



Investor relations presentation

Well-positioned to pursue our transformation

September 28, 2017

TSX: TCL.A, TCL.B

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Forward-looking information

This presentation contains certain forward-looking statements concerning the goals of the Corporation, its strategy, its projected financial results and expectations as to its operations. Such statements, based on the current expectations of management, inherently involve numerous risks and uncertainties, known and unknown. We caution that all forward-looking statements are inherently uncertain and actual results may differ materially from the expectations reflected or implied in the forward-looking statements, and that actual results will be affected by a number of factors, many of which are beyond the Corporation's control, including the economic situation, exchange rates, energy costs, increased competition, the Corporation's capacity to implement its strategic plan and to make and integrate acquisitions, the regulatory environment, the safety of our packaging products used in the food industry, innovation of our offering and concentration of our sales in certain segments. The principal risks, uncertainties and other factors that could influence actual results are described in the *Management's Discussion and Analysis (MD&A) for the fiscal year ended on October 31, 2016* and in the latest *Annual Information Form* and have been updated in the *MD&A for the third quarter ended July 30, 2017*.

The forward-looking statements in this presentation are based on current expectations and information available as of September 28, 2017. We disclaim any intention or obligation to update or revise any forward-looking statements unless otherwise required by the securities authorities.

Non-IFRS financial measures

In this presentation, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Standards (IFRS) and the term “dollar”, as well as the symbol “\$” designate Canadian dollars.

In this presentation, we also use non-IFRS financial measures for which a complete definition is presented below and for which a reconciliation to financial information in accordance with IFRS is presented in table #2 entitled "Reconciliation of Non-IFRS Financial Measures" in the *MD&A for the third quarter ended July 30, 2017* and in Note #3 "Segmented Information" in the accompanying unaudited condensed interim consolidated financial statements. These measures should be considered as a complement to financial performance measures in accordance with IFRS. They do not substitute and are not superior to them.

Non-IFRS measures	Definition
Adjusted operating earnings before depreciation and amortization	Operating earnings before depreciation and amortization as well as restructuring and other costs (revenues) and impairment of assets
Adjusted operating earnings	Operating earnings before restructuring and other costs (revenues) and impairment of assets
Adjusted operating earnings margin	Adjusted operating earnings divided by revenues
Adjusted income taxes	Income taxes before income taxes on restructuring and other costs (revenues) and income taxes on impairment of assets
Net earnings attributable to shareholders of the Corporation	Net earnings less non-controlling interests
Adjusted net earnings attributable to shareholders of the Corporation	Net earnings attributable to shareholders of the Corporation, before restructuring and other costs (revenues) and impairment of assets, net of related income taxes, adjustment to deferred income tax assets, reversal of financial expenses resulting from notices of assessment and net earnings from discontinued operations
Net indebtedness	Total of long-term debt plus current portion of long-term debt less cash
Net indebtedness ratio	Net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization
Free cash flow	Adjusted operating earnings before depreciation and amortization less the sum of capital expenditures, interest paid and income taxes paid (recovered)
Free cash flow yield	Free cash flow divided by the market capitalization as at the end of the financial year or as at the end of Q3-2017 for the last twelve months period

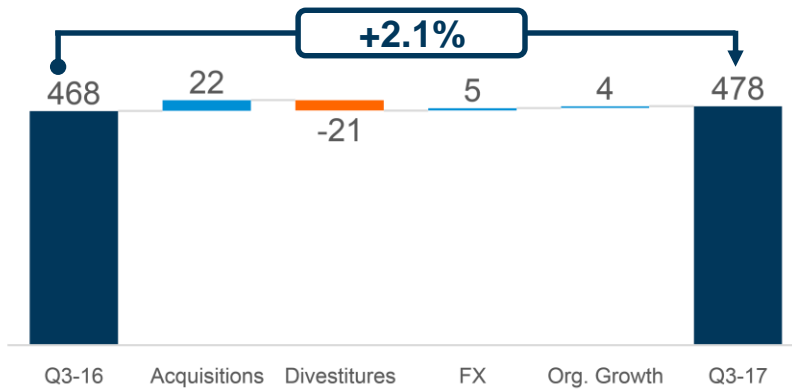


Latest financials

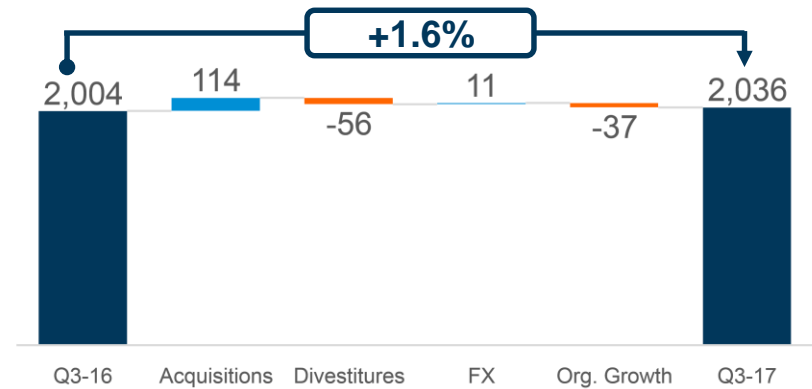
- Q3-2017 and LTM financial performance

Q3-2017 and LTM financial performance

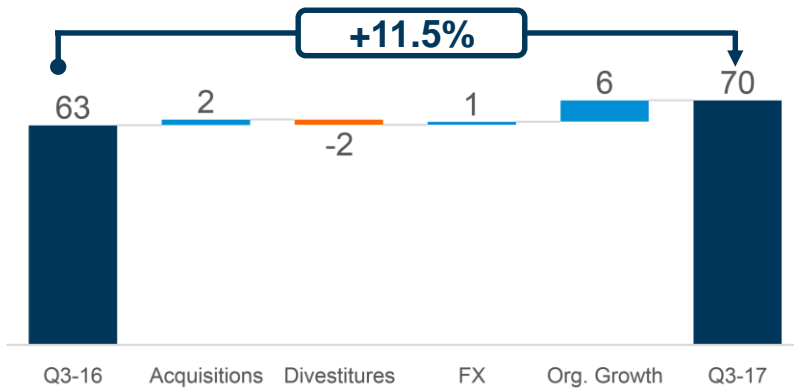
Q3-2017 Revenues (\$M)



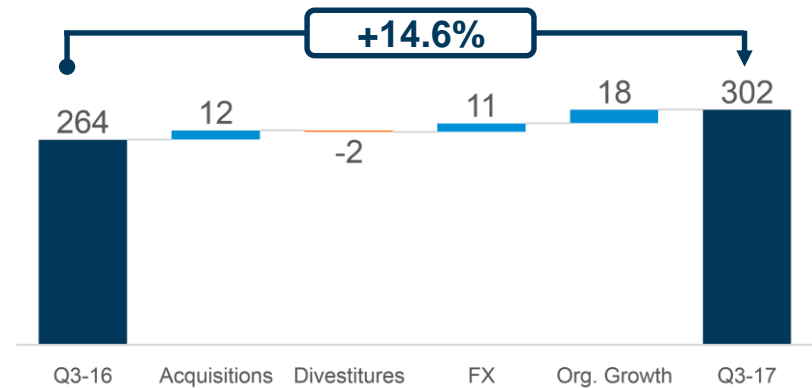
LTM Revenues (\$M)



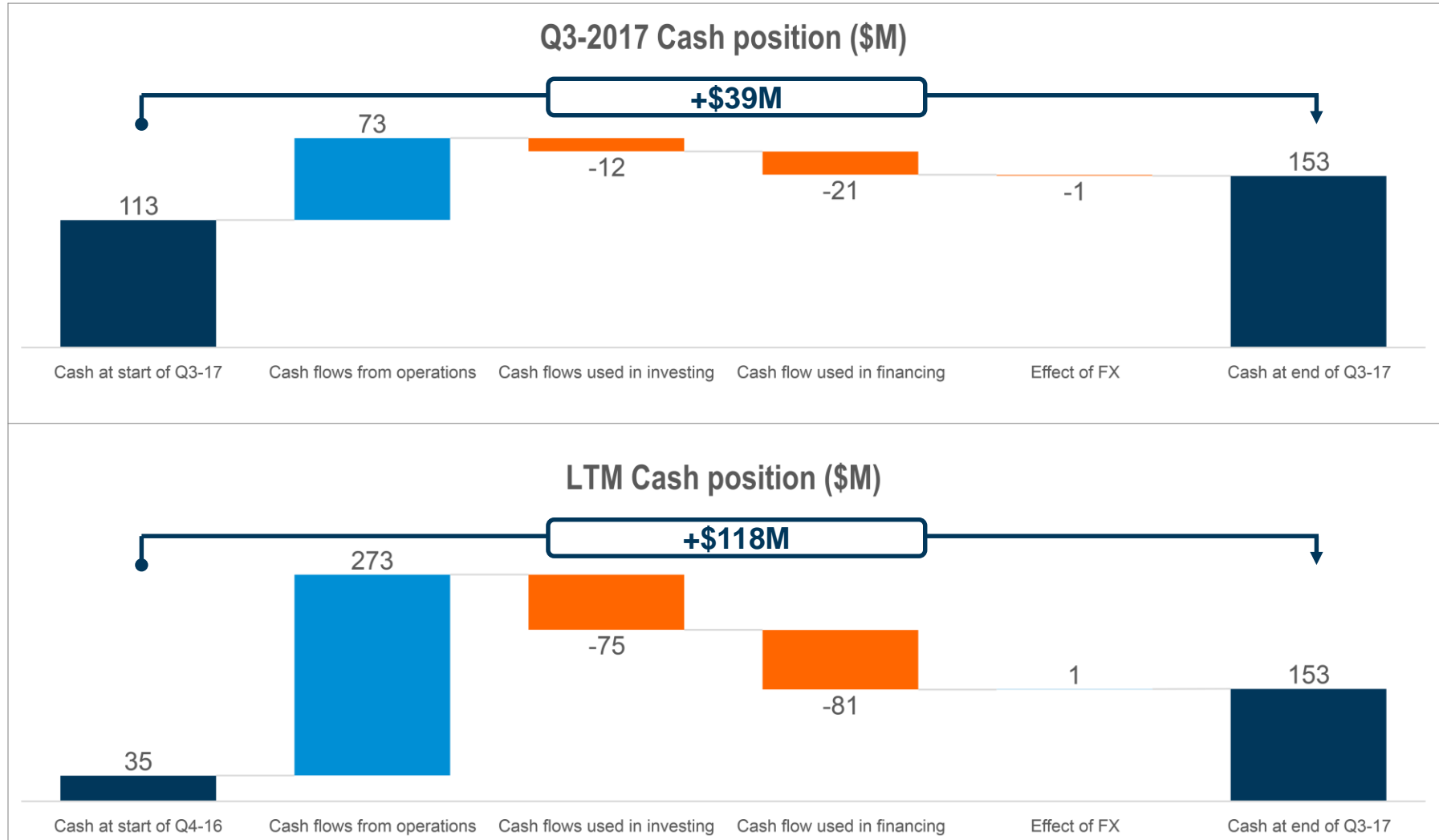
Q3-2017 EBIT (\$M)



LTM EBIT (\$M)



Q3-2017 and LTM financial performance cont'd





Who we are

- At a glance
- Our transformation journey
- Our revenue profile by activity
- Our strategy
- Driving a successful transformation

At a glance

Canada's largest printer with operations in print, flexible packaging, publishing and digital media

Mission: create products and services that allow businesses to attract, reach and retain their target customers

Values: respect, teamwork, performance and innovation

Core competency: manufacturing



7,000

employees in Canada and the United States

\$2.0B

LTM revenues

\$407M

LTM adj. EBITDA

20%

LTM adj. EBITDA margin

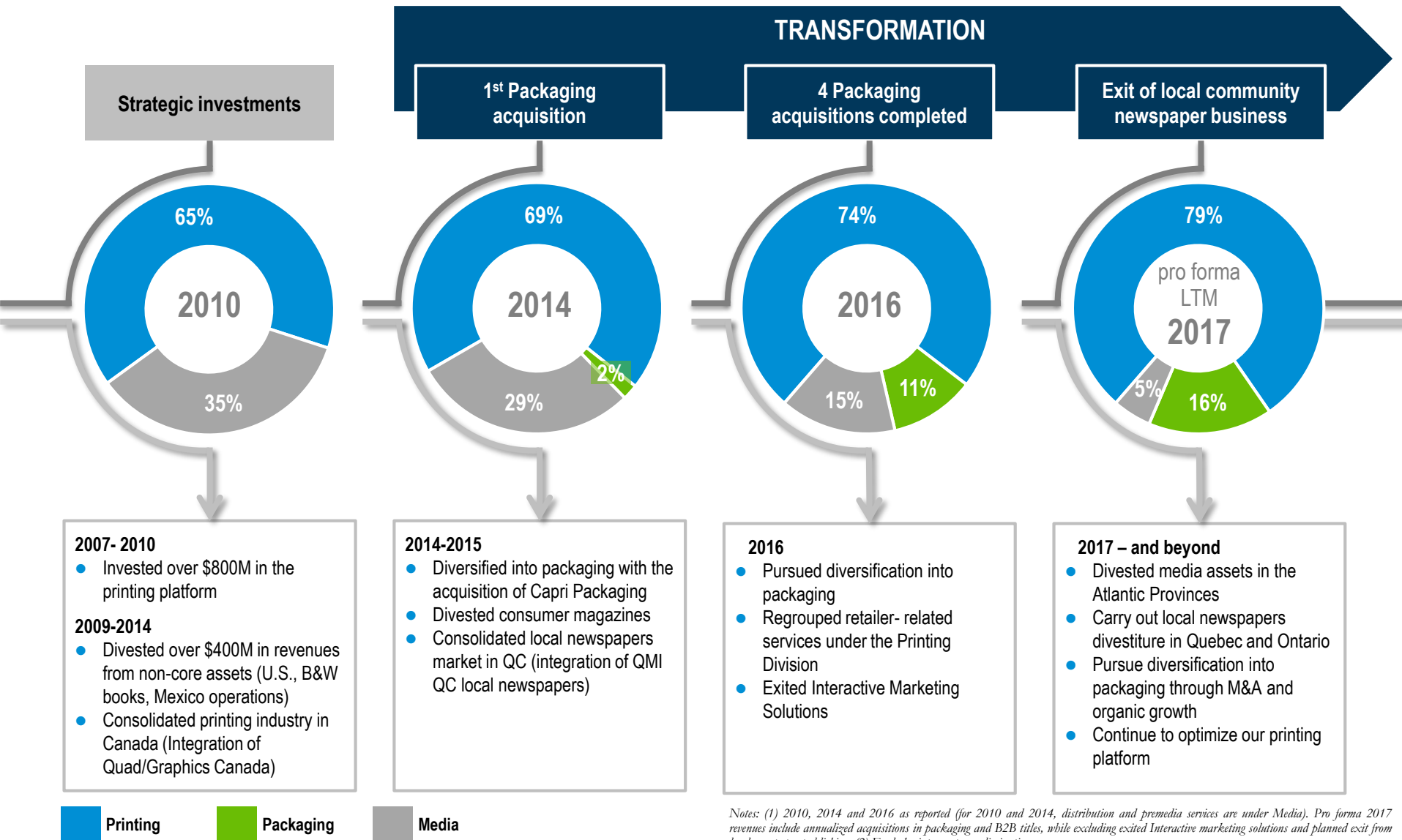
\$283M

LTM Free cash flow

TC TRANSCONTINENTAL IS AN ORGANIZATION IN TRANSFORMATION

Our vision is to secure our position as **Canada's largest printer** and as a **leader in our media segments** while **transforming** the organization to be a **North American leader in flexible packaging**

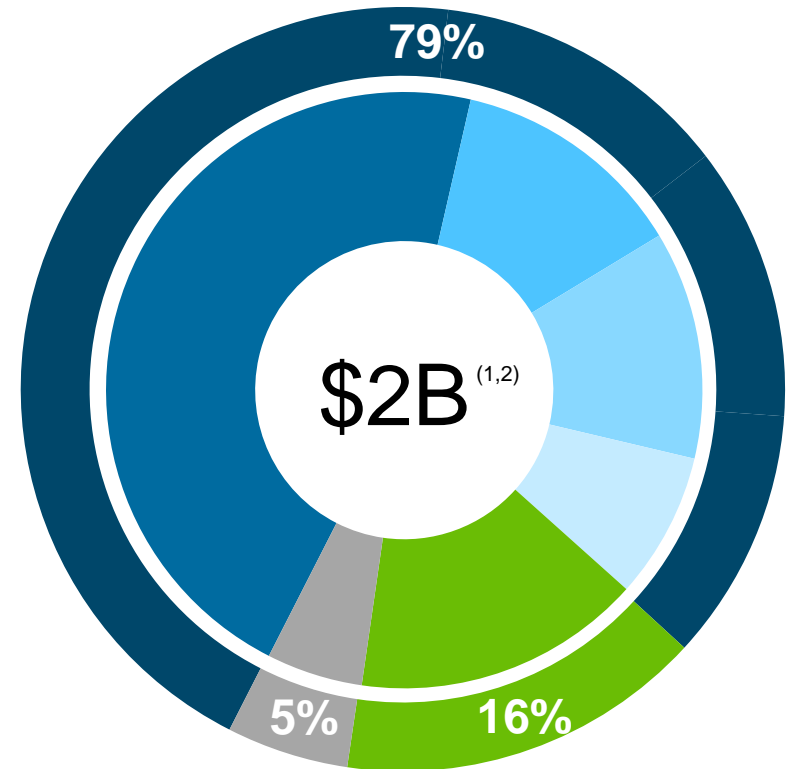
Our transformation journey



Our revenue profile by activity

Pro forma 2017 LTM Revenues⁽¹⁾

Mature segment		
18 plants ⁽³⁾	tc • TRANSCONTINENTAL PRINTING	\$1,516M
8 plants	Retailer-related services Flyer printing Flyer distribution Premedia services In-store marketing product printing	\$883M
9 plants	Newspapers	\$244M
4 plants	Magazines and Books	\$237M
2 plants	Commercial Products	\$152M
Growing segment		
5 plants + 1 premedia facility	tc • TRANSCONTINENTAL PACKAGING	\$300M
Evolving segment		
	tc • MEDIA	\$100M
	Business and Education	\$100M



(1) Pro forma 2017 revenues include annualized acquisitions in packaging and B2B titles, while excluding exited Interactive marketing solutions and planned exit from local newspaper publishing. (2) Excludes intercompany eliminations. (3) Sum of plants does not add to total as some plants print several products.

≈ 60% of our print portfolio is linked to retailer-related services and our Packaging division has grown to secure 16% of our overall revenue

Our strategy

tc • TRANSCONTINENTAL PRINTING



Defend and strengthen our printing platform

- Improve efficiencies
- Gain market share
- Manage long-term contracts (80% of sales)

tc • TRANSCONTINENTAL PACKAGING



Gain momentum in our Packaging division

- Grow sales organically
- Pursue acquisitions
- Talent acquisitions

tc • MEDIA



Optimize our media activities

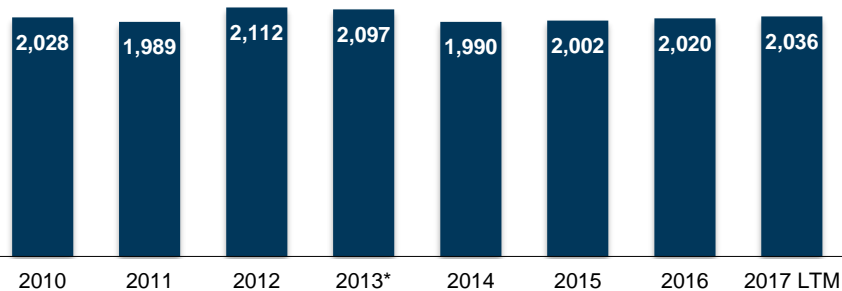
- Improve efficiencies
- Exit local newspapers
- Gain market share in educational book publishing
- Strengthen our non-advertising, non-paper base media offering in business publications

An optimization and diversification play to drive a successful transformation

Driving a successful transformation

1 Stable revenues

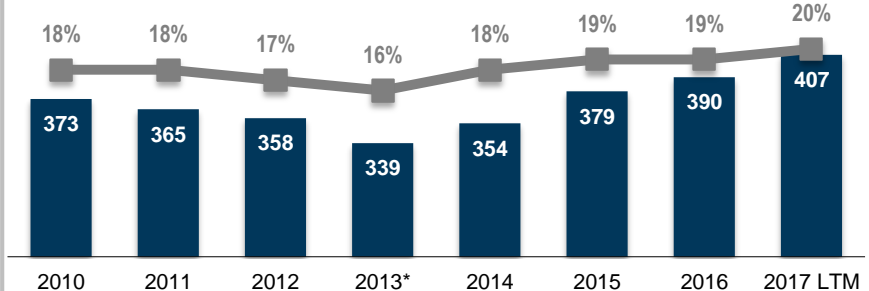
Revenues (\$M)



* 2013 financial information has been restated to reflect the impact of the adoption of IFRS 11 "Joint Arrangements" and amended LAS 19 "Employee benefits" and other elements

2 Profitability growth

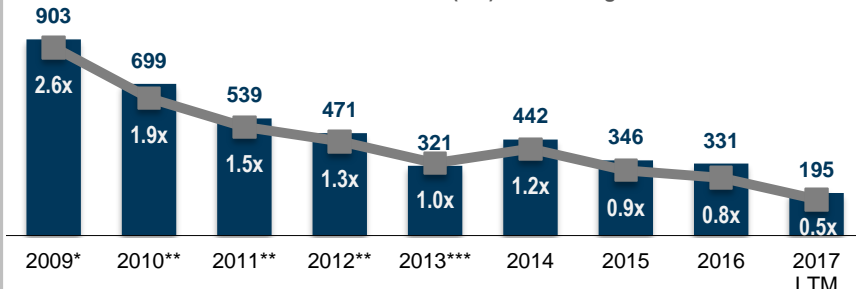
Adjusted EBITDA (\$M) and margin



* 2013 financial information has been restated to reflect the impact of the adoption of IFRS 11 "Joint Arrangements" and amended LAS 19 "Employee benefits" and other elements

3 Declining indebtedness

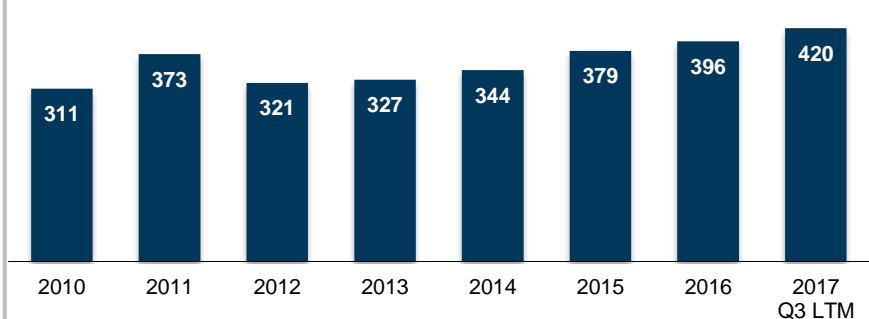
Net indebtedness (\$M) and leverage ratio



* As originally reported and including securitization. ** As originally reported. *** 2013 figures have been restated to take into account the effects of amended LAS 19 - Employee Benefits, IFRS 11 - Joint Arrangements and other elements.

4 Sustaining cash flow

Cash flow from operations* (\$M)



* Cash flows generated by operating activities before changes in non-cash operating items and income taxes recovered (paid)

Our consistent strategy and execution will allow us to sustain cash flow generation as we continue to shift our portfolio towards flexible packaging



Self-differentiating factors

1. Lead position in established markets served
2. Efficient operator
3. Strong cash flow generating capacity
4. Healthy balance sheet

1. Lead position in established markets served – Focusing on selected markets

Retailer-related printing services

1

Printed flyer is a relevant medium to drive traffic to the stores

- 84% of shoppers read printed flyers ⁽¹⁾
- 73% of millennials read printed flyers ⁽¹⁾
- 9% of shoppers use digital only ⁽¹⁾

2

Repetitive and contractual business

- Concluded an expanded agreement with Lowe's Canada (renewal of the agreement with RONA and the addition of the printing of Lowe's flyers in Canada) in H1-2017

3

Opportunities to increase our share of wallet with key customers

- One-stop shop for retailers by bundling turnkey solutions for in-store marketing services

(1) Flyer readership data are from a BrandSpark International study commissioned by TC Transcontinental.

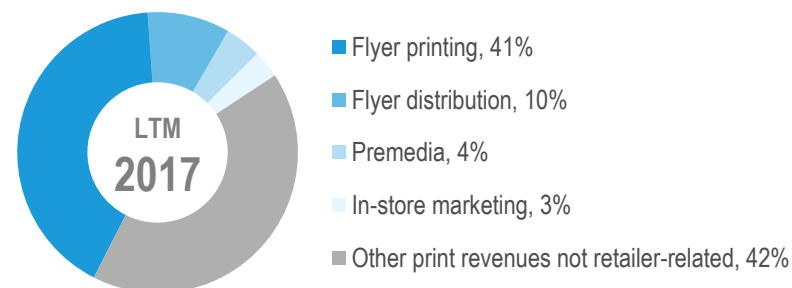
4

Serve a solid customer base



5

Close to 60% of our print revenues are linked to retailers



**Demand for printed flyers remains stable in a digital world
and where associated services are bound to grow**

1. Lead position in established markets served – Focusing on selected markets cont'd

Non retailer-related printing services

1

Solid and long-standing relationships with diverse mix of leading publishers

San Francisco Chronicle

TORONTO STAR

THE GLOBE AND MAIL

POSTMEDIA

QUÉBECOR
Média

GROUPE
CAPITALES
MÉDIAS

ROGERS™

ELSEVIER

CHENELIÈRE
ÉDUCATION

2

Opportunities for additional newspaper outsourcing contracts in Canada

- In 2016, signed a five-year agreement to print the *Toronto Star*

3

Opportunities in four-colour book printing and catalogue printing

- Related to favourable exchange rates and consolidation of U.S. printers

Media

4

Investing in our B2B and Education portfolio on an opportunistic basis

- Acquired all B2B brands of the Advisor and Financial Services Groups from Rogers Media Inc. at the end of 2016

5

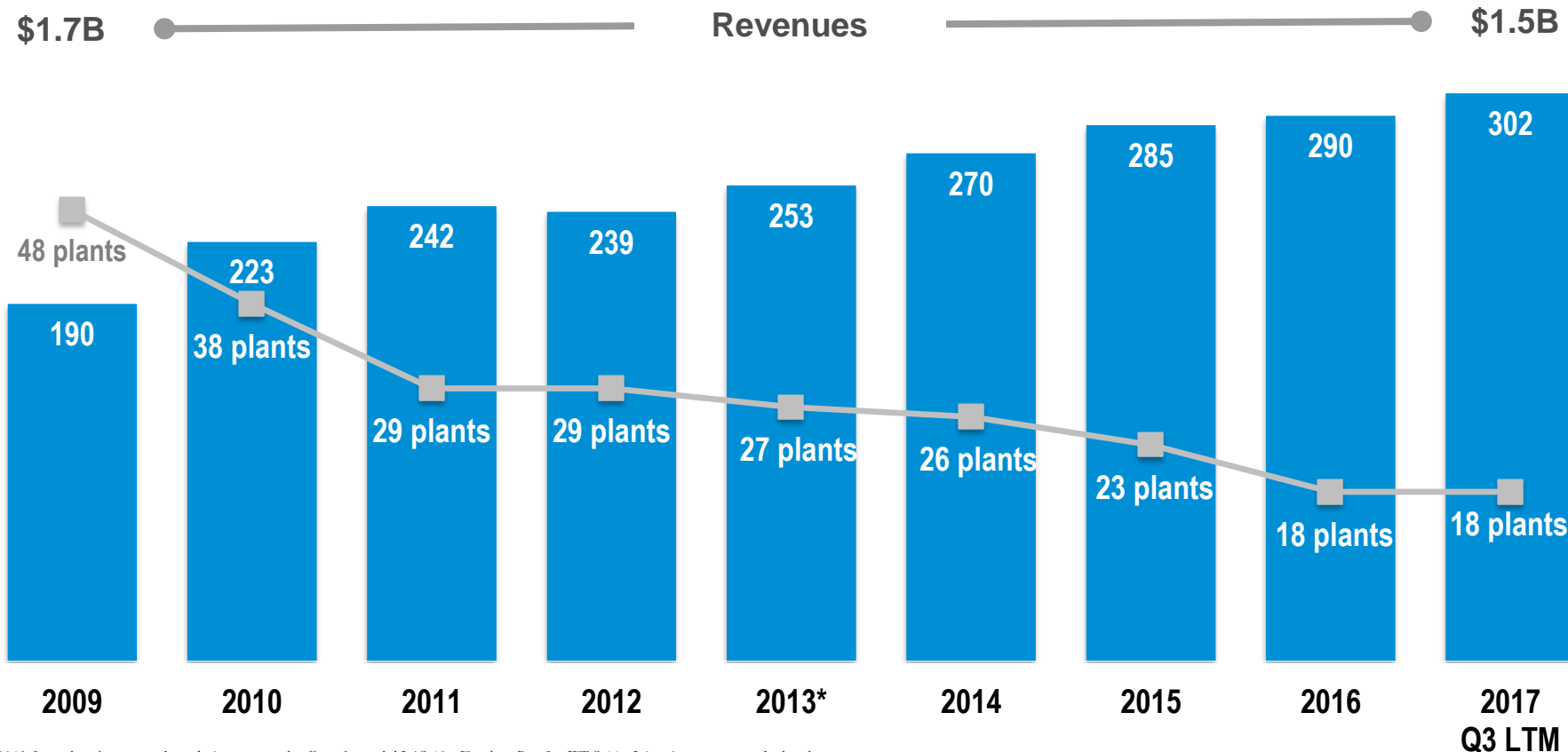
Monetizing non-core assets and reducing exposure to ad expenditures

- Sale of our local newspaper business

**Despite exposure to strong trends in some markets,
we still have some levers to mitigate challenges**

2. Efficient operator – Continued optimization of our printing platform

Printing division adjusted EBIT (in \$M)



* 2013 figures have been restated to take into account the effects of amended IAS 19 - Employee Benefits, IFRS 11 - Joint Arrangements and other elements.

Note: Includes adjusted EBIT of our distribution and premedia operations.

**Increasing the utilization rate by allocating the right job at the right place and
deploying minimal capex to further leverage the platform**

2. Efficient operator – Building on solid manufacturing competencies

Started diversification

- Acquisition of Capri Packaging

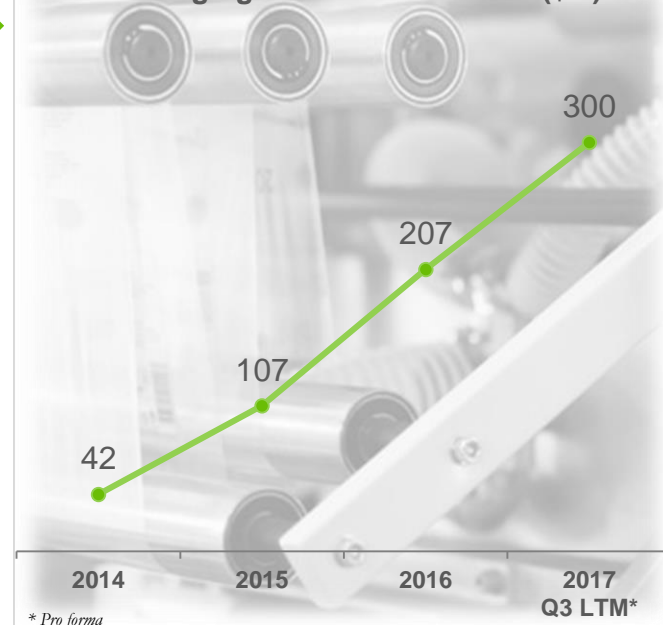
Defined a new operating structure

- Packaging division under the responsibility of top print talent
- Integrated TC Optium, existing Premedia facility, to service offering
- Exported best print practices to packaging division's process, workflow and supply chain
- Moved-up the learning curve regarding packaging-specific elements (sales cycle, raw materials, different verticals, inventory management)

Invested to foster growth

- Invested in new capacity and capabilities
- Hired key sales and marketing talent
- Acquiring additional skill-sets
- Pursuing acquisitions by investing in the right assets at the right price

Packaging division's revenues (\$M)



TC Capri 1 and 2
Clinton, Missouri
≈ 200 employees
Transaction closed: May 3, 2014



Main markets served:
cheese, yogurt, pasta

TC Ultra Flex
Brooklyn, New York
≈ 300 employees
Transaction closed: Sept. 30, 2015



Main markets served:
coffee, cigars, confectionery

TC Robbie
Lenexa, Kansas
≈ 175 employees
Transaction closed: June 30, 2016



Main markets served:
In-store food packaging, fresh and frozen produce, multipack

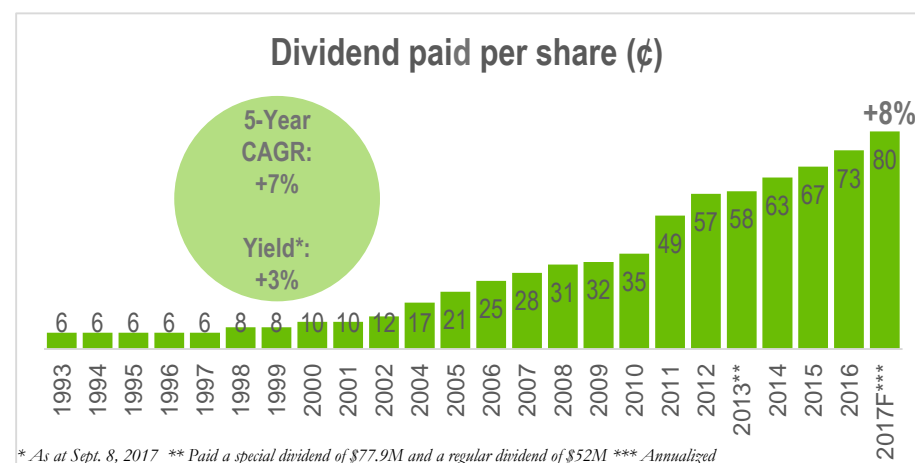
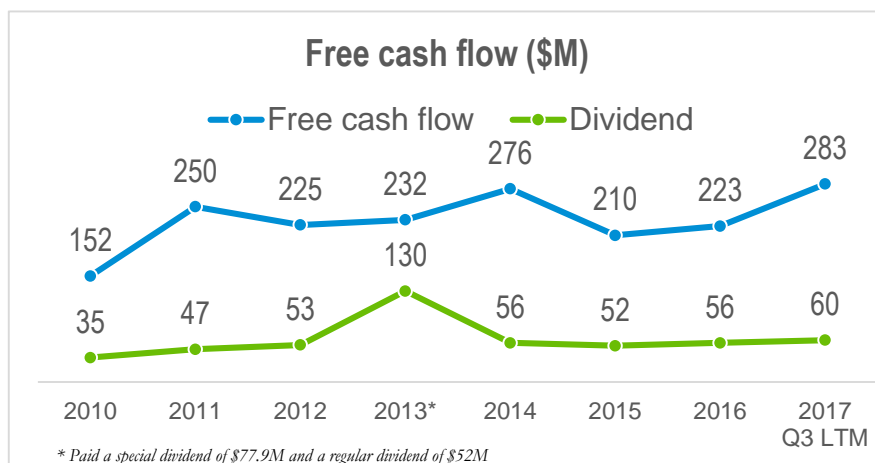
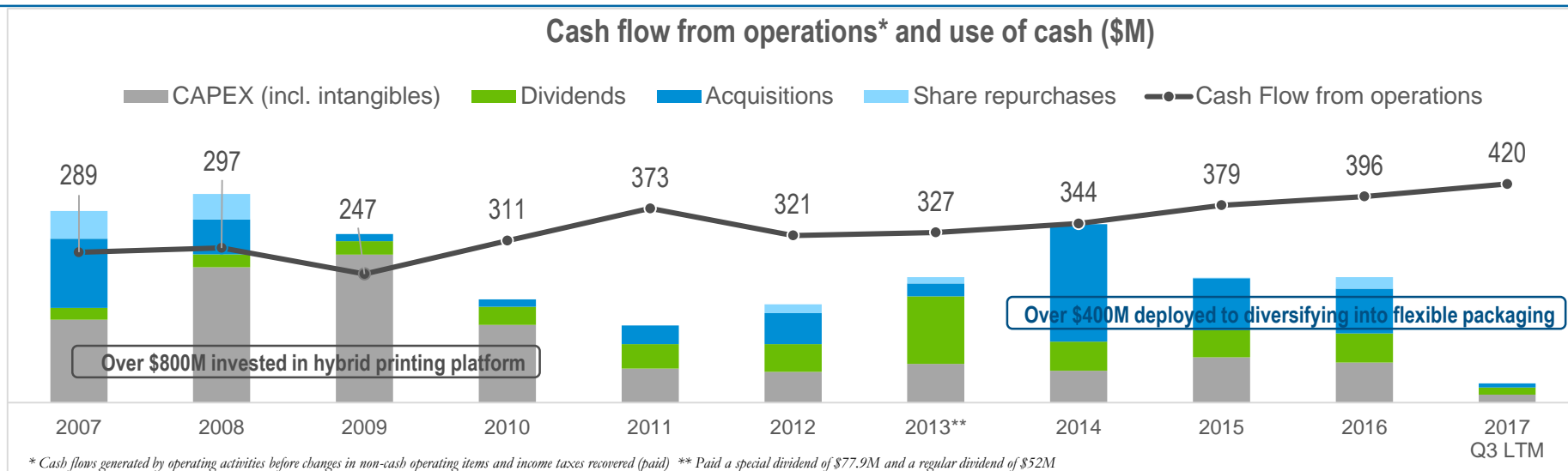
TC Flexstar
Richmond, British Columbia
≈ 120 employees
Transaction closed: Oct. 17, 2016



Main markets served:
Cereal, snack & confectionery, coffee, frozen, other

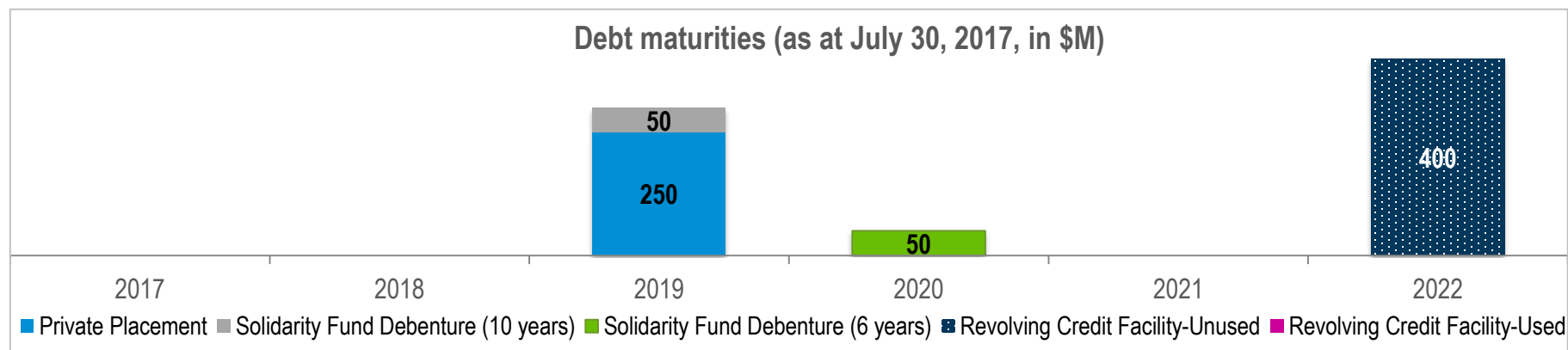
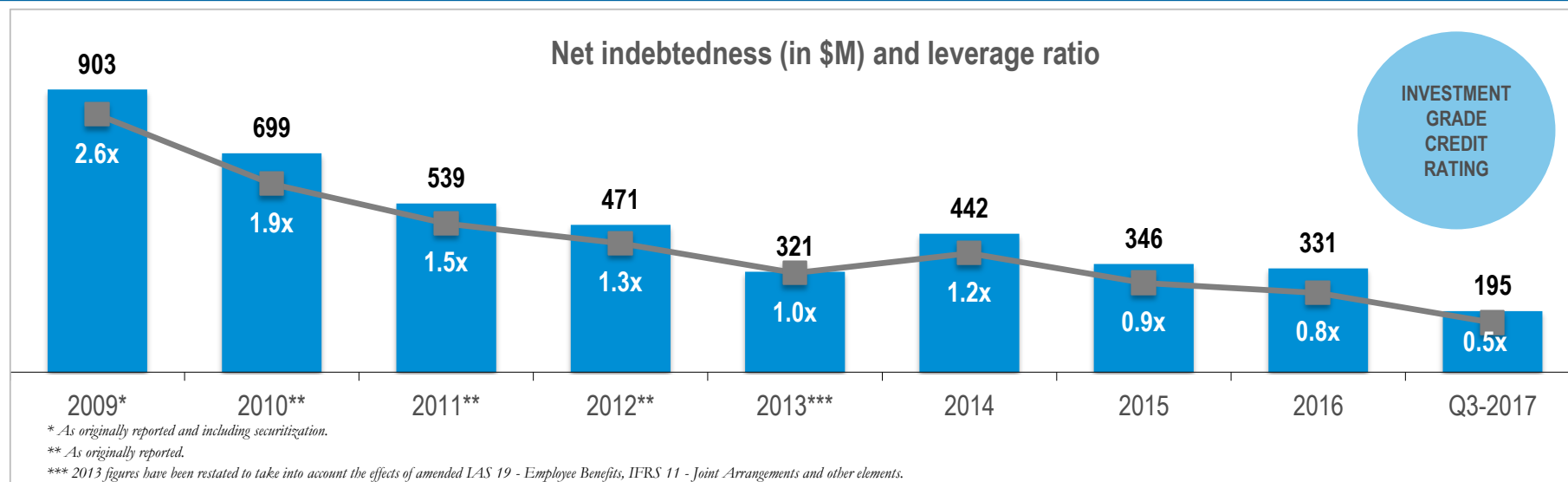
Our manufacturing know-how is key to scale up our Packaging division

3. Strong cash flow generating capacity



History of returning cash to shareholders, but cash deployment focus remains enabling organic and acquisition led growth

4. Healthy balance sheet



History of deleveraging and no significant debt maturities before 2019 provide further flexibility to pursue acquisitions in flexible packaging

Making impressions count

THE TC DIFFERENCE TO CREATE LONG TERM VALUE RELIES ON:

- 1) **OUR IDENTITY**
Committed to our values, our people, placing our customers at the heart of our priority and being a responsible corporate citizen
- 2) **OUR STRONG CASH FLOW GENERATING CAPACITY**
Committed to returning FCF to shareholders and our long-term vision toward profitable growth
- 3) **STRONG MANAGEMENT AND ALIGNED TEAM**
Committed to drive a successful transformation

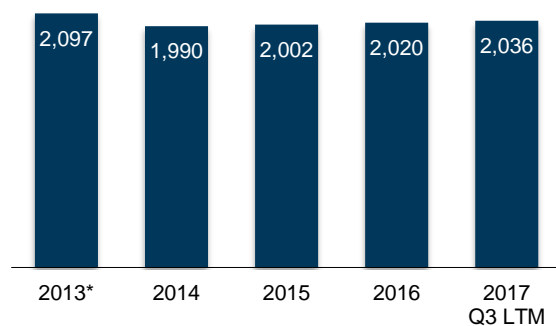




Appendix

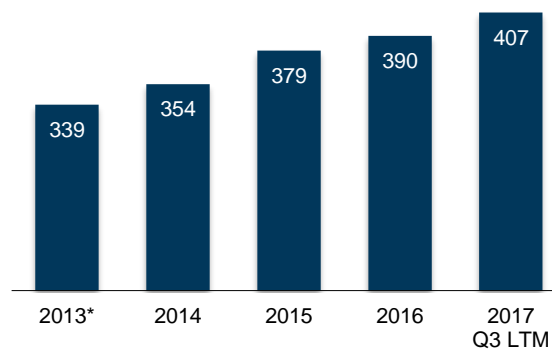
Historical financials tear sheet

Revenues (\$M)



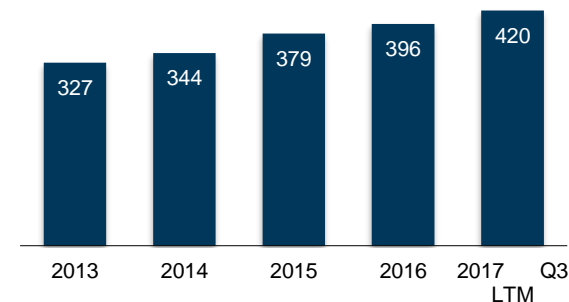
* 2013 financial information has been restated to reflect the impact of the adoption of IFRS 11 "Joint Arrangements" and amended LAS 19 "Employee benefits" and other elements

Adjusted EBITDA (\$M)



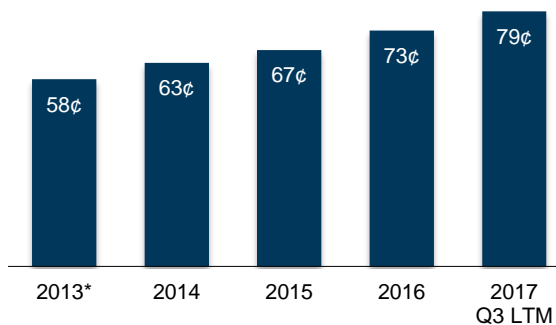
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Cash flow from operations* (\$M)



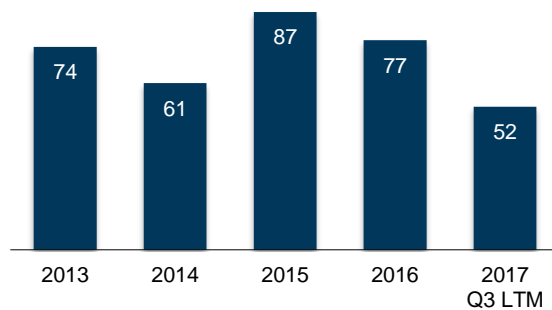
* Cash flows generated by operating activities before changes in non-cash operating items and income taxes recovered (paid)

Dividends paid per participating share (¢)



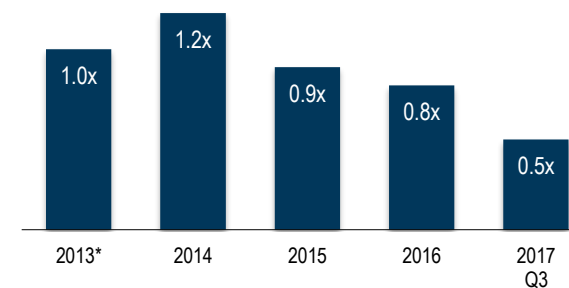
* Paid a special dividend of \$1.00 per share in addition to regular quarterly dividend

Capital expenditures* (\$M)



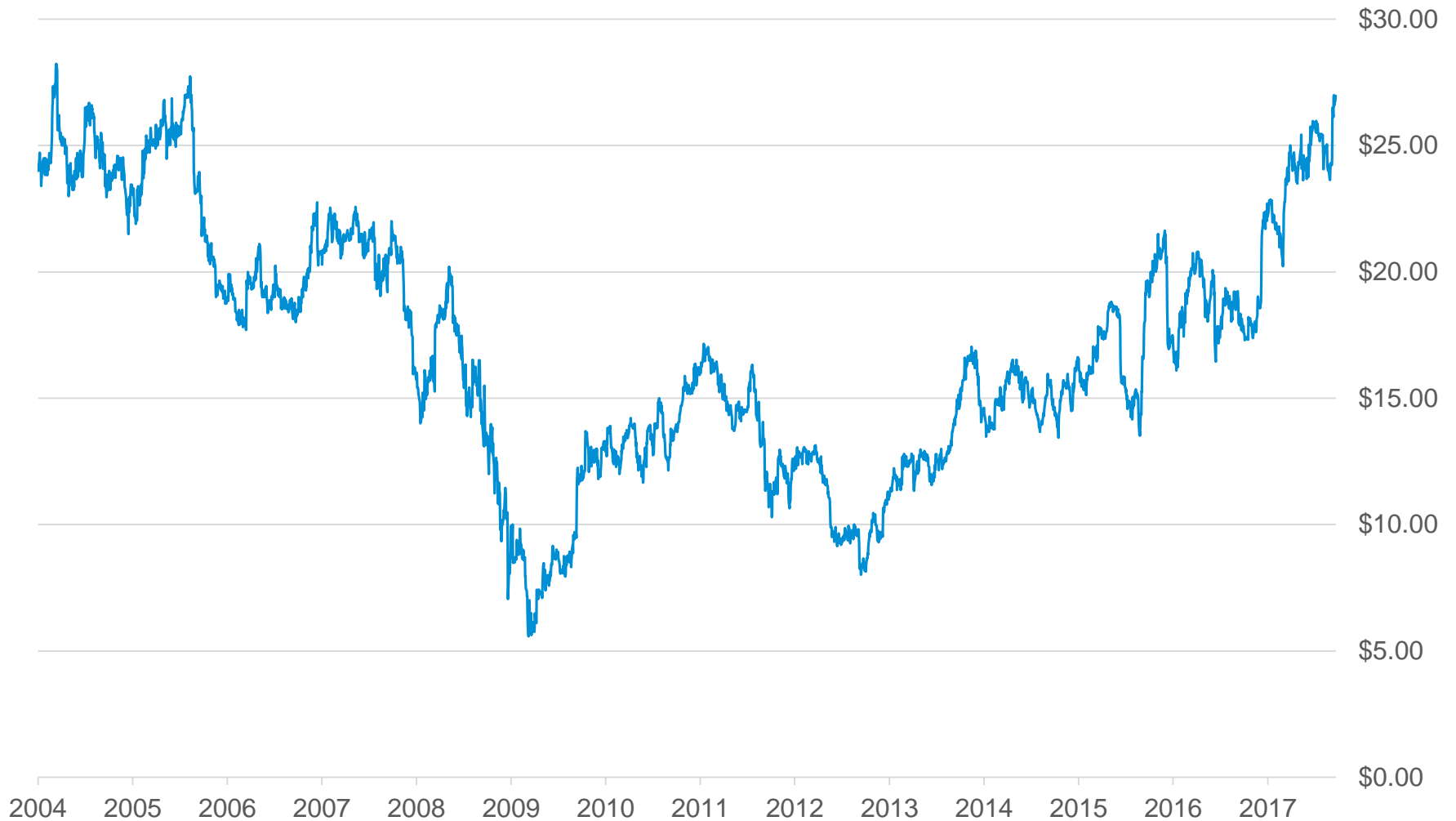
* Including intangible assets

Adjusted net indebtedness ratio



* 2013 financial information has been restated to reflect the impact of the adoption of IFRS 11 "Joint Arrangements" and amended LAS 19 "Employee benefits" and other elements

TCL.A performance



Operating a state-of-the-art national printing network

18

printing plants

(As of September 28, 2017)

Quebec (8)

Beauceville
Boucherville
Gatineau
Montreal (3)
Quebec
St-Hyacinthe

Ontario (4)

Brampton
Markham & Aurora
Owen Sound
Vaughan

Manitoba (1)

Winnipeg

Alberta (1)

Calgary

British Columbia (1)

Delta

Prince Edward Island (1)

Borden-Carlton

Nova Scotia (1)

Halifax

USA (1)

Fremont



Providing a broad range of solutions as the largest printer in Canada and one of the largest in North America

Retail flyers



Flyer distribution

Door-to-door distribution and geotargeting



Premedia



In-store marketing products



Providing a broad range of solutions as the largest printer in Canada and one of the largest in North America

Newspapers

Unique outsourcing model for publishers



Magazines and books



Commercial products

Direct mail, catalogs, etc.



Providing a broad range of innovative and attention-grabbing flexible packaging solutions

Assorted pouches and bags



Overwrap

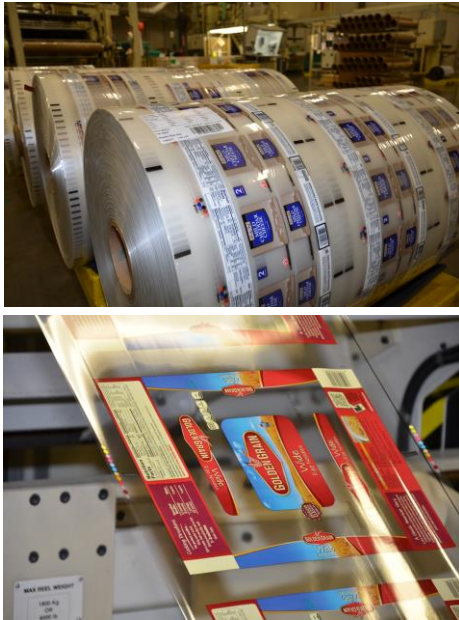


Printed shrink and stretch films



Providing a broad range of innovative and attention-grabbing flexible packaging solutions

Rollstock



Non-forming web



Lidding



Providing a broad range of multiplatform media solutions

Business Solutions

Multiplatform speciality publications, business events, conferences and seminars, content solutions



Educational & Trade Book Publications

Leader in French-language educational book publishing in Canada



Contact and additional information



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Investor's kit:

[Corporate Presentation](#)

[2016-2018 Corporate Social Responsibility Plan](#) and [2016 Progress Report](#)

