

# PRESS RELEASE



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## Cascades Reports Results for the Fourth Quarter and Full Year 2024

**Kingsey Falls, Québec, February 20, 2025** - Cascades Inc. (TSX: CAS) reports its unaudited financial results for the three-month period and fiscal year ended December 31, 2024.

### Q4 2024 Highlights

- Sales of \$1,211 million (compared with \$1,201 million in Q3 2024 and \$1,138 million in Q4 2023);
- Operating income of \$16 million (compared with operating income of \$36 million in Q3 2024 and operating loss of \$(24) million in Q4 2023);
- Net loss per common share of (\$0.13) (compared with net earnings per common share of \$0.01 in Q3 2024 and a net loss per common share of (\$0.57) in Q4 2023);
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A)<sup>1</sup>) of \$146 million (compared with \$140 million in Q3 2024 and \$122 million in Q4 2023);
- Adjusted net earnings per common share<sup>1</sup> of \$0.25 (compared with \$0.27 in Q3 2024 and \$0.05 in Q4 2023);

### 2024 Annual Highlights

- Sales of \$4,701 million (compared with \$4,638 million in 2023);
- Operating income of \$95 million (compared with \$40 million in 2023);
- Net loss per common share of (\$0.31) (compared with (\$0.76) in 2023);
- Adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A)<sup>1</sup>) of \$501 million (compared with \$558 million in 2023);
- Adjusted net earnings per common share<sup>1</sup> of \$0.60 (compared with \$1.08 in 2023);
- Net debt<sup>1</sup> of \$2,096 million as of December 31, 2024 (compared with \$1,882 million as of December 31, 2023). Net debt to EBITDA (A) ratio<sup>1</sup> of 4.2x, versus from 3.4x as of December 31, 2023;
- Total capital expenditures, net of disposals, totaled \$29 million in Q4 2024 and \$127 million in 2024. The Corporation's 2025 forecasted capital expenditures will be approximately \$175 million.

Hugues Simon, President and CEO, commented: "Our fourth quarter 2024 performance was in line with expectations. Favourable average selling prices and raw material costs in the Containerboard business drove stronger sequential results, offsetting the impact of usual lower seasonal volumes. Specialty Products continued to perform well despite slightly lower volume sequentially. In Tissue, average selling prices and raw material costs were advantageous, and fully offset slightly higher operational costs. Broadly, the depreciation of the Canadian dollar benefited quarterly results, but led to higher reported debt levels at the end of the year given the company's \$1.3 billion of US denominated debts."

<sup>1</sup> Some information represents non-IFRS Accounting Standards Financial measures, other financial measures or non-IFRS Accounting Standards ratios which are not standardized under IFRS Accounting Standards and therefore might not be comparable to similar financial measures disclosed by other corporations. Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

Discussing near-term outlook, Mr. Simon commented, “Operationally, raw material costs remain a tailwind for our businesses in the first quarter, and we are currently seeing steady seasonal demand levels. We will not be providing an outlook for near-term financial or business-specific performance given the lack of clarity regarding the implementation of bilateral tariffs between Canada and the United States. The continued risk has resulted in significant near-term macro-economic uncertainty, and may disrupt or negatively impact future demand levels, customer buying patterns and the economic performance of both countries.

As we have previously disclosed in our financial filings, approximately 11% of our annual sales are derived from finished products made in Canada and sold to US customers. In addition to this, cross-border inter-company transfers and raw material sourcing increases this potential annual exposure to tariffs to approximately 15% of revenues. Proactive steps to mitigate these impacts have been initiated, and include changes to raw material sourcing, reallocating production to minimize inter country shipping, and adapting our commercial strategies with our customers and our suppliers. We are diligently working on these strategies and have a process in place to minimize potential impacts on our cash flow, our customers and our operations.

This diligence applies equally to the strategic areas of focus we have set for the company for the next 24 months. Capitalizing on our commitment to excellence, we have established wide-ranging initiatives targeting efficiency and productivity improvements while assuring best-in-class health and safety in our operations. Central to these work streams are an enhanced commercial approach and excellent service levels to ensure that Cascades is the supplier of choice for our customers. These key strategic objectives are targeting baseline profitability improvements, stronger sustainable net free cash flow levels and capital deployment focused on debt reduction. Successfully achieving these objectives over the next 24 months will support future growth opportunities and shareholder value creation.”

## Financial Summary

### Selected consolidated information

(in millions of Canadian dollars, except amounts per common share) (unaudited)	2024	2023	Q4 2024	Q3 2024	Q4 2023
<b>Sales</b>	<b>4,701</b>	4,638	<b>1,211</b>	1,201	1,138
<b>As Reported</b>					
Operating income (loss)	95	40	16	36	(24)
Net earnings (loss)	(31)	(76)	(13)	1	(57)
per common share (basic)	(\$0.31)	(\$0.76)	(\$0.13)	\$0.01	(\$0.57)
<b>Adjusted<sup>1</sup></b>					
Earnings before interest, taxes, depreciation and amortization (EBITDA (A))	501	558	146	140	122
Net earnings	60	109	25	27	5
per common share (basic)	\$0.60	\$1.08	\$0.25	\$0.27	\$0.05
Margin (EBITDA (A) / Sales)	10.7%	12.0%	12.1%	11.7%	10.7%
<b>Net debt<sup>1</sup></b>	<b>2,096</b>	1,882	<b>2,096</b>	2,039	1,882
<b>Net debt / EBITDA (A) ratio<sup>1</sup></b>	<b>4.2x</b>	3.4x	<b>4.2x</b>	4.3x	3.4x

### Segmented sales

(in millions of Canadian dollars) (unaudited)	2024	2023	Q4 2024	Q3 2024	Q4 2023
<b>Packaging Products</b>					
Containerboard	2,364	2,277	613	610	561
Specialty Products	671	642	175	169	160
Inter-segment sales	(26)	(31)	(6)	(6)	(8)
	<b>3,009</b>	2,888	<b>782</b>	773	713
<b>Tissue Papers</b>	<b>1,548</b>	1,615	<b>394</b>	390	390
Inter-segment sales, Corporate, Recovery and Recycling activities	144	135	35	38	35
<b>Sales</b>	<b>4,701</b>	4,638	<b>1,211</b>	1,201	1,138

### Segmented operating income (loss)

(in millions of Canadian dollars) (unaudited)	2024	2023	Q4 2024	Q3 2024	Q4 2023
<b>Packaging Products</b>					
Containerboard	101	128	69	24	(33)
Specialty Products	44	66	(11)	17	13
<b>Tissue Papers</b>	<b>97</b>	(2)	<b>4</b>	24	34
Corporate, Recovery and Recycling activities	(147)	(152)	(46)	(29)	(38)
<b>Operating income (loss)</b>	<b>95</b>	40	<b>16</b>	36	(24)

<sup>1</sup> Please refer to the “Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures” section for a complete reconciliation.

## Segmented EBITDA (A)<sup>1</sup>

(in millions of Canadian dollars) (unaudited)	2024	2023	Q4 2024	Q3 2024	Q4 2023
<b>Packaging Products</b>					
Containerboard	304	390	104	90	67
Specialty Products	106	91	28	27	19
<b>Tissue Papers</b>	192	182	45	43	61
Corporate, Recovery and Recycling activities	(101)	(105)	(31)	(20)	(25)
<b>EBITDA (A)<sup>1</sup></b>	<b>501</b>	<b>558</b>	<b>146</b>	<b>140</b>	<b>122</b>

### **Analysis of results for the three-month period ended December 31, 2024 (compared to the same period last year)**

The Corporation's fourth quarter sales of \$1,211 million increased by \$73 million compared with the same period last year. This was driven by consolidated net benefits of \$42 million from higher selling prices, \$23 million from stronger volumes, and \$21 million from a more favourable foreign exchange. These were partially offset by a \$13 million sales mix impact.

The fourth quarter EBITDA (A)<sup>1</sup> totaled \$146 million, an increase of \$24 million, or 20%, from the \$122 million generated in the same period last year. This increase was driven by consolidated net benefits of \$42 million from higher selling prices, mainly in the Containerboard segment. These were partially offset by impacts of \$15 million from higher raw material costs and \$4 million from higher production costs.

The main specific items, before income taxes, that impacted our fourth quarter 2024 operating income and/or net loss were:

- \$55 million of impairment charge on assets related to a previously closed plant in the United States and to a decision to discontinue product lines in the United States (operating income and net loss);
- \$8 million of restructuring costs related to plant closures in Canada and in the United States (operating income and net loss);
- \$8 million gain from sale of some assets, net of additional environmental cost (operating income and net loss);
- \$1 million unrealized gain on financial instruments (operating income and net loss);
- \$2 million unrealized gain on interest rate hedge instruments (net loss);
- \$1 million foreign exchange loss on long-term debt and financial instruments (net loss).

For the three-month period ended December 31, 2024, the Corporation posted a net loss of \$(13) million, or (\$0.13) per common share, compared to a net loss of \$(57) million, or (\$0.57) per common share, in the same period of 2023. On an adjusted basis<sup>1</sup>, the Corporation posted net earnings of \$25 million in the fourth quarter of 2024, or \$0.25 per common share, compared to net earnings of \$5 million, or \$0.05 per common share, in the same period of 2023.

<sup>1</sup> Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

### **Dividend on common shares and normal course issuer bid**

The Board of Directors of Cascades declared a quarterly dividend of \$0.12 per common share to be paid on March 20, 2025 to shareholders of record at the close of business on March 6, 2025. This dividend is an "eligible dividend" as per the Income Tax Act (R.C.S. (1985), Canada). During the fourth quarter of 2024, Cascades purchased no common shares for cancellation.

### **2024 Fourth Quarter Results Conference Call Details**

Management will discuss the 2024 fourth quarter financial results during a conference call today at 9:00 a.m. ET. The call can be accessed by dialing 1-800-990-4777 (international 1-289-819-1299). The conference call, including the investor presentation, will be broadcast live on the Cascades website ([www.cascades.com](http://www.cascades.com)) under the "Investors" section. A replay of the call will be available on the Cascades website and may also be accessed by phone until March 20, 2025 by dialing 1-888-660-6345 (international 1-289-819-1450), access code 64459 #.

*Founded in 1964, Cascades offers sustainable, innovative and value-added packaging, hygiene and recovery solutions. The company employs approximately 9,700 women and men across a network of 68 operating facilities, including 18 Recovery and Recycling facilities which are part of Corporate Activities and joint ventures managed by the Corporation, in North America. Driven by its participative management, half a century of experience in recycling, and continuous research and development efforts, Cascades continues to provide innovative products that customers have come to rely on, while contributing to the well-being of people, communities and the entire planet. Cascades' shares trade on the Toronto Stock Exchange under the ticker symbol CAS. Certain statements in this release, including statements regarding future results and performance, are forward-looking statements 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 the Corporation's products, increases in raw material costs, fluctuations in selling prices and adverse changes in general market and industry conditions and other factors.*

## CONSOLIDATED BALANCE SHEETS

(in millions of Canadian dollars) (unaudited)	December 31, 2024	December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	27	54
Accounts receivable	469	453
Current income tax assets	4	12
Inventories	685	568
Current portion of financial assets	1	1
	1,186	1,088
<b>Long-term assets</b>		
Investments in associates and joint ventures	97	94
Property, plant and equipment	2,847	2,808
Intangible assets with finite useful life	41	55
Other assets	105	78
Deferred income tax assets	220	167
Goodwill and other intangible assets with indefinite useful life	504	482
	5,000	4,772
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Bank loans and advances	10	—
Trade and other payables	748	703
Current income tax liabilities	2	6
Current portion of Unsecured senior notes of \$175 million to be refinanced	175	—
Current portion of long-term debt	67	67
Current portion of provisions for charges	42	14
Current portion of financial liabilities and other liabilities	43	29
	1,087	819
<b>Long-term liabilities</b>		
Long-term debt	1,871	1,869
Provisions for charges	58	61
Financial liabilities	—	5
Other liabilities	80	94
Deferred income tax liabilities	133	143
	3,229	2,991
<b>Equity</b>		
Capital stock	616	613
Contributed surplus	16	15
Retained earnings	1,019	1,096
Accumulated other comprehensive income	73	15
<b>Equity attributable to Shareholders</b>	1,724	1,739
Non-controlling interests	47	42
<b>Total equity</b>	1,771	1,781
	5,000	4,772

## CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	For the 3-month periods ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
<b>Sales</b>	<b>1,211</b>	<b>1,138</b>	<b>4,701</b>	<b>4,638</b>
Supply chain and logistic	721	677	2,847	2,741
Wages and employee benefits expenses	277	273	1,086	1,082
Depreciation and amortization	76	73	282	272
Maintenance and repair	64	58	244	236
Other operational costs	3	8	23	21
Impairment charges	55	48	64	209
Other loss (gain)	(8)	13	19	12
Restructuring costs	8	12	46	23
Unrealized loss (gain) on derivative financial instruments	(1)	—	(5)	2
<b>Operating income (loss)</b>	<b>16</b>	<b>(24)</b>	<b>95</b>	<b>40</b>
Financing expense	34	36	142	128
Share of results of associates and joint ventures	(5)	(3)	(19)	(22)
<b>Loss before income taxes</b>	<b>(13)</b>	<b>(57)</b>	<b>(28)</b>	<b>(66)</b>
<b>Recovery of income taxes</b>	<b>(6)</b>	<b>(4)</b>	<b>(14)</b>	<b>(13)</b>
<b>Net loss including non-controlling interests for the period</b>	<b>(7)</b>	<b>(53)</b>	<b>(14)</b>	<b>(53)</b>
<b>Net earnings attributable to non-controlling interests</b>	<b>6</b>	<b>4</b>	<b>17</b>	<b>23</b>
<b>Net loss attributable to Shareholders for the period</b>	<b>(13)</b>	<b>(57)</b>	<b>(31)</b>	<b>(76)</b>
<b>Net loss per common share</b>				
Basic	(\$0.13)	(\$0.57)	(\$0.31)	(\$0.76)
Diluted	(\$0.13)	(\$0.57)	(\$0.31)	(\$0.76)
<b>Weighted average basic number of common shares outstanding</b>	<b>100,988,040</b>	<b>100,685,574</b>	<b>100,865,833</b>	<b>100,542,206</b>
<b>Weighted average number of diluted common shares</b>	<b>101,349,476</b>	<b>101,127,112</b>	<b>101,119,887</b>	<b>100,964,908</b>

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
<b>Net loss including non-controlling interests for the period</b>	<b>(7)</b>	<b>(53)</b>	<b>(14)</b>	<b>(53)</b>
<b>Other comprehensive income (loss)</b>				
<b>Items that may be reclassified subsequently to earnings</b>				
<b>Translation adjustments</b>				
Change in foreign currency translation of foreign subsidiaries	74	(25)	98	(25)
Change in foreign currency translation related to net investment hedging activities	(34)	12	(43)	11
<b>Cash flow hedges</b>				
Change in fair value of commodity derivative financial instruments	—	(2)	1	(6)
<b>Recovery of (provision for) income taxes</b>	4	(1)	5	—
	44	(16)	61	(20)
<b>Items that are not released to earnings</b>				
Actuarial gain (loss) on employee future benefits	(1)	4	6	9
Provision for income taxes	—	(1)	(2)	(2)
	(1)	3	4	7
<b>Other comprehensive income (loss)</b>	<b>43</b>	<b>(13)</b>	<b>65</b>	<b>(13)</b>
<b>Comprehensive income (loss) including non-controlling interests for the period</b>	<b>36</b>	<b>(66)</b>	<b>51</b>	<b>(66)</b>
<b>Comprehensive income attributable to non-controlling interests for the period</b>	<b>8</b>	<b>3</b>	<b>20</b>	<b>22</b>
<b>Comprehensive income (loss) attributable to Shareholders for the period</b>	<b>28</b>	<b>(69)</b>	<b>31</b>	<b>(88)</b>

## CONSOLIDATED STATEMENTS OF EQUITY

For the year ended December 31, 2024

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON- CONTROLLING INTERESTS	TOTAL EQUITY
<b>Balance - Beginning of year</b>	613	15	1,096	15	1,739	42	1,781
Comprehensive income (loss)							
Net earnings (loss)	—	—	(31)	—	(31)	17	(14)
Other comprehensive income	—	—	4	58	62	3	65
Dividends	—	—	(27)	58	31	20	51
Stock options expense	—	—	(48)	—	(48)	(15)	(63)
Issuance of common shares upon exercise of stock options	—	2	—	—	2	—	2
Acquisitions of non-controlling interests	3	(1)	—	—	2	—	2
Acquisitions of non-controlling interests	—	—	(2)	—	(2)	—	(2)
<b>Balance - End of year</b>	616	16	1,019	73	1,724	47	1,771

For the year ended December 31, 2023

(in millions of Canadian dollars) (unaudited)	CAPITAL STOCK	CONTRIBUTED SURPLUS	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME	TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS	NON- CONTROLLING INTERESTS	TOTAL EQUITY
<b>Balance - Beginning of year</b>	611	14	1,212	34	1,871	57	1,928
Comprehensive income (loss)							
Net earnings (loss)	—	—	(76)	—	(76)	23	(53)
Other comprehensive income (loss)	—	—	7	(19)	(12)	(1)	(13)
Dividends	—	—	(69)	(19)	(88)	22	(66)
Stock options expense	—	—	(48)	—	(48)	(36)	(84)
Issuance of common shares upon exercise of stock options	—	1	—	—	1	—	1
Acquisitions of non-controlling interests	2	—	—	—	2	—	2
Acquisitions of non-controlling interests	—	—	1	—	1	(1)	—
<b>Balance - End of year</b>	613	15	1,096	15	1,739	42	1,781

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars) (unaudited)	For the 3-month periods ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
<b>Operating activities</b>				
Net loss attributable to Shareholders for the period	(13)	(57)	(31)	(76)
Adjustments for:				
Financing expense	34	36	142	128
Depreciation and amortization	76	73	282	272
Impairment charges	55	48	64	209
Other loss (gain)	(8)	13	19	12
Restructuring costs	8	12	46	23
Unrealized loss (gain) on derivative financial instruments	(1)	—	(5)	2
Recovery of income taxes	(6)	(4)	(14)	(13)
Share of results of associates and joint ventures	(5)	(3)	(19)	(22)
Net earnings attributable to non-controlling interests	6	4	17	23
Net financing expense paid	(22)	(20)	(135)	(129)
Net income taxes paid	—	—	(4)	(9)
Dividends received	8	2	17	9
Provisions for charges and other liabilities	(23)	(13)	(84)	(32)
	109	91	295	397
Changes in non-cash working capital components	45	149	(23)	113
	154	240	272	510
<b>Investing activities</b>				
Disposals in associates and joint ventures	—	2	—	12
Payments for property, plant and equipment	(45)	(47)	(161)	(350)
Proceeds from disposals of property, plant and equipment	16	1	34	7
Change in intangible and other assets	(3)	—	(23)	(1)
	(32)	(44)	(150)	(332)
<b>Financing activities</b>				
Bank loans and advances	3	—	10	(3)
Change in credit facilities	(67)	(126)	(4)	(92)
Change in credit facilities without recourse to the Corporation	(28)	(7)	(16)	92
Payments of other long-term debt, including lease obligations (2024 - \$67 million (\$17 million for 3-month period); 2023 - \$59 million (\$15 million for 3-month period))	(21)	(20)	(75)	(137)
Issuance of common shares upon exercise of stock options	—	—	2	2
Dividends paid to non-controlling interests	(3)	(3)	(15)	(36)
Acquisition of non-controlling interests	—	—	(3)	(3)
Dividends paid to the Corporation's Shareholders	(12)	(12)	(48)	(48)
	(128)	(168)	(149)	(225)
<b>Net change in cash and cash equivalents during the period</b>	<b>(6)</b>	<b>28</b>	<b>(27)</b>	<b>(47)</b>
<b>Currency translation on cash and cash equivalents</b>	<b>(1)</b>	<b>—</b>	<b>—</b>	<b>(1)</b>
<b>Cash and cash equivalents - Beginning of the period</b>	<b>34</b>	<b>26</b>	<b>54</b>	<b>102</b>
<b>Cash and cash equivalents - End of the period</b>	<b>27</b>	<b>54</b>	<b>27</b>	<b>54</b>



## SEGMENTED INFORMATION

The Corporation's operations are managed in three segments: Containerboard and Specialty Products (these two segments constitute the Corporation's Packaging Products) and Tissue Papers. The accounting policies of the reportable segments are the same as the Corporation's accounting policies described in Note 2.

The Corporation's operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The Chief Executive Officer has authority for resource allocation and management of the Corporation's performance and is therefore the CODM. The CODM assesses the performance of each reportable segment based on sales and earnings before interest, taxes, depreciation and amortization, adjusted to exclude specific items (EBITDA (A)). The CODM considers EBITDA (A) to be the best performance measure of the Corporation's activities.

Sales for each segment are prepared on the same basis as those of the Corporation. Inter-segment operations are recorded on the same basis as sales to third parties, which are at fair market value.

EBITDA (A) does not have a standardized meaning under IFRS Accounting Standards; accordingly, it may not be comparable to similarly named measures used by other companies. Investors should not view EBITDA (A) as an alternative measure to, for example, net earnings, or as a measure of operating results, which are IFRS Accounting Standards measures.

### Sales by business segment are shown in the following table:

For the 3-month periods ended December 31 (in millions of Canadian dollars) (unaudited)	2024				2023			
	Total	Inter-segment Packaging Products	Inter-segment All	External	Total	Inter-segment Packaging Products	Inter-segment All	External
	<b>Packaging Products</b>							
Containerboard	613	(5)	(7)	601	561	(7)	(7)	547
Specialty Products	175	(1)	(7)	167	160	(1)	(5)	154
	<b>788</b>	<b>(6)</b>	<b>(14)</b>	<b>768</b>	<b>721</b>	<b>(8)</b>	<b>(12)</b>	<b>701</b>
<b>Tissue Papers</b>	<b>394</b>	—	—	<b>394</b>	<b>390</b>	—	—	<b>390</b>
<b>Corporate, Recovery and Recycling activities</b>	<b>84</b>	—	<b>(35)</b>	<b>49</b>	<b>81</b>	—	<b>(34)</b>	<b>47</b>
	<b>1,266</b>	<b>(6)</b>	<b>(49)</b>	<b>1,211</b>	<b>1,192</b>	<b>(8)</b>	<b>(46)</b>	<b>1,138</b>

For the years ended December 31 (in millions of Canadian dollars) (unaudited)	2024				2023			
	Total	Inter-segment Packaging Products	Inter-segment All	External	Total	Inter-segment Packaging Products	Inter-segment All	External
	<b>Packaging Products</b>							
Containerboard	2,364	(23)	(27)	2,314	2,277	(27)	(29)	2,221
Specialty Products	671	(3)	(24)	644	642	(4)	(19)	619
	<b>3,035</b>	<b>(26)</b>	<b>(51)</b>	<b>2,958</b>	<b>2,919</b>	<b>(31)</b>	<b>(48)</b>	<b>2,840</b>
<b>Tissue Papers</b>	<b>1,548</b>	—	(1)	<b>1,547</b>	<b>1,615</b>	—	(2)	<b>1,613</b>
<b>Corporate, Recovery and Recycling activities</b>	<b>345</b>	—	<b>(149)</b>	<b>196</b>	<b>321</b>	—	<b>(136)</b>	<b>185</b>
	<b>4,928</b>	<b>(26)</b>	<b>(201)</b>	<b>4,701</b>	<b>4,855</b>	<b>(31)</b>	<b>(186)</b>	<b>4,638</b>

EBITDA (A) by business segment is reconciled to IFRS Accounting Standards measure, namely operating income (loss), and is shown in the following table:

For the 3-month period ended December 31, 2024

(in millions of Canadian dollars) (unaudited)	Containerboard	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	69	(11)	4	(46)	16
Depreciation and amortization	41	7	14	14	76
Impairment charges	—	32	23	—	55
Other gain	(7)	—	—	(1)	(8)
Restructuring costs	2	—	4	2	8
Unrealized gain on derivative financial instruments	(1)	—	—	—	(1)
<b>EBITDA (A)</b>	104	28	45	(31)	146
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	473	142	325	58	998

For the 3-month period ended December 31, 2023

(in millions of Canadian dollars) (unaudited)	Containerboard	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	(33)	13	34	(38)	(24)
Depreciation and amortization	39	5	17	12	73
Impairment charges	43	1	4	—	48
Other loss (gain)	18	(1)	(4)	—	13
Restructuring costs	1	1	10	—	12
Unrealized loss (gain) on derivative financial instruments	(1)	—	—	1	—
<b>EBITDA (A)</b>	67	19	61	(25)	122
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	455	136	311	48	950

For the year ended December 31, 2024

(in millions of Canadian dollars) (unaudited)	Containerboard	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	101	44	97	(147)	95
Depreciation and amortization	154	25	56	47	282
Impairment charges	2	36	26	—	64
Other loss (gain)	20	—	—	(1)	19
Restructuring costs	29	1	13	3	46
Unrealized gain on derivative financial instruments	(2)	—	—	(3)	(5)
<b>EBITDA (A)</b>	304	106	192	(101)	501
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	1,916	546	1,267	204	3,933

For the year ended December 31, 2023

(in millions of Canadian dollars) (unaudited)	Containerboard	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	128	66	(2)	(152)	40
Depreciation and amortization	141	21	67	43	272
Impairment charges	104	2	103	—	209
Other loss (gain)	18	—	(6)	—	12
Restructuring costs	1	2	20	—	23
Unrealized loss (gain) on derivative financial instruments	(2)	—	—	4	2
<b>EBITDA (A)</b>	390	91	182	(105)	558
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	1,734	531	1,353	205	3,823

Payments for property, plant and equipment by business segment are shown in the following table:

(in millions of Canadian dollars) (unaudited)	PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT			
	For the 3-month periods ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
<b>Packaging Products</b>				
Containerboard	44	39	136	223
Specialty Products	15	13	31	32
	59	52	167	255
<b>Tissue Papers</b>	22	16	54	39
<b>Corporate, Recovery and Recycling activities</b>	20	20	49	49
<b>Total acquisitions</b>	101	88	270	343
Right-of-use assets acquisitions and provisions (non-cash)	(49)	(28)	(122)	(54)
	52	60	148	289
Acquisitions for property, plant and equipment included in "Trade and other payables"				
Beginning of the period	25	32	45	106
End of the period	(32)	(45)	(32)	(45)
<b>Payments for property, plant and equipment</b>	45	47	161	350
<b>Proceeds from disposals of property, plant and equipment</b>	(16)	(1)	(34)	(7)
<b>Payments for property, plant and equipment net of proceeds from disposals</b>	29	46	127	343

## **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 Statements 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.
- Ratio of net debt / (total equity and net debt): 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.

The CODM assesses the performance of each reportable segment based on sales and earnings before interest, taxes, depreciation and amortization, adjusted to exclude specific items (EBITDA (A)<sup>1</sup>). The CODM considers EBITDA (A)<sup>1</sup> to be the best performance measure of the Corporation's activities.

EBITDA (A)<sup>1</sup> by business segment is reconciled to IFRS Accounting Standards measure, namely operating income (loss), and is shown in the following table:

Q4 2024					
(in millions of Canadian dollars) (unaudited)	Containerboard	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	69	(11)	4	(46)	16
Depreciation and amortization	41	7	14	14	76
Impairment charges	—	32	23	—	55
Other gain	(7)	—	—	(1)	(8)
Restructuring costs	2	—	4	2	8
Unrealized gain on derivative financial instruments	(1)	—	—	—	(1)
<b>EBITDA (A)<sup>1</sup></b>	<b>104</b>	<b>28</b>	<b>45</b>	<b>(31)</b>	<b>146</b>
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	473	142	325	58	998

Q3 2024					
(in millions of Canadian dollars) (unaudited)	Containerboard	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	24	17	24	(29)	36
Depreciation and amortization	38	6	16	10	70
Impairment charges	—	4	3	—	7
Other loss	24	—	—	—	24
Restructuring costs	5	—	—	—	5
Unrealized loss (gain) on derivative financial instruments	(1)	—	—	(1)	(2)
<b>EBITDA (A)<sup>1</sup></b>	<b>90</b>	<b>27</b>	<b>43</b>	<b>(20)</b>	<b>140</b>
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	488	138	325	52	1,003

Q4 2023					
(in millions of Canadian dollars) (unaudited)	Containerboard	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	(33)	13	34	(38)	(24)
Depreciation and amortization	39	5	17	12	73
Impairment charges	43	1	4	—	48
Other loss (gain)	18	(1)	(4)	—	13
Restructuring costs	1	1	10	—	12
Unrealized loss (gain) on derivative financial instruments	(1)	—	—	1	—
<b>EBITDA (A)<sup>1</sup></b>	<b>67</b>	<b>19</b>	<b>61</b>	<b>(25)</b>	<b>122</b>
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	455	136	311	48	950

<sup>1</sup> Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

(in millions of Canadian dollars) (unaudited)	Containerboard	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	<b>101</b>	<b>44</b>	<b>97</b>	<b>(147)</b>	<b>95</b>
Depreciation and amortization	154	25	56	47	282
Impairment charges	2	36	26	—	64
Other loss (gain)	20	—	—	(1)	19
Restructuring costs	29	1	13	3	46
Unrealized loss (gain) on derivative financial instruments	(2)	—	—	(3)	(5)
<b>EBITDA (A)<sup>1</sup></b>	<b>304</b>	<b>106</b>	<b>192</b>	<b>(101)</b>	<b>501</b>
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	1,916	546	1,267	204	3,933

(in millions of Canadian dollars) (unaudited)	Containerboard	Specialty Products	Tissue Papers	Corporate, Recovery and Recycling activities	Consolidated
<b>Operating income (loss)</b>	<b>128</b>	<b>66</b>	<b>(2)</b>	<b>(152)</b>	<b>40</b>
Depreciation and amortization	141	21	67	43	272
Impairment charges	104	2	103	—	209
Other loss (gain)	18	—	(6)	—	12
Restructuring costs	1	2	20	—	23
Unrealized loss (gain) on derivative financial instruments	(2)	—	—	4	2
<b>EBITDA (A)<sup>1</sup></b>	<b>390</b>	<b>91</b>	<b>182</b>	<b>(105)</b>	<b>558</b>
Supply chain and logistic and Wage and employee benefits expenses included in operating income (loss)	1,734	531	1,353	205	3,823

The following table reconciles net earnings (loss) and net earnings (loss) per common share, as reported, with adjusted net earnings<sup>1</sup> and adjusted net earnings per common share<sup>1</sup>:

(in millions of Canadian dollars, except per common share amounts and number of common shares) (unaudited)	NET EARNINGS (LOSS)					NET EARNINGS (LOSS) PER COMMON SHARE <sup>2</sup>				
	2024	2023	Q4 2024	Q3 2024	Q4 2023	2024	2023	Q4 2024	Q3 2024	Q4 2023
<b>As reported</b>	<b>(31)</b>	<b>(76)</b>	<b>(13)</b>	<b>1</b>	<b>(57)</b>	<b>(\$0.31)</b>	<b>(\$0.76)</b>	<b>(\$0.13)</b>	<b>\$0.01</b>	<b>(\$0.57)</b>
Specific items:										
Impairment charges	64	209	55	7	48	\$0.48	\$1.56	\$0.41	\$0.06	\$0.35
Other loss (gain)	19	12	(8)	24	13	\$0.13	\$0.09	(\$0.07)	\$0.18	\$0.10
Restructuring costs	46	23	8	5	12	\$0.34	\$0.18	\$0.06	\$0.03	\$0.10
Unrealized loss (gain) on derivative financial instruments	(5)	2	(1)	(2)	—	(\$0.04)	\$0.01	(\$0.01)	(\$0.01)	—
Unrealized loss (gain) on interest rate hedge instrument	(1)	1	(2)	2	1	(\$0.01)	\$0.01	(\$0.02)	\$0.01	\$0.01
Foreign exchange loss (gain) on long-term debt and financial instruments	1	—	1	(1)	1	\$0.01	—	\$0.01	(\$0.01)	—
Share of results of associates and joint ventures	—	(10)	—	—	(1)	—	(\$0.08)	—	—	(\$0.01)
Tax effect on specific items, other tax adjustments and attributable to non-controlling interest <sup>2</sup>	(33)	(52)	(15)	(9)	(12)	—	\$0.07	—	—	\$0.07
	<b>91</b>	<b>185</b>	<b>38</b>	<b>26</b>	<b>62</b>	<b>\$0.91</b>	<b>\$1.84</b>	<b>\$0.38</b>	<b>\$0.26</b>	<b>\$0.62</b>
<b>Adjusted<sup>1</sup></b>	<b>60</b>	<b>109</b>	<b>25</b>	<b>27</b>	<b>5</b>	<b>\$0.60</b>	<b>\$1.08</b>	<b>\$0.25</b>	<b>\$0.27</b>	<b>\$0.05</b>
<b>Weighted average basic number of common shares outstanding</b>						<b>100,865,833</b>	<b>100,542,206</b>	<b>100,988,040</b>	<b>100,988,040</b>	<b>100,685,574</b>

<sup>1</sup> Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

<sup>2</sup> Specific amounts per common share are calculated on an after-tax basis and are net of the portion attributable to non-controlling interests. Per share amounts in line item "Tax effect on specific items, other tax adjustments and attributable to non-controlling interests" only include the effect of tax adjustments. Please refer to "Recovery of income taxes" section for more details.

The following table reconciles cash flow from operating activities with EBITDA (A)<sup>1</sup>:

(in millions of Canadian dollars) (unaudited)	2024	2023	Q4 2024	Q3 2024	Q4 2023
<b>Cash flow from operating activities</b>	272	510	154	102	240
Changes in non-cash working capital components	23	(113)	(45)	(26)	(149)
Net income taxes paid	4	9	—	1	—
Net financing expense paid	135	129	22	48	20
Provisions for charges and other liabilities, net of dividends received	67	23	15	15	11
<b>EBITDA (A)<sup>1</sup></b>	<b>501</b>	<b>558</b>	<b>146</b>	<b>140</b>	<b>122</b>

The following table reconciles cash flow from operating activities with cash flow from operating activities (excluding changes in non-cash working capital components) and adjusted cash flow from operating activities<sup>1</sup>. It also reconciles adjusted cash flow from operating activities<sup>1</sup> to adjusted cash flow generated (used)<sup>1</sup>, which is also calculated on a per common share basis:

(in millions of Canadian dollars, except per common share amounts or otherwise noted) (unaudited)	2024	2023	Q4 2024	Q3 2024	Q4 2023
<b>Cash flow from operating activities</b>	272	510	154	102	240
Changes in non-cash working capital components	23	(113)	(45)	(26)	(149)
<b>Cash flow from operating activities (excluding changes in non-cash working capital components)</b>	<b>295</b>	<b>397</b>	<b>109</b>	<b>76</b>	<b>91</b>
Restructuring costs paid	61	24	20	10	12
<b>Adjusted cash flow from operating activities<sup>1</sup></b>	<b>356</b>	<b>421</b>	<b>129</b>	<b>86</b>	<b>103</b>
Payments for property, plant and equipment	(161)	(350)	(45)	(35)	(47)
Change in intangible and other assets	(23)	(1)	(3)	—	—
Lease obligation payments	(67)	(59)	(17)	(15)	(15)
Proceeds from disposals of property, plant and equipment	34	7	16	1	1
	139	18	80	37	42
Dividends paid to non-controlling interests	(15)	(36)	(3)	(4)	(3)
Dividends paid to the Corporation's Shareholders and to non-controlling interests	(48)	(48)	(12)	(12)	(12)
<b>Adjusted cash flow generated (used)<sup>1</sup></b>	<b>76</b>	<b>(66)</b>	<b>65</b>	<b>21</b>	<b>27</b>
<b>Adjusted cash flow generated (used) per common share<sup>1</sup> (in Canadian dollars)</b>	<b>\$0.75</b>	<b>(\$0.66)</b>	<b>\$0.64</b>	<b>\$0.21</b>	<b>\$0.27</b>
<b>Weighted average basic number of common shares outstanding</b>	<b>100,865,833</b>	<b>100,542,206</b>	<b>100,988,040</b>	<b>100,988,040</b>	<b>100,685,574</b>

The following table reconciles total debt<sup>1</sup> and net debt<sup>1</sup> with the ratio of net debt to adjusted earnings before interest, taxes, depreciation and amortization (EBITDA (A))<sup>1</sup>:

(in millions of Canadian dollars) (unaudited)	December 31, 2024	September 30, 2024	December 31, 2023
Long-term debt	1,871	1,828	1,869
Current portion of Unsecured senior notes of \$175 million to be refinanced	175	175	—
Current portion of long-term debt	67	63	67
Bank loans and advances	10	7	—
<b>Total debt<sup>1</sup></b>	<b>2,123</b>	<b>2,073</b>	<b>1,936</b>
Less: Cash and cash equivalents	(27)	(34)	(54)
<b>Net debt<sup>1</sup> as reported</b>	<b>2,096</b>	<b>2,039</b>	<b>1,882</b>
Last twelve months EBITDA (A) <sup>1</sup>	501	477	558
<b>Net debt / EBITDA (A) ratio<sup>1</sup></b>	<b>4.2x</b>	<b>4.3x</b>	<b>3.4x</b>

<sup>1</sup> Please refer to the "Supplemental Information on Non-IFRS Accounting Standards Measures and Other Financial Measures" section for a complete reconciliation.

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