



Investor relations presentation

Well-positioned to pursue our transformation

April 25, 2017

NOTES TO READERS

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. Please refer to the section entitled “Reconciliation of Non-IFRS Financial Measures” in the *Management Discussion and Analysis (MD&A) for the first quarter ended January 29th, 2017* for a complete description of these measures.

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 for the fiscal year ended on October 31, 2016* and in the latest *Annual Information Form* and have been updated in the *Management’s Discussion and Analysis for the first quarter ended January 29, 2017*.

The forward-looking statements in this presentation are based on current expectations and information available as of April 25, 2017. We disclaim any intention or obligation to update or revise any forward-looking statements unless otherwise required by the securities authorities.

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Our transformation

TC Transcontinental 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

8,000 employees in Canada and the United States in 2016

\$2.0B in revenues in 2016

18 printing plants

5 flexible packaging plants and one premedia studio

15 niche media brands

93 local and regional newspapers

12,500 educational and general interest book titles published

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**.



An optimization and diversification strategy

Mature segment

tc • TRANSCONTINENTAL
PRINTING



Defend and strengthen our printing platform

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

Growth segment

tc • TRANSCONTINENTAL
PACKAGING



Build our Packaging division

- Pursue acquisitions
- Grow sales organically

Evolving segment

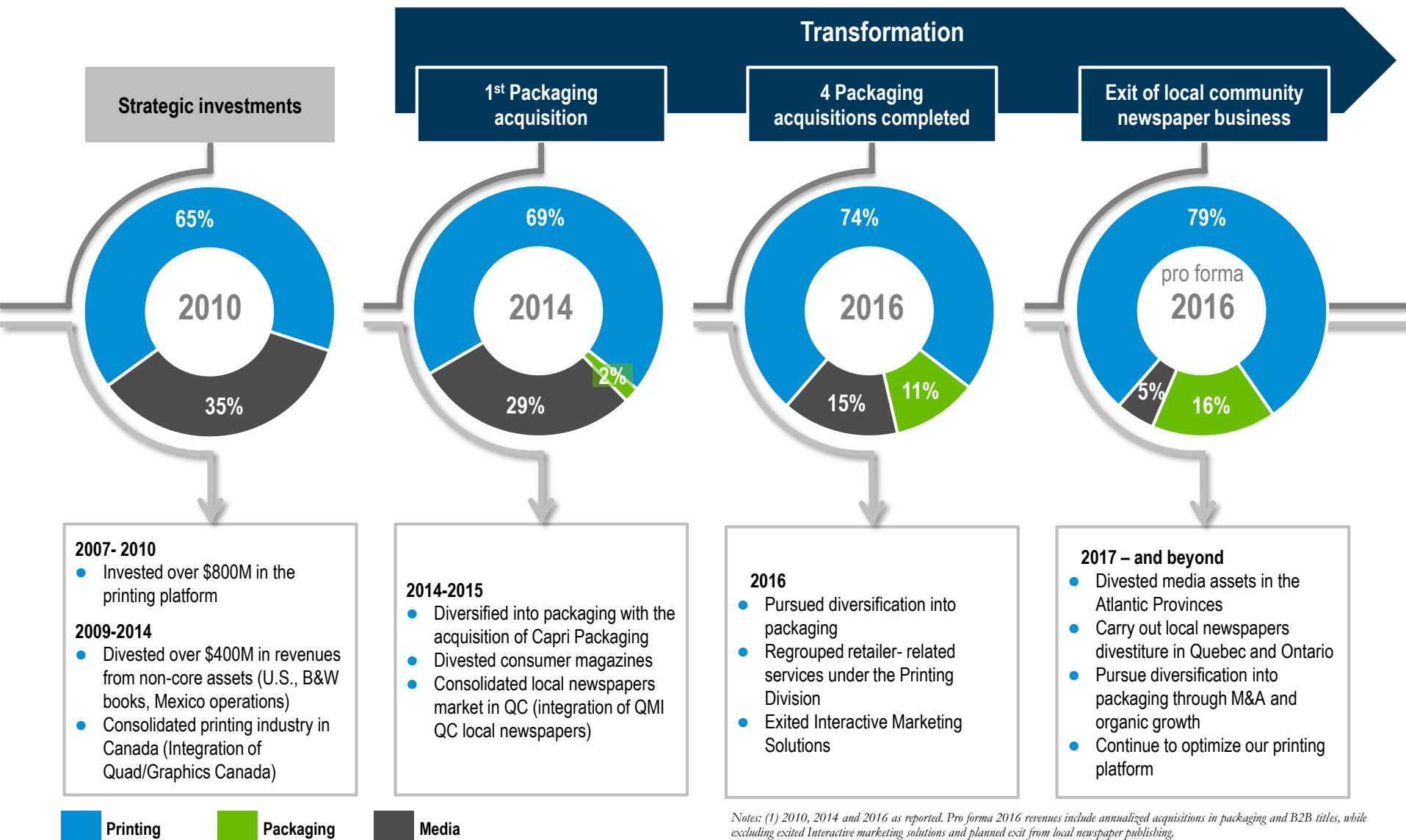
tc • MEDIA



Optimize our media activities

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

Revenue profile

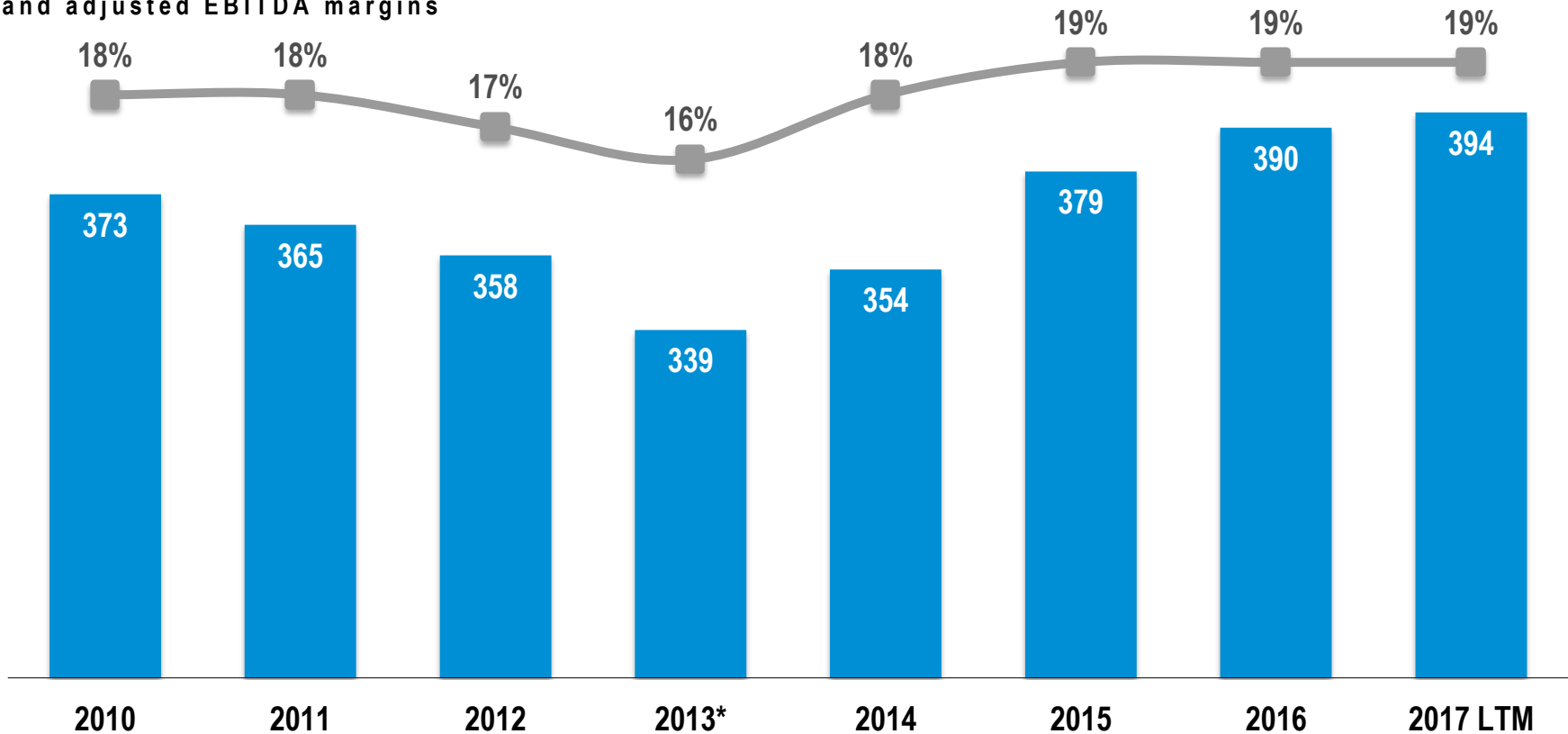


Notes: (1) 2010, 2014 and 2016 as reported. Pro forma 2016 revenues include annualized acquisitions in packaging and B2B titles, while excluding exited Interactive marketing solutions and planned exit from local newspaper publishing.

(2) Excludes intercompany eliminations.

Profitability growth despite transformation

Adjusted EBITDA (\$M)
and adjusted EBITDA margins

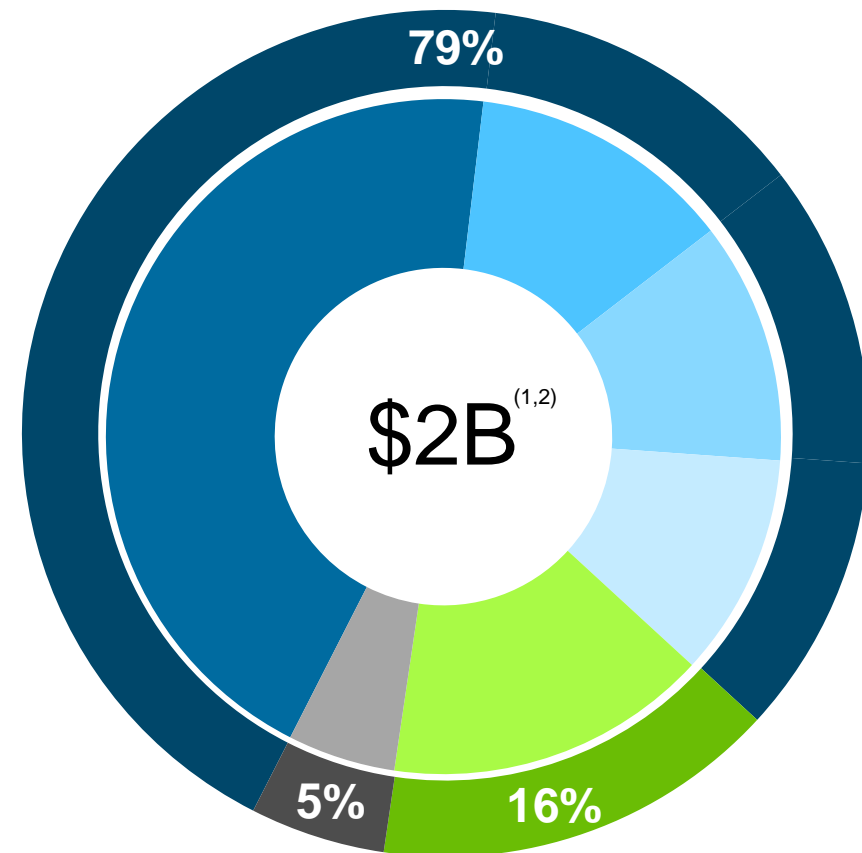
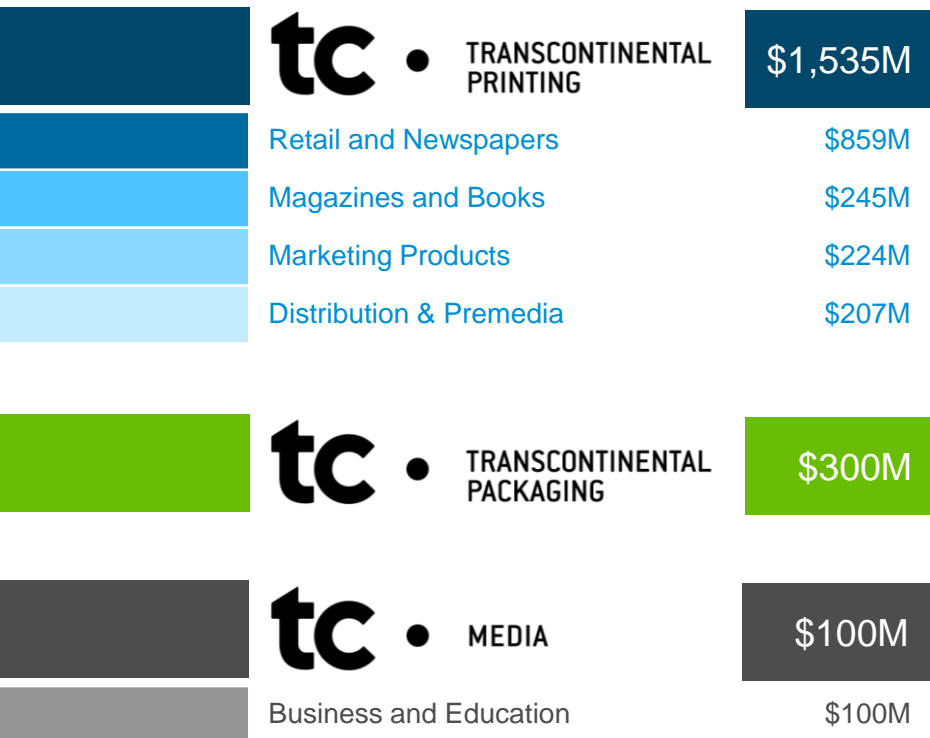


* 2013 financial information has been restated to reflect the impact of the adoption of IFRS 11 "Joint Arrangements" and amended LAS 19 "Employee benefits" and other elements

Executing our strategy and driving operational excellence

Our revenue profile by market

Pro forma 2016 Revenues⁽¹⁾



Notes: (1) Pro forma 2016 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.

95% of our portfolio is in manufacturing: our core competency

Demand for retailer-related services remains stable

1

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

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

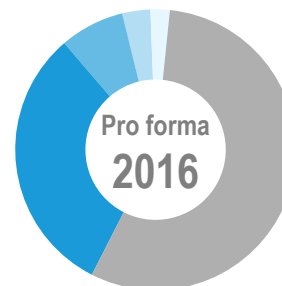
2

Solid client base



3

More than 40% of our consolidated revenues are linked to retailers



- Flyer printing, 31%
- Flyer distribution, 7%
- Premedia, 3%
- In-store marketing, 2%
- Other revenue not retailer-related, 57%

4

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)

5

Opportunities to increase our share of wallet with in-store marketing services

Notes: (1) Pro forma 2016 is annualized for 2016 acquisitions in packaging, exclude exited Interactive marketing solutions and planned exit from local newspaper publishing. (2) Excludes intercompany eliminations. (3) Flyer readership data are from BrandSpark International and commissioned by TC Transcontinental.

**Core business remains stable in a digital world
and supports our cash flow generating capacity**

Focusing on selected markets

Printing

1

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



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

- 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.

5

Monetizing non-core assets

- Sale of our local newspaper business

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

Recording solid financial performance

1 Stable revenues and change in revenue mix due to our portfolio management initiatives

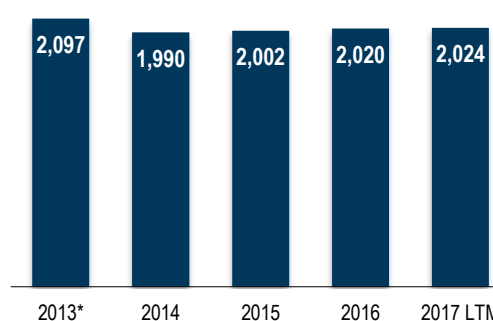
2 Efficient operator

3 Discipline in cost management

4 Strong cash flow generating capacity

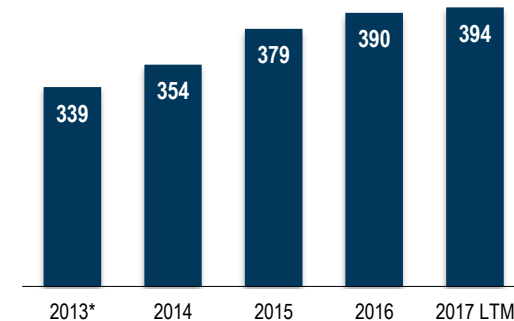
5 Low debt level

REVENUES (\$M)



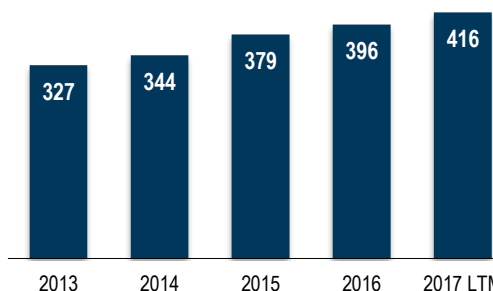
* 2013 financial information has been restated to reflect the impact of the adoption of IFRS 11 "Joint Arrangements" and amended LAS 19 "Employee benefits" and other elements

ADJUSTED EBITDA (\$M)



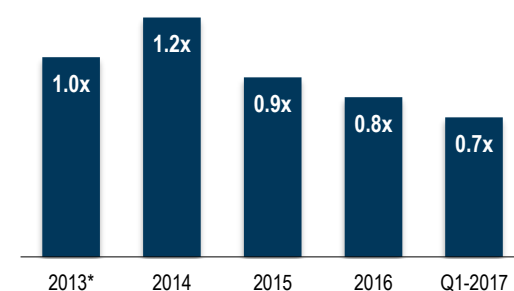
* 2013 financial information has been restated to reflect the impact of the adoption of IFRS 11 "Joint Arrangements" and amended LAS 19 "Employee benefits" and other elements

CASH FLOW FROM OPERATIONS* (\$M)



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

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

Proven track record and healthy balance sheet to support investments

Committing to a prudent diversification into flexible packaging

1 M&A philosophy: investing in the right assets and at the right price

- Verticals where we can see added-value
- Verticals where we can leverage our manufacturing know-how
- Geographies where we can manage assets as a network
- Strong management teams

2 Organic growth driving factors

- Leveraging our national sales force to attract new customers and increase share of wallet with current customers
- Investing in additional capacity for onboarding of new clients
- Investing in talent

Several acquisition opportunities in the market and expanded our capabilities for future organic growth

Building a high-performance North American flexible packaging platform

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



Capabilities:
Blown film extrusion, printing, lamination, pouch-making and slitting

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

TC Optium – Premedia facility
Aurora, Ontario
≈ 50 employees

Capabilities:
Full packaging premedia services*

Main markets served:
Retailers

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



Capabilities:
10-color flexographic printing, solvent & solventless adhesive lamination, extrusion lamination and 3-ply foil lamination, extended gamut printing, advanced wide web slitting, cold seal technology, pouch- and bag-making, R&D lab, SQF level 2 certification

Main markets served:
coffee, cigars, confectionery

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



Capabilities:
10-color printing (wide web, reverse print, extended gamut), laminations, centerfolding, perforated sheets on roll, bag-making, shrink and stretch film printing, specialty films

Main markets served:
rotisserie chicken, deli, bakery, fresh and frozen produce, multipack

Lenexa

Clinton

Aurora

New York

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



Capabilities:
10-color printing (wide web, reverse print, extended gamut), laminations, centerfolding, perforated sheets on roll, shrink and stretch film printing, specialty films, SQF level 3 certification

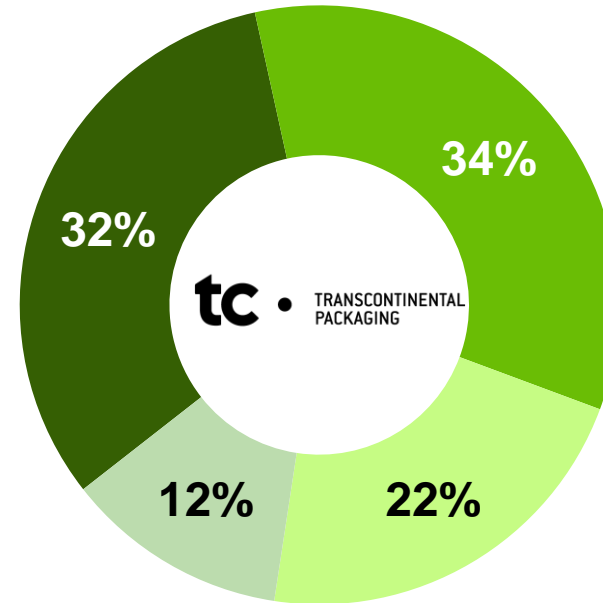
Main markets served:
cheese, yogurt, pasta

(As of April 25, 2017)

* Additional Premedia services include graphic engineering and prepress solutions at Ultra Flex and in-house platemaking at Capri

Generating packaging revenues from four acquired businesses

Pro Forma 2016 Revenues: \$300M*



*** Annual revenues as published on the date of the acquisition of Robbie Manufacturing (converted into C.A.D) and Flexstar Packaging*

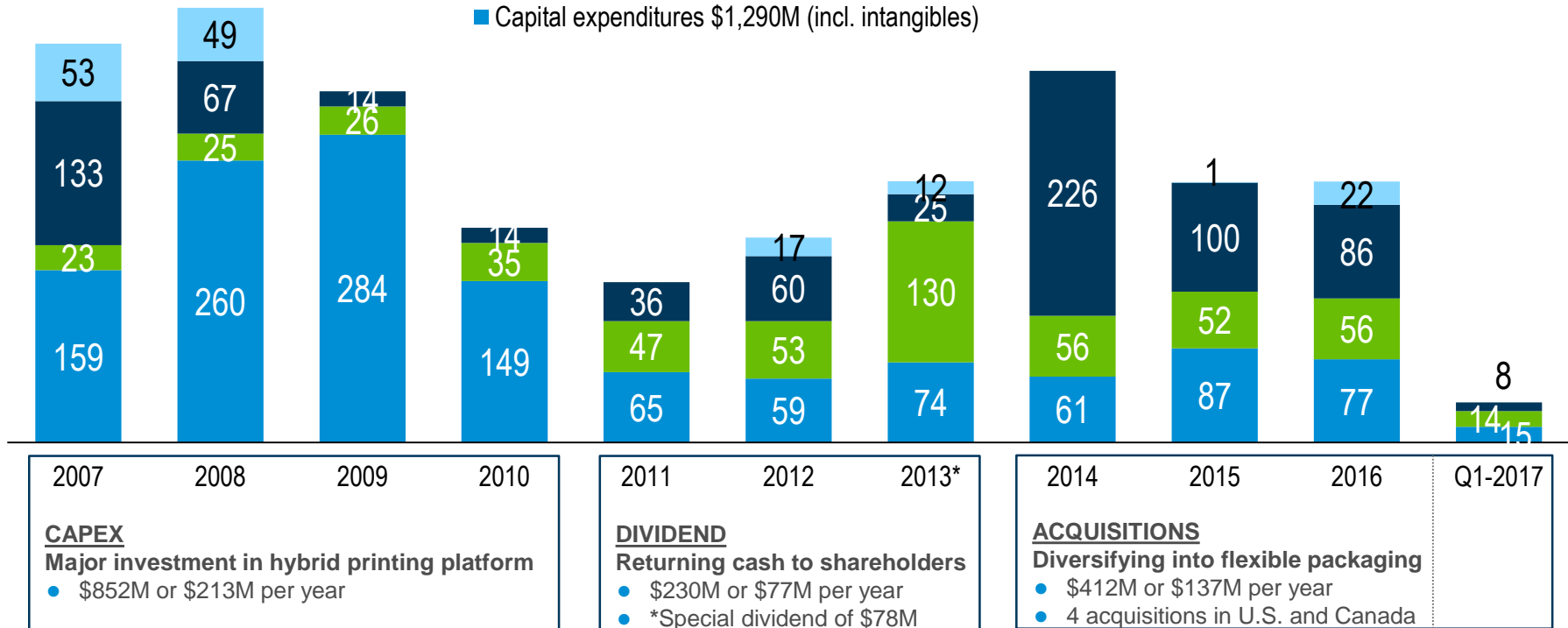


Deploying capital toward strategic acquisitions in last 3 years

Primary use of cash (in \$M)

Total allocated since FY'2007:

- Share repurchases \$154M
- Acquisitions \$769M
- Dividends \$517M
- Capital expenditures \$1,290M (incl. intangibles)



*Paid special dividend of \$77.9 million in addition to regular quarterly dividends of \$52 million.

Focused on maintaining a balance approach to capital allocation



Appendix

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



Marketing products

In-store marketing products, direct mail, catalogs, etc.



Premedia



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

Magazines and books



Newspapers

Unique outsourcing model for publishers



State-of-the-art national printing network

18

printing plants

(As of April 25, 2017)

Quebec (8)

Beauceville
Boucherville
Gatineau
Montreal (3)
Quebec
St-Hyacinthe

Ontario (4)

Markham & Aurora
Brampton
Owen Sound
Vaughan

Manitoba (1)

Winnipeg

Alberta (1)

Calgary

British Columbia (1)

Delta

Prince Edward Island (1)

Borden-Carlton

Nova Scotia (1)

Halifax

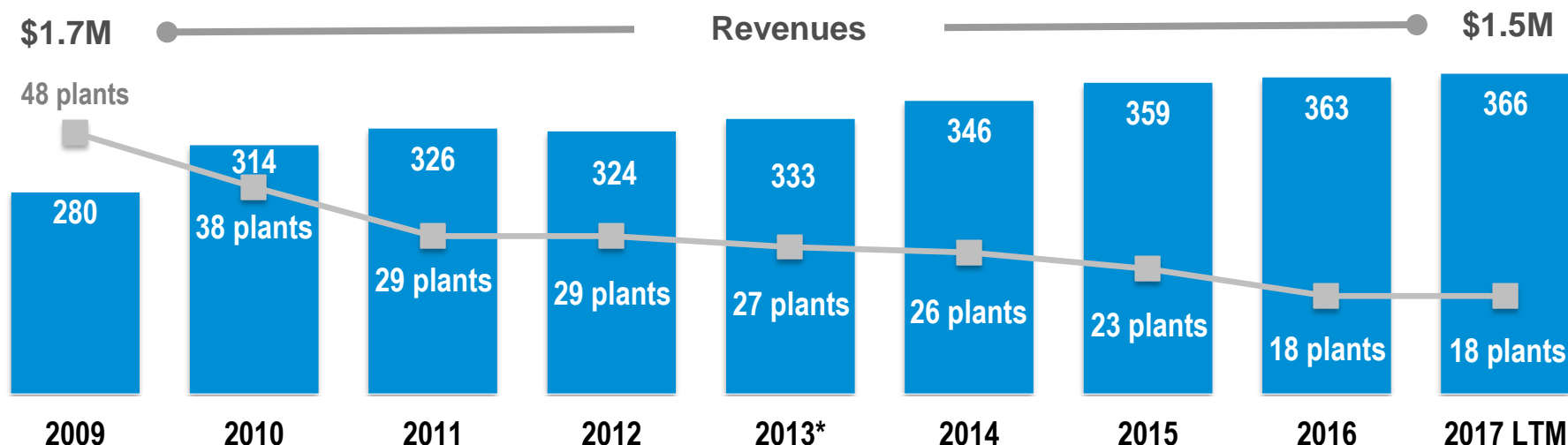
USA (1)

Fremont



Continued optimization of our printing platform

Printing division adjusted EBITDA (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 EBITDA of our distribution and premedia operations.



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

Assorted pouches and bags



Overwrap

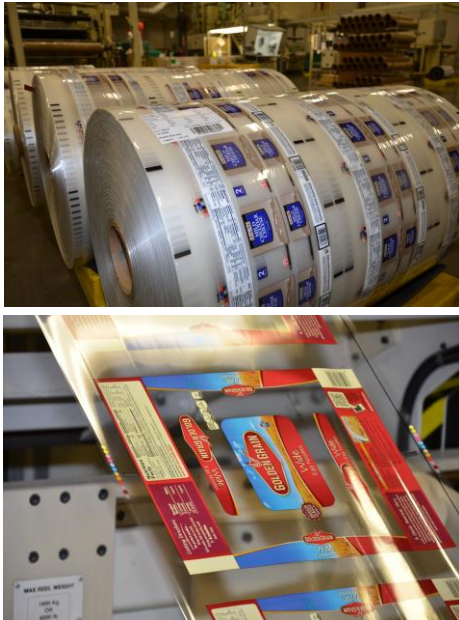


Printed shrink and stretch films



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



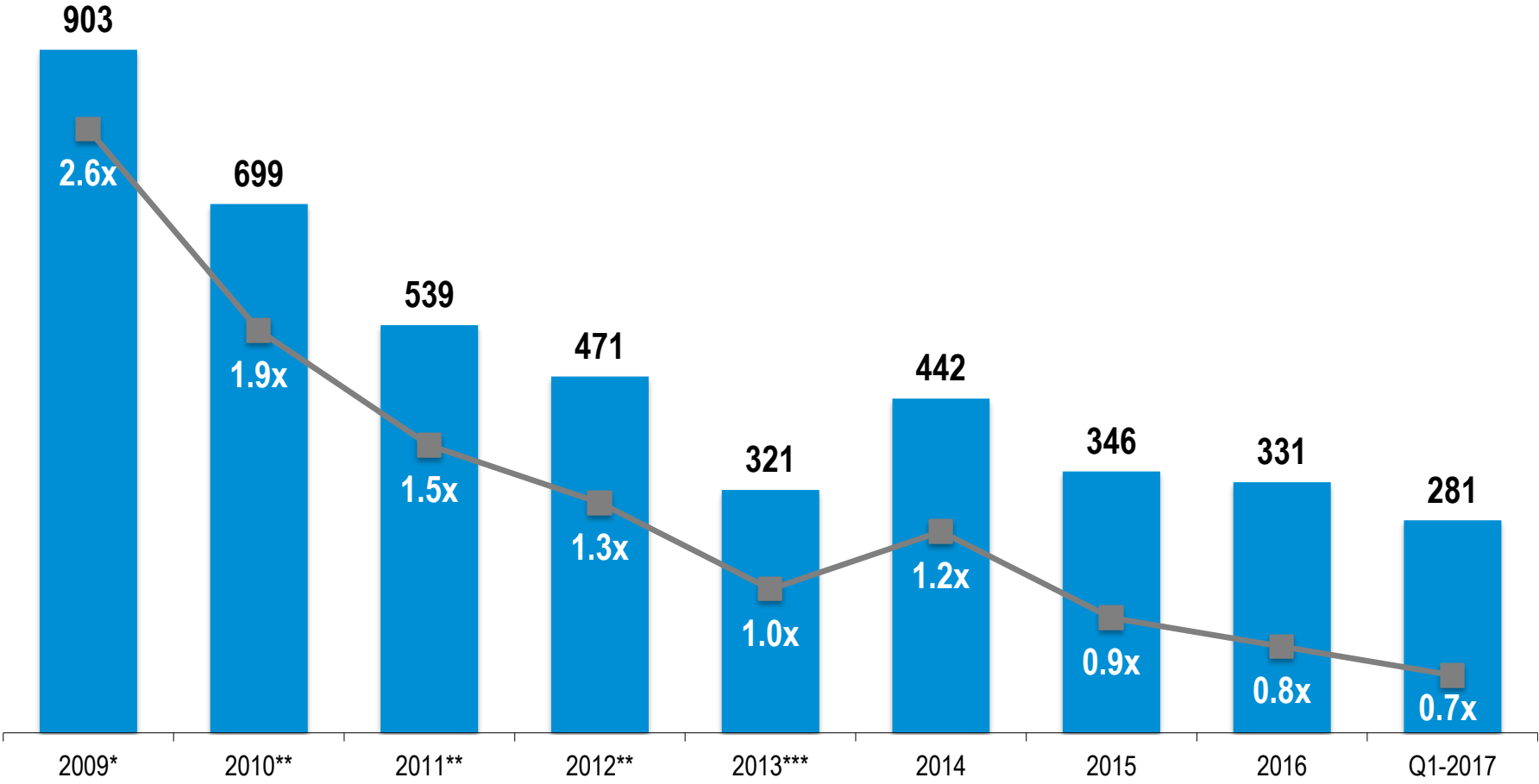
Educational & Trade Book Publications

Leader in French-language educational book publishing in Canada



Solid balance sheet for future strategic investments

Net indebtedness (in \$M) and leverage ratio



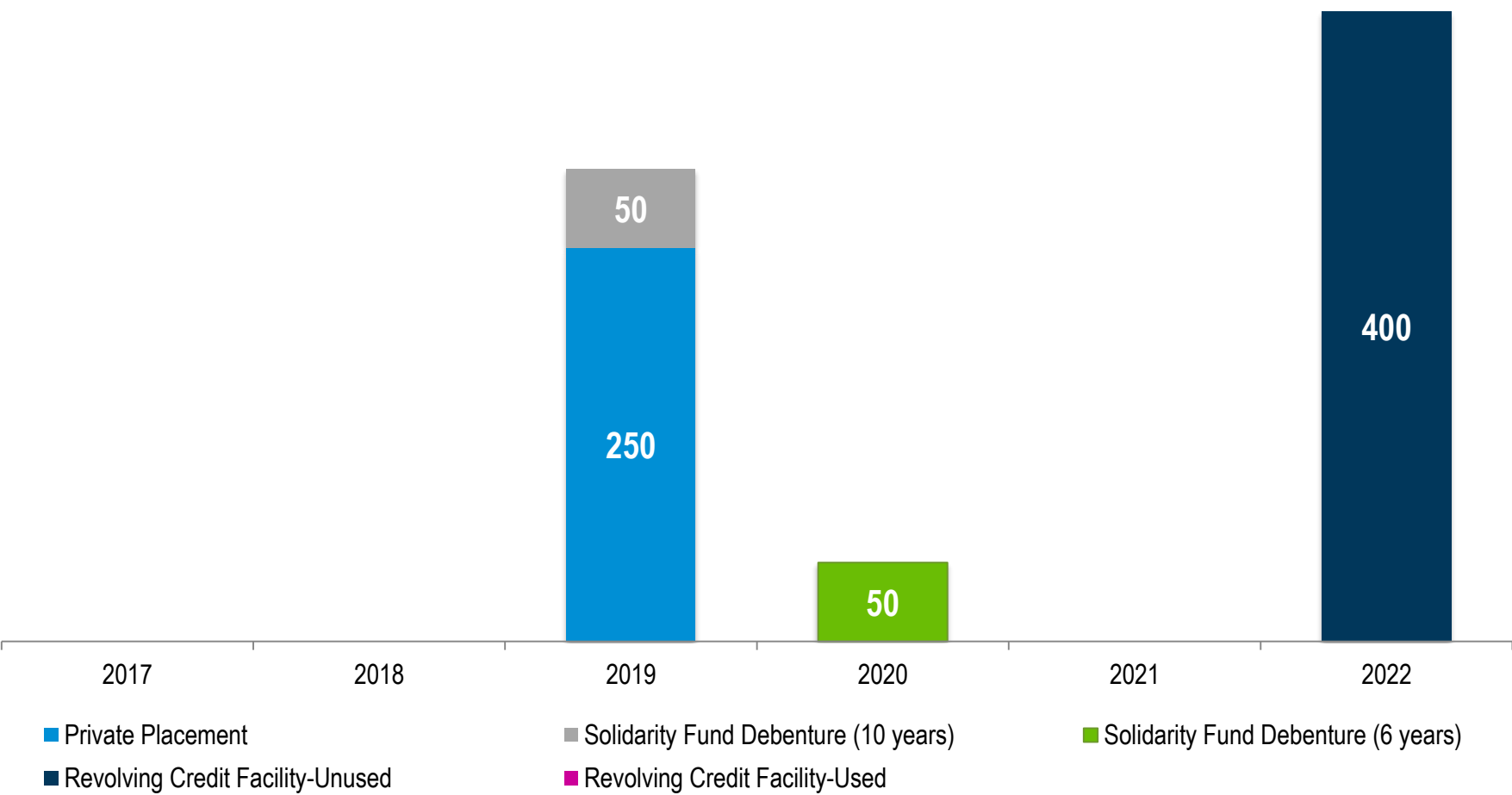
* As originally reported and including securitization.

** As originally reported.

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

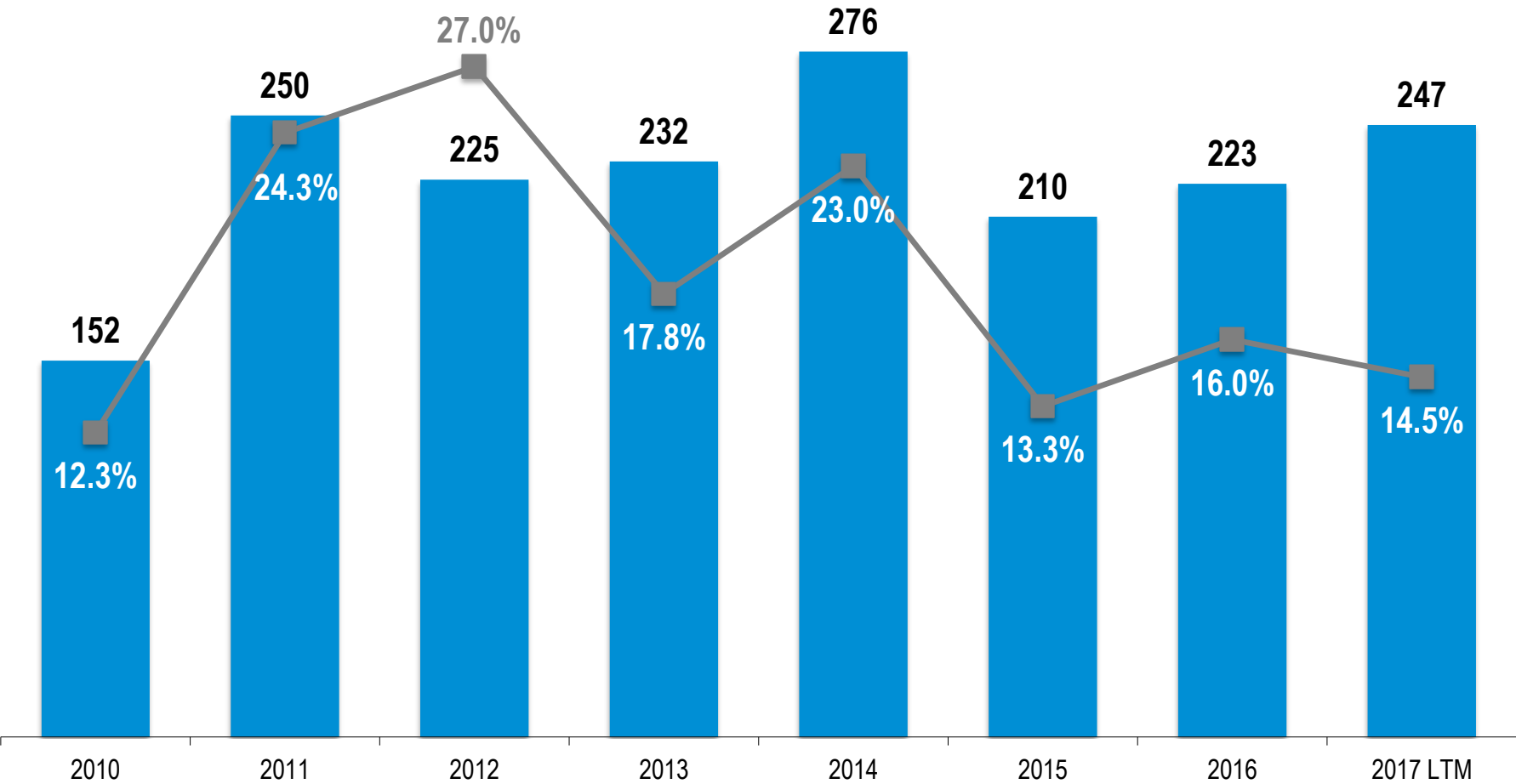
No significant debt maturities before 2019

As at January 29, 2017 (in \$M)



Generating strong free cash flow and yield

Free cash flow (in \$M) and yield



Note: Free cash flow is adjusted operating earnings before amortization less the sum of capital expenditures, interest paid and income taxes paid (recovered). Free cash flow yield is free cash flow divided by the market capitalization as at the end of the financial year or as at the end of Q1-2017 for the last twelve months period.

Requiring low capital expenditures

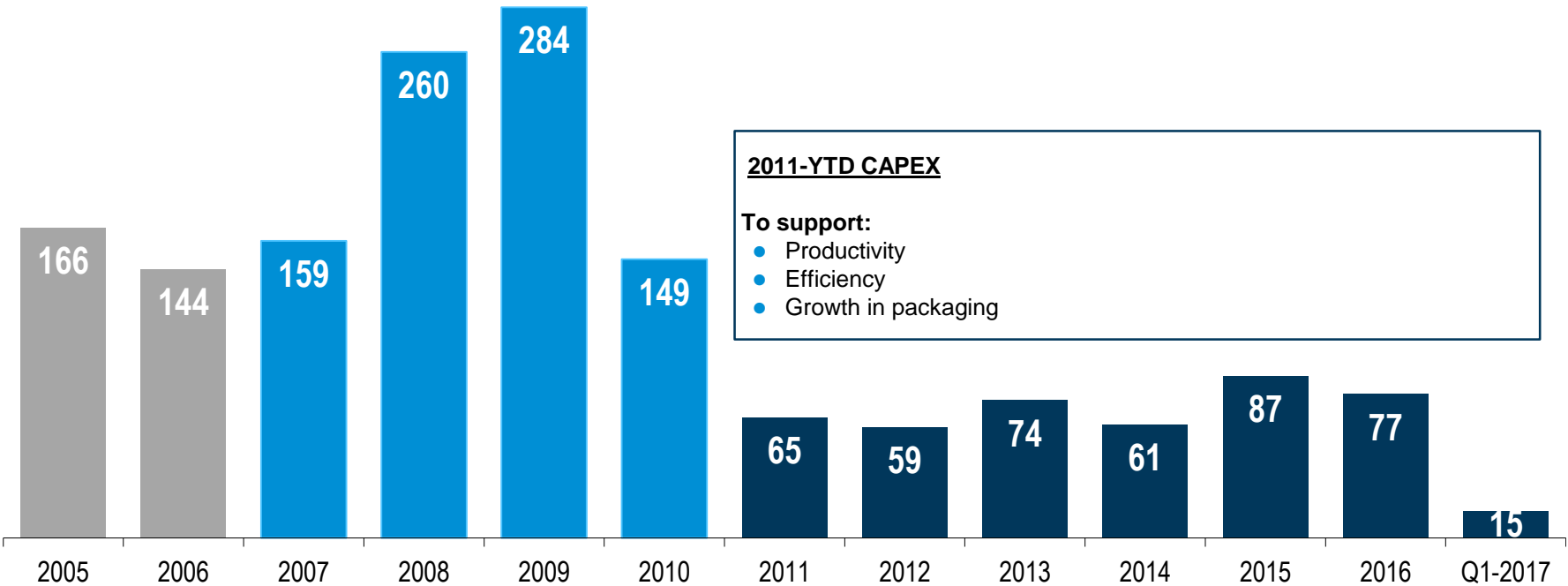
Capital expenditures (incl. intangible assets) (in \$M)

2007-2010 CAPEX

More than \$800M invested primarily in state-of-the-art printing platform

Enabling opportunities to:

- Increase capacity and onboard new clients
- Increase productivity and efficiencies
- Diminish costs



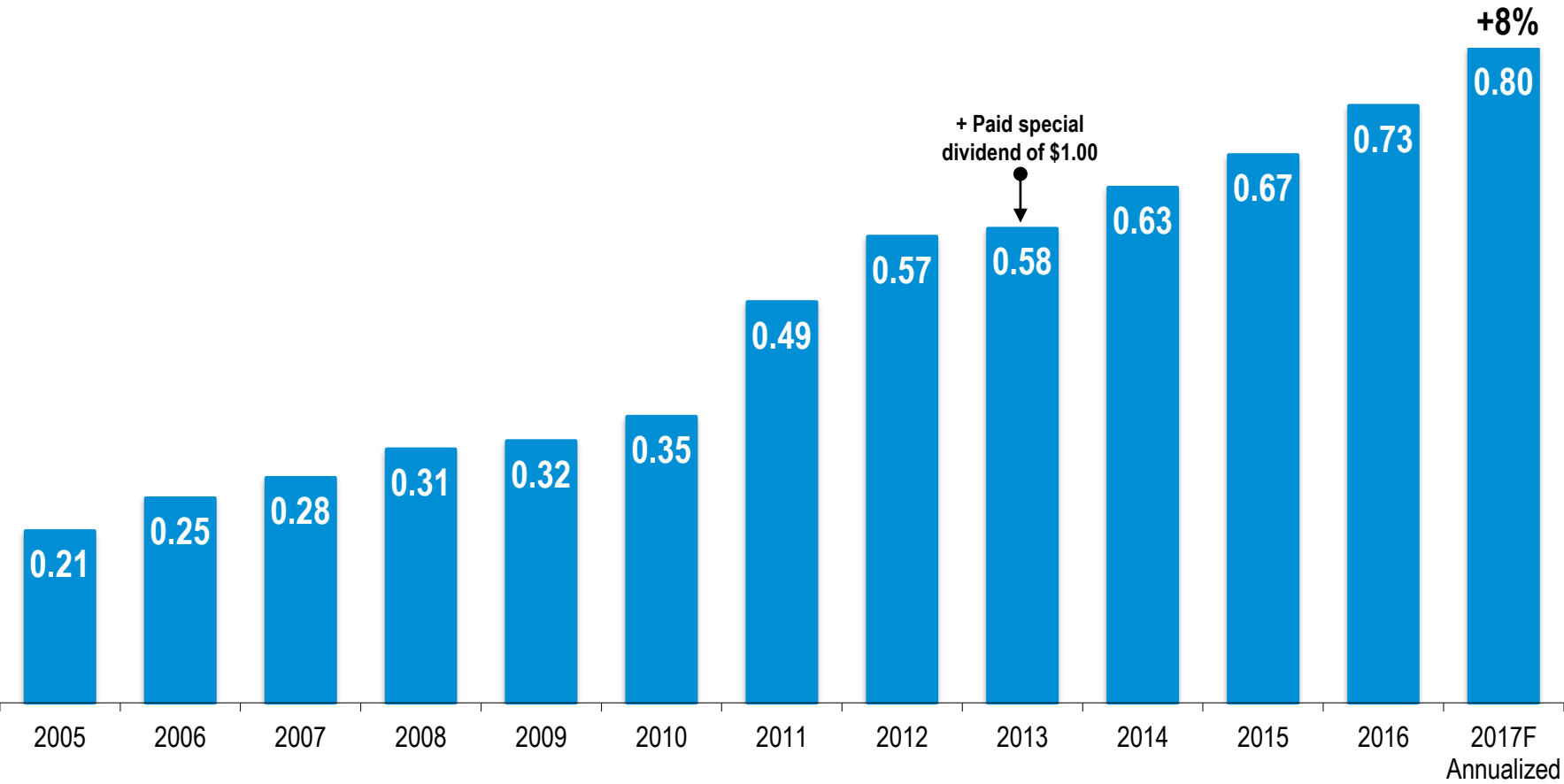
2011-YTD CAPEX

To support:

- Productivity
- Efficiency
- Growth in packaging

Sustaining dividend growth

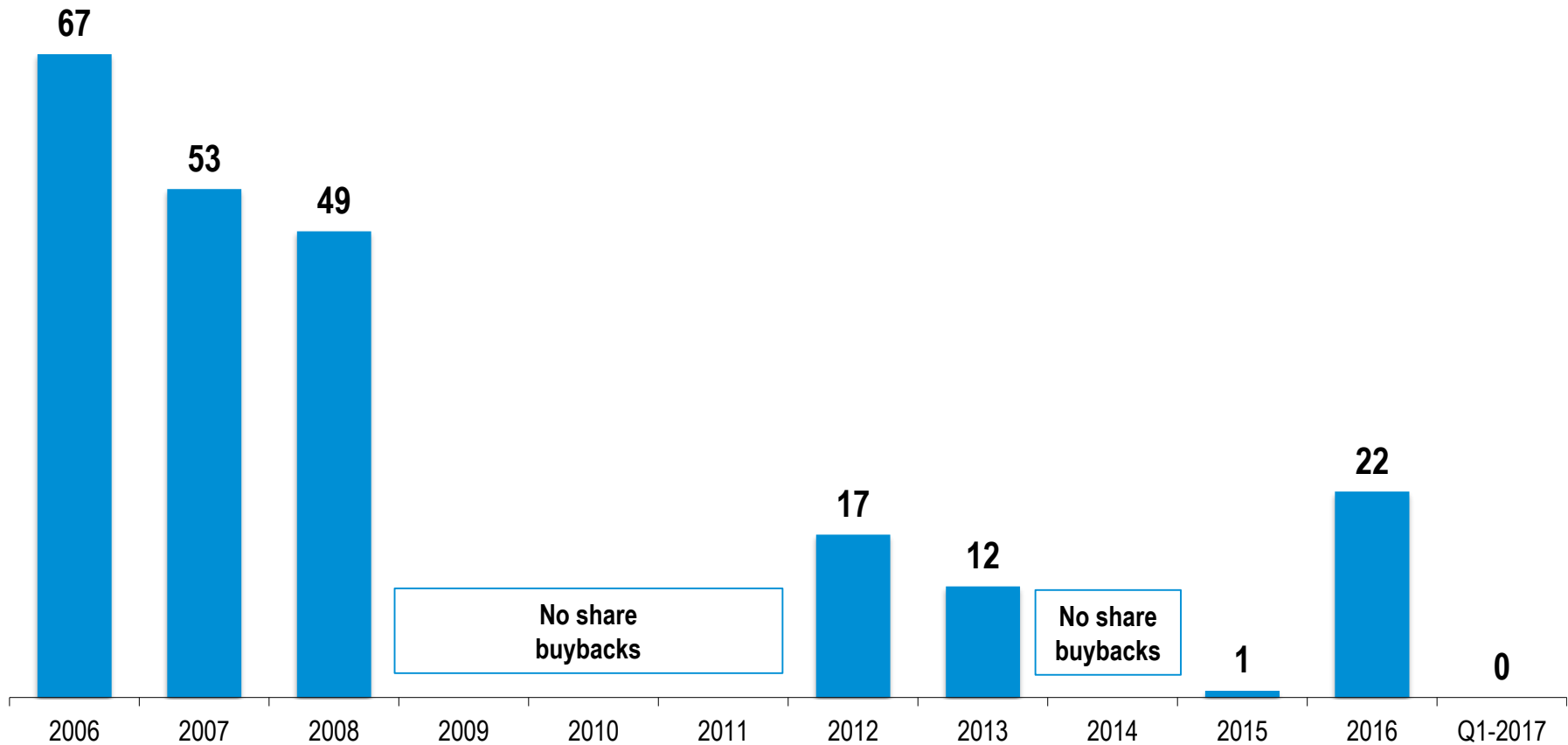
Dividends paid per participating share on an annual basis (in \$)



5-year CAGR: 7.0%
Yield: 3.6% (as at March 3, 2017)

Using normal course issuer bid opportunistically

Participating share redemptions (in \$M)



Contact and additional information



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Investor's kit:

Corporate Presentation

2016-2018 Corporate Social Responsibility Plan

