



**POSITIONED
FOR GROWTH**



**INVESTOR
PRESENTATION,
MONTRÉAL**

March 14, 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**



- 95.2 M common shares (~ 32% held by founders, Board of Directors & employees)
- Market cap³: CAN\$1.41 B
- TSX avg. daily trading volume³: 259,685 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
over 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, top 10 worldwide



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

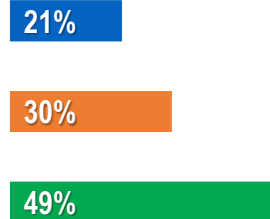
Financial Metrics

2017

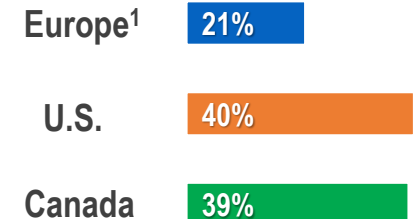
Sales by Geography

- ✓ 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)



2017 SALES TO (DESTINATION)

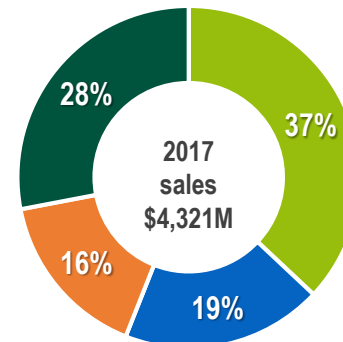


Export: ~ 25% of our Canadian sales

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

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

Headwinds

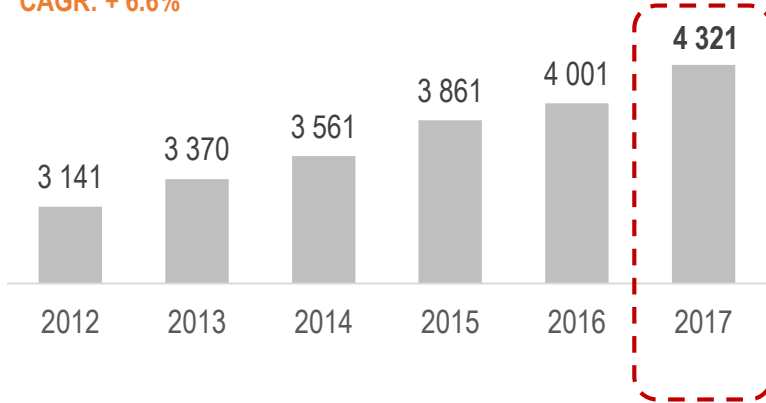
- ✓ Potential fluctuations in raw material pricing – OCC, SOP, pulp
- ✓ Increased competitiveness and capacity additions in tissue segment
- ✓ Rumored and announced plant conversions in containerboard
- ✓ Canadian dollar exchange rate – USD and euro

OPERATING PERFORMANCE AND FINANCIAL SITUATION

Strong Financial Profile

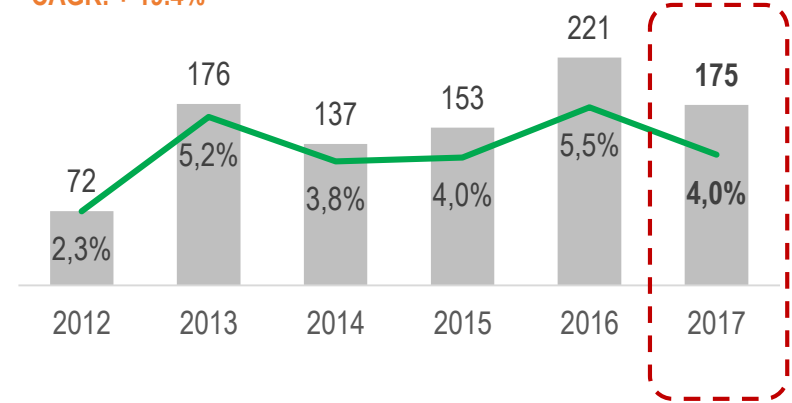
Sales (CAN\$ M)

CAGR: + 6.6%



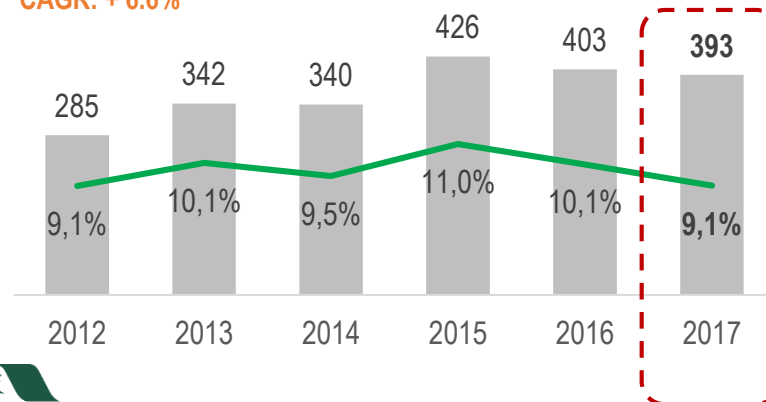
Operating Income & Margin (CAN\$ M and %)

CAGR: + 19.4%

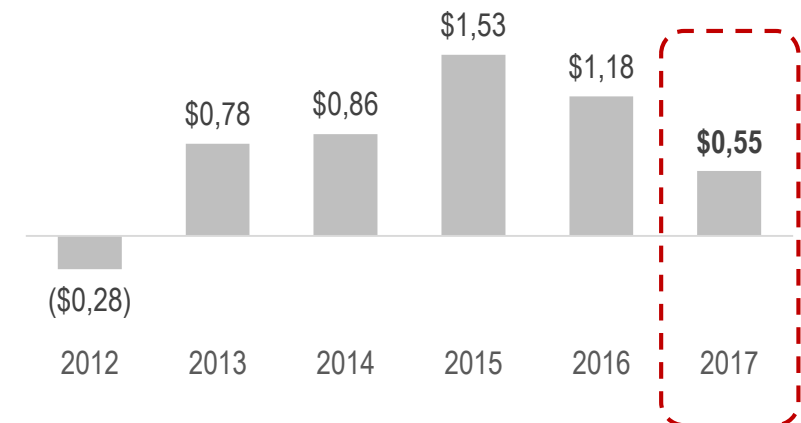


Adjusted OIBD¹ & Margin (CAN\$ M and %)

CAGR: + 6.6%



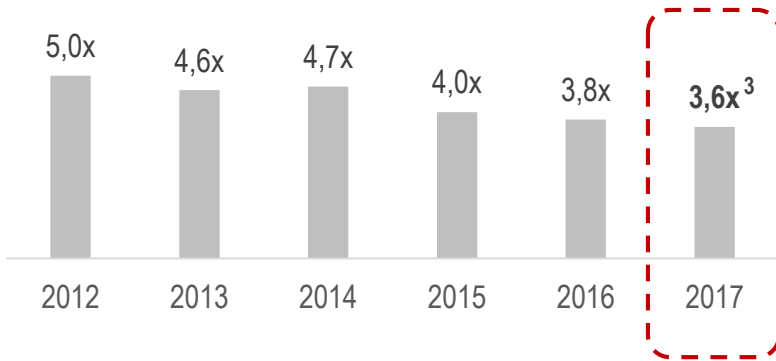
Adjusted Free Cash Flow per Share¹ (CAN\$)



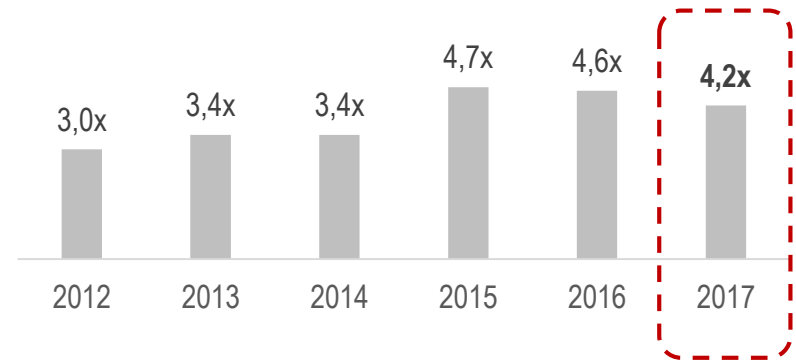
OPERATING PERFORMANCE AND FINANCIAL SITUATION

Consolidated Financial Ratios & Debt Maturities

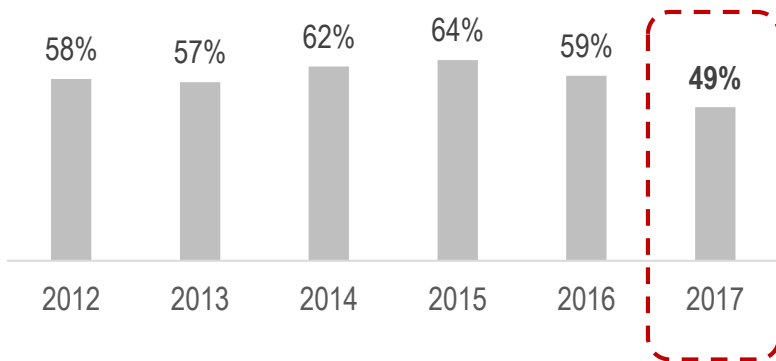
Net Debt / LTM Adjusted OIBD¹



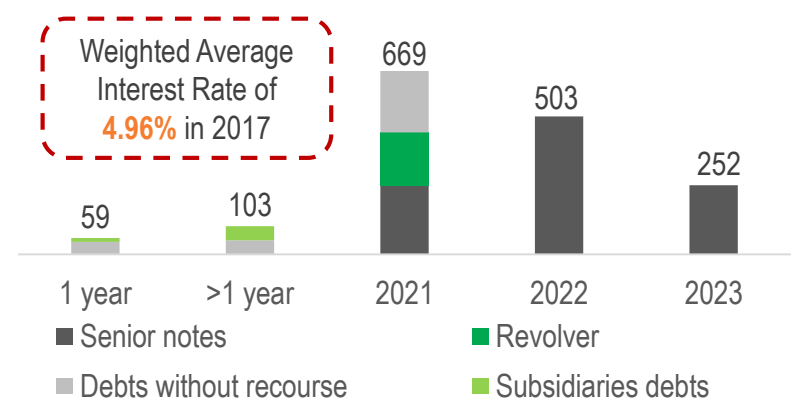
Interest Coverage Ratio²



Net Debt¹ / Net Debt + Total Equity



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



Now targeting long-term leverage ratio 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).

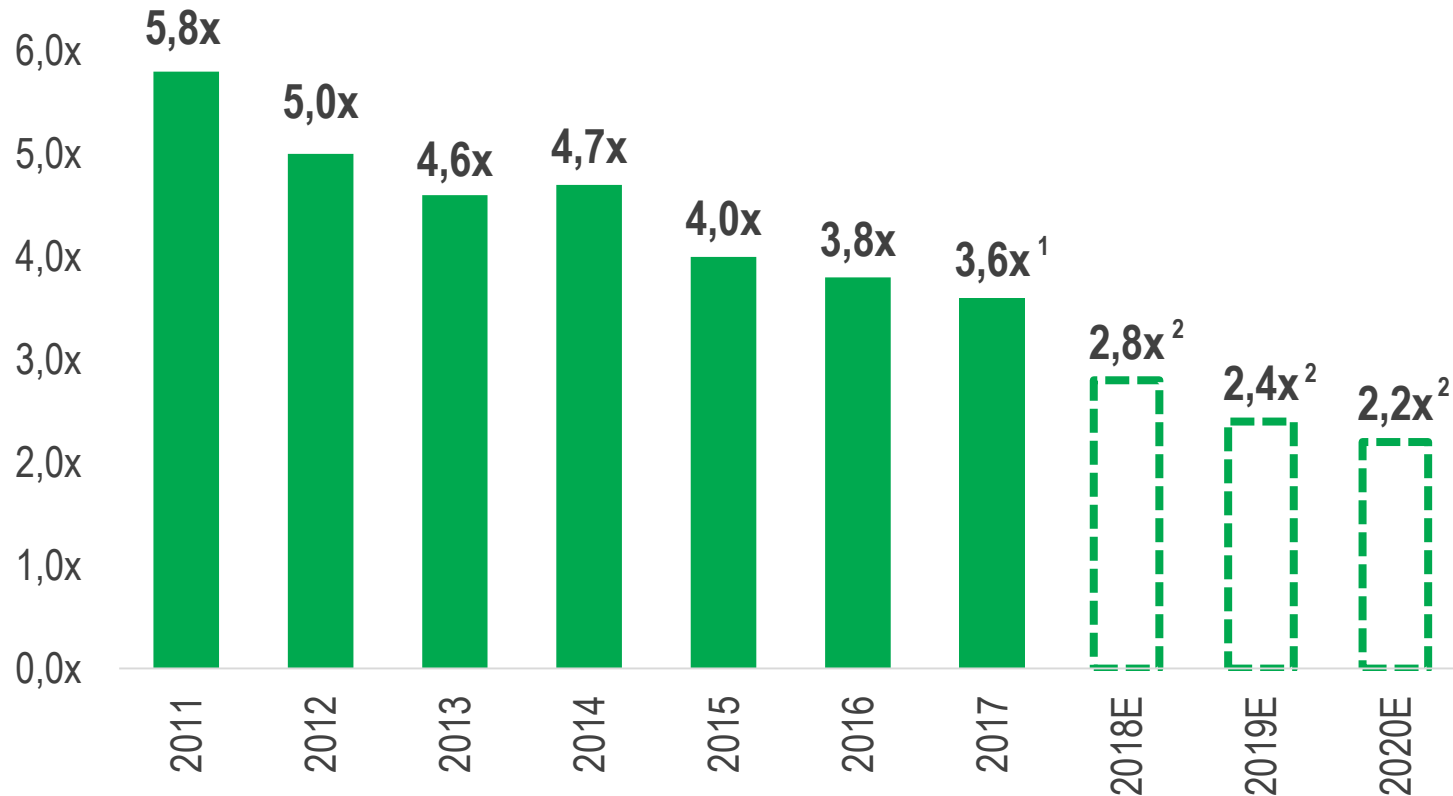
¹ Supplemental information on non-IFRS measures for 2017. ² Adjusted OIBD to financing expense.

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



OPERATING PERFORMANCE AND FINANCIAL SITUATION

Now Targeting Leverage Ratio of 2.5x

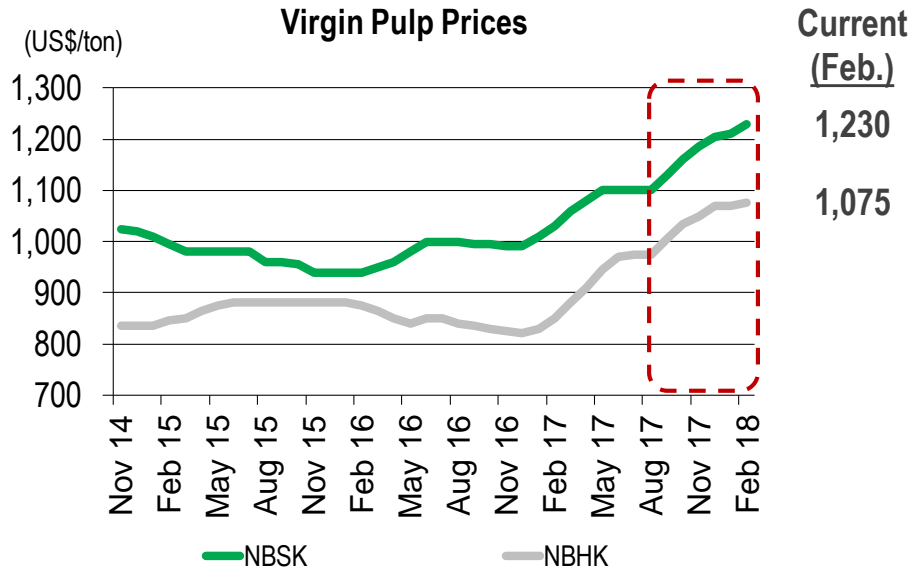
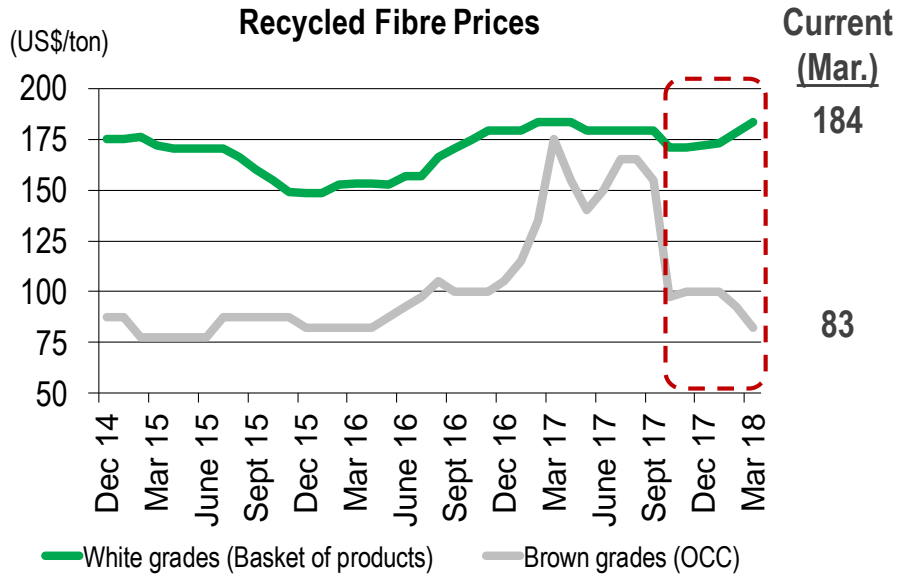


\$288 M of proceeds from the sale of equity stake in Boralex brought us closer to our targeted leverage ratio

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	184	-4%	-5%	+10%
Brown grades - OCC No. 11 (Northeast average)	102	162	99	83	-2%	-39%	+48%

Virgin Pulp Prices

NBSK (Canadian sources delivered to Eastern US)	992	1,110	1,183	1,230	+19%	+7%	+13%
NBHK (Canada/US sources delivered to Eastern US)	825	985	1,052	1,075	+27%	+7%	+13%

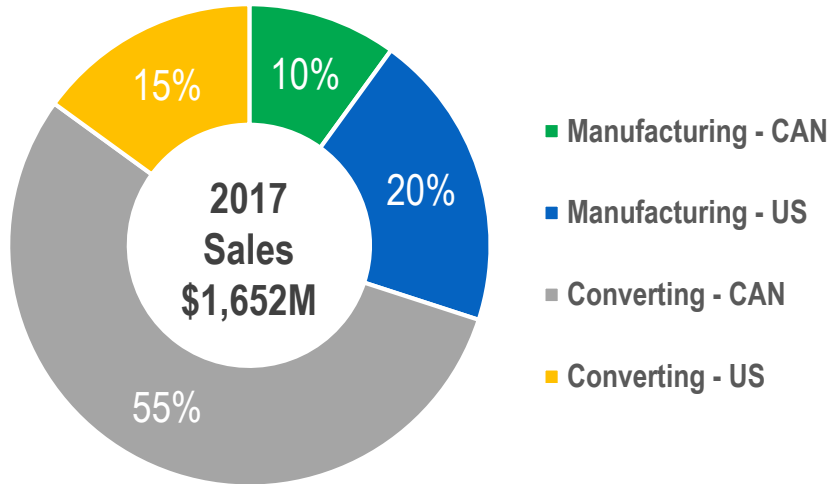
OCC prices down sharply in Q4 due to China's restriction on recovered paper import permits; Strong demand for pulp pushed NBSK & NBHK prices 7% higher in Q4



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

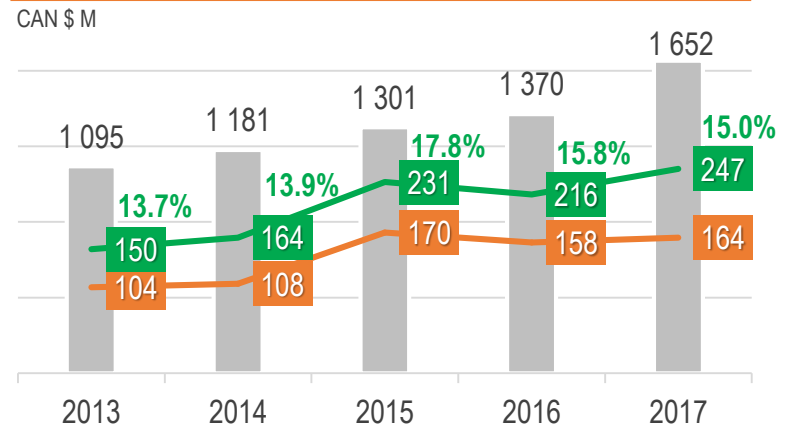


2017 adjusted OIBD² margin of **15%**



- 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



— Sales — Operating Income — Adj. OIBD² & Margin³

¹ Including associates and JVs and Greenpac. ² Supplemental information on non-IFRS measures for 2017. ³ OIBD margin including Greenpac on a pro-forma basis: 15.6% in 2014, 21.3% in 2015, 18.5% in 2016 and 15.1% in 2017.



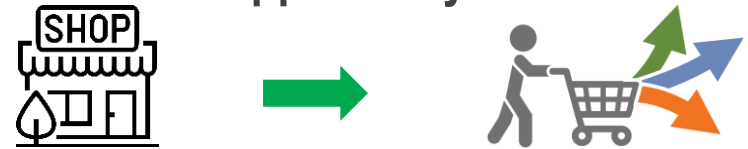
CONTAINERBOARD PACKAGING

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	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.

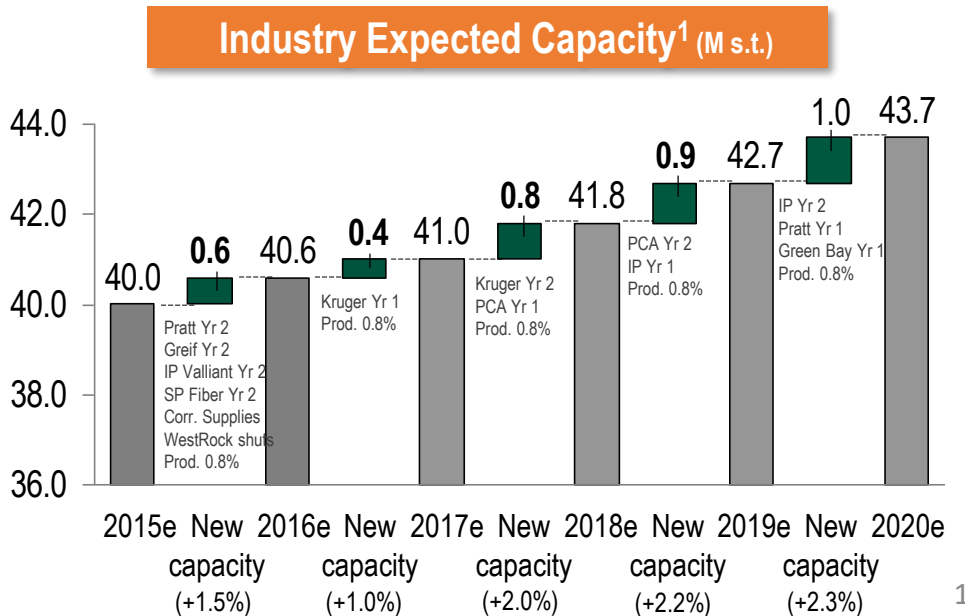
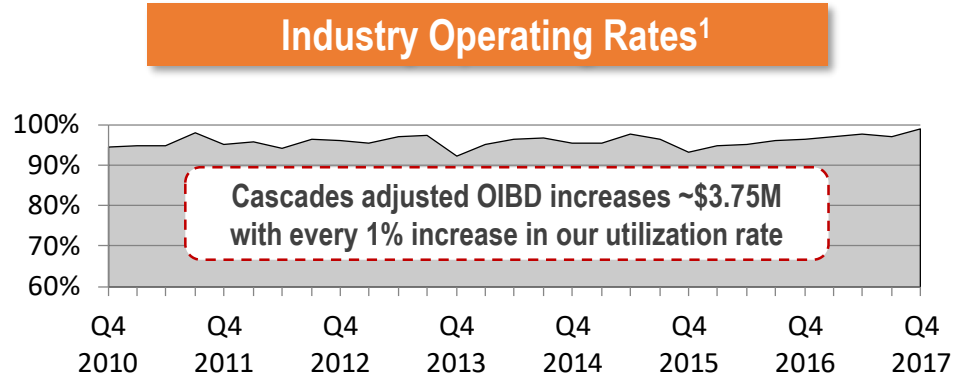
² WestRock signed a definitive agreement to acquire all outstanding shares of KapStone on January 29, 2018. The transaction is expected to close in Q3-2018.

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

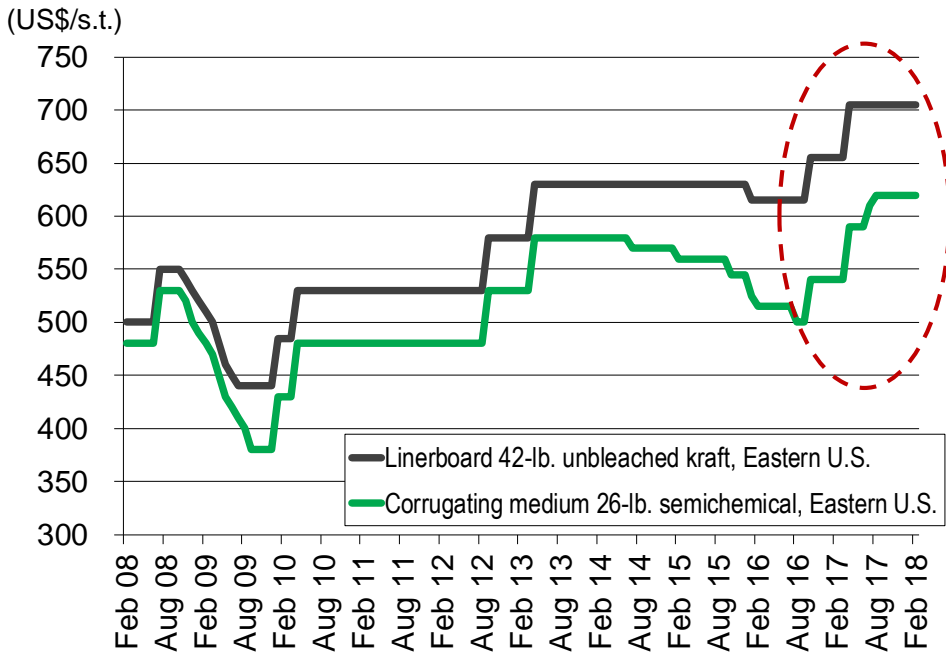


¹ Source: RISI, RBC, Company reports and estimates. New capacity, net of capacity shutdowns.

CONTAINERBOARD PACKAGING

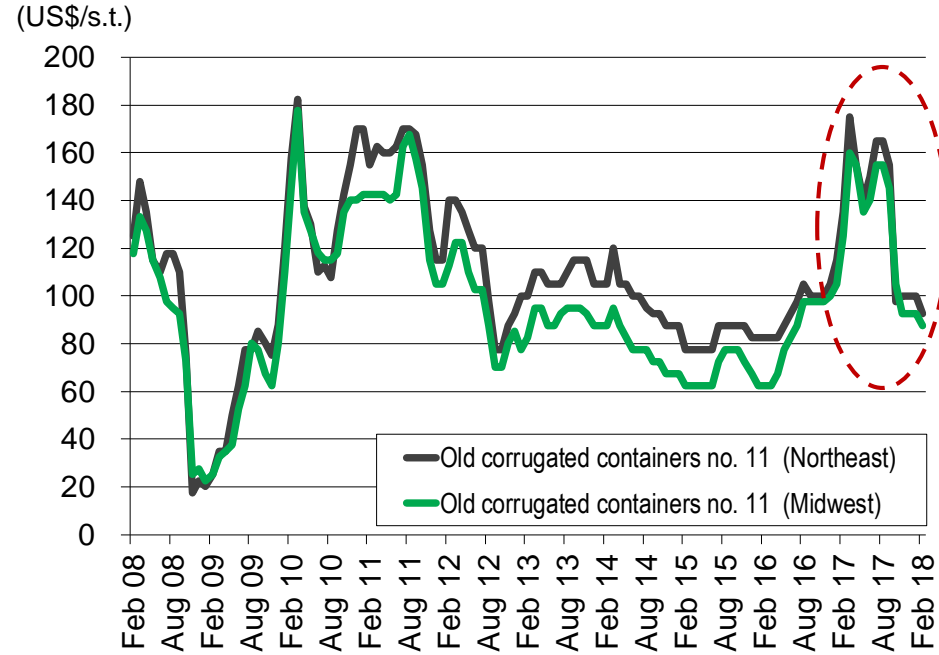
Business Drivers

Containerboard Benchmark Market Prices



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

Brown Grades Recycled Fibre Prices



Chinese recovered paper import restrictions has led to OCC prices decreasing to US\$100/st since October 2017



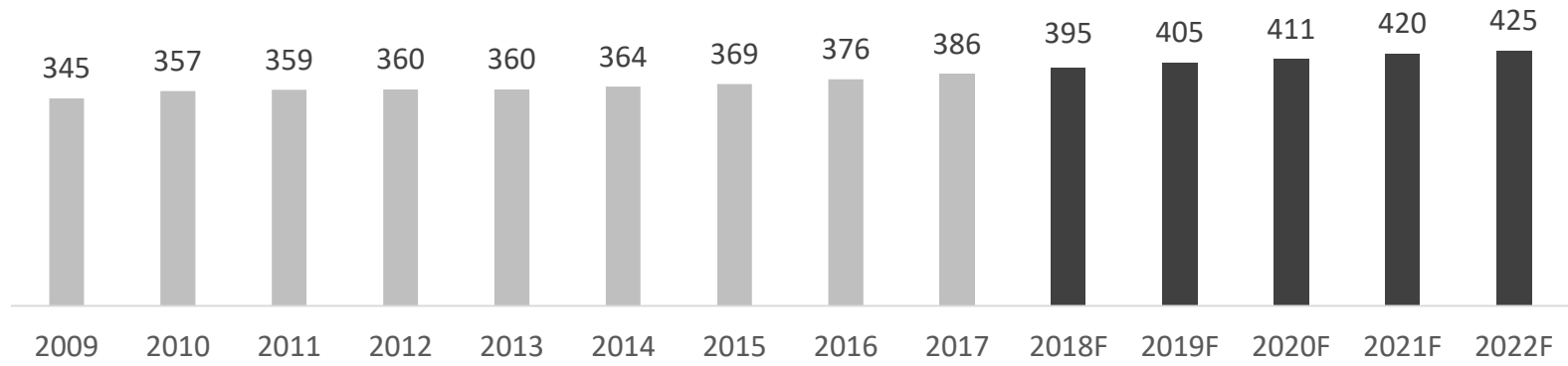


CONTAINERBOARD INDUSTRY STATISTICS

U.S. Corrugated Boxes Shipments (BSF)

2017 – 2022 CAGR: + 1.9%

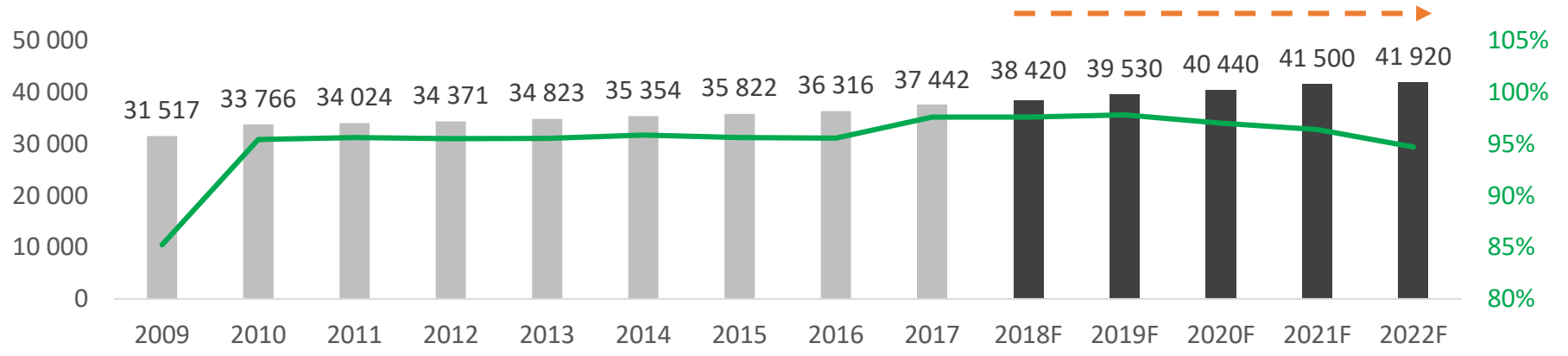
RISI Forecast



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

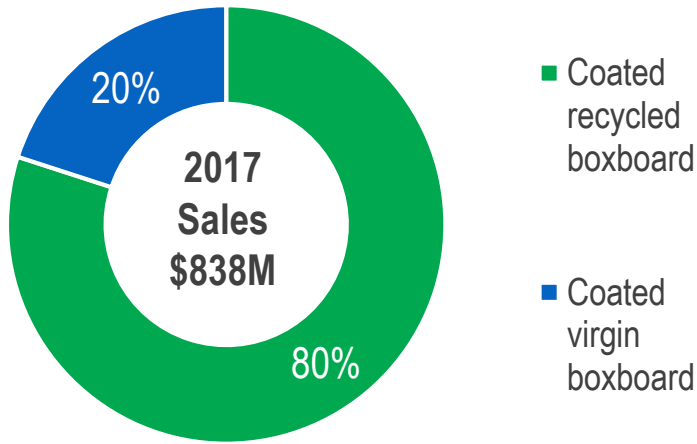
2017 – 2022 CAGR: + 2.3%

RISI Forecast



BOXBOARD EUROPE

Second Largest Coated Recycled Boxboard Producer in Europe

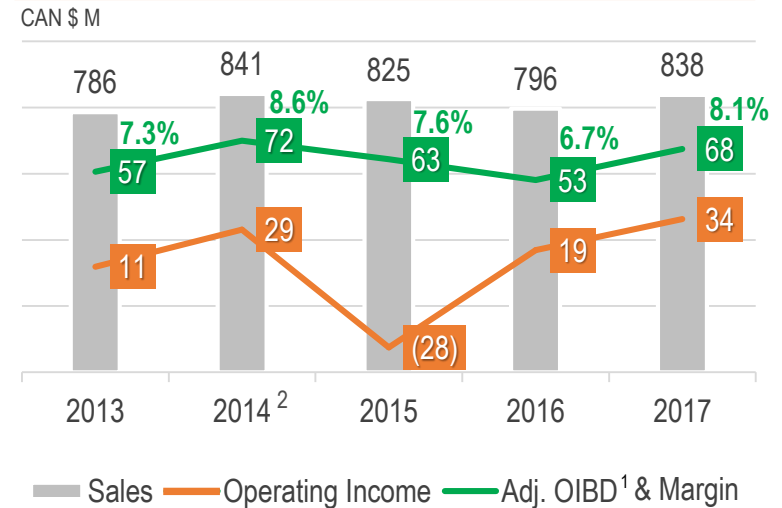


2017 adjusted OIBD¹ margin of **8%**



- **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



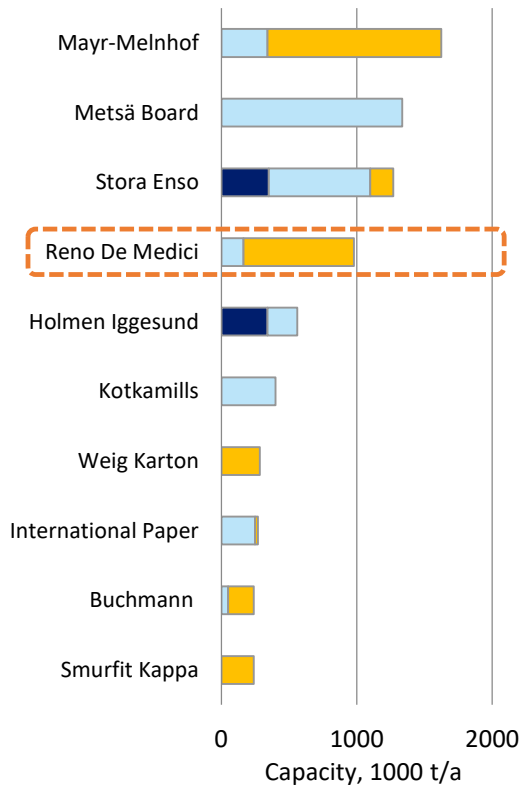
¹ Supplemental information on non-IFRS measures for 2017.

² Including \$9 million of energy credits.

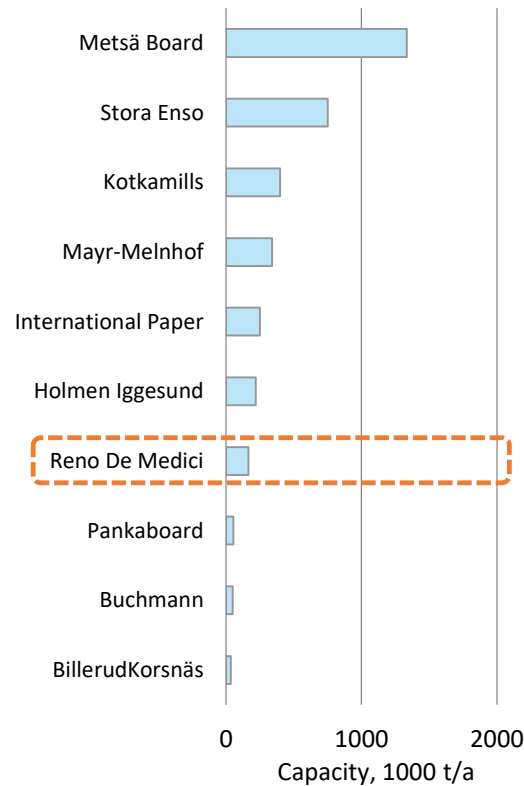
BOXBOARD EUROPE

Leading European Producer of Coated Board

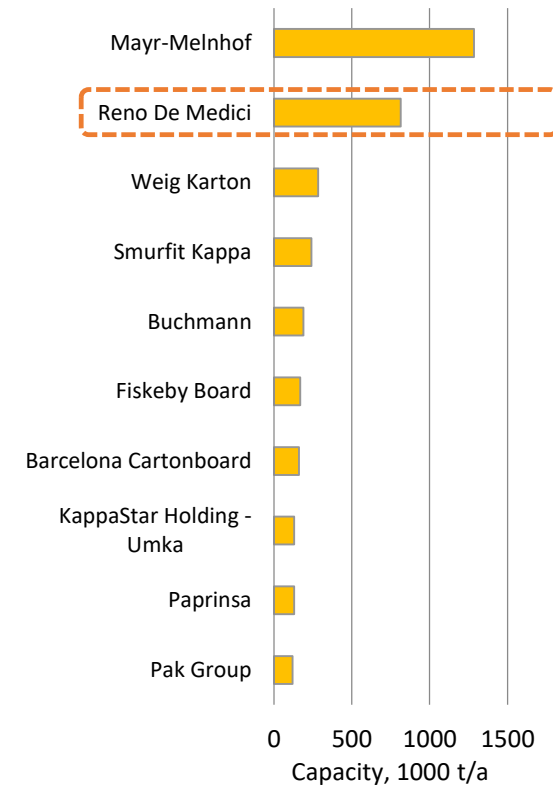
Top Cartonboard Producers¹



Top FBB Producers¹



Top WLC Producers¹



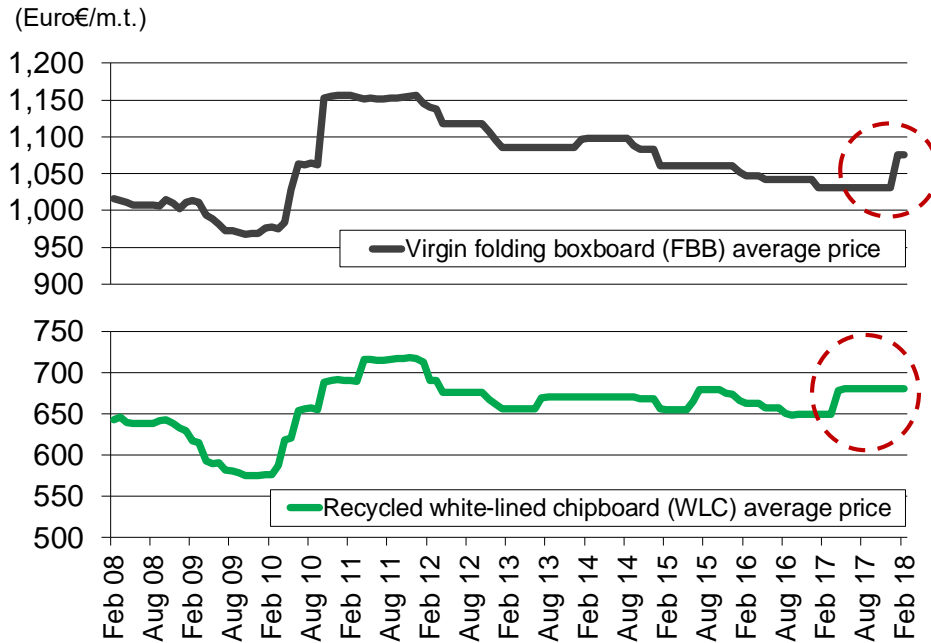
■ SBS ■ FBB ■ CUK ■ WLC

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

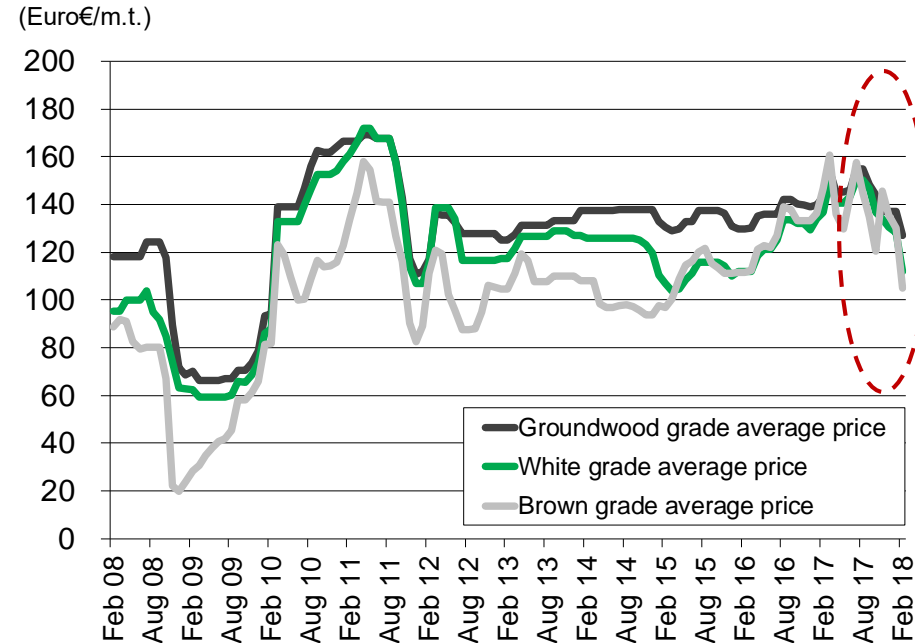
Business Drivers

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 explain recent decreased in recycled fibre prices in Europe



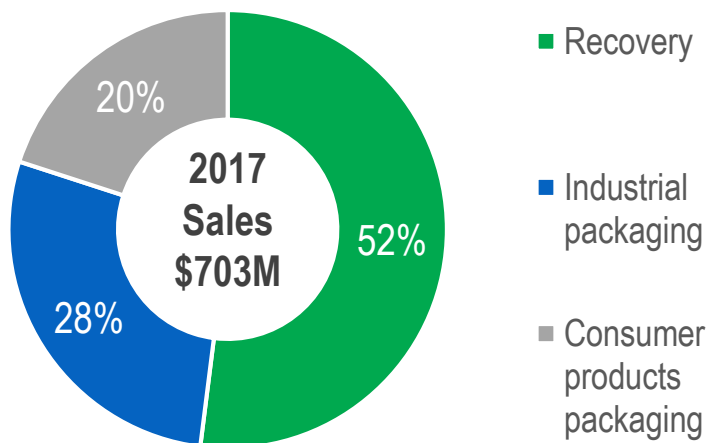
Source: RISI

¹ For each product, we use an average of PPI Europe prices, weighted by the amount of sales by country.

² For each grade, we use an average of PPI Europe prices for recovered papers, weighted by the amount of purchases by country.

SPECIALTY PRODUCTS GROUP

A Diversified Packaging Player

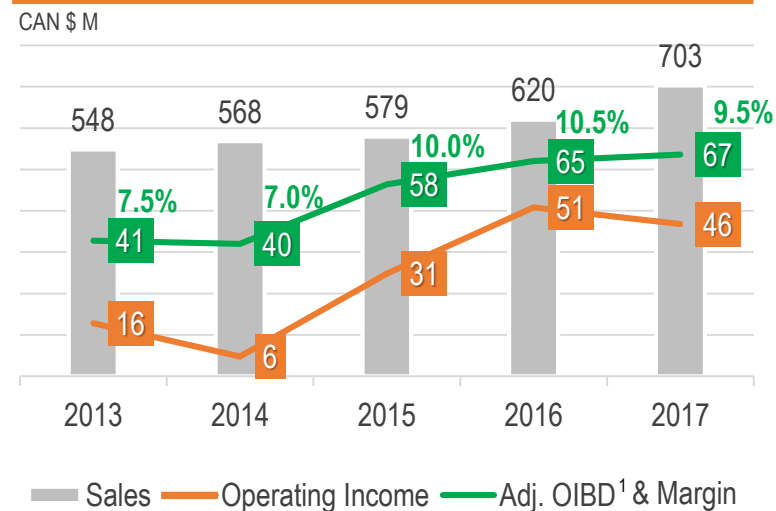


- **Largest paper collector in Canada** with 19 facilities² and 1.4 million s.t. of material processed in 2017
- A leading position in industrial packaging with Cascades Sonoco JV
- Strong growth potential in consumer packaging
- 2017 sales (IFRS) of \$703M, vs. \$902M (Non-IFRS) with JVs at 100%
- 2013-2017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

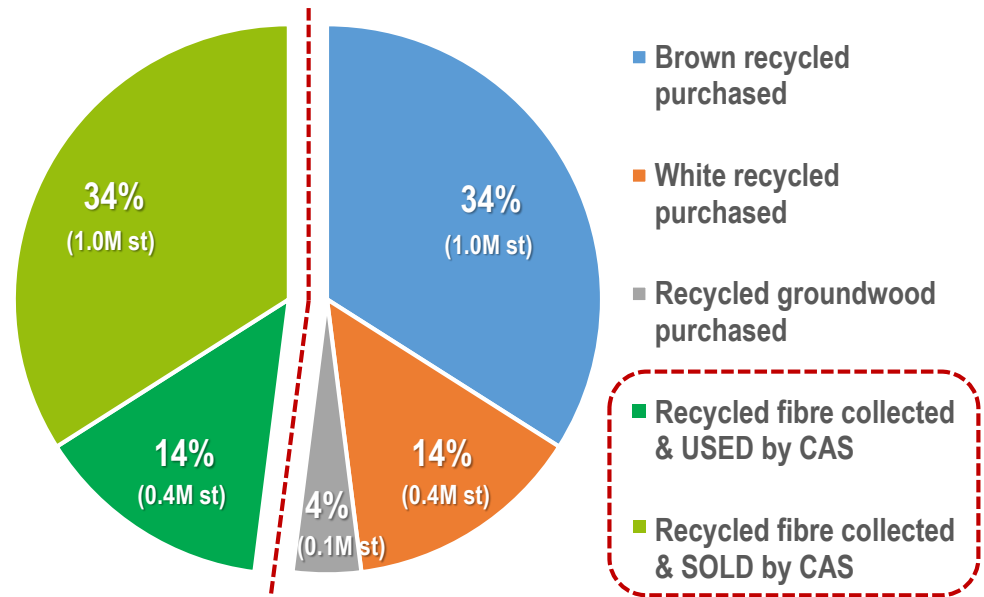
Cascades Recovery+ Sub-Segment

- 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



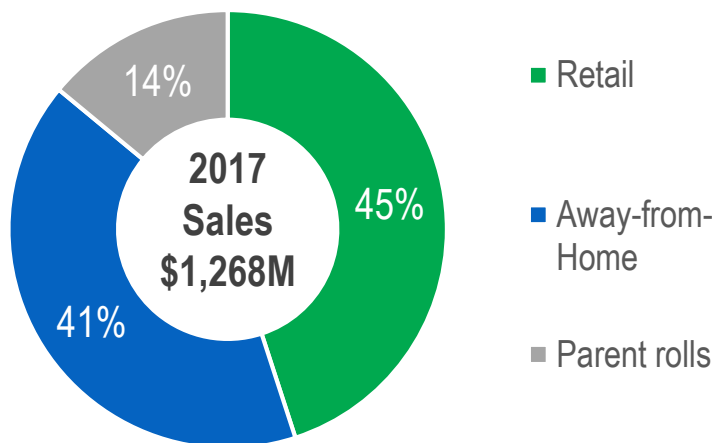
NA Recycled Fibre¹ (2.9M st)



- 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 GROUP

A Canadian Leader and Important North American Player

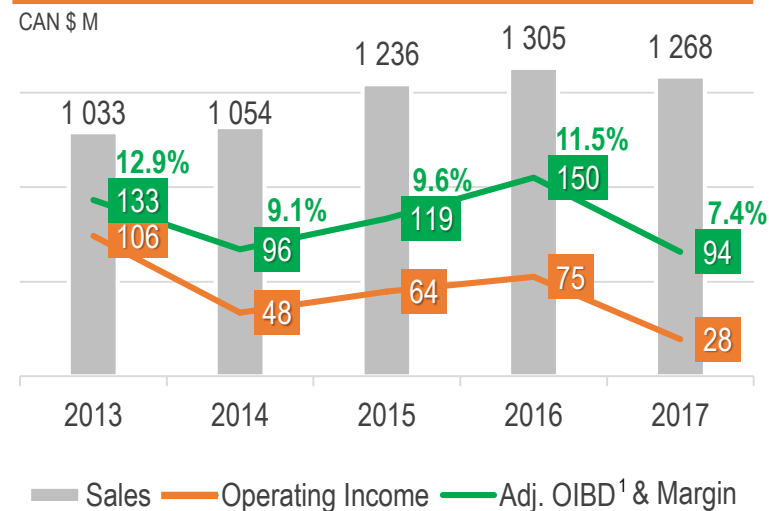


2017 adjusted OIBD¹ margin of 7%



- 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%

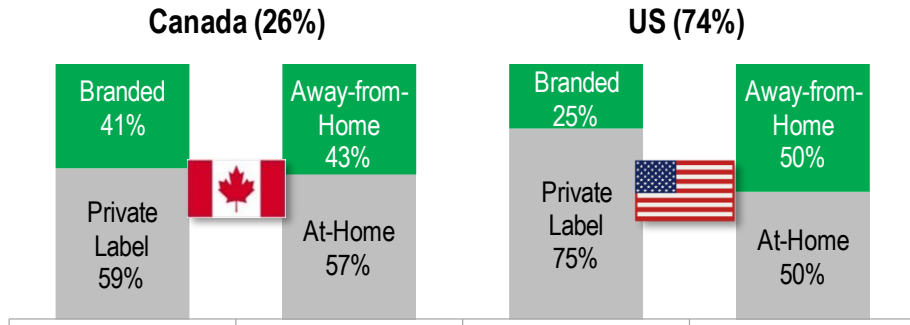
Challenging Market Fundamentals



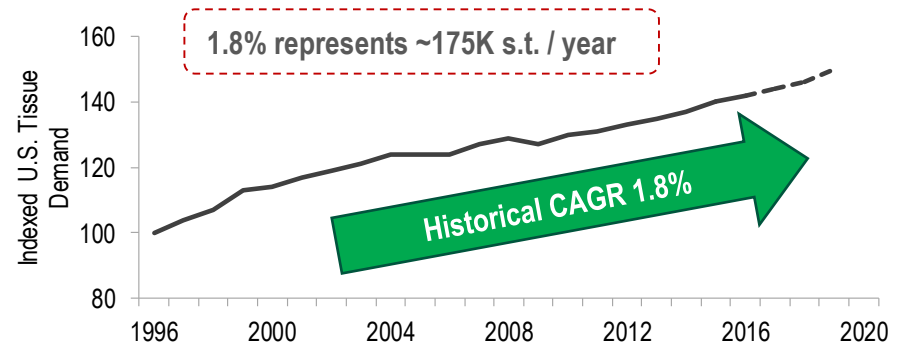
TISSUE PAPERS GROUP

Strong Position Across the North American Tissue Market

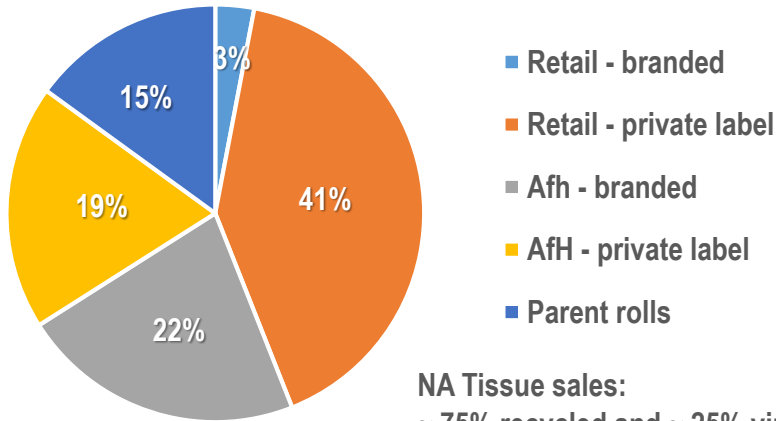
CAS Sales by Country (2017)



Tissue Market Demand¹

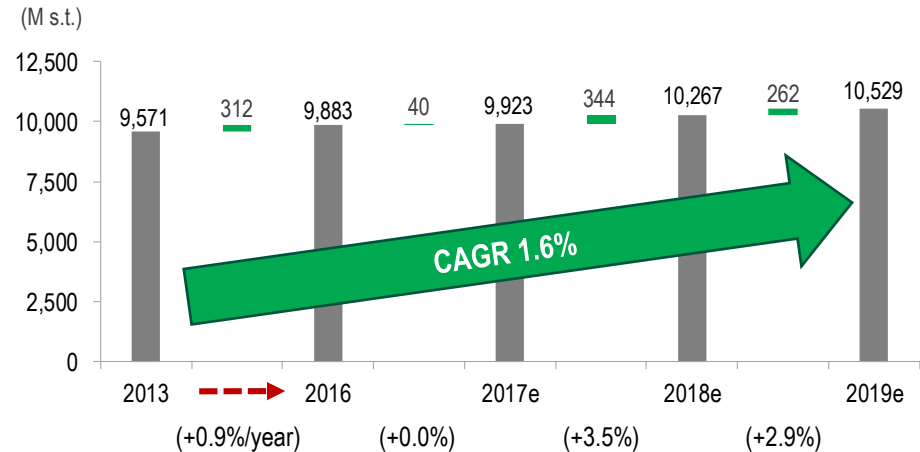


CAS North American Sales by End Markets (2017)



NA Tissue sales:
~ 75% recycled and ~ 25% virgin

North American Tissue Capacity Additions¹



¹ Source: RISI, company estimates



TISSUE PAPERS GROUP

Diversified Capacity and Positioning

2017 NORTH AMERICAN TISSUE MANUFACTURERS

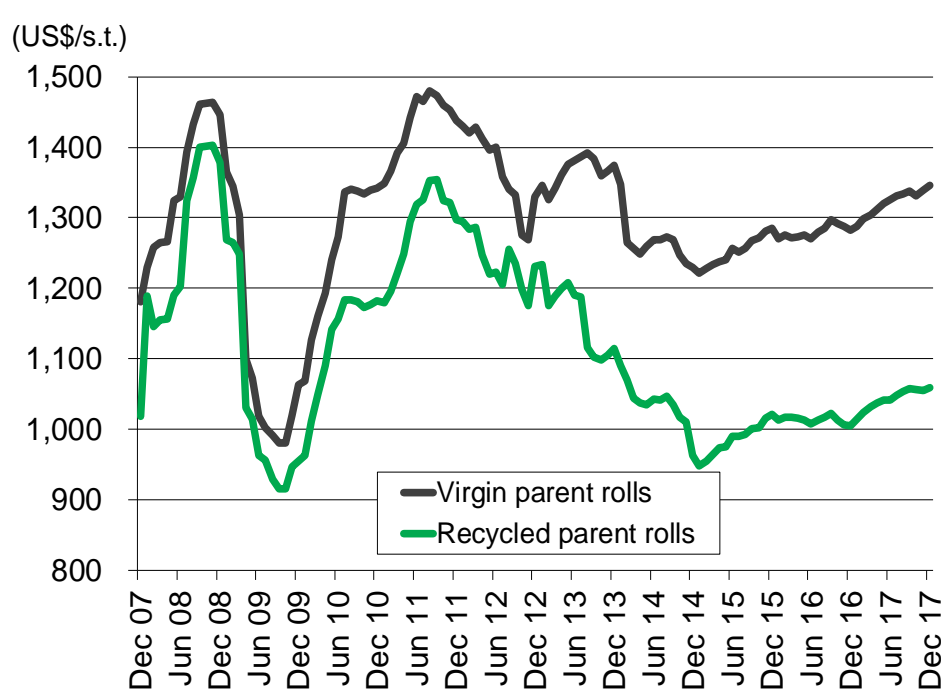
	Capacity (^{'000} s.t.)	Market Share	Capacity Retail	Capacity AfH
1 Georgia-Pacific	2,849	29%	67%	33%
2 Procter & Gamble	1,494	15%	100%	0%
3 Kimberly-Clark	1,466	15%	67%	33%
4 Essity (ex-SCA)	721	7%	0%	100%
5 Cascades Tissue	650	7%	62%	38%
6 Clearwater Paper	435	4%	90%	10%
7 KP Tissue	422	4%	77%	23%
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%		



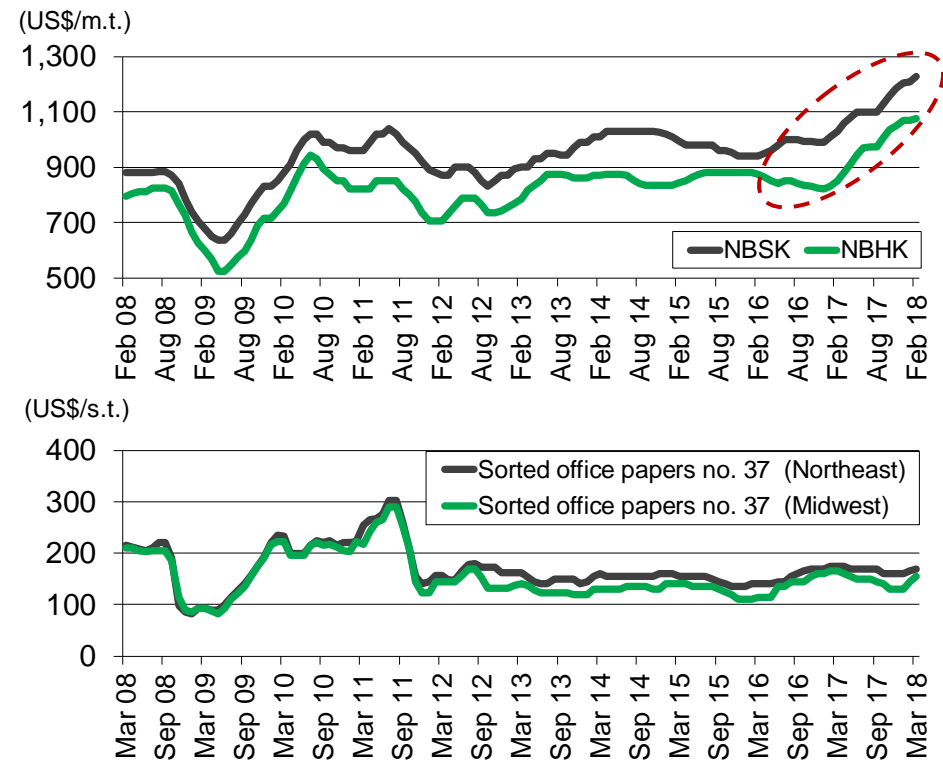
TISSUE PAPERS GROUP

Business Drivers

Tissue Papers Benchmark Market Prices



Virgin & Recycled Fibre Prices



Parent roll prices have been increasing steadily since 2015; input costs have also been trending upward over the same timeframe

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

2011 - 2016

WE MODERNIZED

- Invested more than \$400M in modern equipment

WE OPTIMIZED

- Decreased working capital on 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

Acquisition of Papersource

New tissue paper machine in Oregon

Consolidation of Recovery ownership

Start-up of the Greenpac Mill

Consolidation of Reno De Medici

Start-up of the Wagram tissue plant

Acquisition of a corrugated box plant in Connecticut

2011

2012

2013

2014

2015

2016

Sale of Dopaco

Sale of Fine Papers

Sale NA Boxboard activities

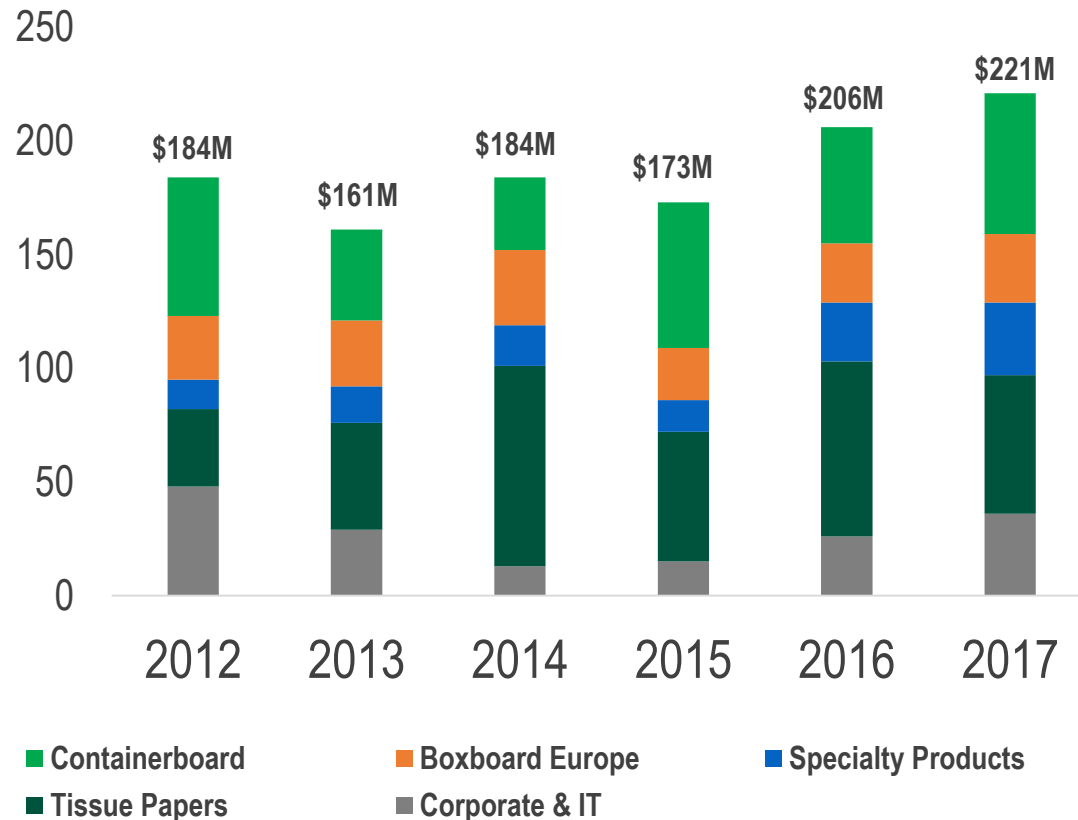


POSITIONING FOR GROWTH

Building on the Past, Positioning for the Future

Capital Expenditures

(CAN M\$)



- ✓ Strong free cash flow has funded Capex
- ✓ Impacted by strong US\$
- ✓ Approximately \$400M invested in strategic projects since 2012
- ✓ Since 2012, an additional ~\$200M has been invested in M&A transactions
- ✓ Significant IT & administrative process modernization largely 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%
 - 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

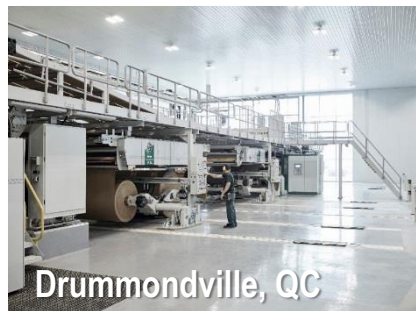
2017 – 2022
STRATEGY



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

Disciplined Capital Allocation

Cash Flow from Operations



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



1 UPGRADE OUR PLATFORMS

2018 CAPEX – Important Investments to Consolidate Position

(in CAN\$)

Containerboard	\$135M - \$145M
Boxboard Europe	\$30M - \$35M
Specialty Products	\$40M - \$50M
Tissue Papers	\$115M - \$135M
Corporate & IT	\$15M - \$20M
Sale of NY facility	\$(85)M
TOTAL*	\$250M - \$300M

- ✓ Strong fundamentals in Containerboard and in Europe
- ✓ Solid cash flow from operations will fund 2018 CAPEX program
- ✓ Good market positioning in Tissue
- ✓ Leverage ratio improvement remains a priority in 2018

* Includes a total of ~ \$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 retail volume in US and Canada
	Modernization Tissue AFH	\$60 - \$70 (2018) \$55 - \$65 (2019)	H2 2019	<ul style="list-style-type: none"> ✓ Higher quality, lower waste and improved efficiencies

Projects have an IRR of 12% or higher



2 CREATE VALUE

Increase Profitability Margin to **15%**

In Progress

4

- Growth associated with targeted investments and potential strategic acquisitions

In Progress

3

- Transformation program benefits & reduction of implementation costs **±\$50 M ANNUALLY**

In Progress

2

- Monetize the benefits of our optimization, modernization and restructuring efforts

Complete

1

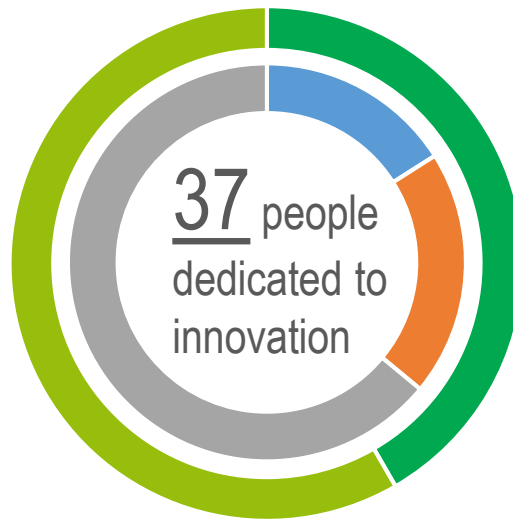
- Consolidate Greenpac results (Q2/17)
- Open new Oregon tissue conversion facility
- Sale of equity interest in Boralex (Q3/17)



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

OBJECTIVE:
20% of sales from innovative products in 2020



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



Polystyrene foam packaging containing 25% recycled material

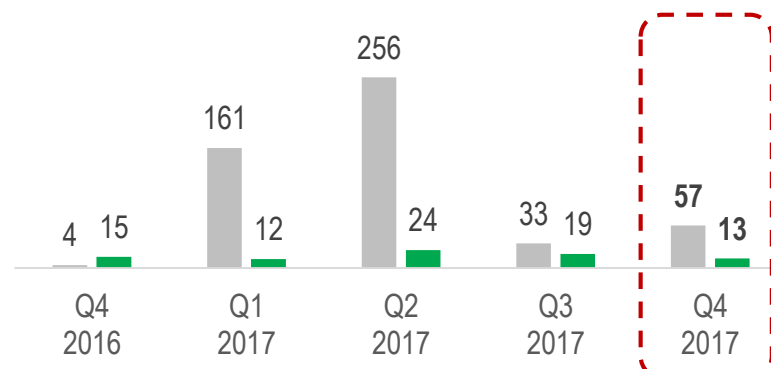
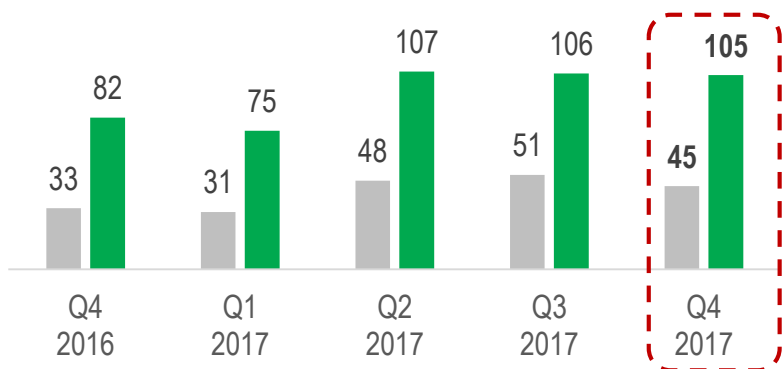
Recyclable insulated container, made with FSC® certified recycled materials



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

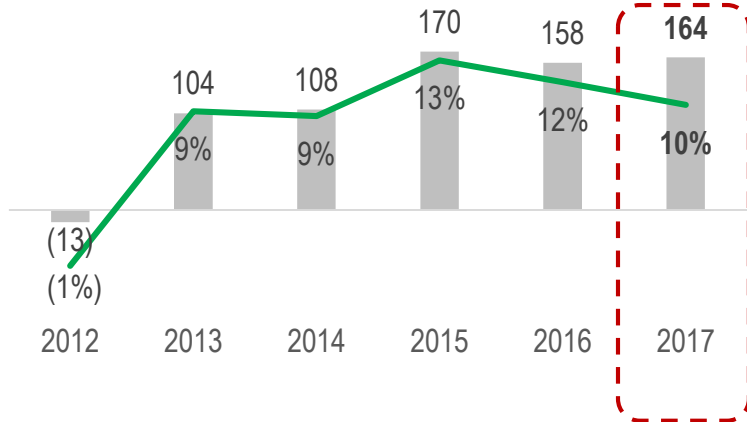
All metrics in Q4-2017 improved YoY with the exception of adjusted net earnings



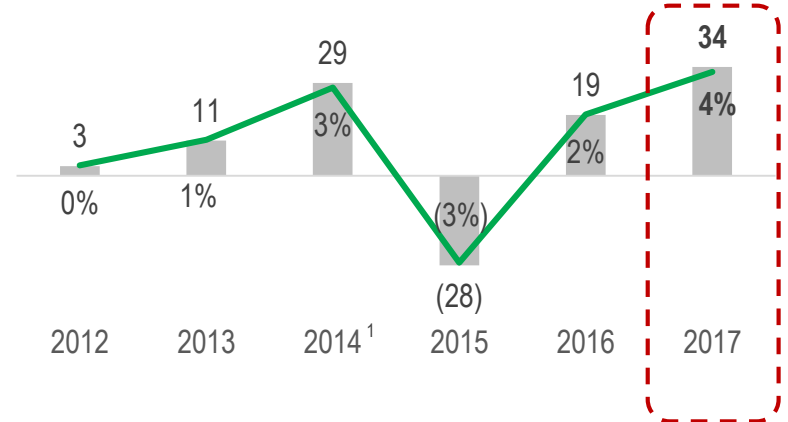
BUSINESS SEGMENTS

Historical Segmented Operating Income and Margin

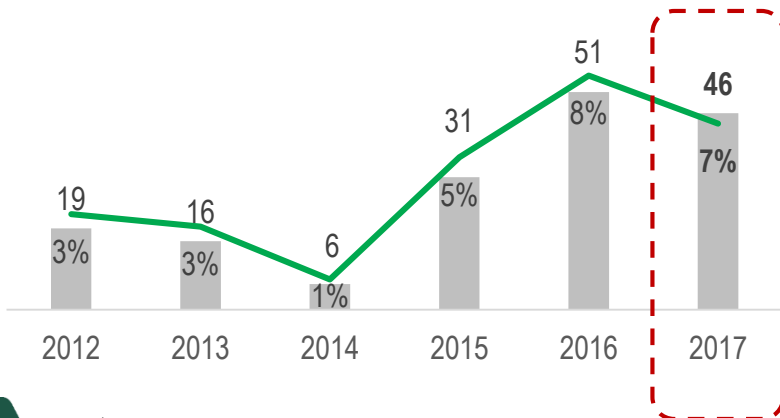
Containerboard (CAN\$ M and %)



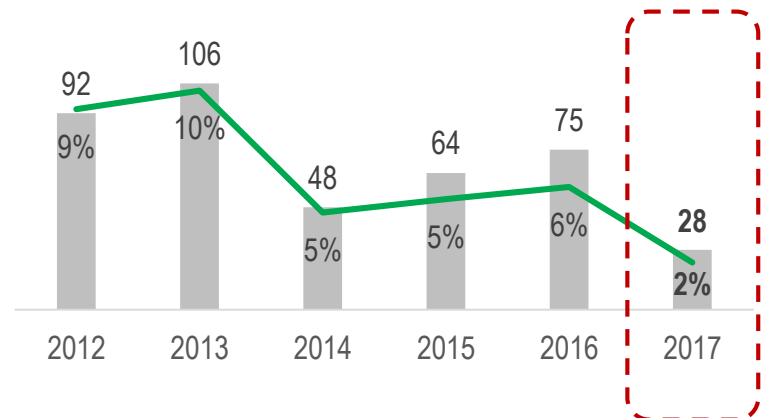
Boxboard Europe² (CAN\$ M and %)



Specialty Products (CAN\$ M and %)



Tissue Papers (CAN\$ M and %)



¹ Including \$9 million of energy credits

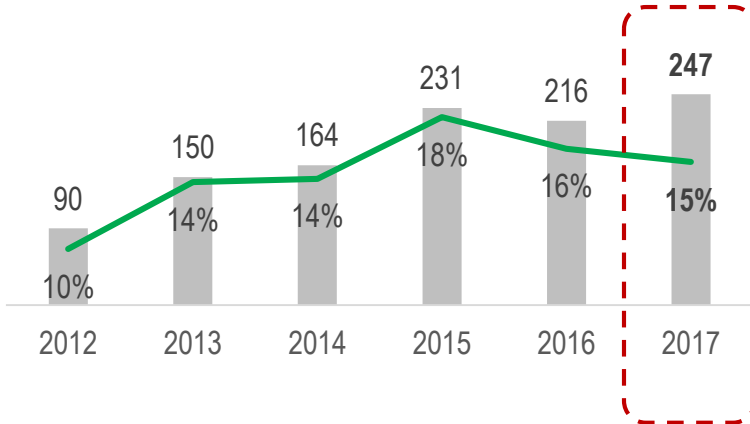
² Via our 57.8% equity ownership in Reno de Medici S.p.A. (RdM)



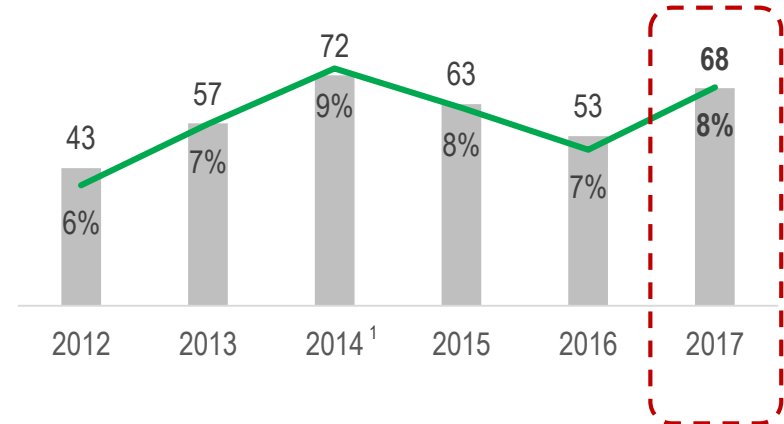
BUSINESS SEGMENTS

Historical Segmented Adjusted OIBD³ and Margin

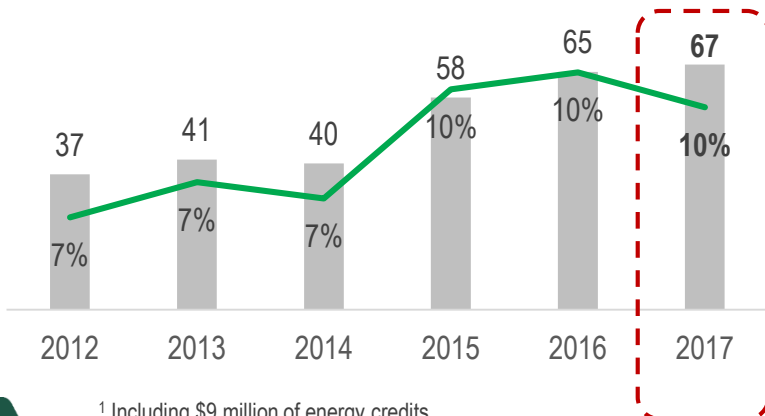
Containerboard (CAN\$ M and %)



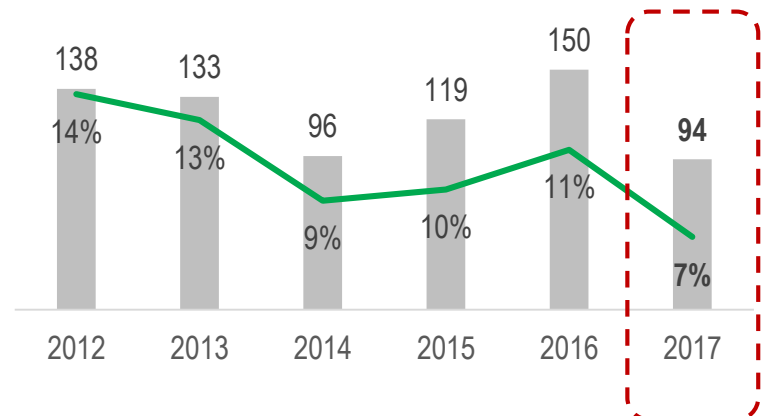
Boxboard Europe² (CAN\$ M and %)



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%

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.

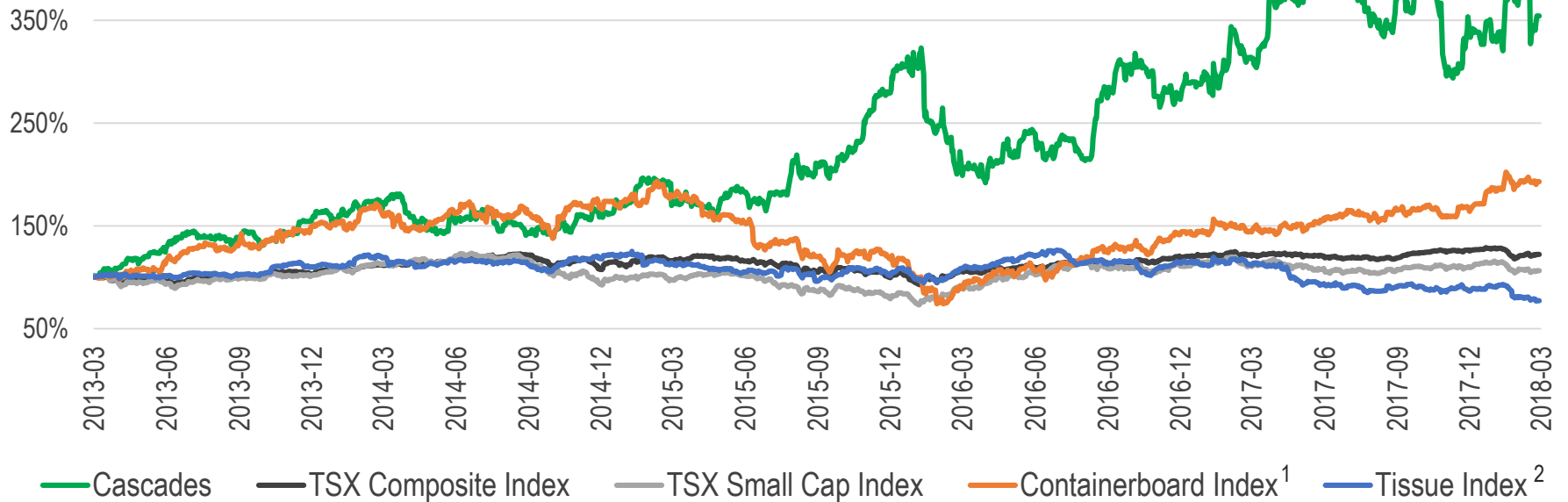


- Challenging market conditions for our Tissue Papers segment, especially in the hand towel parent roll market
- Higher NBSK and NBHK pulp prices

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	113%	100%	94%	131%	68%
3 Year	209%	106%	109%	120%	68%
5 Year	354%	122%	106%	193%	77%



CAS added to the TSX Composite Index June 19, 2017

Note: Shareholder return excludes dividend yield. As of market close March 9, 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	32.3%
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	1.5%
IA Financial Group	1.4%
Royal Bank of Canada	1.3%
Connor Clark & Lunn	1.1%
IG Investments	0.8%
British Columbia Investment	0.7%
Power Corporation	0.6%

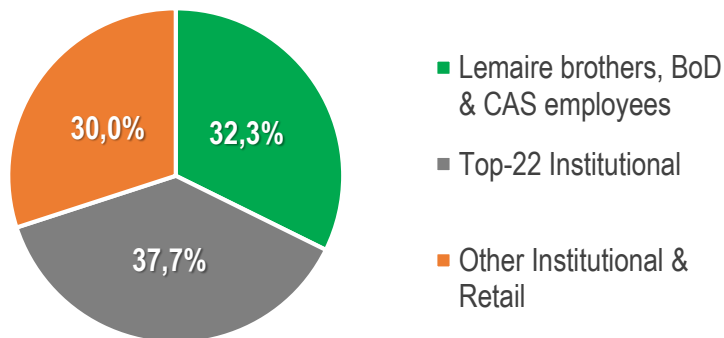
Analyst

City

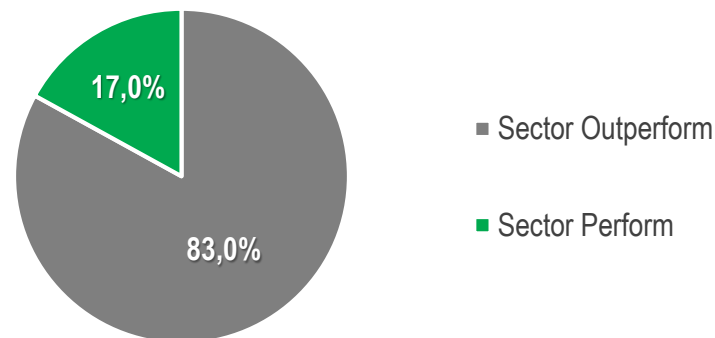
Bank

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

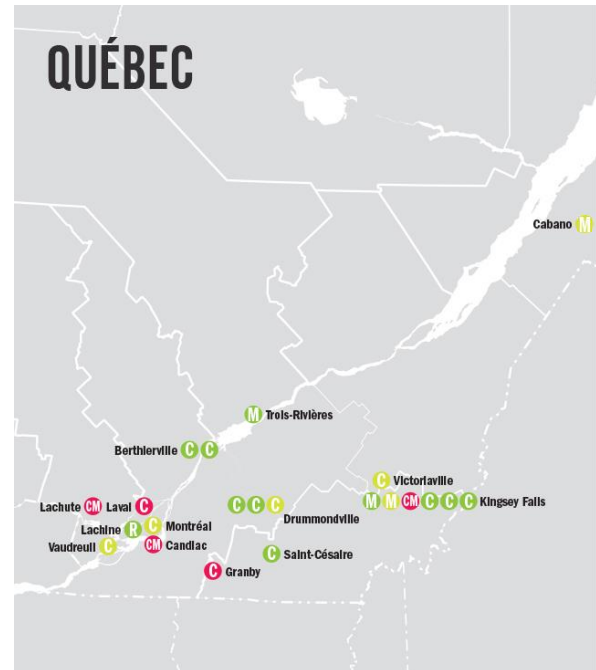
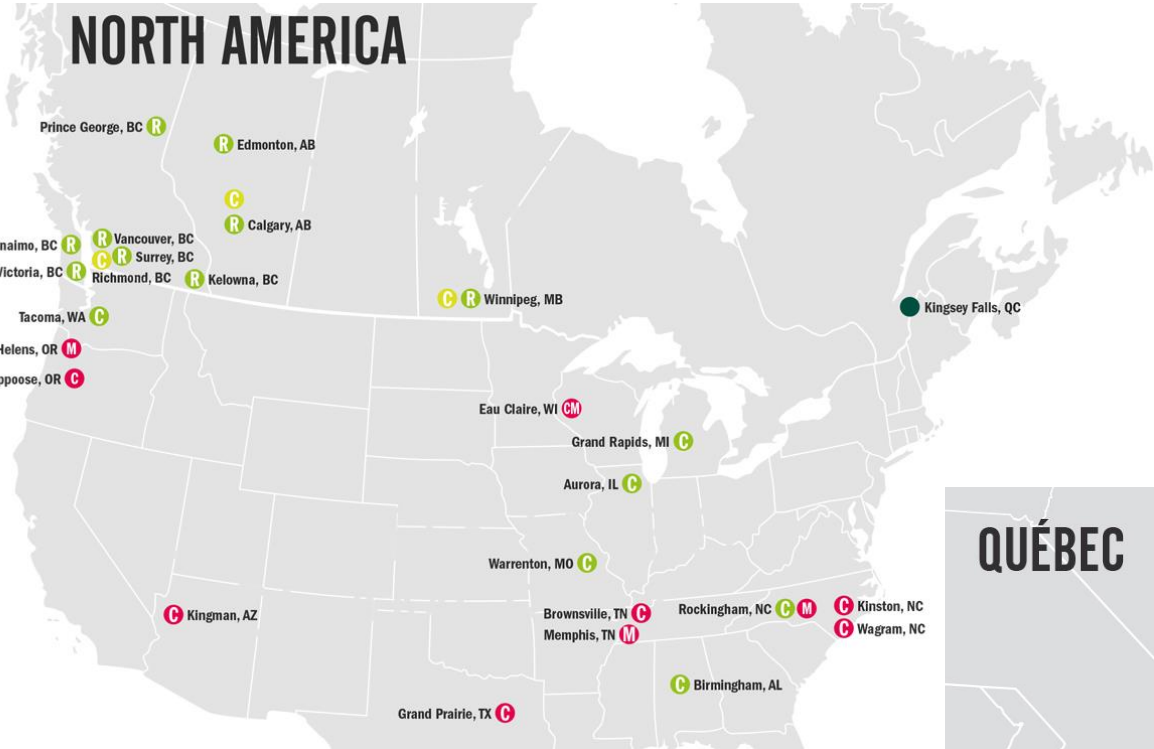


Analyst Recommendations¹





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:

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Director, Investor Relations

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