



**Q2 2024**

**FINANCIAL RESULTS**

**August 8, 2024**



***Cascades***

Source of possibilities



# 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 ACCOUNTING STANDARDS MEASURES AND OTHER FINANCIAL MEASURES – SPECIFIC ITEMS

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

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

## RECONCILIATION AND USES OF NON-IFRS ACCOUNTING STANDARDS MEASURES AND OTHER FINANCIAL 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 Accounting Standards ("non-IFRS Accounting Standards measures"), which are also calculated on an adjusted basis to exclude specific items. We believe that providing certain key performance and capital measures, as well as non-IFRS Accounting Standards measures, is useful to both Management and investors, as they provide additional information to measure the performance and financial position of the Corporation. This also increases the transparency and clarity of the financial information. The following non-IFRS Accounting Standards measures and other financial measures are used in our financial disclosures:

### Non-IFRS Accounting Standards measures

- Adjusted earnings before interest, taxes, depreciation and amortization or EBITDA (A): represents the operating income (as published in the Consolidated Statement of Earnings (Loss) of the Consolidated Financial Statements) before depreciation and amortization excluding specific items. Measure used to assess recurring operating performance and the contribution of each segment on a comparable basis.
- Adjusted net earnings: Measure used to assess the Corporation's consolidated financial performance on a comparable basis.
- Adjusted cash flow: Measure used to assess the Corporation's capacity to generate cash flows to meet financial obligations and/or discretionary items such as share repurchases, dividend increases and strategic investments.
- Free cash flow: Measure used to calculate the excess cash the Corporation generates by subtracting capital expenditures (excluding strategic projects) from the EBITDA (A).
- Working capital: Measure used to assess the short-term liquidity of the Corporation.

### Other financial measures

- Total debt: Measure used to calculate all the Corporation's debt, including long-term debt and bank loans. Often put in relation to equity to calculate the debt-to-equity ratio.
- Net debt: Measure used to calculate the Corporation's total debt less cash and cash equivalents. Often put in relation to EBITDA (A) to calculate net debt to EBITDA (A) ratio.

### Non-IFRS Accounting Standards ratios

- Net debt to EBITDA (A) ratio: Ratio used to assess the Corporation's ability to pay its debt and evaluate financial leverage.
- EBITDA (A) margin: Ratio used to assess operating performance and the contribution of each segment on a comparable basis calculated as a percentage of sales.
- Adjusted net earnings per common share: Ratio used to assess the Corporation's consolidated financial performance on a comparable basis.
- Net debt / Net debt + Shareholders' equity: Ratio used to evaluate the Corporation's financial leverage and the risk to Shareholders.
- Working capital as a percentage of sales: Ratio used to assess the Corporation's operating liquidity performance.
- Adjusted cash flow per common share: Ratio used to assess the Corporation's financial flexibility.
- Free cash flow ratio: Ratio used to measure the liquidity and efficiency of how much more cash the Corporation generates than it uses to run the business by subtracting capital expenditures (excluding strategic projects) from the EBITDA (A) calculated as a percentage of sales.

Non-IFRS Accounting Standards measures and other financial measures are mainly derived from the consolidated financial statements, but do not have meanings prescribed by IFRS Accounting Standards. 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 Accounting Standards. In addition, our definitions of non-IFRS Accounting Standards measures and other financial 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 Accounting Standards measures and other financial measures available on pages 28 to 33 of our 2024 Quarterly Report 2, Management Discussion & Analysis, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

# SUMMARY OF FINANCIAL RESULTS

(In millions of CAN\$, except per common share amounts, where noted)	Q2 2024	Q1 2024	Q2 2023	LTM <sup>2</sup>
<b>Financial Results</b>				
<b>Sales</b>	<b>1,180</b>	<b>1,109</b>	<b>1,168</b>	<b>4,625</b>
Operating income	34	9	64	99
<b>Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A))<sup>1</sup></b>	<b>112</b>	<b>103</b>	<b>141</b>	<b>498</b>
Margin (EBITDA (A) / Sales (%)) <sup>1</sup>	9.5%	9.3%	12.1%	10.8%
<b>Net earnings (loss)</b>	<b>1</b>	<b>(20)</b>	<b>22</b>	<b>(42)</b>
Adjusted net earnings (loss) <sup>1</sup>	8	—	26	58
<b>Net earnings (loss) per common share</b>	<b>\$0.01</b>	<b>(\$0.20)</b>	<b>\$0.22</b>	<b>(\$0.42)</b>
Adjusted net earnings (loss) per common share <sup>1</sup>	\$0.08	\$—	\$0.27	\$0.57
<b>Net debt<sup>1</sup></b>	<b>2,093</b>	<b>2,020</b>	<b>2,076</b>	
Net debt / EBITDA (A) ratio <sup>1</sup>	4.2x	3.8x	4.1x	

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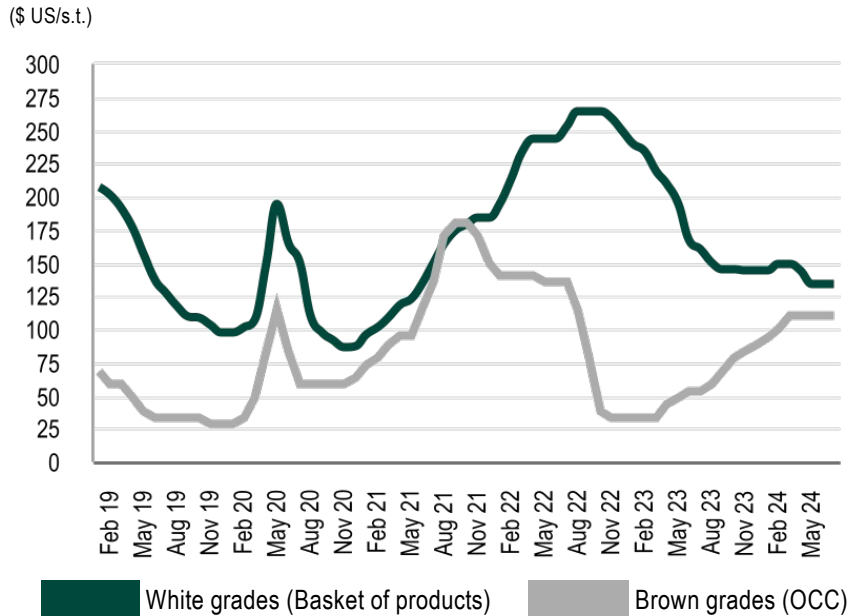
## OVERVIEW OF CONSOLIDATED PROFITABILITY DRIVERS

<b>Consolidated EBITDA (A)<sup>1</sup> Variation</b> (in millions of Canadian dollars)	<u>Quarter-over-Quarter</u> <u>Q2 2024 vs Q1 2024</u>	<u>Year-over-Year</u> <u>Q2 2024 vs Q2 2023</u>
Pricing	\$12 million	(\$25 million)
Freight & Production Costs	(\$6 million)	\$4 million
Volume & Mix, FX & Others	\$18 million	\$13 million
Raw Materials & Energy	(\$15 million)	(\$21 million)
<b>TOTAL</b>	<b>\$9 million</b>	<b>(\$29 million)</b>



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# RECYCLED FIBRE COSTS - INDEX LIST PRICES



Current  
(July-24)

134  
110

## OCC:

- Strong domestic demand driven by new recycled containerboard mills being ramped-up; fibre generation increased with usual favourable seasonal generation and consistent export volumes
- Expect relatively stable market dynamics in coming months
- Fibre needs of our mills were fulfilled given good inventory management and improved material availability that lead to optimized supply network

## SOP:

- Relatively balanced, with readily available fibre volumes leading to a small pricing reduction in the period
- Longer-term structural decline in market supply of these high grades continues, given lower generation

## Recycled Fibre Prices

White grades - Basket of products (Northeast average)<sup>1</sup>

Brown grades - OCC No. 11 (Northeast average)

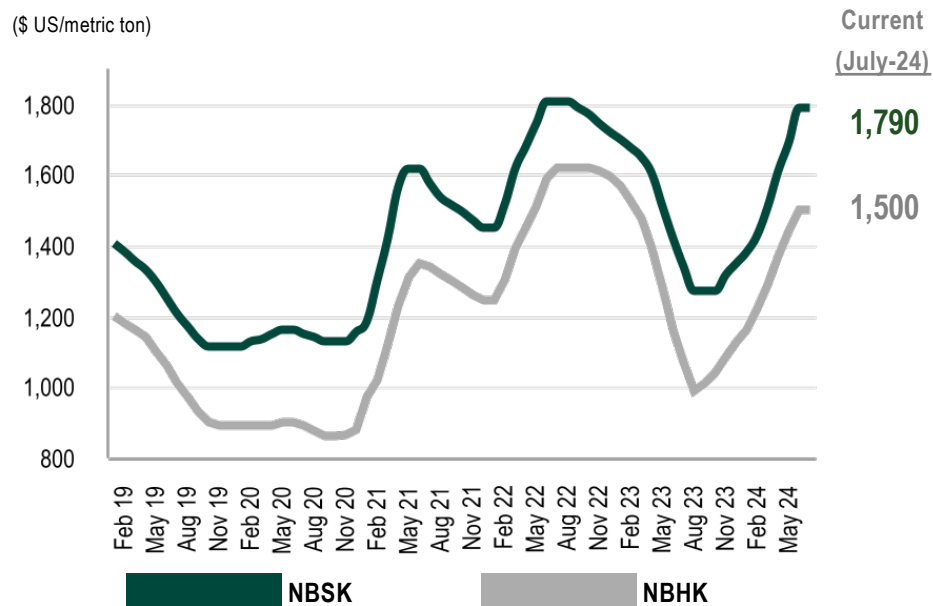
	<u>Q2 2024</u>	<u>Q1 2024</u>	<u>Q2 2023</u>	<u>Q2/Q2</u>	<u>Q2/Q1</u>
White grades - Basket of products (Northeast average) <sup>1</sup>	138	147	190	(27)%	(6)%
Brown grades - OCC No. 11 (Northeast average)	110	101	47	134%	9%



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.

# VIRGIN PULP COSTS - INDEX LIST PRICES



## VIRGIN PULP:

- Market began to normalize following factors that impacted pricing in Q1: port strike, unplanned mill downtime in Finland and hindered logistics
- Lower demand in China led to first price reduction in this market in late Q2; cautiously optimistic that N.A. index pricing will stabilize
- A diversified supply base has meant that our mills are adequately supplied
- Average prices remained higher both sequentially and compared to prior year levels

### Virgin Pulp Prices

NBSK (Canadian sources delivered to Eastern US)  
 NBHK (Canada/US sources delivered to Eastern US)

### Q2 2024

1,697  
 1,437

### Q1 2024

1,440  
 1,223

### Q2 2023

1,510  
 1,277

### Q2/Q2

12%  
 13%

### Q2/Q1

18%  
 17%

# PACKAGING PRODUCTS / CONTAINERBOARD

<b>Results</b>	<b>Change vs.</b>	
	Q1 2024	Q2 2023
Q2 2024		
Shipments ('000 s.t.)		
415	1%	4%
Average selling price (CANS/unit)		
1,410	5%	—%
Sales (M\$)		
585	5%	4%
EBITDA (A) <sup>1</sup> (M\$)		
60	20%	(38)%
% of sales		
10.3%		

## Comments on sequential performance

- ➔ Total shipments increased by 1% sequentially. Shipments of parent rolls decreased by 2% related to extended downtime at the Greenpac and Bear Island mills following a prolongation of planned maintenance at these facilities. Converted products shipments increased by 4% compared to the first quarter, a reflexion of usual seasonal trends.
- ➔ The average second quarter selling price increased by 5% quarter-over-quarter. This reflects higher selling prices, a more favourable sales mix and a positive impact from the appreciation of the Canadian dollar compared to the US dollar.
- ➔ Sales increased by 5% sequentially. This was driven by higher selling prices, a more favourable sales mix, a favourable exchange rate and the positive impact from higher volumes.
- ➔ Q2 EBITDA (A)<sup>1</sup> increased by 20% sequentially, reflecting higher selling prices and volume (+\$17 M), lower energy and freight costs (+\$6 M), the effects of which were offset by higher recycled fiber costs (-\$11 M) and operating costs (-\$2 M). A +\$4 M R&D credit was also recorded in the quarter.

<b>PLANNED DOWNTIME (in st)</b>	<b>Q1 2024</b>	<b>Q2 2024**</b>	<b>Q3 2024 F</b>	<b>Q4 2024 F</b>	<b>2024 F*</b>
Maintenance/Capital	13,600	35,000	~10,700	~21,500	~80,800
Economic/Inventory Management	6,200	-	-	-	~6,200
<b>TOTAL</b>	<b>19,800</b>	<b>35,000</b>	<b>~10,700</b>	<b>~21,500</b>	<b>~87,000</b>

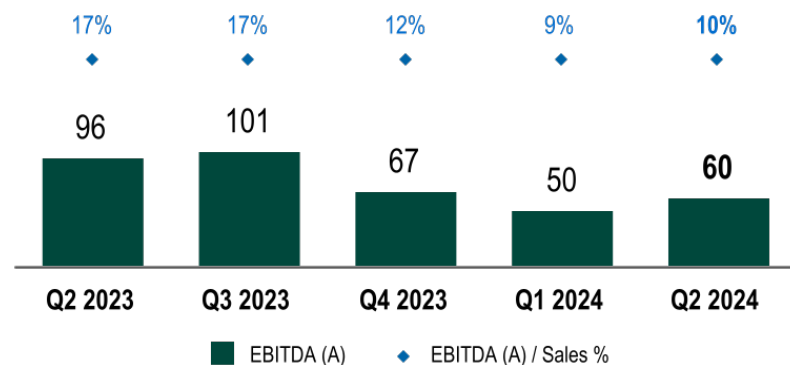
\* Trenton closed 3rd week of January. Figures above exclude this mill's 175,000 st of annual capacity. \*\* 27,400 s.t. of maintenance had been planned in Q2, including 11,000 s.t. at Greenpac to coincide with maintenance occurring at its steam supplier. An additional 7,600 s.t. of downtime were taken in Q2 at the Greenpac and Bear Island mills, the former due to a prolongation of downtime at its steam supplier, the latter due to a mechanical break, following the annual planned maintenance shut down, which has been fully repaired.



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# PACKAGING PRODUCTS / CONTAINERBOARD

## Quarterly EBITDA (A)<sup>1</sup> (M CAN\$)

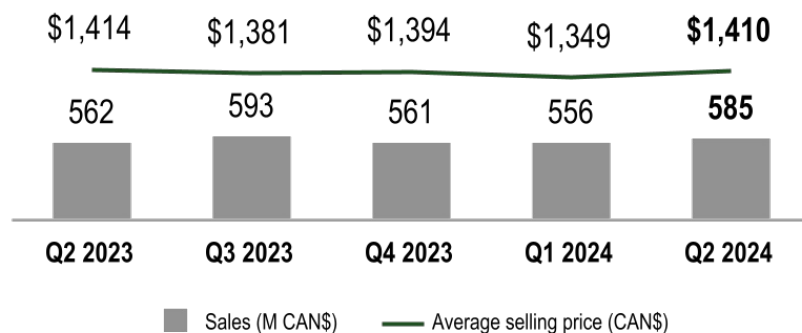


→ Sequential Q2 shipments of converted products:  
**Canada +5.9%** (vs. market 6.2%); **US -2.1%** (vs. market +3.3%)

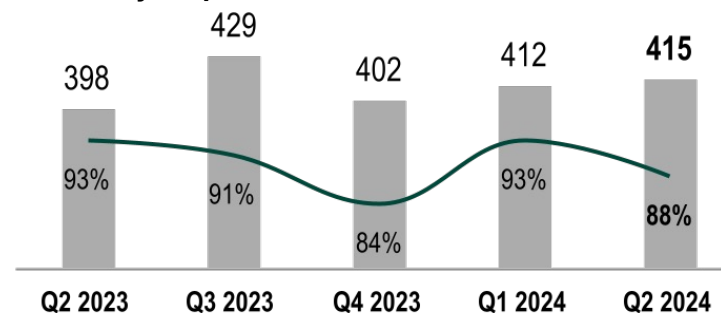
→ Year-over-year Q2 shipments of converted products:  
**Canada +7.8%** (vs. market +5.8%); **US +0.6%** (vs. market +1.1%)

→ Packaging shipments/day:  
**Q2/Q1: +2.5%** (vs. Canadian market +3.5%, US market +1.6%)  
**Q2/Q2: +6.8%** (vs. Canadian market +4.1%, US market -0.4%)

## Quarterly Sales and Average Selling Price



## Quarterly Shipments ('000 s.t. and % capacity utilization<sup>2</sup>)



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## PACKAGING PRODUCTS / SPECIALTY PRODUCTS

<b>Results</b>	<b>Change vs.</b>	
	Q1 2024	Q2 2023
Q2 2024		
Sales (M\$)		
167	4%	2%
EBITDA (A) <sup>1</sup> (M\$)		
26	4%	8%
% of sales		
15.6%		

### Comments on sequential performance

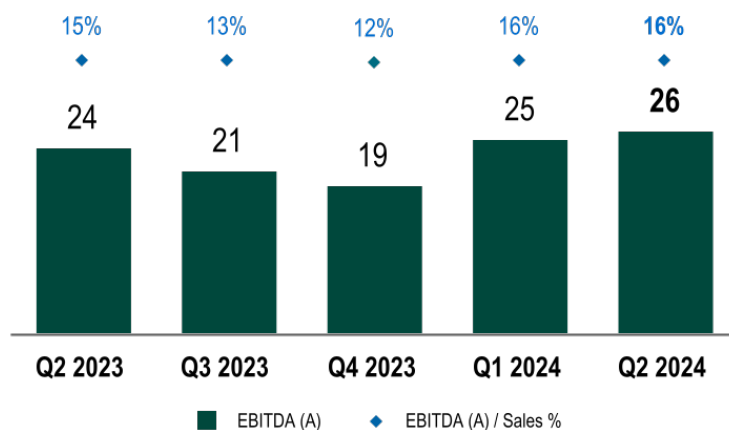
- Sales increased sequentially by \$7 M or 4%, with Plastics food packaging products higher sales volume by 18% sequentially or \$8 M. This was partially offset by lower shipments in egg packaging and industrial cardboard products which negatively impacted sales by \$4 M. Overall, higher average selling price and mix of product sold had a positive impact of \$1 M. In addition, the depreciation of the Canadian dollar compared to the US dollar positively impacted sales level by \$2 M.
- EBITDA (A)<sup>1</sup> of \$26 M increased by \$2 M sequentially. This reflects a \$2 M contribution from higher volume, partially offset by a \$1 M impact due to slightly lower realized spreads, notably in Plastics food packaging products.



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# PACKAGING PRODUCTS / SPECIALTY PRODUCTS

Quarterly EBITDA (A)<sup>1</sup> (M CAN\$)

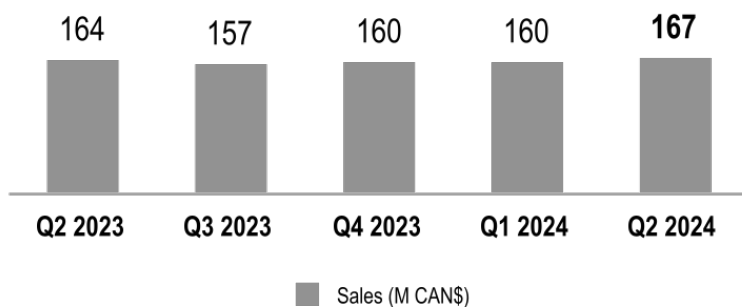


→ **Cardboard:** results decreased sequentially largely as a result of lower volumes in the Honeycomb sub-segment and higher raw material prices.

→ **Moulded pulp:** Slightly lower results sequentially driven by a less favourable mix of product sold and higher maintenance costs. This was partly offset by a higher sales volume.

→ **Rigid and flexible plastics:** stronger sequential results reflecting higher sales volume, most notably in the rigid sub-segment. This was partially offset by a less favourable mix of product sold during the period.

Quarterly Sales



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# TISSUE PAPERS

Results Q2 2024	Change vs.	
	Q1 2024	Q2 2023
Shipments ('000 s.t.)		
122	6%	(9)%
Average selling price (CAN\$/unit)		
3,236	1%	4%
Sales (M\$)		
397	8%	(5)%
EBITDA (A) <sup>1</sup> (M\$)		
54	8%	23%
% of sales		
13.6%		

## Comments on sequential performance

- ➔ Shipments increased by 6% on a sequential basis, reflecting an 8% increase in shipments of converted products and lower shipments of parent rolls (-10%) due to higher integration. Away-from-Home converted product shipments increased by 16% while those of retail products increased by 3%.
- ➔ The average selling price increased by 1% sequentially. While some prices slightly decreased due to contracted input cost pricing adjustments with key customers and a less favourable customer mix, the impact of these factors on average selling price were offset by benefits from a more favourable exchange rate and lower proportion of parent rolls within the sales mix.
- ➔ Sales increased by 8% on a sequential basis, reflecting higher shipments and average selling price as discussed above.
- ➔ EBITDA (A)<sup>1</sup> increased by 8% sequentially. This is a reflection of higher volumes (+\$10 M) and lower transportation costs (+\$4 M). These benefits were partially offset by higher raw material and other variable costs (-\$8 M) and slightly lower average selling prices for converted products (-\$2 M).

## Cases Sold (millions)

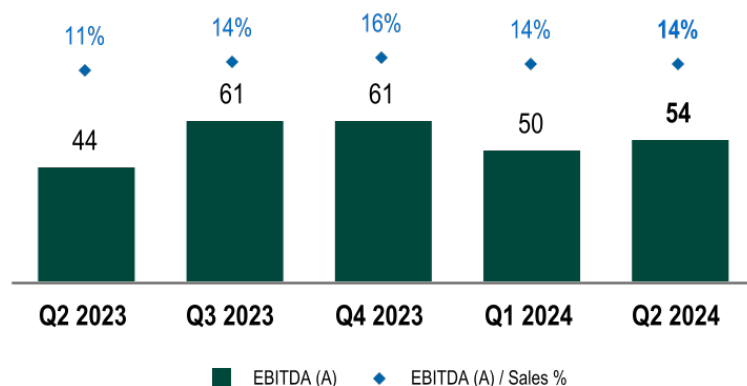
Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023	Q1 2024	Q2 2024
14.5	15.6	16.5	15.8	62.4	15.2	16.1



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# TISSUE PAPERS

Quarterly EBITDA (A)<sup>1</sup> (M CAN\$)



## → Q2 2024 Shipments of Converted Products:

### Retail tissue

10.7 M cases

Q2 vs. Q1: +1.5%

Q2 vs. Q2: +4.8%

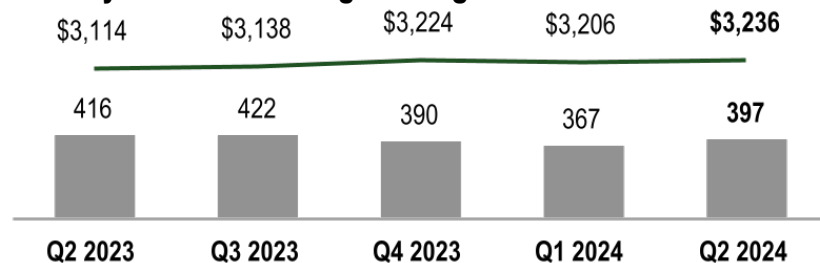
### Away-from-Home tissue

5.4 M cases

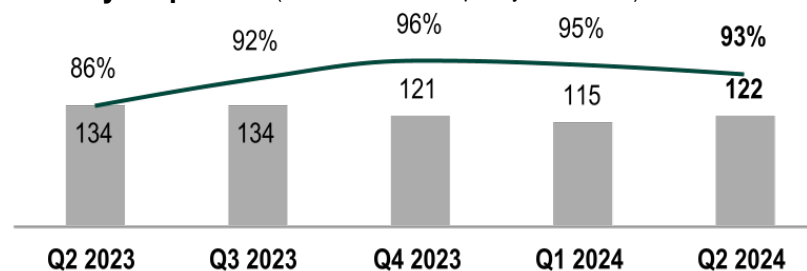
Q2 vs. Q1: +16.0%

Q2 vs. Q2: -0.5%

Quarterly Sales and Average Selling Price



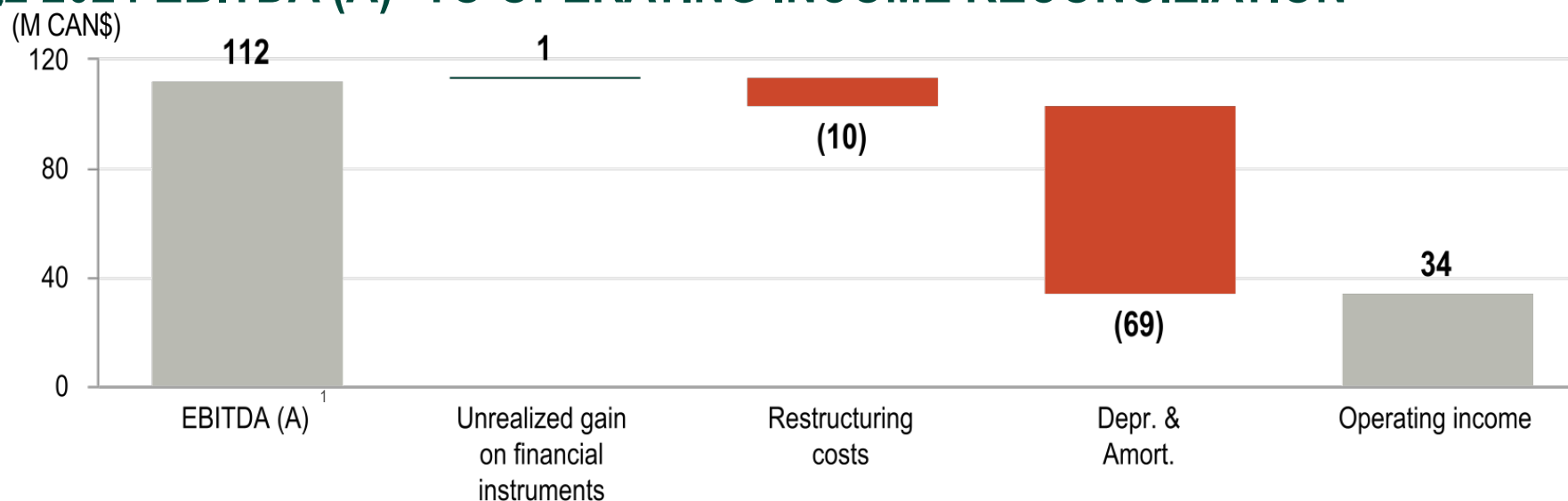
Quarterly Shipments ('000 s.t. and % capacity utilization<sup>2</sup>)



■ Sales (M CAN\$) — Average selling price (CAN\$)

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## Q2 2024 EBITDA (A)<sup>1</sup> TO OPERATING INCOME RECONCILIATION



(M CAN\$)	Container-board	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Total
<b>Operating income (loss)</b>	<b>15</b>	<b>19</b>	<b>38</b>	<b>(38)</b>	<b>34</b>
Depreciation and amortization	38	6	13	12	<b>69</b>
Restructuring costs	6	1	3	—	<b>10</b>
Unrealized gain on financial instruments	1	—	—	(2)	<b>(1)</b>
<b>EBITDA (A)<sup>1</sup></b>	<b>60</b>	<b>26</b>	<b>54</b>	<b>(28)</b>	<b>112</b>



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## NET EARNINGS - AS REPORTED vs ADJUSTED<sup>2</sup>

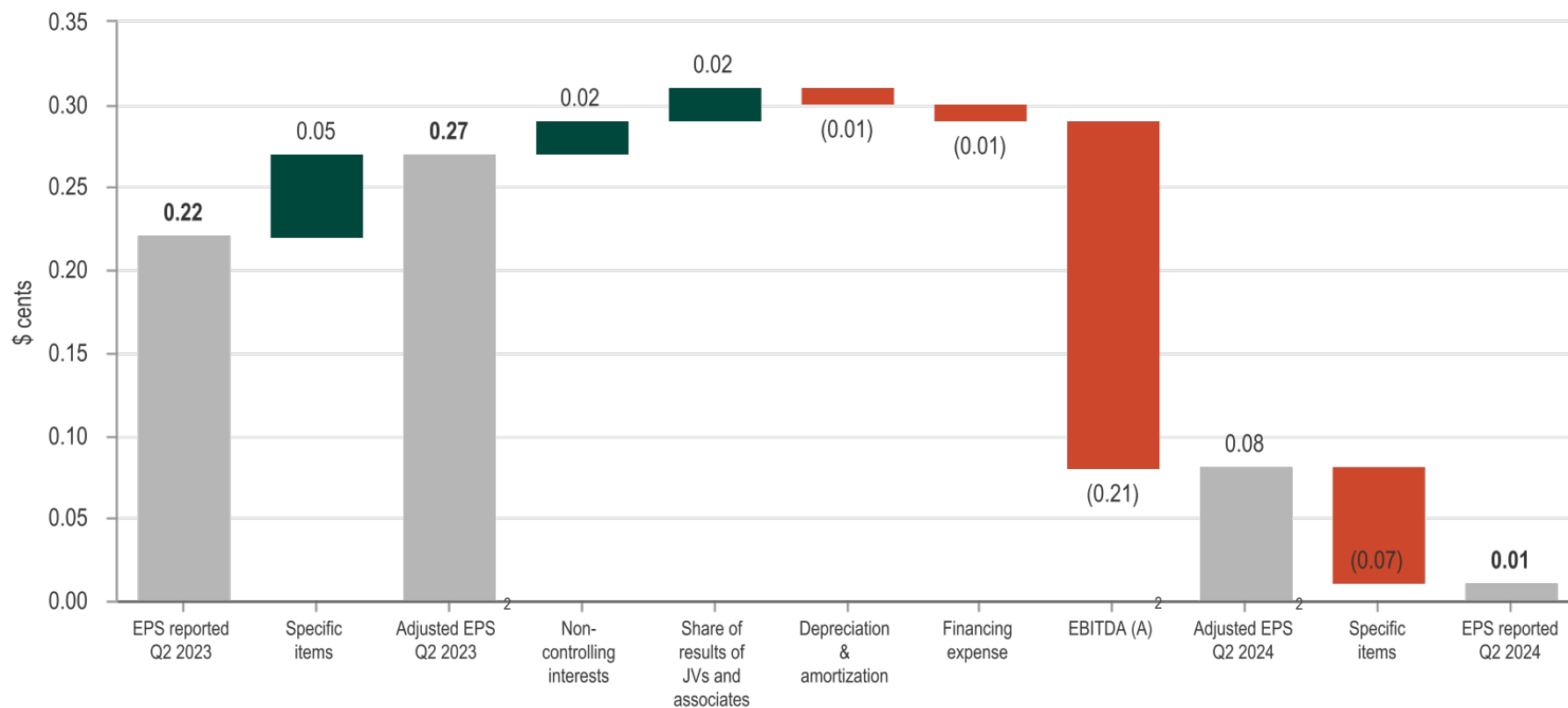
	NET EARNINGS	NET EARNINGS PER COMMON SHARE <sup>1</sup>
(In millions of Canadian dollars, except per common share amounts)	Q2 2024	Q2 2024
<b>As reported</b>	<b>1</b>	<b>\$0.01</b>
Specific items:		
Restructuring costs	10	\$0.07
Unrealized gain on financial instruments	(1)	(\$0.01)
Unrealized loss on interest rate hedge instruments	1	\$0.01
Tax effect on specific items, other tax adjustments and attributable to non-controlling interests <sup>1</sup>	(3)	—
	<b>7</b>	<b>\$0.07</b>
<b>Adjusted<sup>2</sup></b>	<b>8</b>	<b>\$0.08</b>



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

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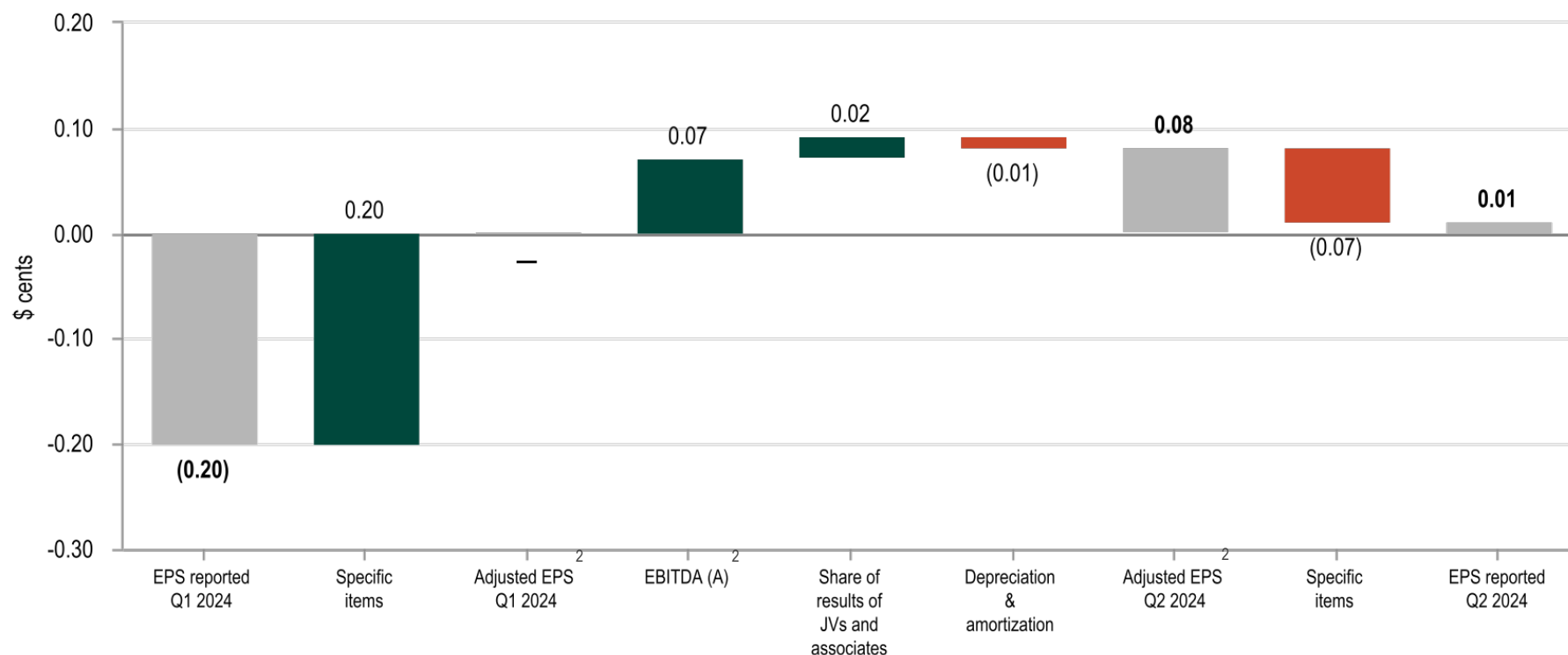
# QUARTERLY YEAR-OVER-YEAR ADJUSTED EPS VARIANCE<sup>1,2</sup>



(1) After-tax variance normalized at 26% tax rate, except for Income tax variance column.

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# QUARTERLY SEQUENTIAL ADJUSTED EPS VARIANCE<sup>1,2</sup>



(1) After-tax variance normalized at 26% tax rate, except for Income tax variance column.

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# CASH FLOW OVERVIEW

(In millions of CAN\$, except per common share amounts)	2022					2023					2024			
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	YTD <sup>4</sup>	LTM <sup>5</sup>
Cash flow from operations	19	81	60	100	260	89	117	100	91	397	32	78	110	301
Specific items <sup>1</sup>	7	—	2	3	12	1	5	6	12	24	14	17	31	49
Adjusted cash flow from operations <sup>2</sup> <i>Including: Net financing expense paid</i>	26 (30)	81 (4)	62 (38)	103 (15)	272 (87)	90 (44)	122 (18)	106 (47)	103 (20)	421 (129)	46 (47)	95 (18)	141 (65)	350 (132)
Payments for property, plant and equipment & other assets, lease obligations payments, net of disposals	(110)	(131)	(135)	(166)	(542)	(153)	(118)	(71)	(61)	(403)	(61)	(58)	(119)	(251)
Dividends <sup>3</sup>	(16)	(14)	(15)	(16)	(61)	(15)	(18)	(36)	(15)	(84)	(15)	(17)	(32)	(83)
Adjusted cash flow generated (used) <sup>2</sup>	(100)	(64)	(88)	(79)	(331)	(78)	(14)	(1)	27	(66)	(30)	20	(10)	16
Adjusted cash flow generated (used) per common share <sup>2</sup>	(\$0.99)	(\$0.64)	(\$0.87)	(\$0.79)	(\$3.29)	(\$0.78)	(\$0.14)	(\$0.01)	\$0.27	(\$0.66)	(\$0.30)	\$0.20	(\$0.10)	\$0.16

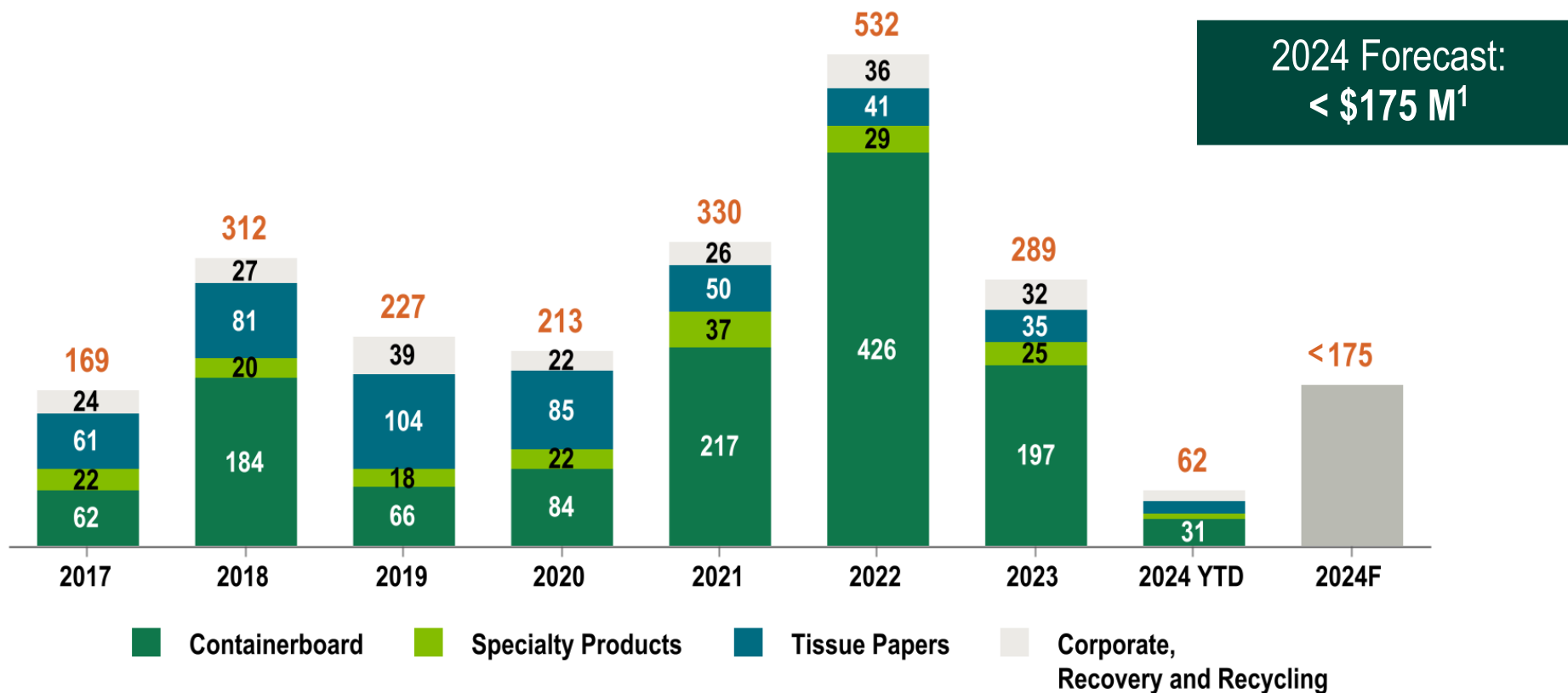
**The year-over-year increase in Adjusted Cash Flow<sup>2</sup> was driven by lower capital investments in the current period, offset by lower cash flow from operations compared to the prior year.**



(1) Specific items: premiums paid on the repurchase of long-term debt and restructuring costs. (2) Please click [here](#) for supplemental information on non-IFRS Accounting Standards measures and other financial measures available on pages 28 to 33 of our 2024 Quarterly Report 2, Management Discussion & Analysis, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). (3) Paid to our shareholders and to non-controlling interests. (4) YTD : Year-to-date. (5) LTM : Last twelve months.

# NEW CAPITAL INVESTMENTS

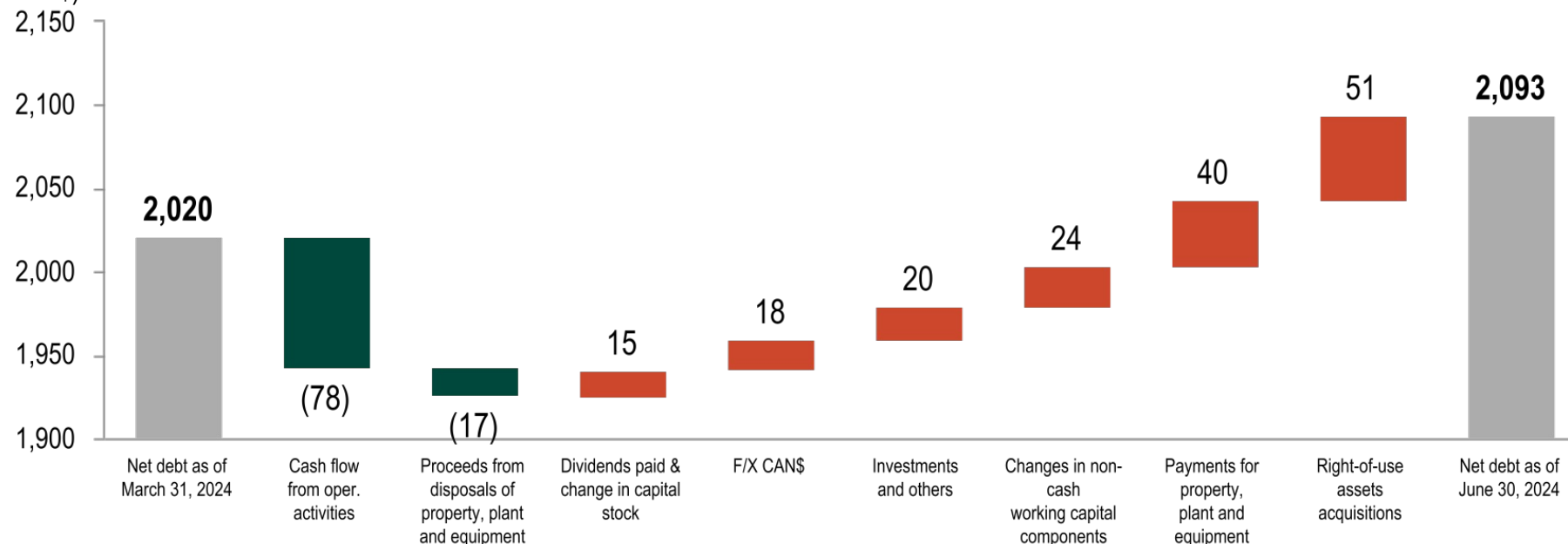
(in millions of Canadian dollars, excluding new leases, disposal of assets and accounts payable variation)



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

# NET DEBT<sup>1</sup> RECONCILIATION - Q2 2024

(M CAN\$)



**Q1 2024**  
\$527 million  
3.8x

LTM EBITDA (A)<sup>1</sup>  
Net debt / LTM EBITDA (A) ratio<sup>1</sup>

**Q2 2024**  
\$498 million  
4.2x

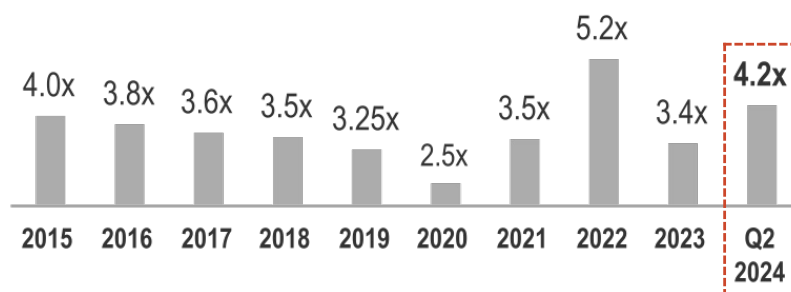
**Higher leverage reflects lower consolidated profitability levels, and higher working capital requirements, dividends, payments for PPE and new right of use assets, and FX impact**



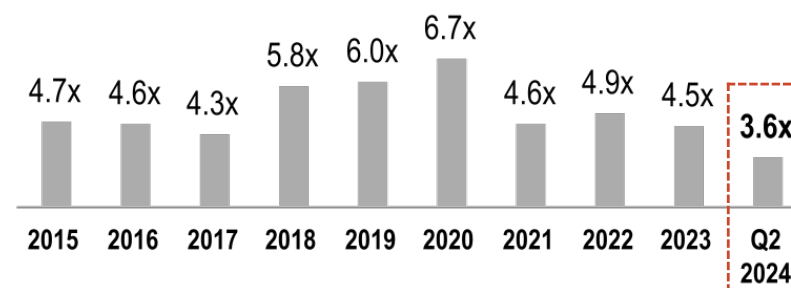
(1) Please click [here](#) for supplemental information on non-IFRS Accounting Standards measures and other financial measures available on pages 28 to 33 of our 2024 Quarterly Report 2, Management Discussion & Analysis, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

# CONSOLIDATED FINANCIAL RATIOS & DEBT MATURITIES

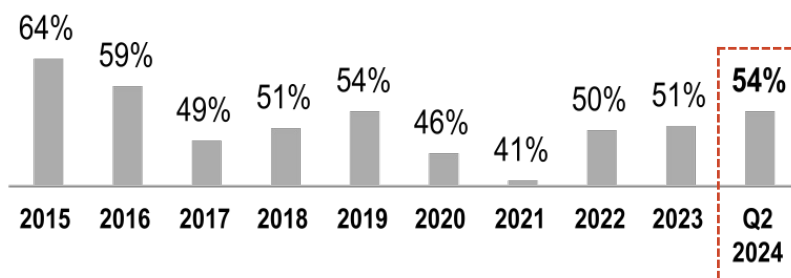
## Net Debt / EBITDA (A)<sup>1,3</sup>



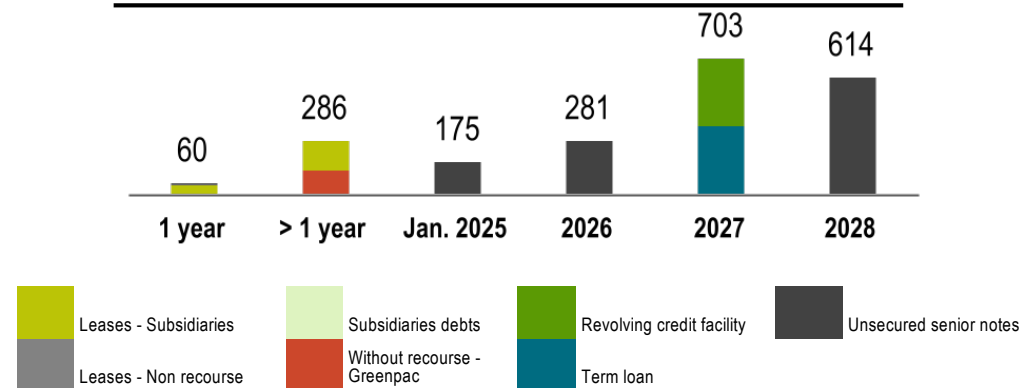
## Interest Coverage Ratio<sup>2,3</sup>



## Net Debt / Net Debt + Total Equity<sup>1</sup>



## Long-Term Debt Maturities (as of June 30, 2024)








Bank debt financial covenant ratios: Net funded debt to capitalization < 65% (currently at 50.66%), interest coverage ratio > 2.25x (currently at 4.35x).

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# NEAR TERM FACTORS

Q3 2024 EBITDA (A) <sup>1</sup> TREND vs. Q2 2024 (*Assumes current index prices)		
CONSOLIDATED		<ul style="list-style-type: none"> <li>Stronger expected Containerboard performance expected to offset softer Tissue Papers results</li> </ul>
Containerboard		<ul style="list-style-type: none"> <li>Higher selling prices, good volume &amp; lower operational costs following important shut downs in Q2</li> </ul>
Specialty Products		<ul style="list-style-type: none"> <li>Benefits from operational efficiency gains, higher volumes in certain products expected to offset higher raw material costs</li> </ul>
Tissue Papers		<ul style="list-style-type: none"> <li>Stable volumes, lower selling prices (driven by sequential change in sales mix), higher raw material costs</li> </ul>
Corporate		<ul style="list-style-type: none"> <li>Non-recurrence of one-time compensation expense in Q2</li> </ul>



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# APPENDIX



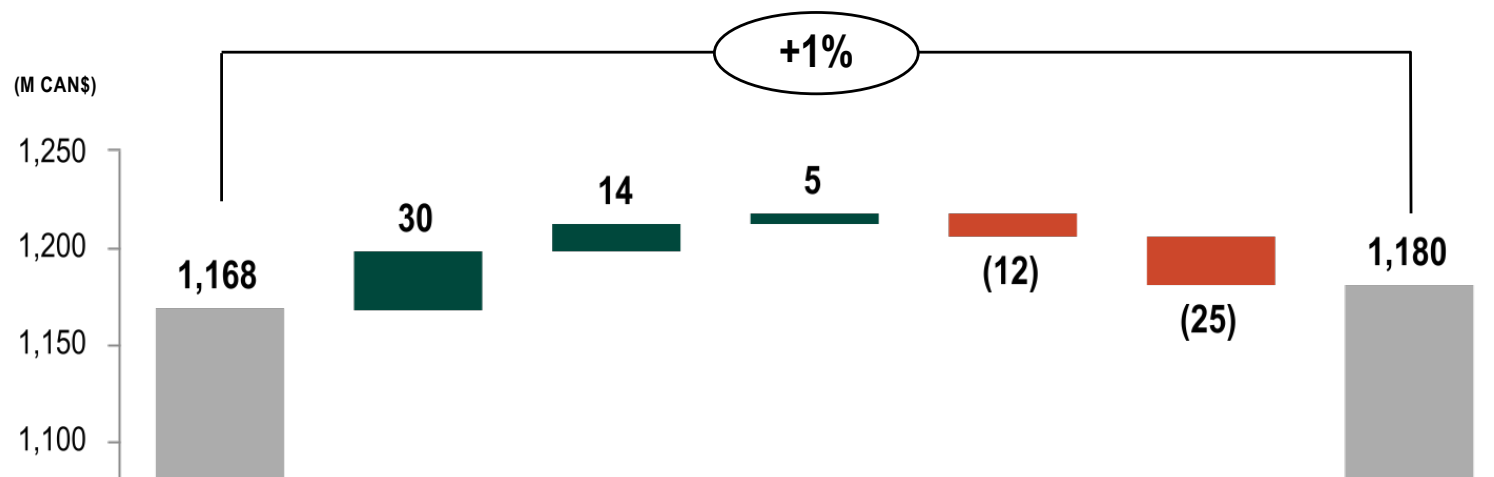
# SUMMARY OF QUARTERLY FINANCIAL RESULTS & KPIs

(In millions of CAN\$, except per common share amounts, where noted)	2022					2023					2024			
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	YTD <sup>3</sup>	LTM <sup>4</sup>
<b>Financial Results</b>														
<b>Sales</b>	1,038	1,119	1,174	1,135	4,466	1,134	1,168	1,198	1,138	4,638	1,109	1,180	2,289	4,625
Operating income (loss)	(4)	32	25	(20)	33	(80)	64	80	(24)	40	9	34	43	99
<b>Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A))<sup>1</sup></b>	<b>58</b>	<b>91</b>	<b>111</b>	<b>116</b>	<b>376</b>	<b>134</b>	<b>141</b>	<b>161</b>	<b>122</b>	<b>558</b>	<b>103</b>	<b>112</b>	<b>215</b>	<b>498</b>
Margin (EBITDA (A) / Sales (%)) <sup>1</sup>	5.6%	8.1%	9.5%	10.2%	8.4%	11.8%	12.1%	13.4%	10.7%	12.0%	9.3%	9.5%	9.4%	10.8%
<b>Net earnings (loss)</b>	<b>(15)</b>	<b>10</b>	<b>(2)</b>	<b>(27)</b>	<b>(34)</b>	<b>(75)</b>	<b>22</b>	<b>34</b>	<b>(57)</b>	<b>(76)</b>	<b>(20)</b>	<b>1</b>	<b>(19)</b>	<b>(42)</b>
Adjusted net earnings (loss) <sup>1</sup>	(15)	10	20	22	37	33	26	45	5	109	—	8	8	58
<b>Net earnings (loss) per common share</b>	<b>(\$0.15)</b>	<b>\$0.10</b>	<b>(\$0.02)</b>	<b>(\$0.27)</b>	<b>(\$0.34)</b>	<b>(\$0.75)</b>	<b>\$0.22</b>	<b>\$0.34</b>	<b>(\$0.57)</b>	<b>(\$0.76)</b>	<b>(\$0.20)</b>	<b>\$0.01</b>	<b>(\$0.19)</b>	<b>(\$0.42)</b>
Adjusted net earnings (loss) per common share <sup>1</sup>	(\$0.15)	\$0.10	\$0.20	\$0.22	\$0.37	\$0.32	\$0.27	\$0.44	\$0.05	\$1.08	\$—	\$0.08	\$0.08	\$0.57
<b>Key Performance Indicators</b>														
Total Shipments <sup>2</sup> ('000 s.t.)	503	512	525	487	2,027	507	532	563	523	2,125	527	537	1,064	2,150
LTM Working Capital (% LTM sales) <sup>1</sup>	9.3%	9.6%	10.2%	10.5%	10.5%	10.6%	10.6%	10.3%	9.9%	9.9%	9.8%	9.5%		



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# YEAR-OVER-YEAR SALES RECONCILIATION

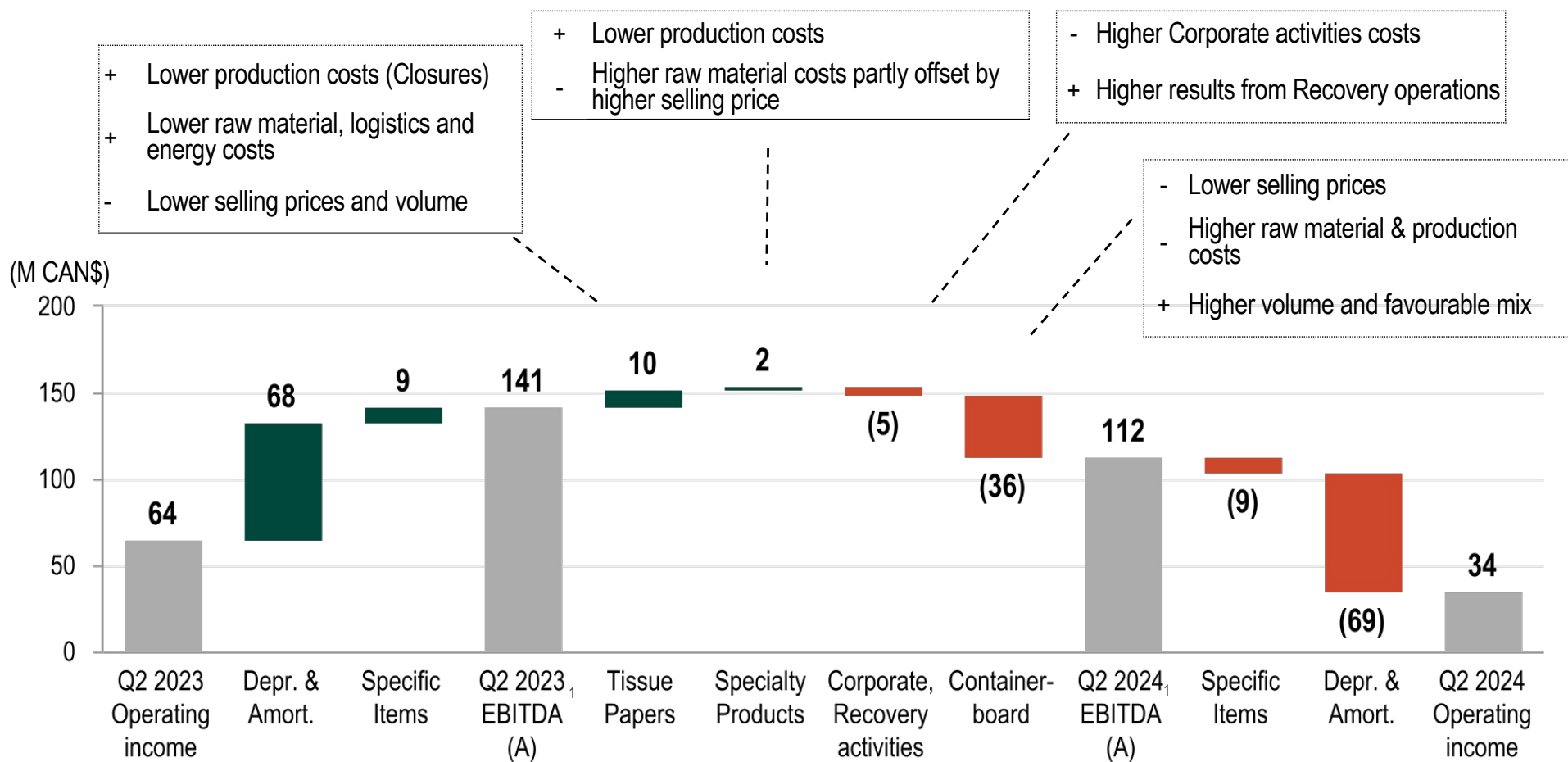


(M CAN\$)	Sales Q2 2023	Mix	F/X CAN\$	Recovery & Recycling & Other items	Volume	Price	Sales Q2 2024
Containerboard	562	2	7	—	24	(10)	585
Specialty Products	164	—	2	—	(1)	2	167
Tissue Papers	416	28	5	—	(35)	(17)	397
Corporate, Recovery and Recycling activities & Elim.	26	—	—	5	—	—	31
<b>Total</b>	<b>1,168</b>	<b>30</b>	<b>14</b>	<b>5</b>	<b>(12)</b>	<b>(25)</b>	<b>1,180</b>



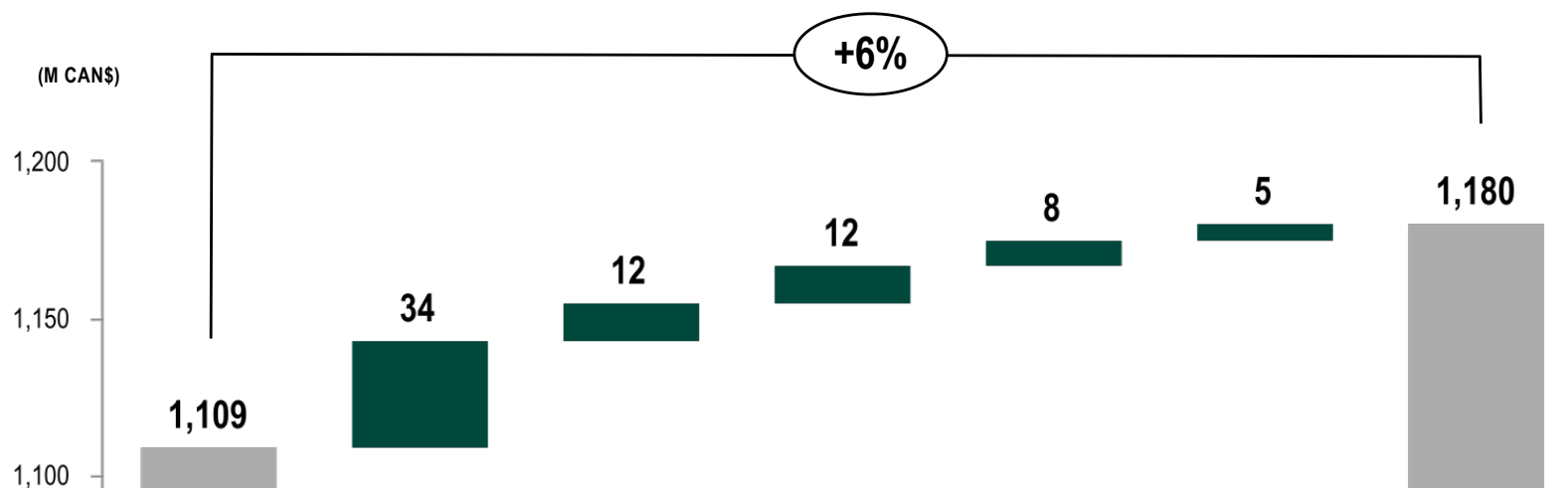


# YEAR-OVER-YEAR EBITDA (A)<sup>1</sup> RECONCILIATION



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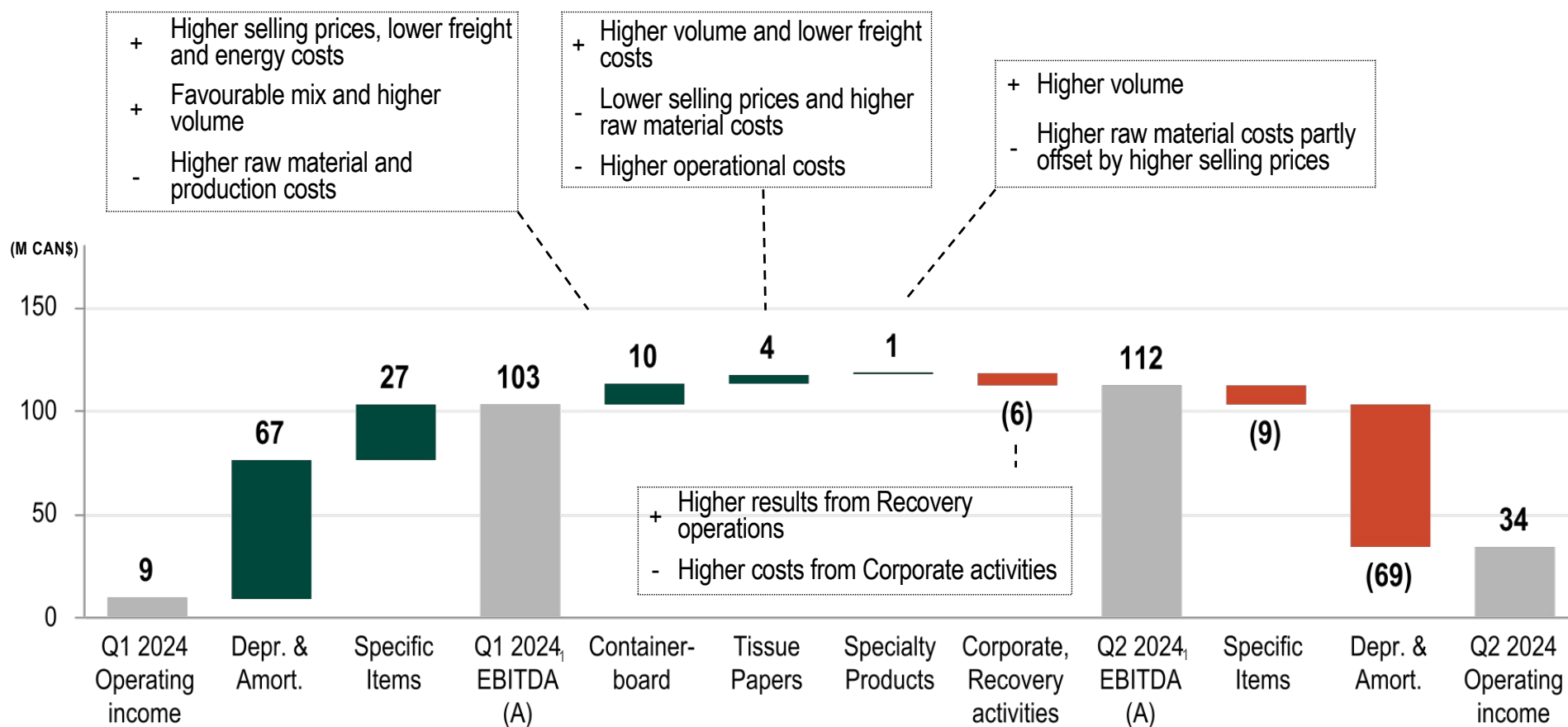
# SEQUENTIAL SALES RECONCILIATION



(M CAN\$)	Sales Q1 2024	Volume	F/X CAN\$	Price	Mix	Recovery & Recycling & Other items	Sales Q2 2024
Containerboard	556	4	6	13	6	—	585
Specialty Products	160	4	2	1	—	—	167
Tissue Papers	367	26	4	(2)	2	—	397
Corporate, Recovery and Recycling activities & Elim.	26	—	—	—	—	5	31
<b>Total</b>	<b>1,109</b>	<b>34</b>	<b>12</b>	<b>12</b>	<b>8</b>	<b>5</b>	<b>1,180</b>



# SEQUENTIAL EBITDA (A)<sup>1</sup> RECONCILIATION



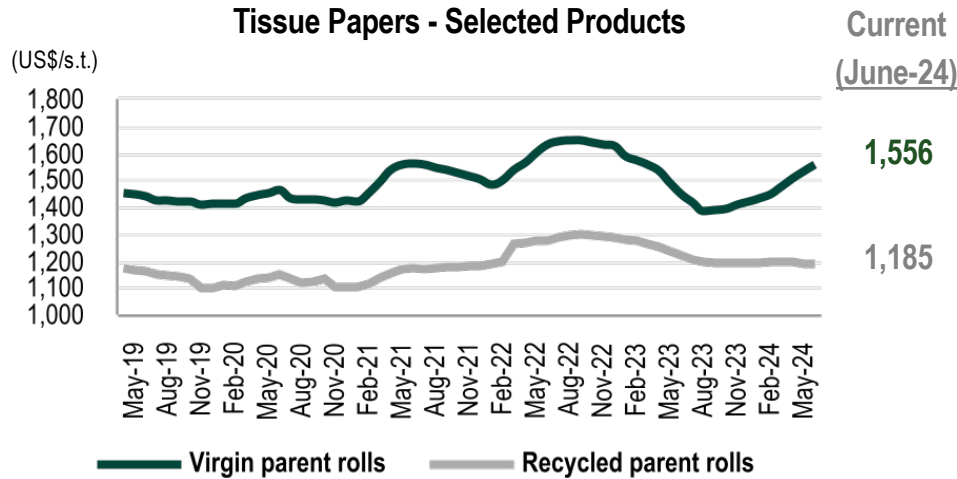
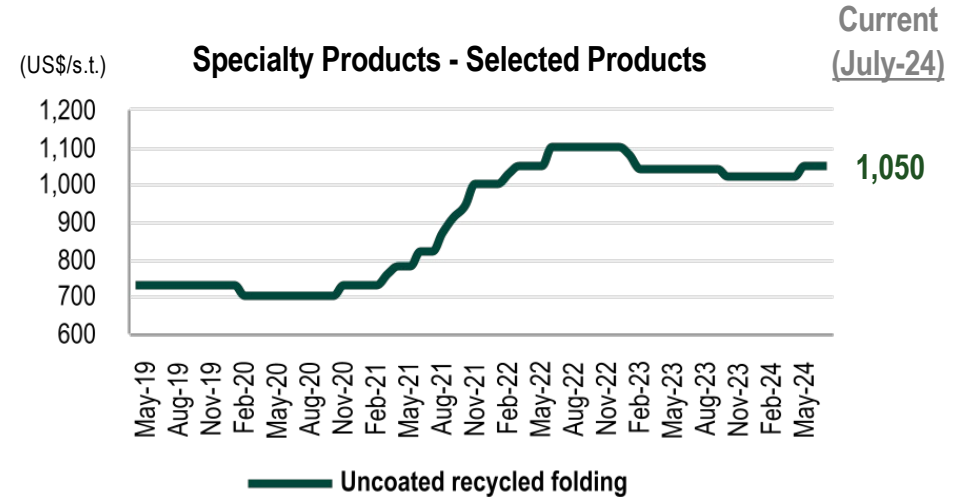
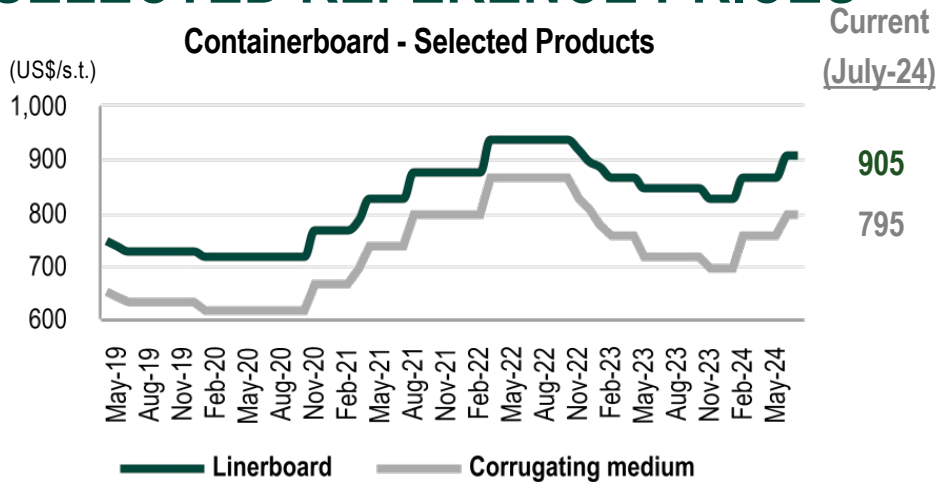
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## COST OF SALES, SELLING AND ADMINISTRATIVE EXPENSES

(In millions of Canadian dollars)	Q2 2024	Q1 2024	Q2 2023
<b>Cost of sales</b>			
Raw materials	431	377	396
Wages and benefits	198	194	194
Energy	51	54	58
Delivery	133	138	131
Other	161	162	162
Depreciation and amortization	69	67	68
	<b>1,043</b>	<b>992</b>	<b>1,009</b>
<b>Selling and administrative expenses</b>			
Wages and benefits	77	73	76
Information technology, publicity, marketing and other	17	8	10
	<b>94</b>	<b>81</b>	<b>86</b>



# SELECTED REFERENCE PRICES



# SELECTED REFERENCE PRICES AND FIBRE COSTS

These indexes should only be used as an indicator of trends and they may be different than our actual selling prices or purchasing costs.	2022					2023					2024		Q2 2024 vs Q2 2023		Q2 2024 vs. Q1 2024	
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	(units)	(%)	(units)	(%)
<b>Selling Prices (average)</b>																
<b>PACKAGING PRODUCTS</b>																
<b>Containerboard (US\$/short ton)</b>																
Linerboard 42-lb. unbleached kraft, Eastern US (open market)	895	935	935	915	920	872	852	845	832	850	852	878	26	3%	26	3%
Corrugating medium 26-lb. semichemical, Eastern US (open market)	818	865	865	832	845	762	728	715	702	727	735	768	40	5%	33	4%
<b>Specialty Products (US\$/short ton)</b>																
Uncoated recycled boxboard - bending chip, 20-pt. (series B)	1,027	1,067	1,100	1,100	1,073	1,053	1,040	1,040	1,020	1,038	1,020	1,040	—	—%	20	2%
<b>TISSUE PAPERS (US\$/short ton)</b>																
Parent rolls, recycled fibres (transaction)	1,213	1,271	1,291	1,290	1,266	1,269	1,233	1,196	1,190	1,222	1,194	1,188	(45)	(4%)	(6)	(1%)
Parent rolls, virgin fibres (transaction)	1,504	1,597	1,644	1,631	1,594	1,572	1,489	1,394	1,404	1,465	1,449	1,530	41	3%	81	6%
<b>Raw Material Prices (average)</b>																
<b>RECYCLED PAPER</b>																
<b>North America (US\$/short ton)</b>																
Sorted residential papers, No. 56 (SRP - Northeast average)	98	107	98	23	81	18	18	28	48	28	73	88	70	389%	15	21%
Old corrugated containers, No. 11 (OCC - Northeast average)	140	137	109	35	105	33	47	59	83	55	101	110	63	134%	9	9%
Sorted office papers, No. 37 (SOP - Northeast average)	205	235	252	248	235	222	183	142	135	170	138	128	(55)	(30%)	(10)	(7%)
<b>VIRGIN PULP (US\$/metric ton)</b>																
Northern bleached softwood kraft, Canada	1,527	1,743	1,800	1,745	1,704	1,675	1,510	1,293	1,312	1,448	1,440	1,697	187	12%	257	18%
Bleached hardwood kraft, mixed, Canada/US	1,312	1,517	1,620	1,608	1,514	1,523	1,277	1,023	1,083	1,227	1,223	1,437	160	13%	214	17%



**For more information:**  
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