platform in Canada and growing presence in U.S. Northeast
- Annual capacity of 1,531K s.t.:
 - ✓ 84% recycled vs. 16% virgin
 - ✓ 53% linerboard vs. 47% medium
- 2013-2017 sales CAGR: +10.8%

Strong Asset Base Improving Results





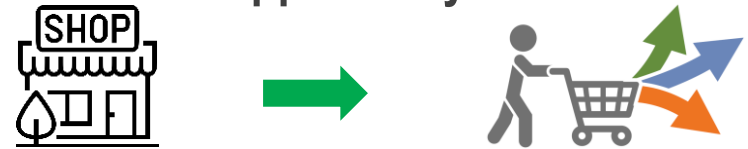
CONTAINERBOARD PACKAGING

Thriving on Market Trends & Technologies

New Conversion Plant in Piscataway, NJ

- New state of the art conversion facility housing **1st quartile** equipment
- US\$80 M project largely funded by sale of the building and land of NYC plant for US\$72 M; the transaction closed on January 31, 2018
- Corrugator capacity: **2.4 billion ft²**
- **Q2/18 start-up planned**, with focus in 1st year of operation to ramp up 1.5 billion ft² to accommodate business transferred from Cascades' other northeastern US plants, as well as new customers
- When fully ramped-up, operation will increase **integration rate by ±5%**

The E-Commerce opportunity



- **Growth in e-commerce** is shifting the balance of power from brands/retailers to consumers.
- A number of large brand owners in the US are launching their own e-commerce websites and using Amazon as a new selling platform.
- By 2021, e-commerce is expected to account for¹:
 - **9.5% of retail** in Canada (from 3.5% in 2016)
 - **12.6% of retail** in the U.S. (from 8.2% in 2016)
- Cascades is targeting e-commerce business via:
 - Multi-disciplined team strategy & approach
 - Innovation and product development



CONTAINERBOARD PACKAGING

Consolidated North American Competitive Landscape

2007

2013

2017

①	Smurfit Stone	20%	①	IP	35%	①	IP	33%
②	Weyerhaeuser	16%	②	Rock Tenn	20%	②	WestRock ²	20%
③	IP	11%	③	Koch/GP	11%	③	Koch/GP	10%
④	GP	11%	④	PCA	7%	④	PCA	10%
⑤	Temple Inland	9%	⑤	Cascades ¹	4%	⑤	Kapstone ²	4%
⑥	PCA	6%	⑥	Pratt	3%	⑥	Cascades ¹	4%
⑦	Cascades ¹	3%	⑦	Kapstone	2%	⑦	Pratt	4%
	Others	24%		Others	18%		Others	15%
Top-5		67%	Top-5		77%	Top-5		78%

% of total capacity

Source: RISI, Deutsche Bank, Company reports and estimates, Fibre Box Association, Paper Packaging Canada.

¹ Including Greenpac Mill in 2017 and 2013. Greenpac was not in operation in 2007.

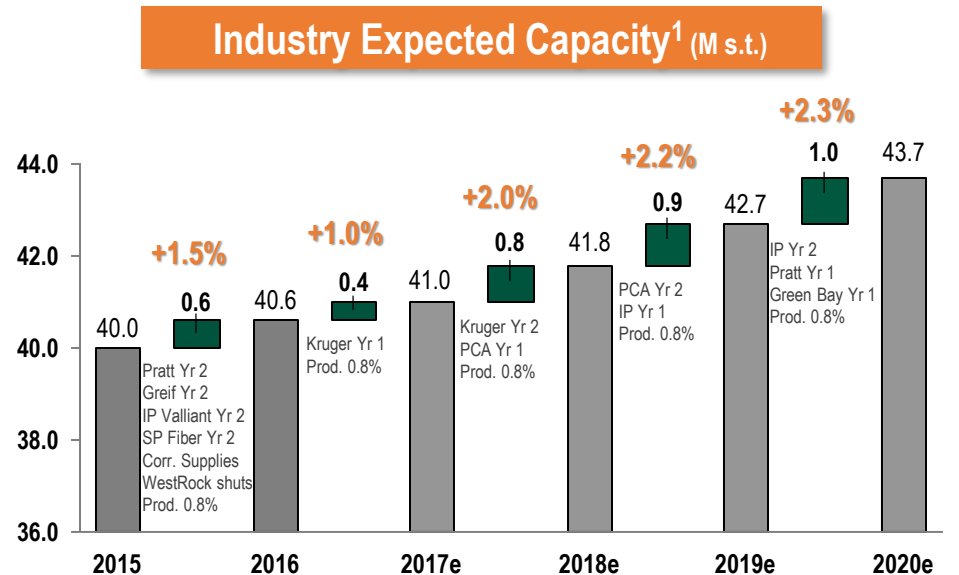
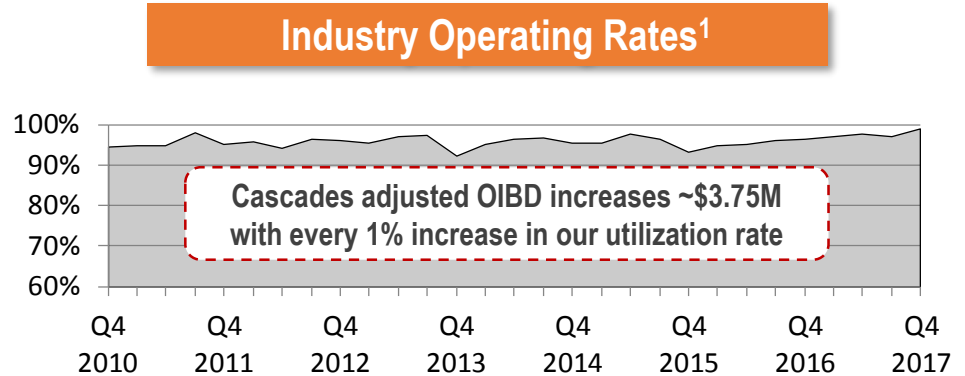
² WestRock signed a definitive agreement to acquire all outstanding shares of KapStone on January 29, 2018. The transaction is expected to close in Q3-2018.

CONTAINERBOARD PACKAGING

Sound Environment

- Capacity growth of $\pm 1.8\%$ annually over 2015 - 2020 period
- Strong industry fundamentals (Dec/17):
 - ✓ YTD capacity utilization: 97.6% (98.9% in Dec.)
 - ✓ Inventories: 2% above 10 year avg.
 - ✓ 3.6 weeks of supply below 10 year avg. of 3.9
- US\$50/st linerboard, US\$60/st corrugating medium and 8% boxes price increases announced for March 5, 2018

Fundamentals Sound Despite Added Capacity

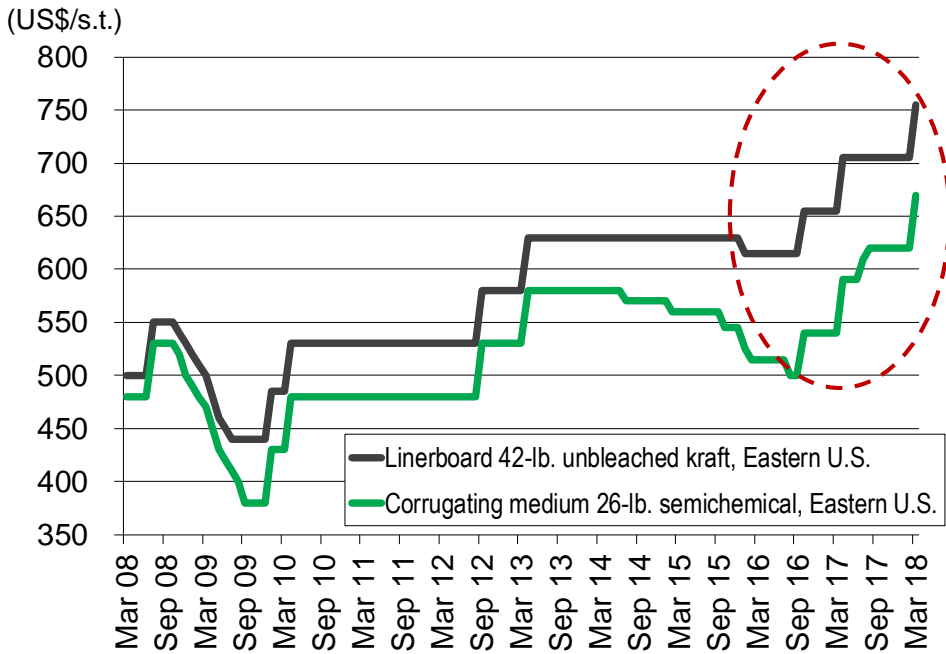


¹ Source: RISI, RBC, Company reports and estimates. New capacity, net of capacity shutdowns.

CONTAINERBOARD PACKAGING

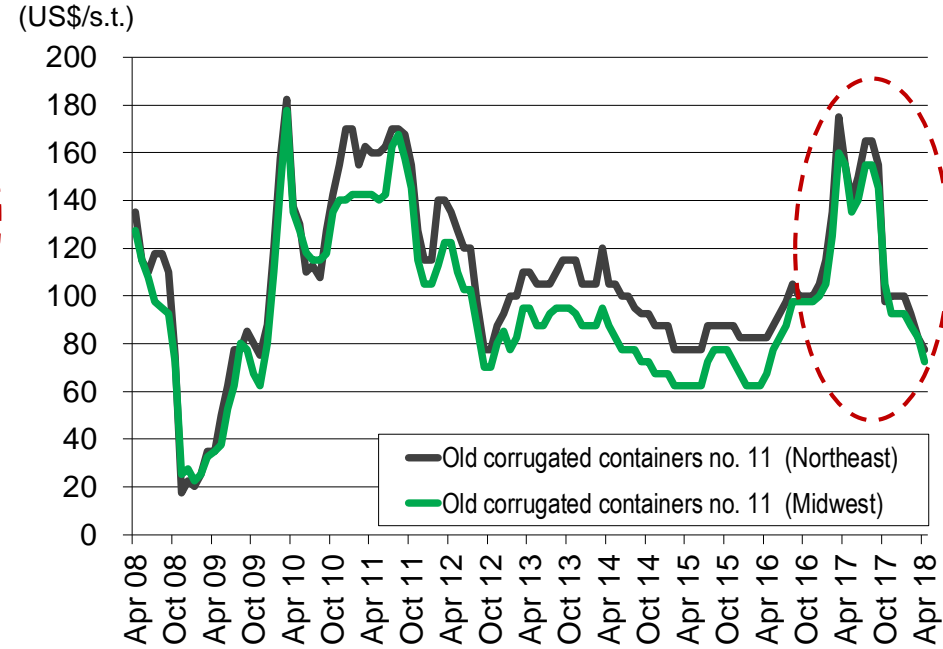
Business Drivers

Containerboard Benchmark Market Prices



2017 average linerboard and corrugating medium prices increased by US\$68/st and US\$72/st, respectively, compared to 2016

Brown Grades Recycled Fibre Prices



Chinese recovered paper import restrictions resulted in a decrease in OCC prices to US\$78¹/st in April 2018

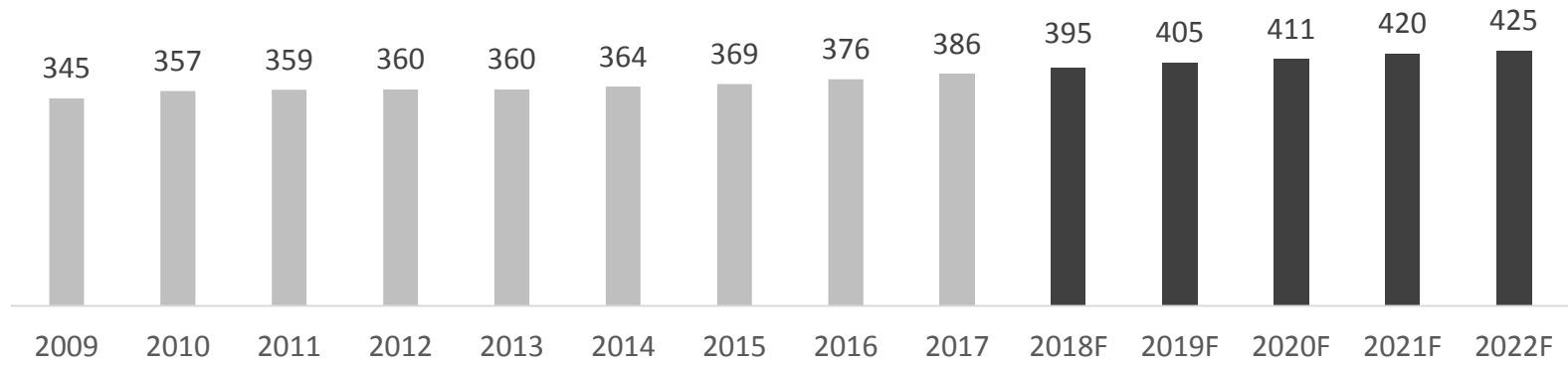


CONTAINERBOARD INDUSTRY STATISTICS

U.S. Corrugated Boxes Shipments (BSF)

2017 – 2022 CAGR: + 1.9%

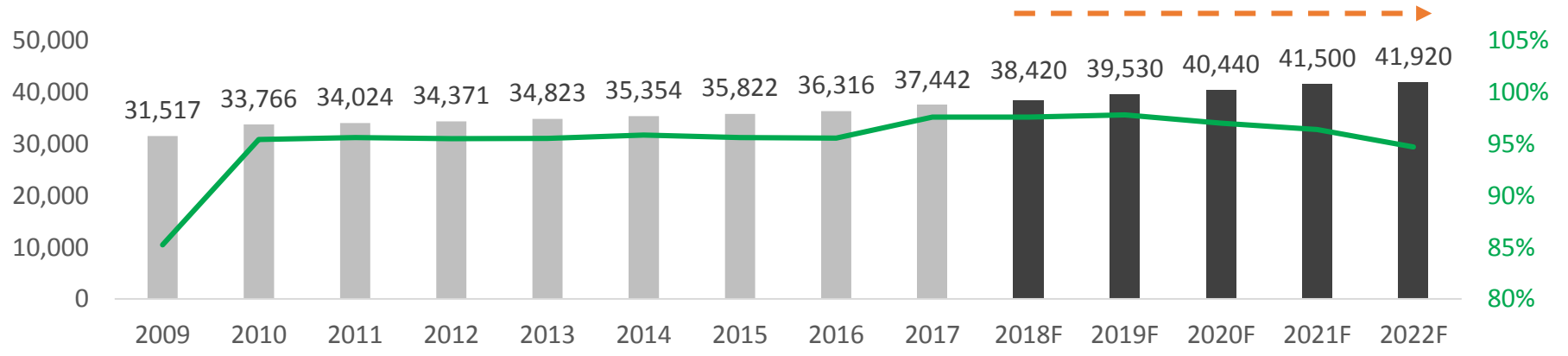
RISI Forecast



U.S Containerboard Production & Utilization Capacity Rate ('000 tons & %)

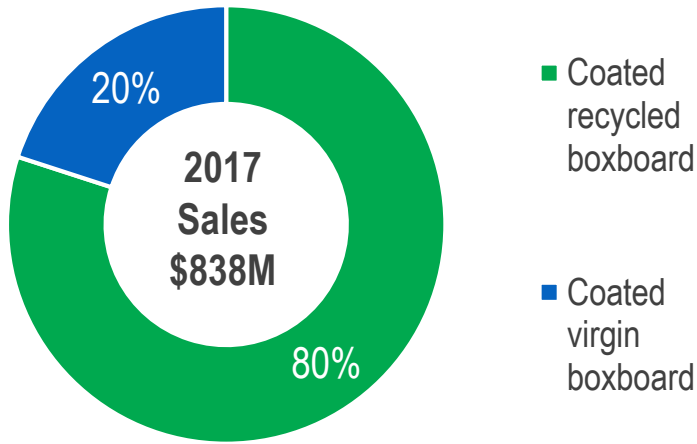
2017 – 2022 CAGR: + 2.3%

RISI Forecast



BOXBOARD EUROPE

Second Largest Coated Recycled Boxboard Producer in Europe

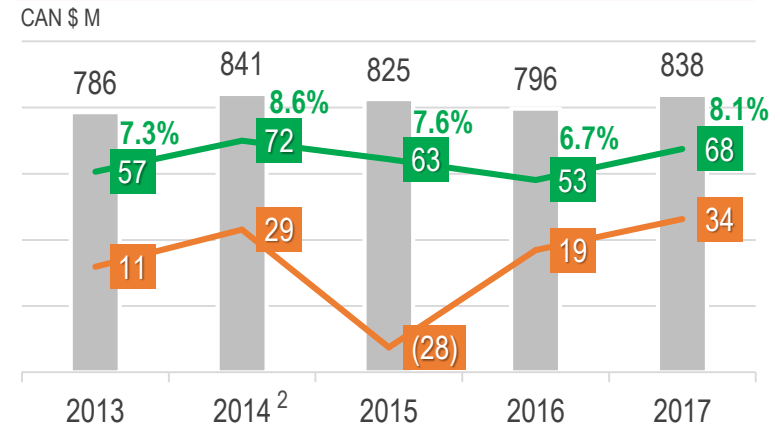


2017 adjusted OIBD¹ margin of **8%**



- **57.8% equity ownership** of Reno de Medici, a public Italian company; 5 recycled (885K m.t.) & 1 virgin boxboard (165K m.t.) mills
- **Simplified structure** with focus on spreading one-company culture within the company
- PanEuropean asset base (Italy, France and Germany) and sales network
- Strong position within the European market
- Ongoing equipment modernization program to improve efficiency

Steady Contributor to Results



— Sales — Operating Income — Adj. OIBD¹ & Margin

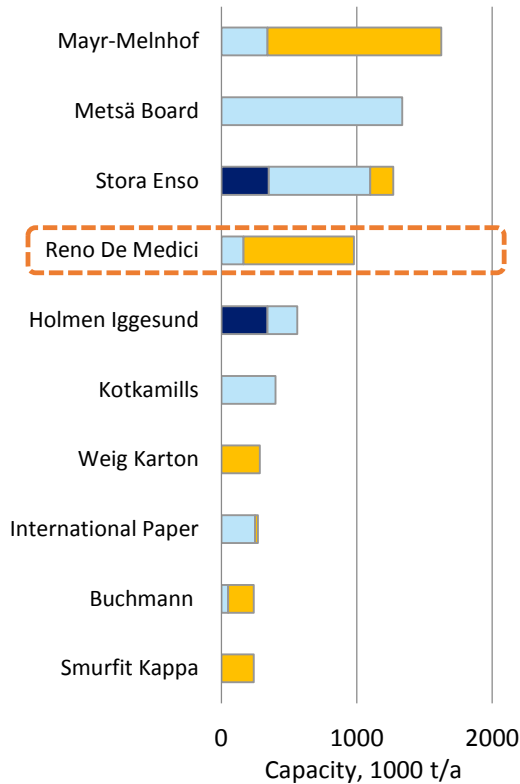
¹ Supplemental information on non-IFRS measures for 2017.

² Including \$9 million of energy credits.

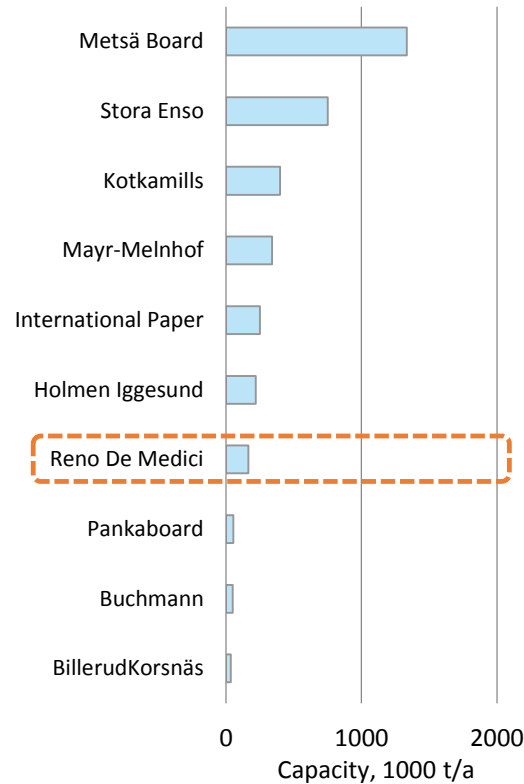
BOXBOARD EUROPE

Leading European Producer of Coated Board

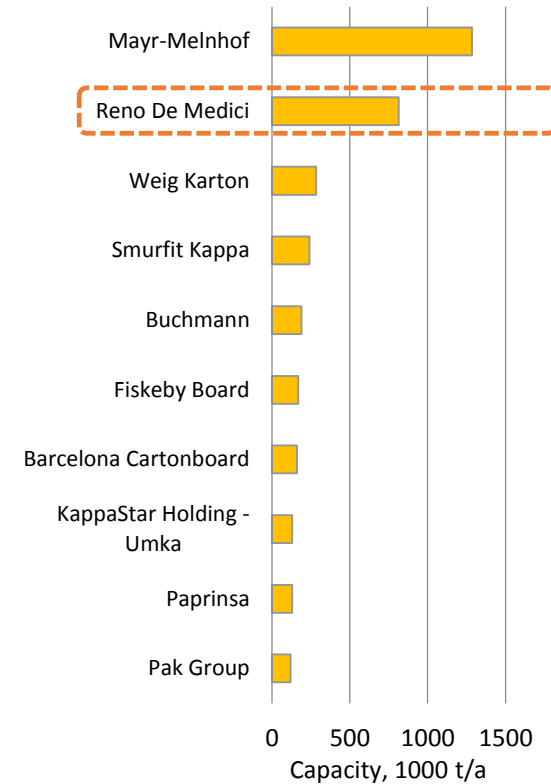
Top Cartonboard Producers¹ (Total Market)



Top FBB Producers¹ (Virgin)



Top WLC Producers¹ (Recycled)



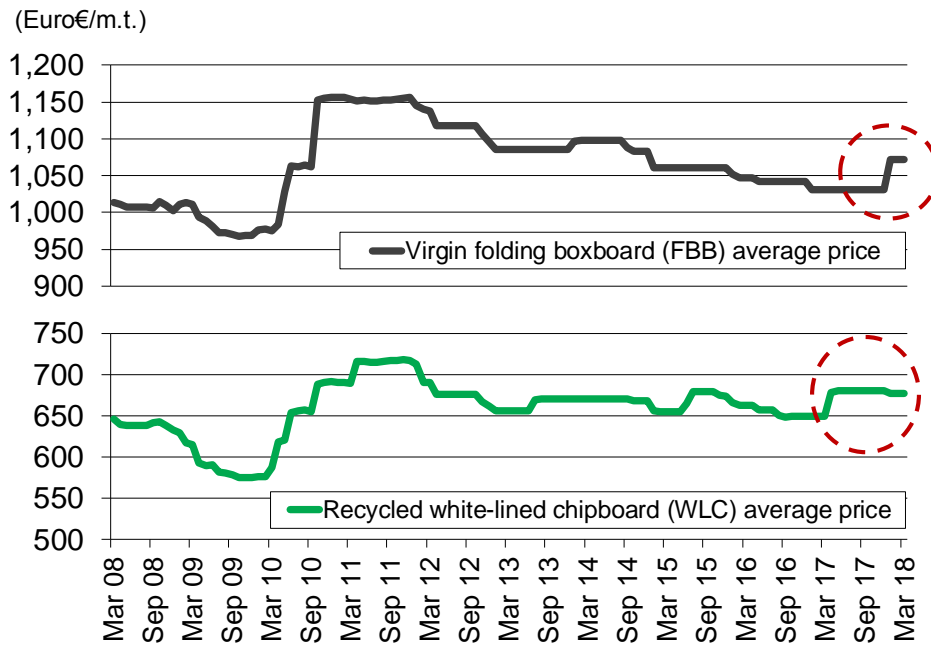
■ SBS ■ FBB ■ CUK ■ WLC

¹ Source: PÖYRY, Sept. 2017, 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).

BOXBOARD EUROPE

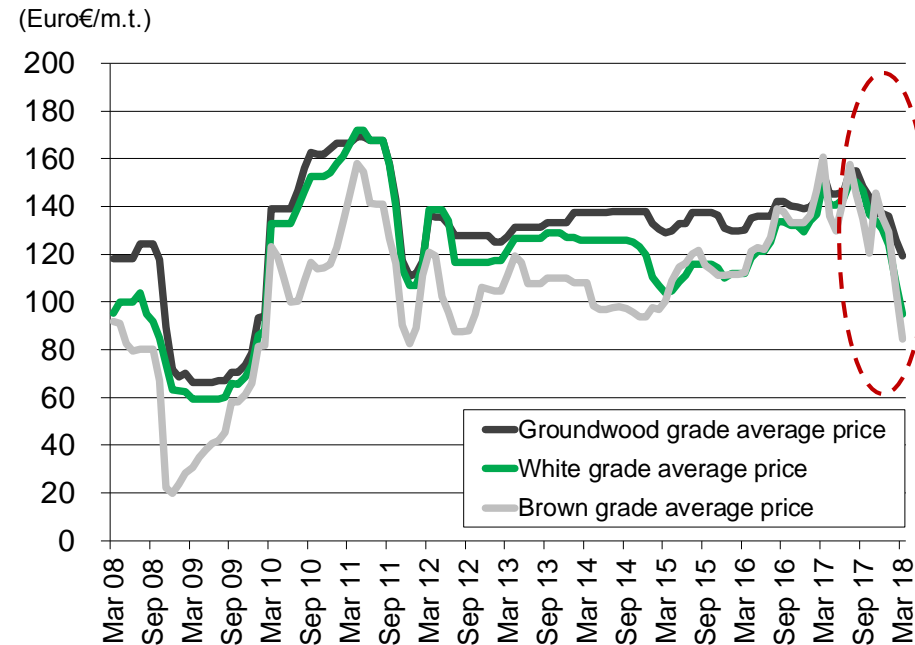
Business Drivers

Boxboard Benchmark Market Prices¹



After trending downward for the last two years, WLC prices increased €30/m.t. in Q2-2017; more price increases announced for recycled products

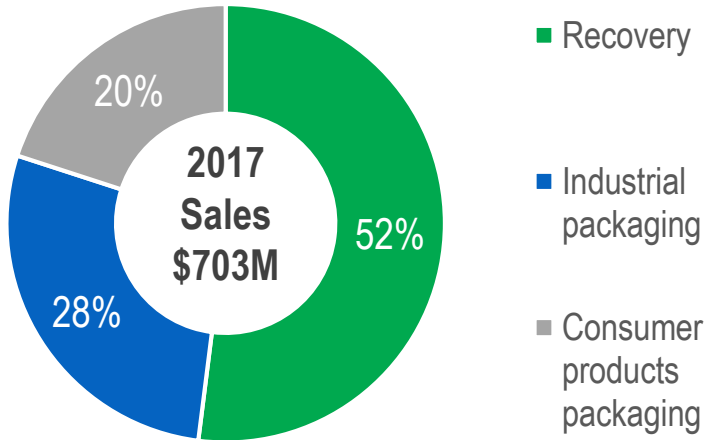
Recycled Fibre Prices²



Chinese recovered paper import restrictions behind recent decreases in recycled fibre prices in Europe

SPECIALTY PRODUCTS

A Diversified Packaging Player

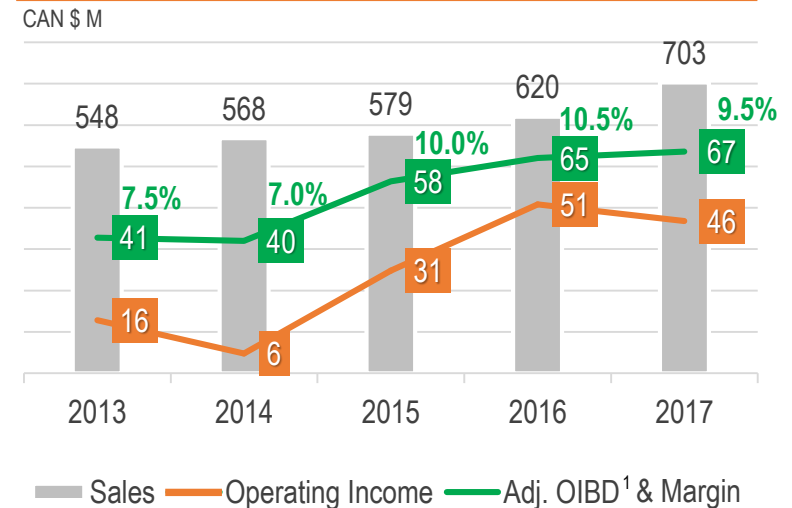


- **Largest paper collector in Canada** with 19 facilities² and 1.4 million s.t. of material processed in 2017
- A leading position in industrial packaging with Cascades Sonoco JV
- Strong growth potential in consumer packaging
- 2017 sales (IFRS) of \$703M, vs. \$902M (Non-IFRS) with JVs at 100%
- 2013-2017 sales CAGR: +6.4%

2017 adjusted OIBD¹ margin of **10%**



Focusing on Growth Sectors



¹ Supplemental information on non-IFRS measures for 2017.
² Cascades' 19 facilities: 16 are located in Canada and 3 are located in the US.

SPECIALTY PRODUCTS

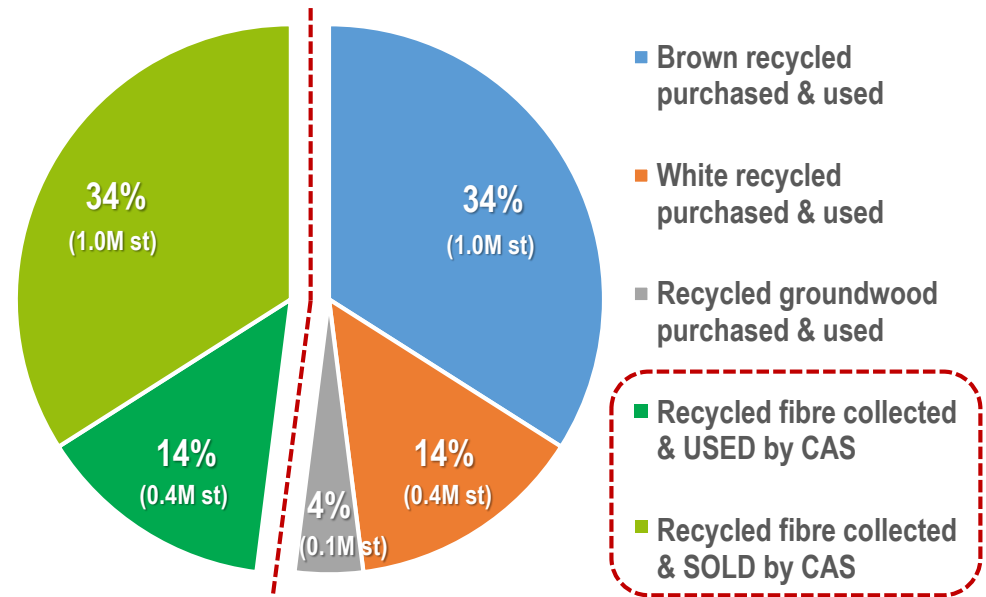
Cascades Recovery+ Sub-Segment

- Business unit created via the merger of recovery operations & recycled fibre buying group
- Manages procurement of all raw material fibre for Cascades' North American operations

CIRCULAR ECONOMY APPROACH



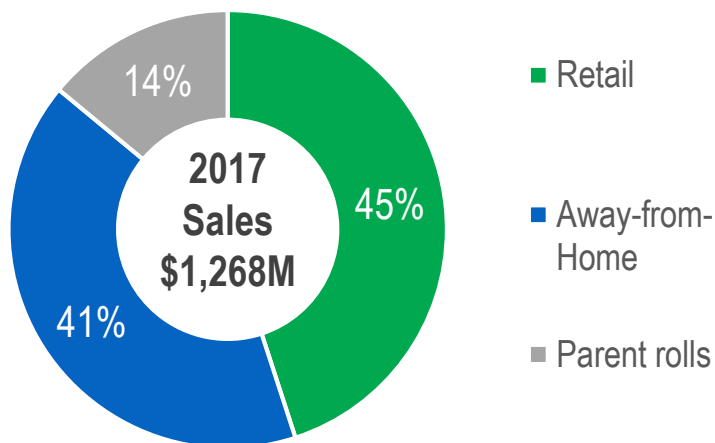
NA Recycled Fibre¹ (2.9M st)



- We use **30%** of the 1.4M st of recycled fibre that we collect via our Recovery operations
- Out of the 2.9M st of recycled fibre that we collect & purchase externally, we use **66%** internally, and sell the remaining **34%** to external customers

TISSUE PAPERS

A Canadian Leader and Important North American Player

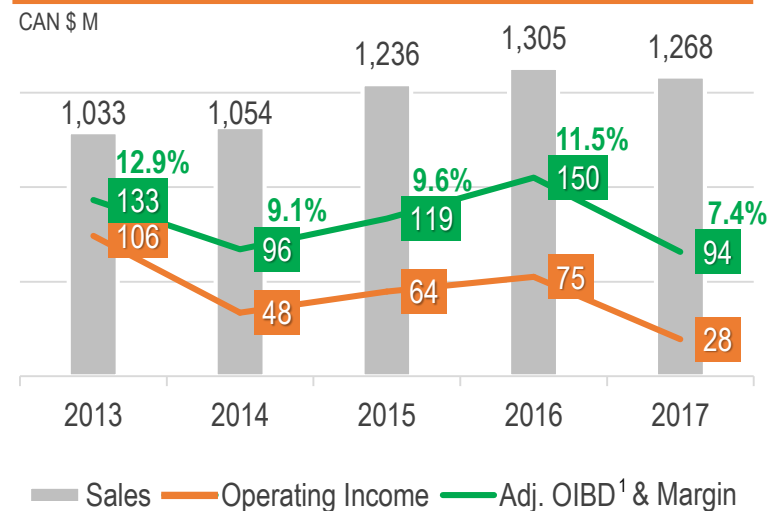


2017 adjusted OIBD¹ margin of 7%



- 5th largest tissue producer in NA based on capacity (650K s.t.)
- Growing footprint in Western U.S.
- 67% integration rate, targeting 85% in the mid-term
- Repositioned and rebranded AfH product lines under Cascades PRO brand to simplify product offering
- Launched new Cascades consumer tissue paper lines in Canada: Fluff™ and Tuff™ brands
- 2013-2017 sales CAGR: +5.3%

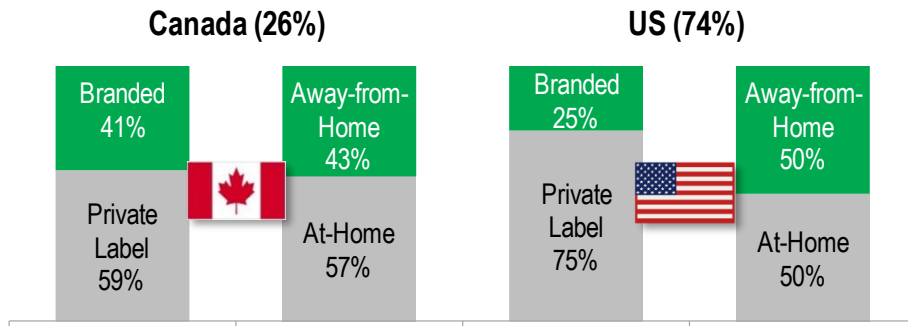
Challenging Market Fundamentals



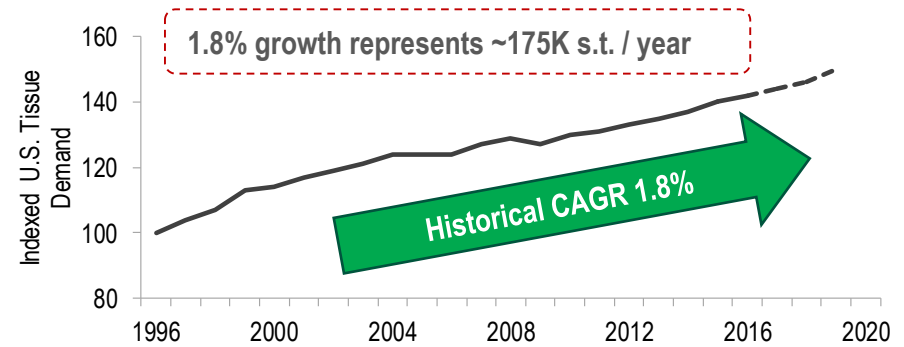
TISSUE PAPERS

Strong Position Across the North American Tissue Market

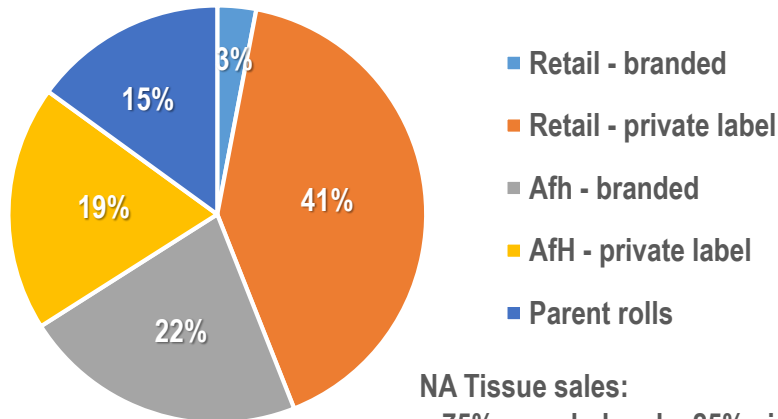
CAS Sales by Country (2017)



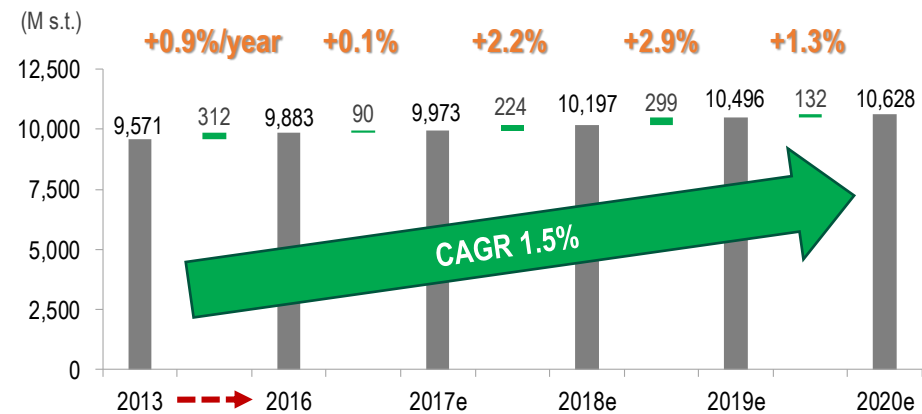
Tissue Market Demand¹



CAS North American Sales by End Markets (2017)



North American Tissue Capacity Additions¹



¹ Source: RISI, company estimates



TISSUE PAPERS

Diversified Capacity and Positioning

2017 NORTH AMERICAN TISSUE MANUFACTURERS

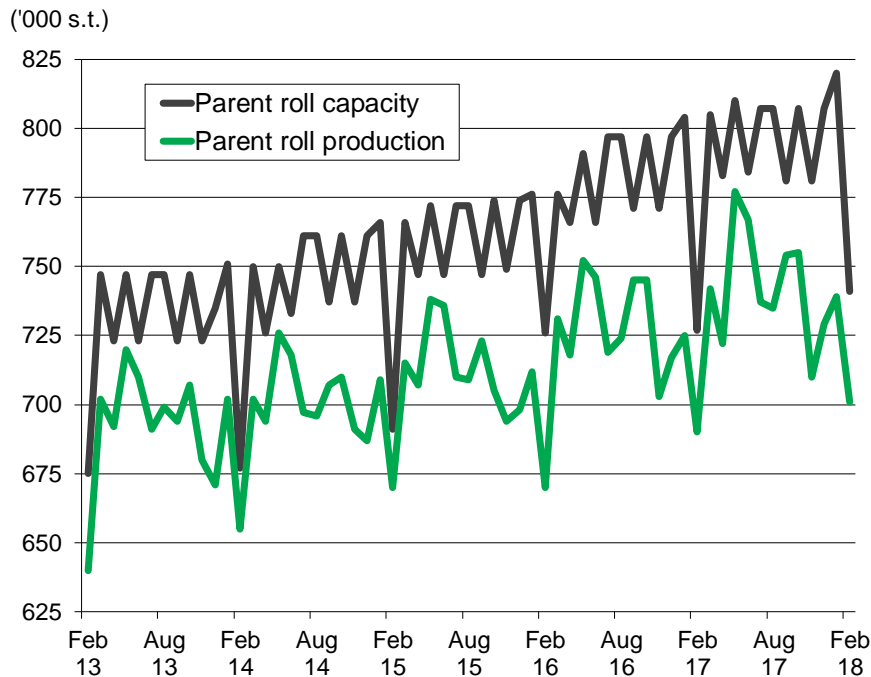
	Capacity (^{'000} s.t.)	Market Share	Capacity Retail	Capacity AfH
1 Georgia-Pacific	2,849	29%	67%	33%
2 Procter & Gamble	1,494	15%	100%	0%
3 Kimberly-Clark	1,466	15%	67%	33%
4 Essity (ex-SCA)	721	7%	0%	100%
5 Cascades Tissue	650	7%	62%	38%
6 Clearwater Paper	435	4%	90%	10%
7 KP Tissue	422	4%	77%	23%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



TISSUE PAPERS

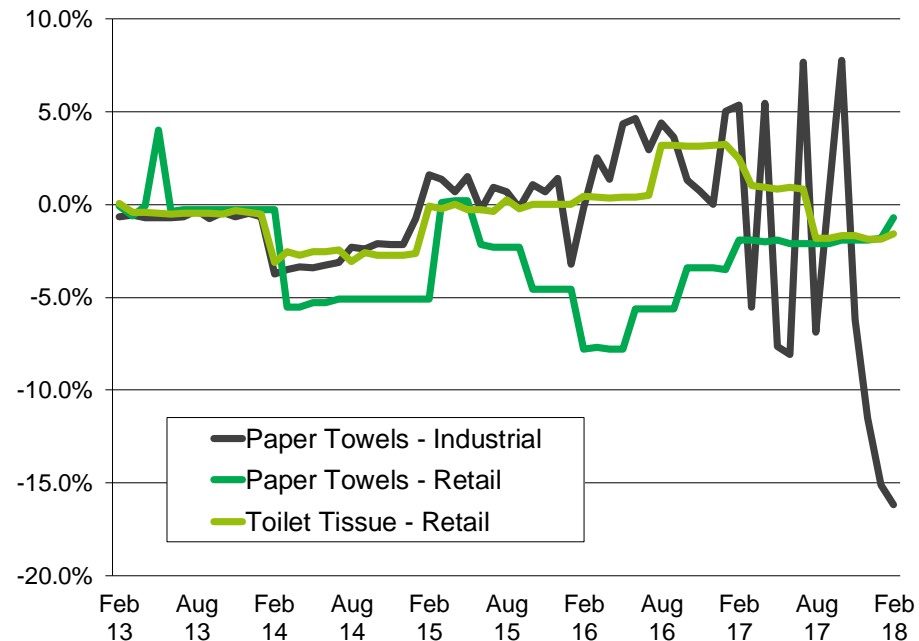
Business Drivers

U.S. Parent Roll Production & Capacity



Strong annual seasonality in parent roll production; underlying growth in capacity over past 5 years not fully utilized

U.S. Converted Products Price Variation YoY



2017 volatility in industrial paper towel market reflects aggressive marketing and pricing strategies; Retail paper towel pricing stable in 2017

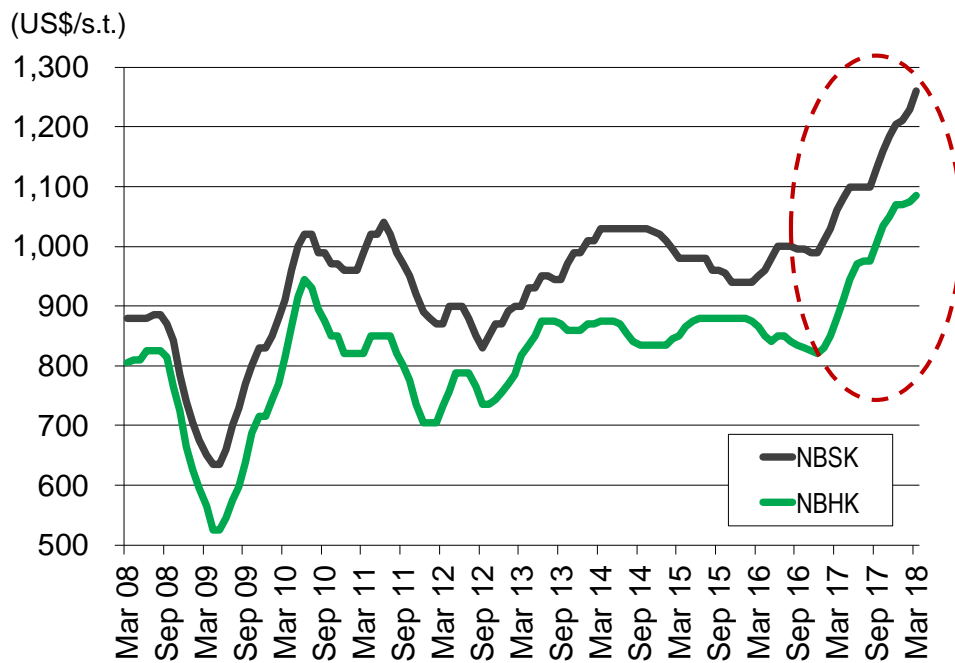




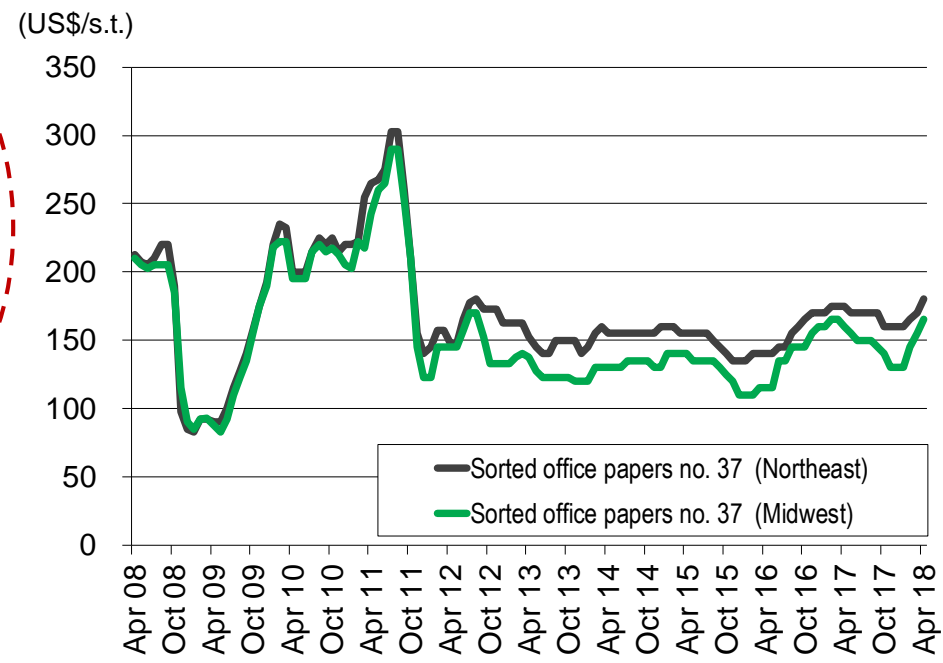
TISSUE PAPERS

Business Drivers

Virgin Fibre Prices



White Grades Recycled Fibre Prices



Pulp prices increased significantly in 2017 due to strong global demand

Virgin pulp prices increased notably in 2017, driven by strong global demand; small uptick in white recycled grades in Q1-2018



2017-2022 STRATEGIC PLAN





POSITIONING FOR GROWTH

Building on the Past, Positioning for the Future

Significant Repositioning and Investments Completed from 2011 – 2016

WE MODERNIZED

Invested more than \$400M in modern equipment

WE OPTIMIZED

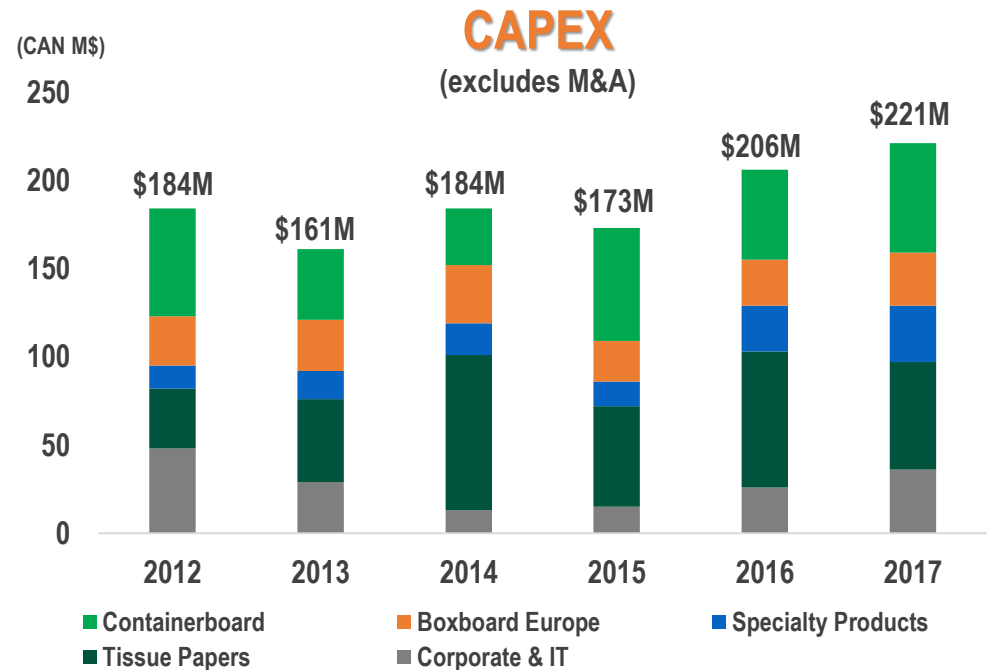
Decreased working capital as a % of sales to ~10% from 15% in 2011

WE RESTRUCTURED

Closed 16 non-performing assets, completed 6 asset sales, exited industries and consolidated operational platforms in NA representing \$1B in sales, 2% EBITDA margin

WE INNOVATED

Launched many new products



- ✓ CAPEX funded by strong free cash flow
- ✓ Impacted by strong US\$
- ✓ Additional ~\$200M invested in M&A since 2012
- ✓ Significant internal IT & process modernization completed



POSITIONING FOR GROWTH

Building on the Past, Positioning for the Future

1

UPGRADE OUR PLATFORMS

- Invest in organic growth
- Increase integration rate to 85% in Containerboard & Tissue Papers
 - Grow US platform
- Optimize geographic footprint

2

VALUE CREATION

- Increase profitability margin from 10% to 15%
 - Disciplined capital allocation
- Sustainable free cash flow generation
- Continued focus on debt reduction

3

INNOVATION & CUSTOMER FOCUS

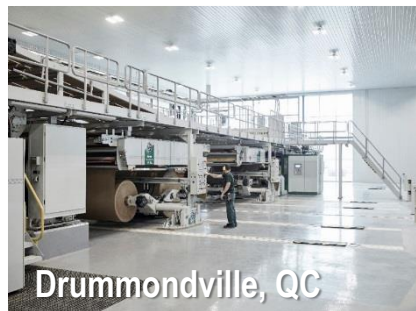
- 2020: 20% of sales from innovative products
- Leverage our diversified portfolio to cross-sell
 - Reinforce positioning as THE provider of sustainable packaging and tissue products

2017 – 2022
STRATEGY

1 UPGRADE OUR PLATFORMS

Accelerate Modernization + Increase Integration + Optimize Footprint

- Replace older equipment
- Invest in organic growth



- Increase our integration rate by investing in conversion capacity

Containerboard



64%¹ → 85%²

Tissue



67%¹ → 85%²

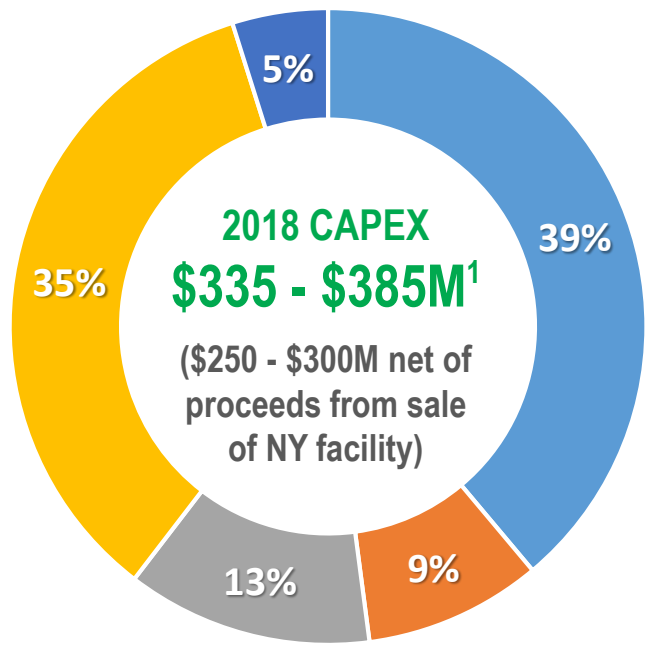
- Improve geographic footprint to better serve our customers, increase penetration of national accounts





1 UPGRADE OUR PLATFORMS

2018 CAPEX – Important Investments to Consolidate Position



2018 CAPEX
\$335 - \$385M¹

(\$250 - \$300M net of proceeds from sale of NY facility)

- Containerboard: \$135 - \$145M
- Boxboard Europe: \$30 - \$35 M
- Specialty Products: \$40 - \$50 M
- Tissue Papers: \$115 - \$135M
- Corporate & IT: \$15 - \$20M

STRATEGIC RATIONALE:

- Investing in businesses with solid fundamental long-term growth profiles
- Supports growth in our core markets
- Aligned with 2017-2022 strategy:
 - ✓ Modernize, integrate & optimize platforms
 - ✓ Create long-term & sustainable value
- Net of \$85M of proceeds from sale of NY facility, cash outflow essentially unchanged from 2017 CAPEX and M&A of \$296M
- Includes \$80 - \$85M of costs for new containerboard converting facility in NJ announced in 2017
- Solid expected cash flow from operations will fund 2018 CAPEX program

¹ Includes ~ \$70M of maintenance.



1 UPGRADE OUR PLATFORMS

2018 CAPEX – Important Investments to Consolidate Position

SEGMENT	MAJOR PROJECTS	INVESTMENT (\$M CAN)	IMPACT	BUSINESS CASE
Containerboard	Piscataway, NJ conversion plant	\$80 - \$85	H2 2018	<ul style="list-style-type: none"> ✓ Integration ±5% ✓ Improve footprint and asset quality
Europe	Paper machine upgrade	±\$15	Q4 2018	<ul style="list-style-type: none"> ✓ Efficiencies & quality
Specialty Products	New business development Recovery activities	±\$15	TBD	<ul style="list-style-type: none"> ✓ Secure/add volume of recycled fiber in Canada
Tissue Papers	New lines Tissue retail	\$25 - \$30	H2 2019	<ul style="list-style-type: none"> ✓ Integration ±5% ✓ New US/Canada retail volume
	Modernization Tissue AFH	\$60 - \$70 (2018) \$55 - \$65 (2019)	H2 2019	<ul style="list-style-type: none"> ✓ Higher quality, optimize trims and improved efficiencies

Projects noted have an IRR of 12% or higher; A limited number of projects with returns below 15% IRR target may be undertaken for strategic purposes



2

CREATE VALUE

Capital Allocation Aligned with Long-term Value Creation

Strategic & Targeted Use of Cash Flow from Operations



¹ Cascades uses a WACC of 9%. Actual IRR may vary by project.



2 CREATE VALUE

Multi-Pronged Approach to Increase Profitability Margin to 15%

In Progress

3

- Growth from targeted investments and potential strategic M&A
- Continued ramp-up of new Oregon tissue conversion facility

In Progress

2

- Transformation program benefits & reduction of implementation costs **±\$50 M ANNUALLY**
- Increase optimization and capture untapped administrative and operational benefits of new systems

In Progress

1

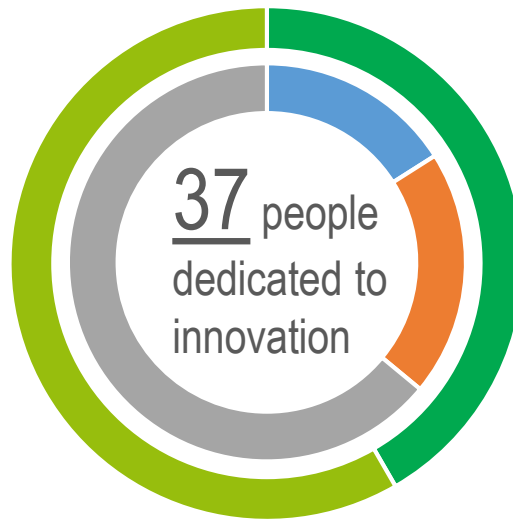
- Monetize the benefits of our optimization, modernization and restructuring efforts completed in recent years



3 FOCUS ON CUSTOMERS AND INNOVATION

Cascades' new Innovation Centre is focused on:

- Coordinating multigroup programs
- Developing new expertise (ex. A.I.)
- Gathering market intelligence
- Providing shared expertise
- Leading new ventures



- Containerboard
- Specialty Products
- Tissue Papers

Supported by:

- Cascades' Innovation Centre
- Cascades' R&D Centre

Multi-disciplinary, innovative approach focused on key strategic areas:

Food & Beverage
ex. preparation, preservation, presentation

Hygiene Solutions
ex. retail, industrial, offices, education

Productivity
ex. retail, industrial, offices, education

Sustainability
ex. packaging, hygiene, circular economy

E-commerce
ex. packaging & logistics solutions

3 FOCUS ON CUSTOMERS AND INNOVATION



Produces innovative, lightweight recycled linerboard – XP grades



Hand towel dispenser with new, patented dispenser technology



Low-density PETE containing 80% post-consumer material



Water-based coating that acts as a barrier against grease and humidity for takeout containers

OBJECTIVE:
20% of sales from innovative products in 2020



Polystyrene foam packaging containing 25% recycled material

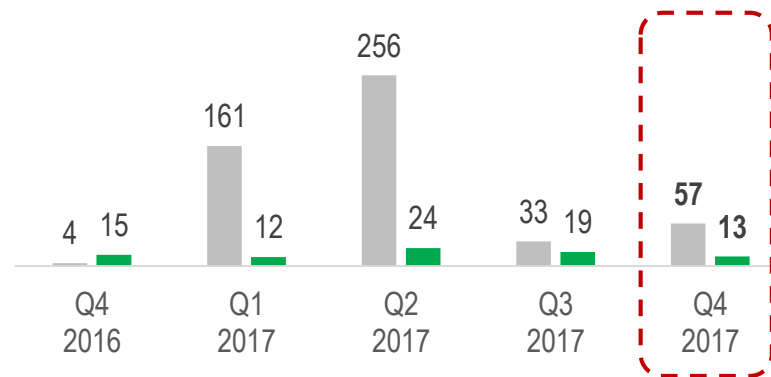
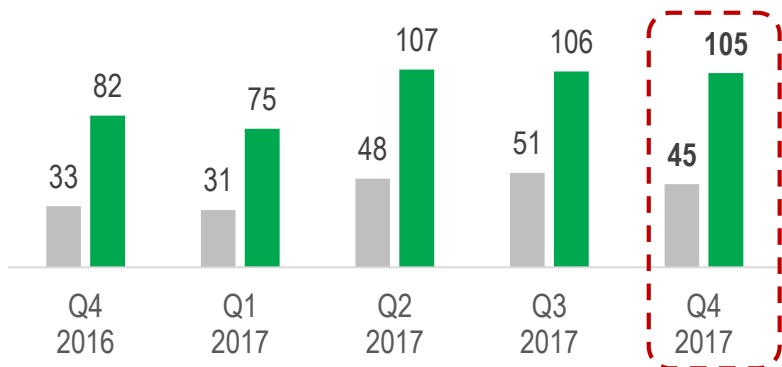
Recyclable insulated container, made with FSC® certified recycled materials



APPENDIX



Q4 2017 PERFORMANCE – FINANCIAL RESULTS



■ Operating Income

■ Adjusted OIBD¹

Figures above in millions of CAN\$

■ Net Earnings

■ Adjusted Net Earnings¹

Figures above in millions of CAN\$

(In millions of CAN\$, except amount per share)	2016					2017				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Financial results										
Sales	1,003	998	1,021	979	4,001	1,006	1,130	1,103	1,082	4,321
Operating income	73	65	50	33	221	31	48	51	45	175
Adjusted OIBD ¹	106	112	103	82	403	75	107	106	105	393
Net earnings	75	36	20	4	135	161	256	33	57	507
Adjusted net earnings ¹	34	35	30	15	114	12	24	19	13	68
Net earnings per share	\$0.79	\$0.38	\$0.21	\$0.04	\$1.42	\$1.70	\$2.70	\$0.35	\$0.60	\$5.35
Adjusted net earnings per share ¹	\$0.35	\$0.38	\$0.32	\$0.16	\$1.21	\$0.13	\$0.25	\$0.20	\$0.14	\$0.72

All metrics in Q4-2017 improved YoY with the exception of adjusted net earnings

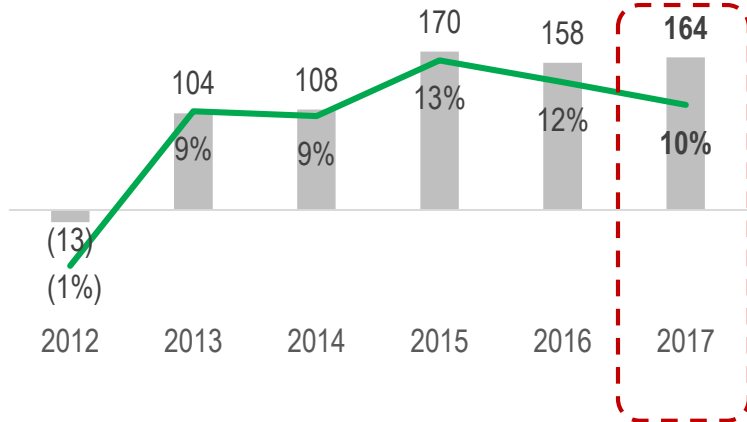
¹ Supplemental information on non-IFRS measures for [2017](#).



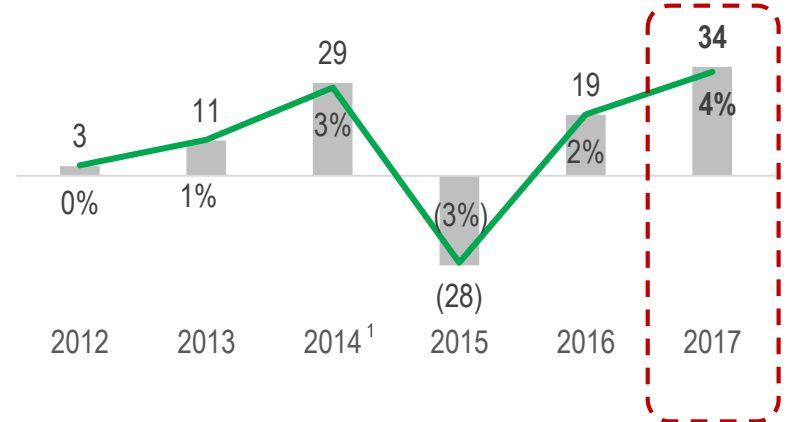
BUSINESS SEGMENTS

Historical Segmented Operating Income and Margin

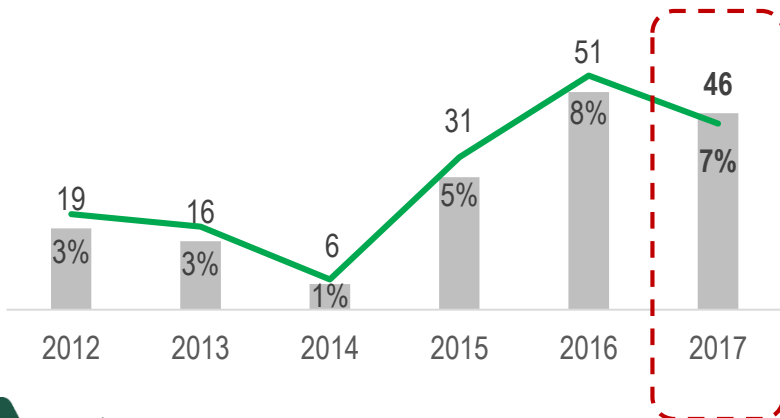
Containerboard (CAN\$ M and %)



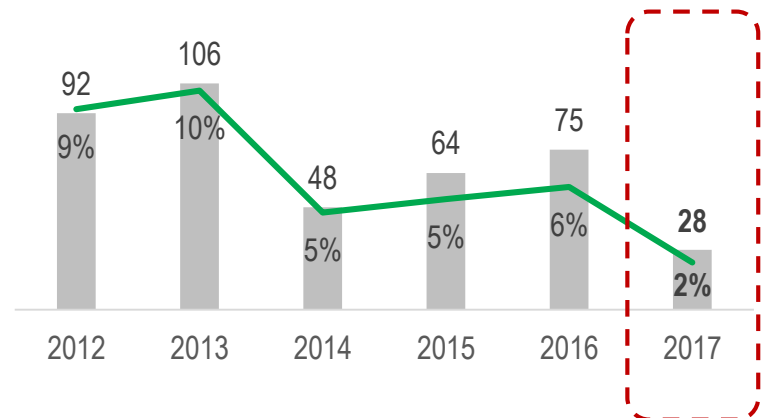
Boxboard Europe² (CAN\$ M and %)



Specialty Products (CAN\$ M and %)



Tissue Papers (CAN\$ M and %)



¹ Including \$9 million of energy credits

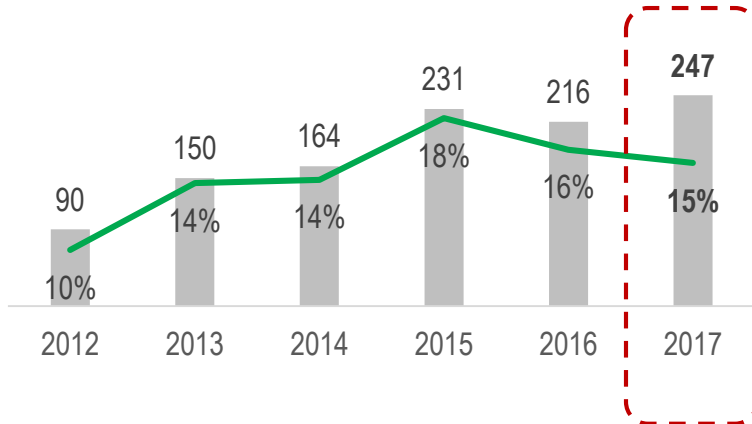
² Via our 57.8% equity ownership in Reno de Medici S.p.A. (RdM)



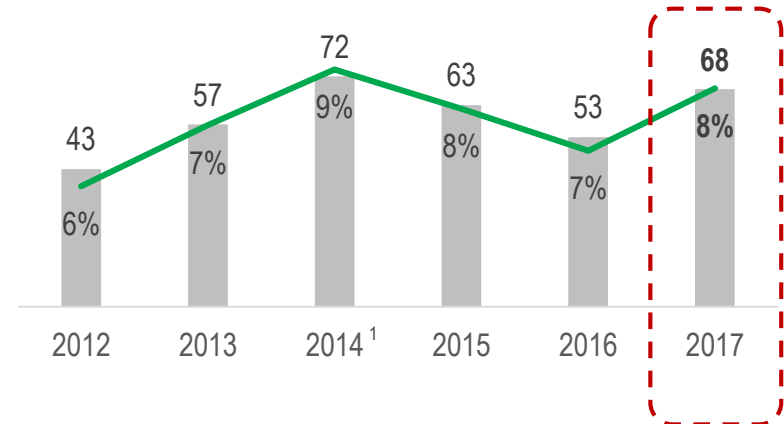
BUSINESS SEGMENTS

Historical Segmented Adjusted OIBD³ and Margin

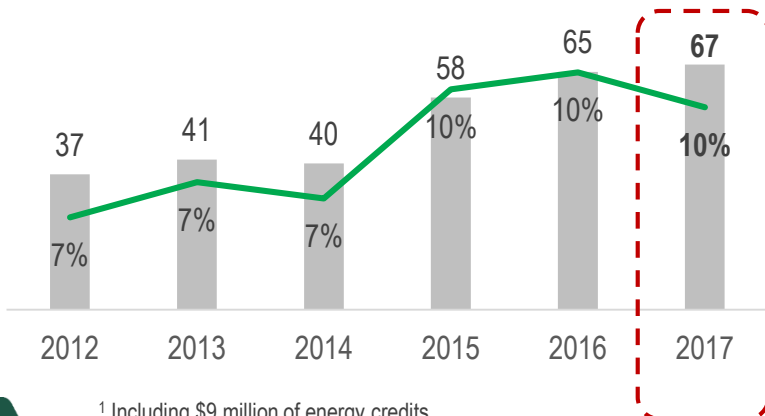
Containerboard (CAN\$ M and %)



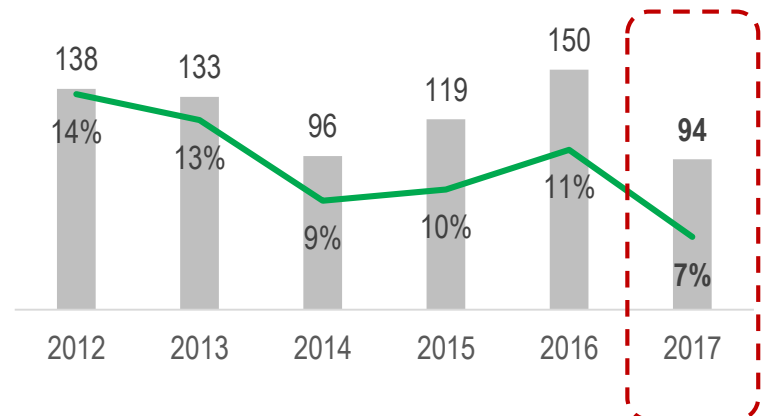
Boxboard Europe² (CAN\$ M and %)



Specialty Products (CAN\$ M and %)



Tissue Papers (CAN\$ M and %)



¹ Including \$9 million of energy credits

² Via our 57.8% equity ownership in Reno de Medici S.p.A. (RdM)

³ Supplemental information on non-IFRS measures for [2017](#).



HISTORICAL RESULTS

(In million of Canadian dollars)

	2017	Q4-17	Q3-17	Q2-17	Q1-17	2016	Q4-16	Q3-16	Q2-16	Q1-16	2015	2014
Sales												
Containerboard	1,652	440	438	428	346	1,370	336	356	342	336	1,301	1,181
Boxboard Europe	838	212	202	213	211	796	191	189	197	219	825	841
Specialty Products	703	161	181	188	173	620	156	158	157	149	579	568
Tissue Papers	1,268	301	323	338	306	1,305	319	342	324	320	1,236	1,054
Inter-segment sales and corporate activities	(140)	(32)	(41)	(37)	(30)	(90)	(23)	(24)	(22)	(21)	(80)	(83)
Total	4,321	1,082	1,103	1,130	1,006	4,001	979	1,021	998	1,003	3,861	3,561
Operating Income												
Containerboard	164	51	50	30	33	158	28	44	46	40	170	108
Boxboard Europe	34	11	5	13	5	19	3	1	7	8	(28)	29
Specialty Products	46	9	10	14	13	51	14	12	16	9	31	6
Tissue Papers	28	(6)	9	17	8	75	12	26	18	19	64	48
Corporate activities	(97)	(20)	(23)	(26)	(28)	(82)	(24)	(33)	(22)	(3)	(84)	(54)
Total	175	45	51	48	31	221	33	50	65	73	153	137
Adjusted OIBD¹												
Containerboard	247	74	72	56	45	216	43	58	60	55	231	164
Boxboard Europe	68	19	14	21	14	53	11	9	17	16	63	72
Specialty Products	67	14	15	20	18	65	17	18	16	14	58	40
Tissue Papers	94	12	24	35	23	150	30	47	39	34	119	96
Corporate activities	(83)	(14)	(19)	(25)	(25)	(81)	(19)	(29)	(20)	(13)	(45)	(32)
Total	393	105	106	107	75	403	82	103	112	106	426	340
Adjusted OIBD¹ Margin	9.1%	9.7%	9.6%	9.5%	7.5%	10.1%	8.4%	10.1%	11.2%	10.6%	11.0%	9.5%

SENSITIVITY TABLE¹

		SHIPMENTS/CONSUMPTION (⁰ 000 s.t, ⁰ 000 mmBtu for Natural Gas)	INCREASE	OIBD IMPACT (in CAN\$ M)
SELLING PRICE² (Manufacturing & Converting)				
North America	Containerboard	1,490	US\$25/s.t.	47
	Tissue Papers	590	US\$25/s.t.	19
Europe	Boxboard	1,120	€25/s.t.	42
MATERIALS² (Recycled papers, Pulp, Gas)				
North America	Brown grades (OCC & others)	1,560	US\$15/s.t.	(29)
	Groundwood grades (SRP & others)	90	US\$15/s.t.	(2)
	White grades (SOP & others)	480	US\$15/s.t.	(9)
	Virgin pulp	150	US\$30/s.t.	(6)
	Natural gas	8,600	US\$1.00/mmBtu	(11)
Europe	Brown grades (OCC & others)	780	€15/s.t.	(18)
	Groundwood grades (SRP & others)	170	€15/s.t.	(4)
	White grades (SOP & others)	80	€15/s.t.	(2)
	Virgin pulp	80	€30/s.t.	(4)
	Natural gas	4,600	€1.00/mmBtu	(7)
EXCHANGE RATE³				
Sales less purchases in US\$ from Canadian operations			CAN\$/US\$ 0.01 change	2
Translation - U.S. subsidiaries			CAN\$/US\$ 0.01 change	1
Translation - European subsidiaries			CAN\$/€ 0.02 change	1

(1) Sensitivity calculated according to 2017 volumes or consumption with year-end closing exchange rate of CAN\$/US\$ 1.26 and CAN\$/€ 1.51, excluding hedging programs and the impact of related expenses such as discounts, commissions on sales and profit-sharing. (2) Based on 2017 external manufacturing & converting shipments, and fibre and pulp consumption. Including purchases from our subsidiary Cascades Recovery. Including Greenpac for the last 12 months. (3) As an example, based on CAN\$/US\$ 1.26 to CAN\$/US\$ 1.27, and from CAN\$/€ 1.51 to CAN\$/€ 1.53.

NEAR TERM OUTLOOK – Q1 2018



- Announced US\$50/s.t. linerboard, US\$60/s.t. medium and box price increases scheduled for March 5, 2018
- Good economic environment in Europe
- Price increase announced for some boxboard recycled grades in Europe
- Announced URB price increase
- OCC prices at ~US\$100 / s.t.

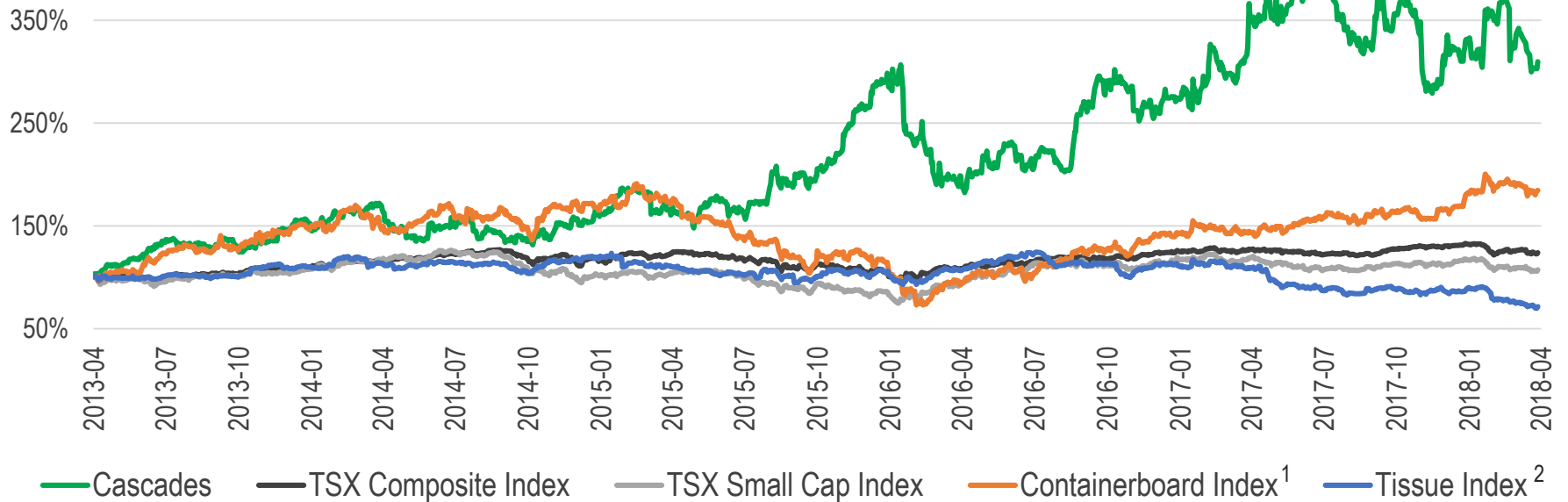


- Challenging market conditions for our Tissue Papers segment, especially in the hand towel parent roll market
- Higher NBSK and NBHK pulp prices

Q1 2018	Containerboard Packaging		Boxboard Europe		Specialty Products		Tissue Papers	
OPERATING INCOME FORECAST	YoY ↑	QoQ ↑	YoY ↑	QoQ ↑	YoY ↓	QoQ ↑	YoY ↓	QoQ ↑
REFLECTING :								
VOLUME	↗	↔	↔	↗	↔	↘	↗	↗
SELLING PRICE	↗	↗	↗	↔	↗	↗	↔	↔
RAW MATERIAL COST	↘	↘	↘	↔	↘	↘	↗	↗
EXCHANGE RATE	↘	↔	↗	↔	↘	↔	↘	↔
ENERGY COST	↔	↔	↘	↔	↔	↔	↔	↔

5-YEAR SHAREHOLDER RETURN CAS vs. Indices

	CAS	TSX Composite	TSX Small Cap	Container-board Index	Tissue Index
1 Year	87%	97%	90%	126%	63%
3 Year	183%	100%	102%	117%	64%
5 Year	303%	123%	106%	184%	70%



CAS added to the TSX Composite Index June 19, 2017

Note: Shareholder return excludes dividend yield. As of market close April 4, 2018.

Source: Bloomberg

¹ Containerboard Index includes the following companies: International Paper, WestRock (starting June 24, 2015), Packaging Corp of America and KapStone.

² Tissue Index includes the following companies: Kimberly-Clark, Clearwater Paper, KP Tissue and Orchids Paper.

SHAREHOLDERS & ANALYST COVERAGE

Major Shareholders

	%
Lemaire Brothers, BoD & employees	32.5%
Letko Brosseau	14.1%
Caisse de Dépôt et Placement du QC	5.0%
Dimensional Fund Advisors	4.0%
Norges Bank (Government of Norway)	2.5%
Vanguard Group	1.6%
IA Financial Group	1.4%
Royal Bank of Canada	1.2%
IG Investments	0.9%
British Columbia Investment	0.8%
Principal Financial Group	0.7%
Power Corporation	0.7%

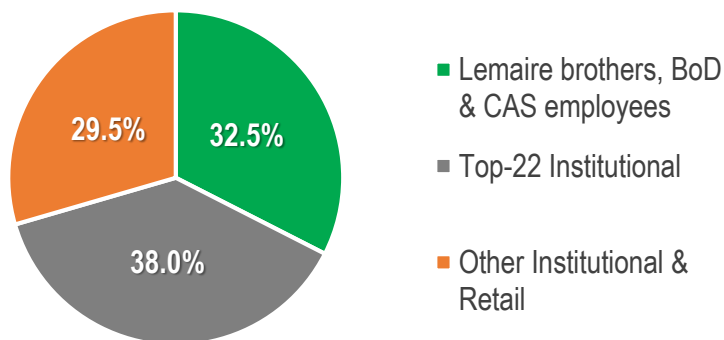
Analyst

City

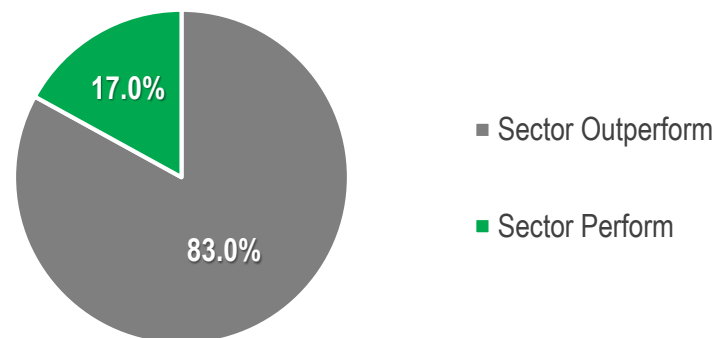
Bank

Leon Aghazarian	Montréal	National Bank
Keith Howlett	Toronto	Desjardins
Benoît Laprade	Montréal	Scotiabank
Hamir Patel	Vancouver	CIBC
Paul Quinn	Vancouver	Royal Bank of Canada
Sean Stuart	Toronto	TD Bank

Ownership Breakdown¹

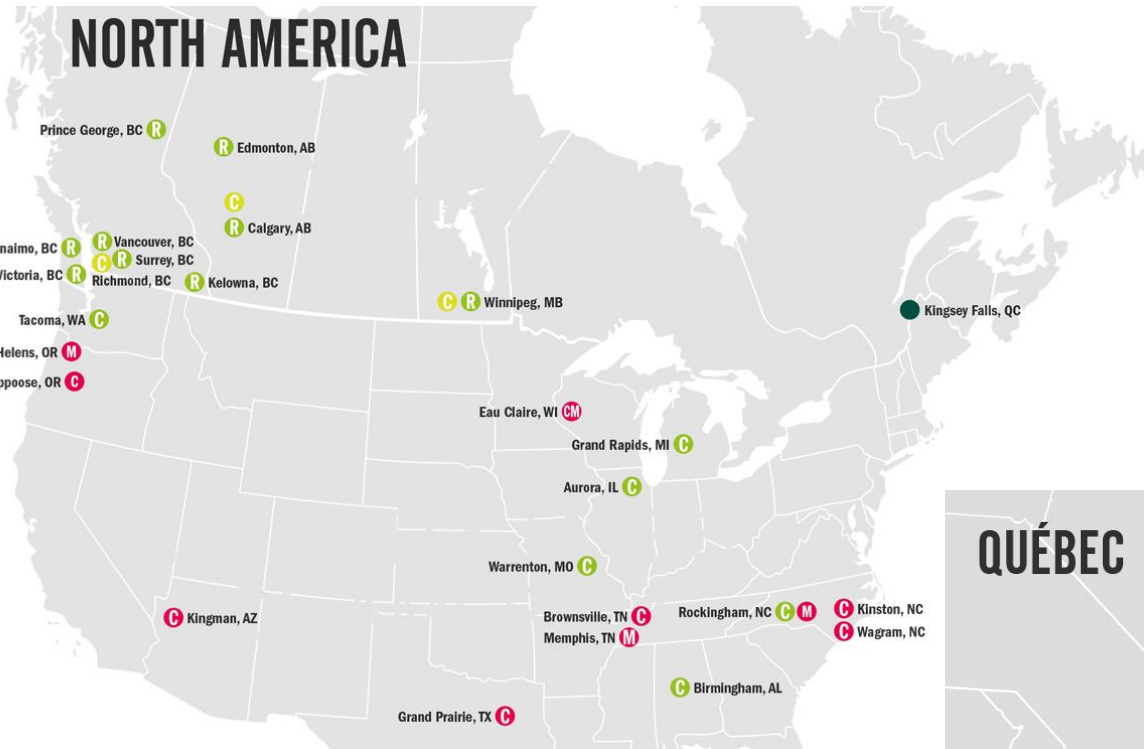


Analyst Recommendations¹



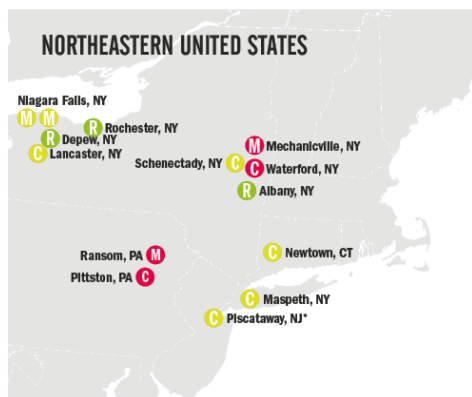


GEOGRAPHICALLY DIVERSIFIED



- ### LEGEND
- Head Office
 - Containerboard Group
 - Boxboard Europe Group
 - Specialty Products Group
 - Tissue Papers Group

- M Manufacturing facility
- C Converting facility
- CM Converting and manufacturing facility
- R Recovery facility





Cascades

GREEN BY NATURE™

For more information:

www.cascades.com/investors

Jennifer Aitken, MBA

Director, Investor Relations

514-282-2697 or jennifer_aitken@cascades.com

