

Investor Relations Presentation:

Moving forward in our transformation

April 2, 2019



www.tc.tc

Note to readers

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Standards (IFRS) and the term “dollars” as well as the symbol “\$” designate Canadian dollars. In this document, 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 the *Management's Discussion and Analysis for the fiscal year ended October 28, 2018* and in the *Management's Discussion and Analysis for the quarter ended January 27, 2019*. 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.

Terms used	Definitions
Adjusted revenues	Revenues before the accelerated recognition of deferred revenues ⁽¹⁾
Adjusted operating earnings before depreciation and amortization	Operating earnings before depreciation and amortization as well as the accelerated recognition of deferred revenues ⁽¹⁾ , restructuring and other costs (gains), impairment of assets and reversal of the fair value adjustment of inventory sold arising from business combinations
Adjusted operating earnings	Operating earnings before the accelerated recognition of deferred revenues ⁽¹⁾ , accelerated depreciation ⁽¹⁾ , restructuring and other costs (gains), impairment of assets, as well as amortization of intangible assets and reversal of the fair value adjustment of inventory sold arising from business combinations
Adjusted operating earnings margin	Adjusted operating earnings divided by adjusted revenues
Adjusted income taxes	Income taxes before income taxes on the accelerated recognition of deferred revenues ⁽¹⁾ , accelerated depreciation ⁽¹⁾ , restructuring and other costs (gains), impairment of assets, amortization of intangible assets and reversal of the fair value adjustment of inventory sold arising from business combinations as well as the effect of the U.S. tax reform on deferred taxes
Adjusted net earnings	Net earnings before the accelerated recognition of deferred revenues ⁽¹⁾ , accelerated depreciation ⁽¹⁾ , restructuring and other costs (gains), impairment of assets, amortization of intangible assets and reversal of the fair value adjustment of inventory sold arising from business combinations, net of related income taxes, as well as the effect of the U.S. tax reform on deferred taxes
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

(1) Related to the agreement signed with The Hearst Corporation on December 21, 2017. Please refer to the condensed interim consolidated financial statements for the quarter ended January 28, 2018.

Forward-looking information

Our public communications often contain oral or written forward-looking statements which are based on the expectations of management and inherently subject to a certain number of risks and uncertainties, known and unknown. By their very nature, forward-looking statements are derived from both general and specific assumptions.

The Corporation cautions against undue reliance on such statements since actual results or events may differ materially from the expectations expressed or implied in them. Forward-looking statements may include observations concerning the Corporation's objectives, strategy, anticipated financial results and business outlook. The Corporation's future performance may also be affected by a number of factors, many of which are beyond the Corporation's will or control. These factors include, but are not limited to, the economic situation in the world, structural changes in the industries in which the Corporation operates, the exchange rate, availability of capital, raw materials costs, competition, the Corporation's capacity to generate organic growth in its Packaging Sector, the Corporation's capacity to engage in strategic transactions and effectively integrate acquisitions into its activities without affecting its growth and its profitability, while achieving the expected synergies, the political, social, regulatory and legislative environment, in particular with regard to the environment and sustainable development, the impact of digital product adoption on the demand for its printed products, change in consumption habits or loss of a major customer, the safety of its packaging products used in the food industry, innovation of its offering, the protection of its intellectual property rights, concentration of its sales in certain segments, cybersecurity and data protection, recruiting and retaining qualified personnel in certain geographic areas and industry sectors, taxation, interest rate and indebtedness level. The main risks, uncertainties and factors that could influence actual results are described in the *Management's Discussion and Analysis (MD&A) for the fiscal year ended October 28, 2018* and in the latest *Annual Information Form*.

Unless otherwise indicated by the Corporation, forward-looking statements do not take into account the potential impact of nonrecurring or other unusual items, nor of divestitures, business combinations, mergers or acquisitions which may be announced after the date of April 2, 2019. The forward-looking statements in this presentation are made pursuant to the "safe harbour" provisions of applicable Canadian securities legislation. The forward-looking statements in this presentation are based on current expectations and information available as at April 2, 2019. Such forward-looking information may also be found in other documents filed with Canadian securities regulators or in other communications. The Corporation's management disclaims any intention or obligation to update or revise these statements unless otherwise required by the securities authorities.

Overview

- ▶ TC Transcontinental at a Glance
- ▶ Financial Performance
- ▶ Our Business Sectors
- ▶ Corporate Social Responsibility
- ▶ Appendix

TC Transcontinental at a glance

For over 40 years, TC Transcontinental's **mission** has been to create products and services that allow businesses to attract, reach and retain their target customers.

- ▶ A leader in flexible packaging in North America
- ▶ Canada's largest printer
- ▶ A Canadian leader in our specialty media segments
- ▶ Family-controlled business founded in 1976



\$2.6B

2018 Revenues

~\$3.0B – Run rate revenues



9,000+

Employees



44

Operating
facilities

Our vision

To become a **top leader** in flexible packaging in North America while maintaining our position as Canada's largest printer and as a leader in our specialty media segments.



tc • TRANSCONTINENTAL
PACKAGING



tc • TRANSCONTINENTAL
PRINTING



tc • MEDIA

Our management



François Olivier
President and Chief Executive Officer

- 26 years with TC Transcontinental
- President and CEO since 2008
- Previous roles at TC Transcontinental as COO, President of the Information Products Printing Sector, SVP of Newspaper Group
- Played key role in printing consolidation and optimization strategy
- Launched transformation into flexible packaging



Donald LeCavalier
Chief Financial Officer

- 13 years with TC Transcontinental
- Previous roles at TC Transcontinental as SVP, Finance and Corporate Affairs, Treasurer, and other senior Finance positions
- Oversaw large-scale cost optimization projects
- Led refinancing of the Corporation in 2008-2009
- Led financing of Coveris Americas acquisition



Brian Reid
President, TC Transcontinental Printing and
TC Transcontinental Packaging

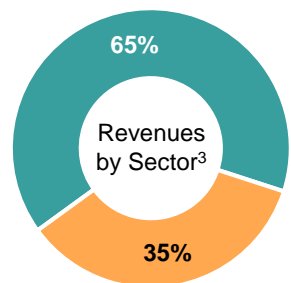
- 27 years with TC Transcontinental
- Previous roles at TC Transcontinental as President of the Printing Sector and other senior executive roles
- Responsible for 44 plants worldwide
- Oversees management of packaging platform
- Played key role in modernizing and optimizing printing platform

Our transformation journey

TRANSFORMATION

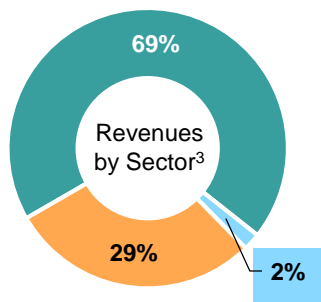
2010¹

Strategic investments



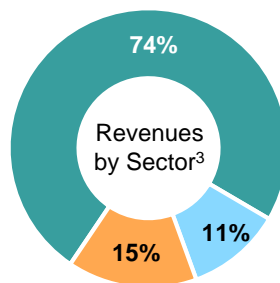
2014¹

1st Packaging acquisition



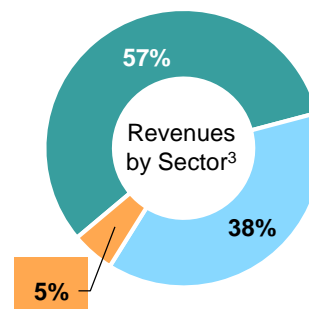
2016¹

4 Packaging acquisitions completed



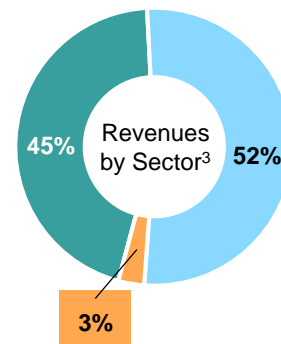
2018

Transformational acquisition of Coveris Americas



2018 Pro Forma²

Transformational acquisition of Coveris Americas



2007-2010

- Invested over \$800M in the printing platform

2010-2014

- Divested over \$400M in revenues from non-core assets (U.S., B&W books, Mexico operations)
- Consolidated printing industry in Canada (integration of Quad/Graphics Canada)

2014-2015

- Diversified into packaging with the acquisition of Capri Packaging
- Divested consumer magazines
- Consolidated local newspapers publishing market in QC (integration of QMI QC local newspapers)

2016

- Pursued diversification into packaging
- Regrouped retailer-related services under the Printing Division
- Exited Interactive Marketing Solutions

2018

- 3 acquisitions in flexible packaging
 - Coveris Americas
 - Multifilm
 - Flexipak
- Completed the sale of all of our local newspapers
- Completed 2 acquisitions in book publishing



¹ 2010, 2014 and 2016 as reported. For 2010 and 2014, Distribution and Premedia services are under Media.

² Pro forma 2018 revenues include annualized acquisitions in packaging and exit from local newspaper publishing.

³ Excludes intercompany eliminations.

Key investment considerations

Long-term value creation

Leader in most of our verticals

Sustained growth in adjusted profitability

Significant cash flows

Investment grade credit rating

History of dividend growth

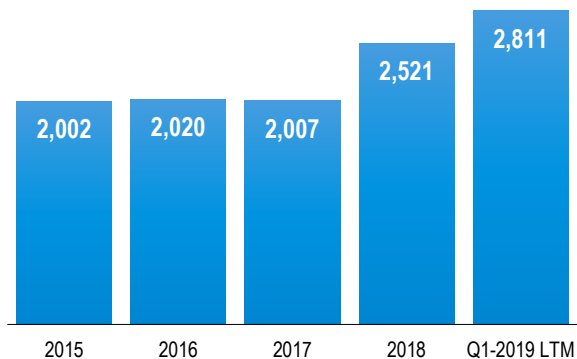
Pursuing our business activities in a responsible manner

Overview

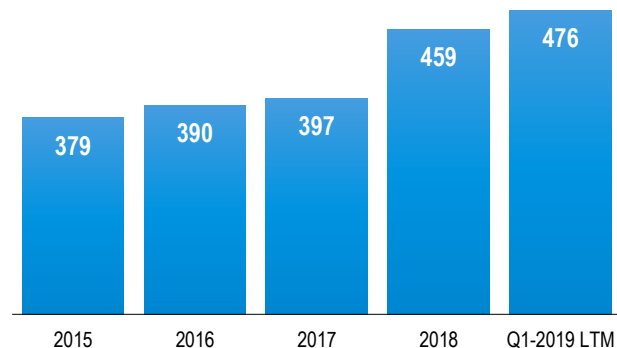
- ▶ TC Transcontinental at a Glance
- ▶ Financial Performance
- ▶ Our Business Sectors
- ▶ Corporate Social Responsibility
- ▶ Appendix

Performance highlights¹

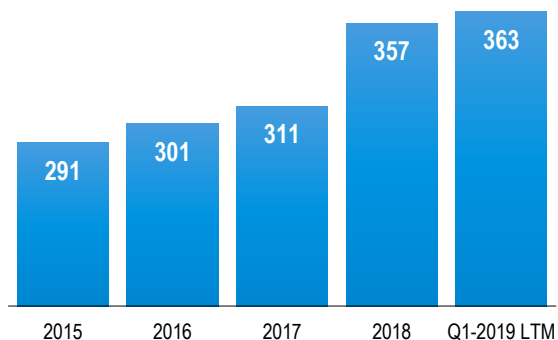
Adjusted Revenues (\$M)



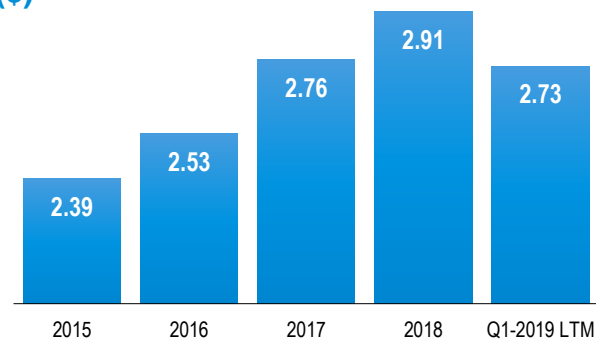
Adjusted EBITDA (\$M)



Adjusted EBIT (\$M)

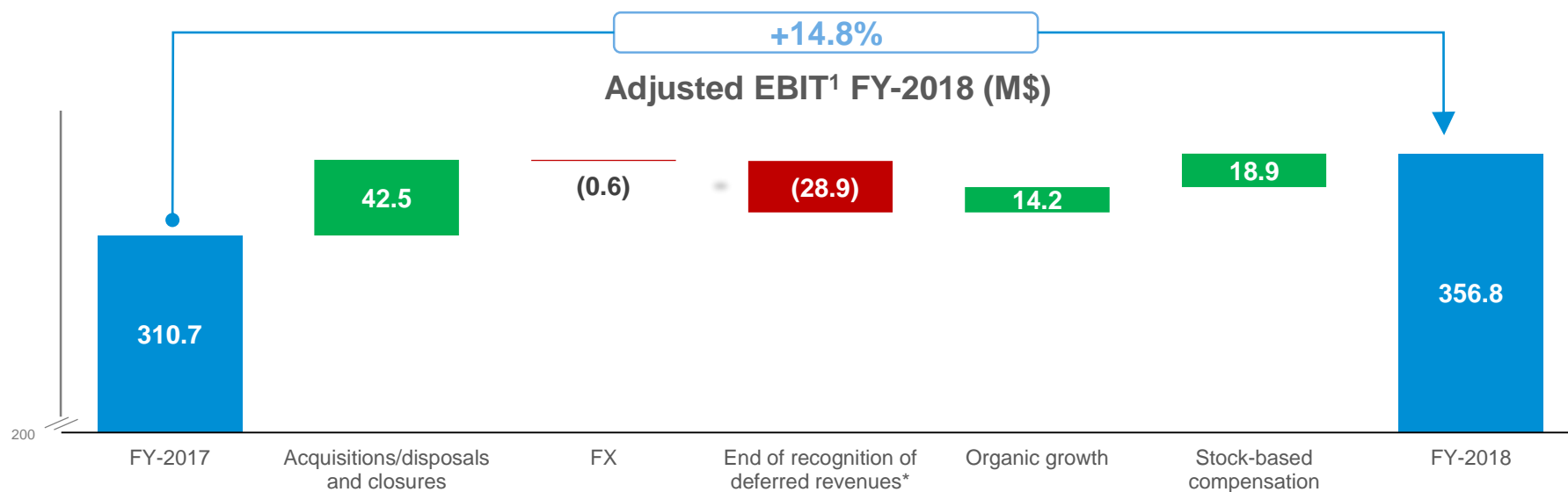
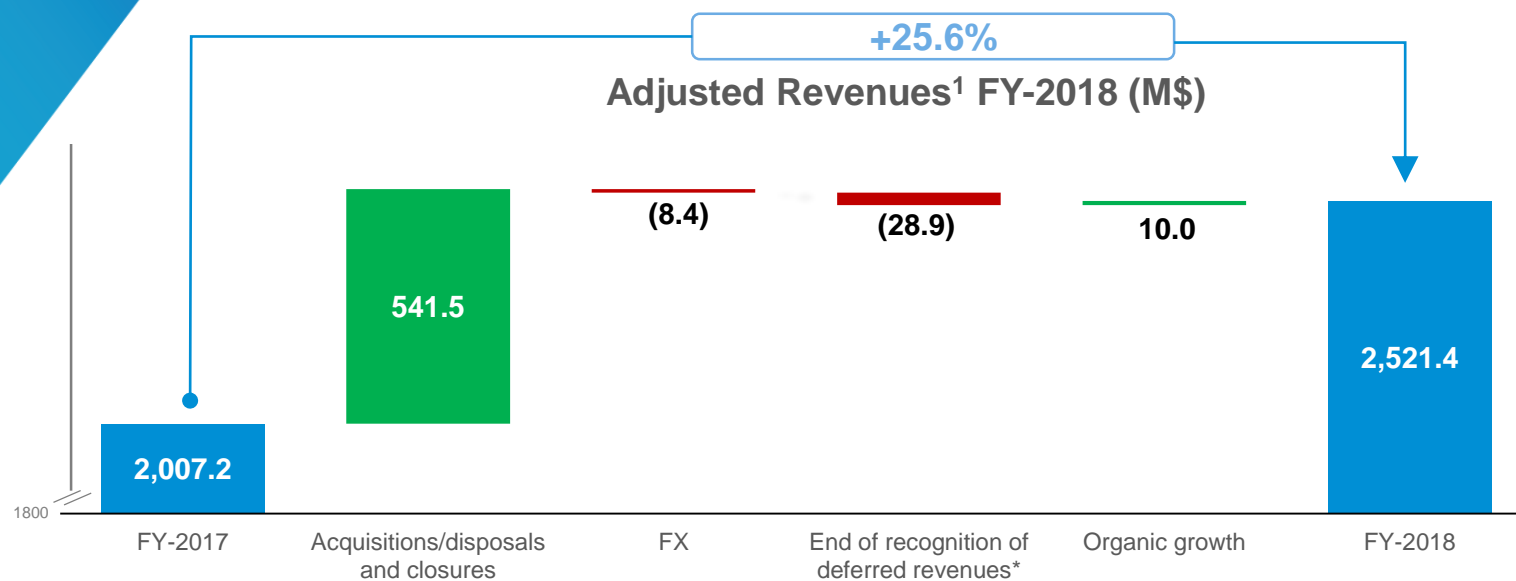


Adjusted Net Earnings per Share (\$)



¹ Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures.

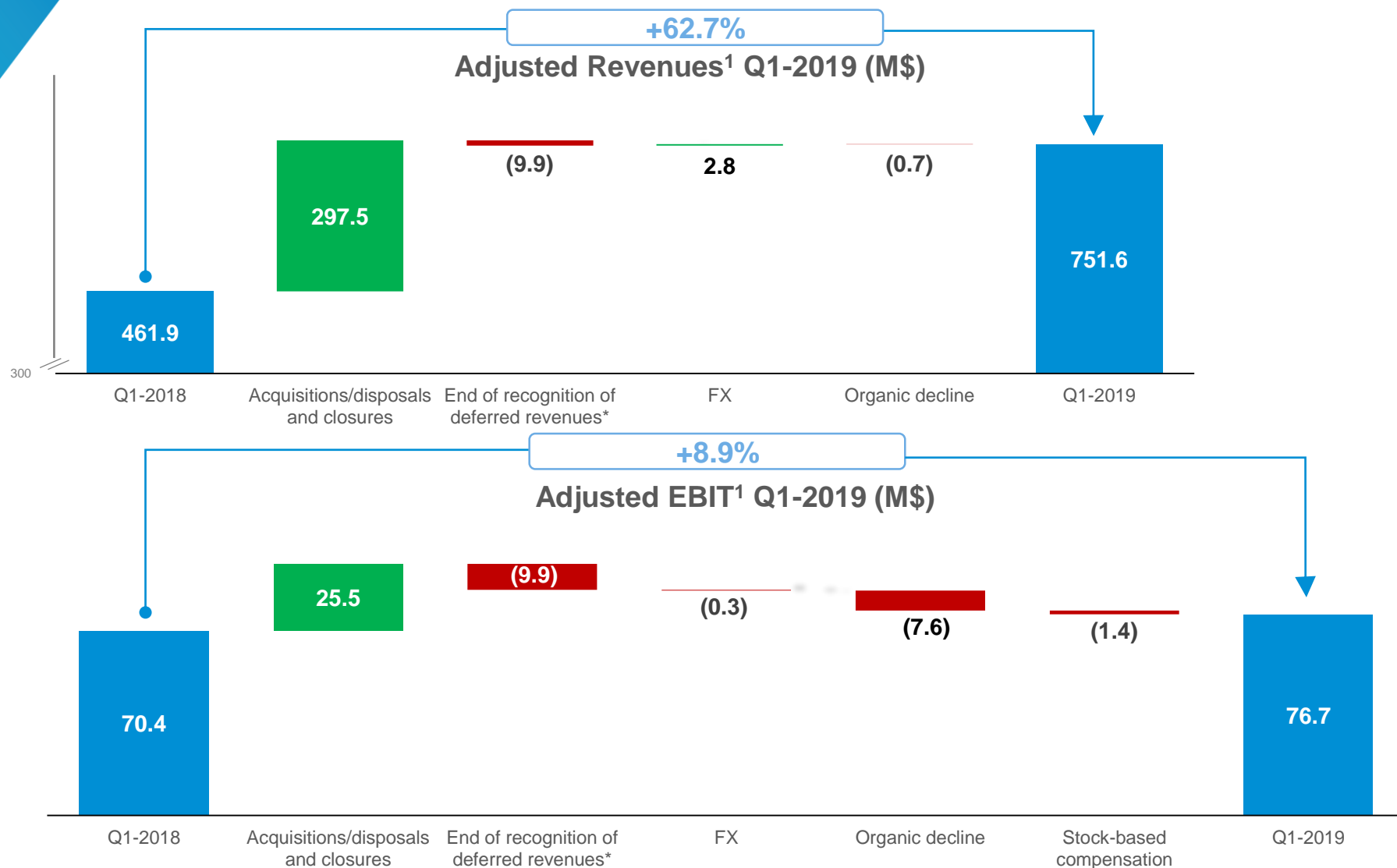
FY-2018 financial performance



¹ Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures.

* Includes the non-cash impact resulting from the end of the recognition of deferred revenues related to the contracts to print the San Francisco Chronicle (which was part of our Fremont California operations sold to Hearst), La Presse and The Globe & Mail in the Maritimes.

Q1-2019 financial performance

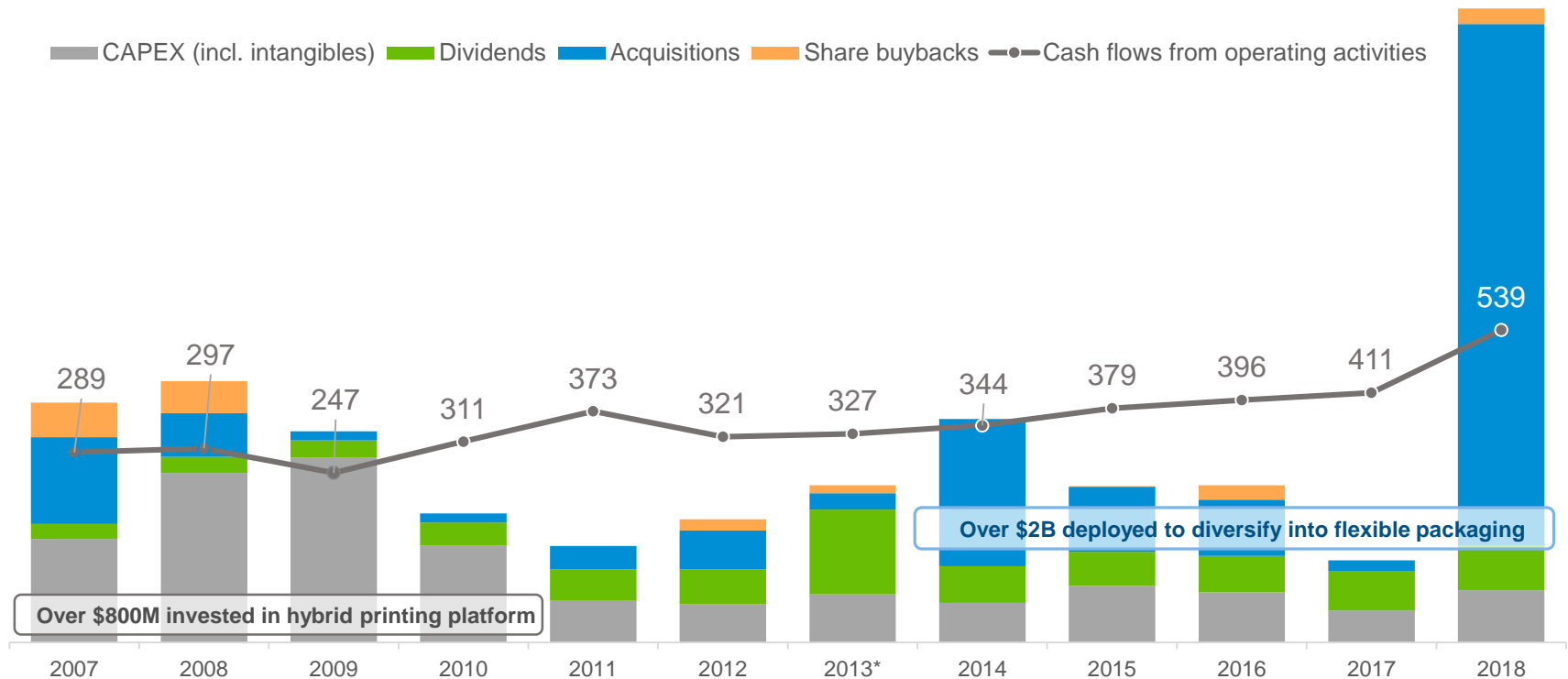


¹ Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures.

* Includes the non-cash impact resulting from the end of the recognition of deferred revenues related to the contracts to print the San Francisco Chronicle (which was part of our Fremont California operations sold to Hearst), La Presse and The Globe & Mail in the Maritimes.

Returning capital to shareholders

Cash flows from operating activities¹ and capital allocation (\$M)

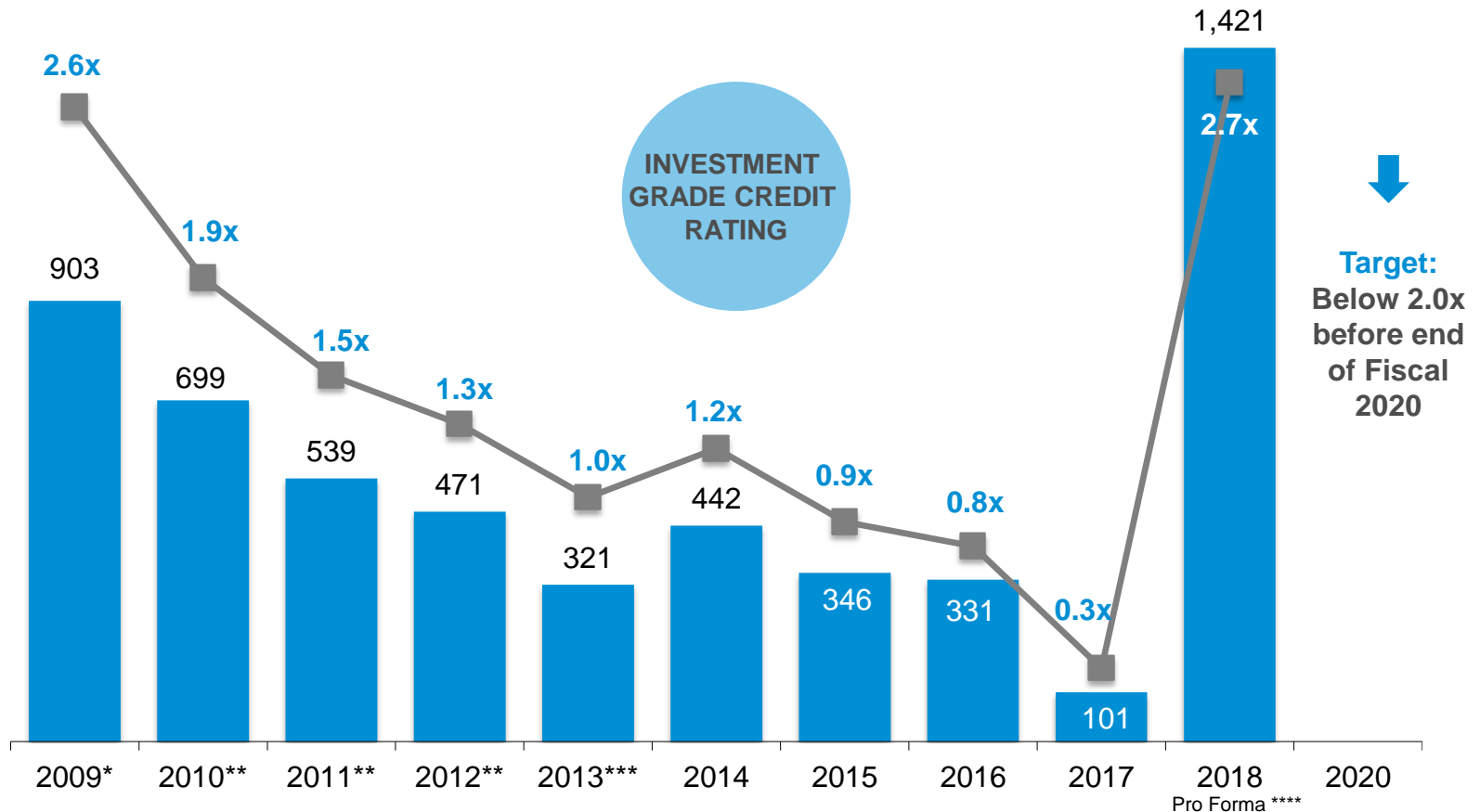


¹ Cash flows generated by operating activities before changes in non-cash operating items and income taxes recovered (paid)

* Paid a special dividend of \$77.9M and a regular dividend of \$52M.

Deleveraging in a disciplined manner

Net indebtedness¹ (in \$M) and net indebtedness ratio¹



¹ Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures.

* As originally reported and including securitization.

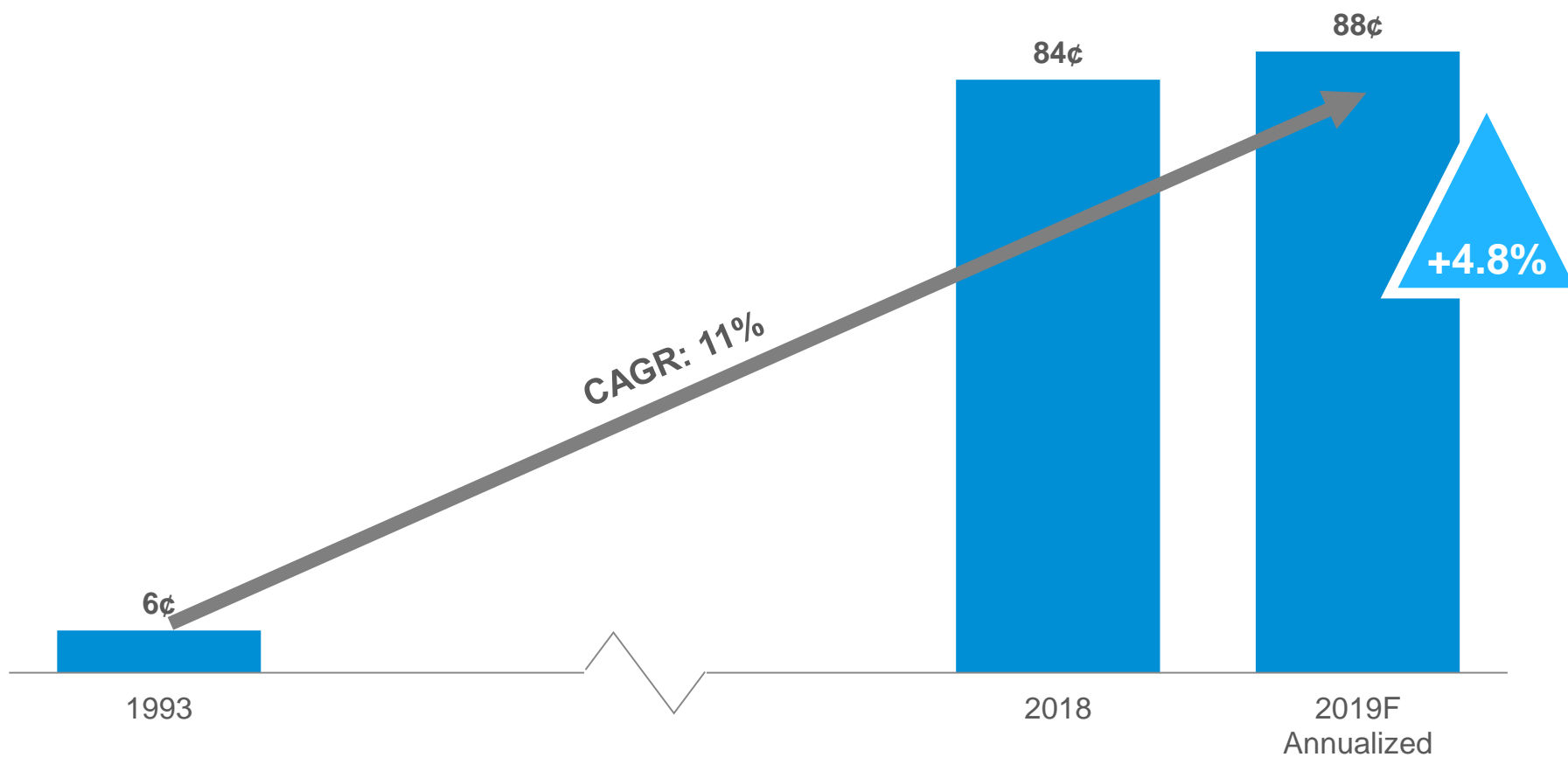
** As originally reported.

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

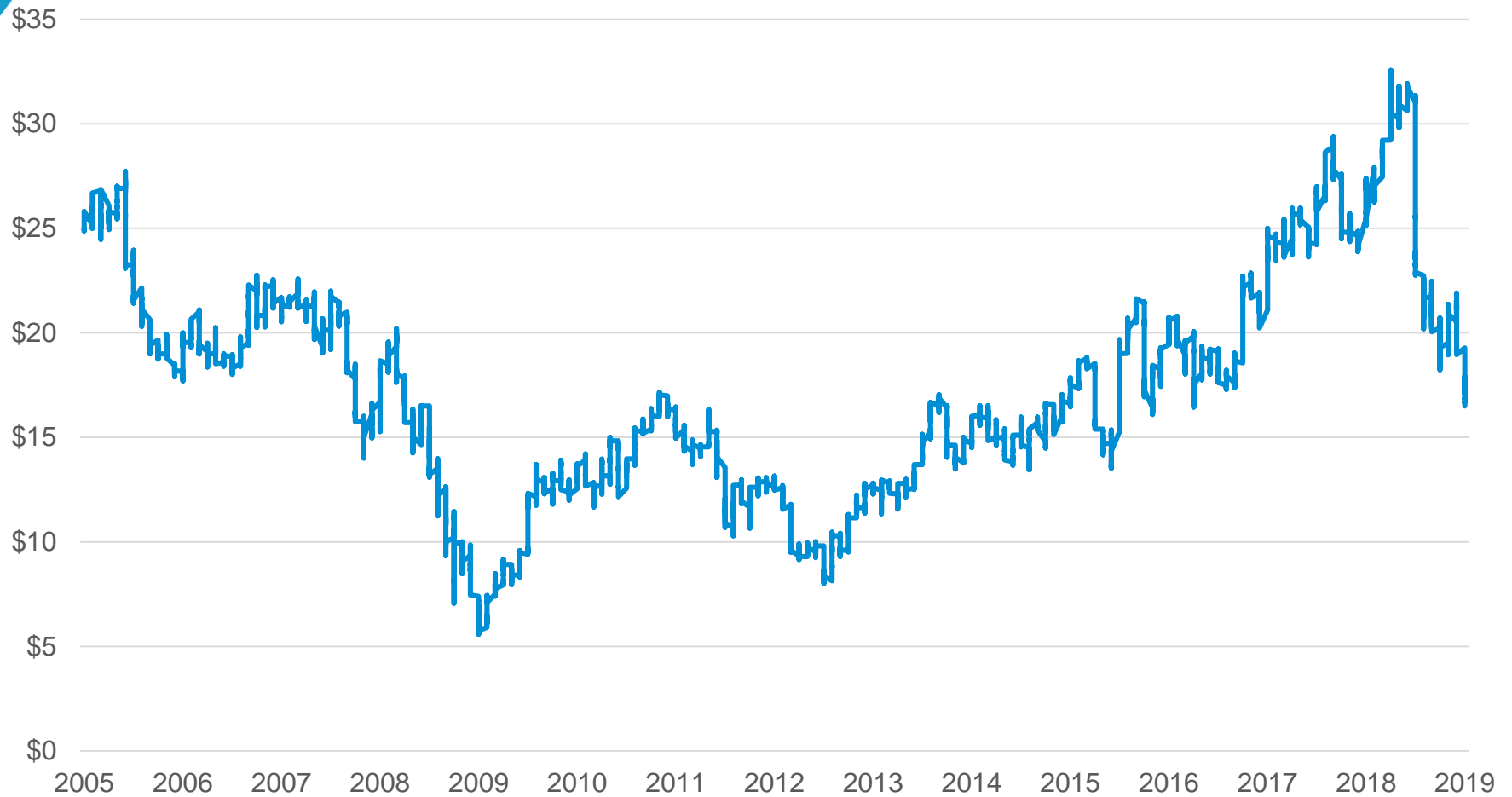
**** Net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization, plus the effect of annualized business combinations, net of disposals.

Rewarding our shareholders

Dividends paid per participating share



Stock performance – TSX: TCL.A



Overview

- ▶ TC Transcontinental at a Glance
- ▶ Financial Performance
- ▶ Our Business Sectors
- ▶ Corporate Social Responsibility
- ▶ Appendix



▶ TC Transcontinental Packaging

tc • TRANSCONTINENTAL
PACKAGING

www.tc.tc

Packaging Sector overview

Vision

- To become a top leader in flexible packaging in North America

Strategy

- Grow our Packaging Sector through organic sales and acquisitions

Network

- 28 production plants worldwide, mainly in the United States, Canada and Latin America, as well as one premedia studio

Scaling our packaging platform: from 7 to 28 plants



28
PRODUCTION
PLANTS



▲ TC Transcontinental Packaging (7) ● Coveris Americas Acquisition (21)

Building our flexible packaging platform



2014

Acquisition of
Capri Packaging
Clinton, Missouri

2 plants



ULTRA FLEX

2015

Acquisition of
Ultra Flex Packaging Corp.
Brooklyn, New York

1 plant



2016

Acquisition of
Robbie Manufacturing
Lenexa, Kansas

1 plant

FLEXSTAR
TRANSCONTINENTAL FLEXSTAR INC

2016

Acquisition of
Flexstar Packaging Inc.
Richmond, British Columbia

1 plant



2017

Acquisition of
Les Industries Flexipak Inc.
Montréal, Québec

1 plant



2018

Acquisition of
Multifilm Packaging
Corporation Elgin, Illinois

1 plant



2018

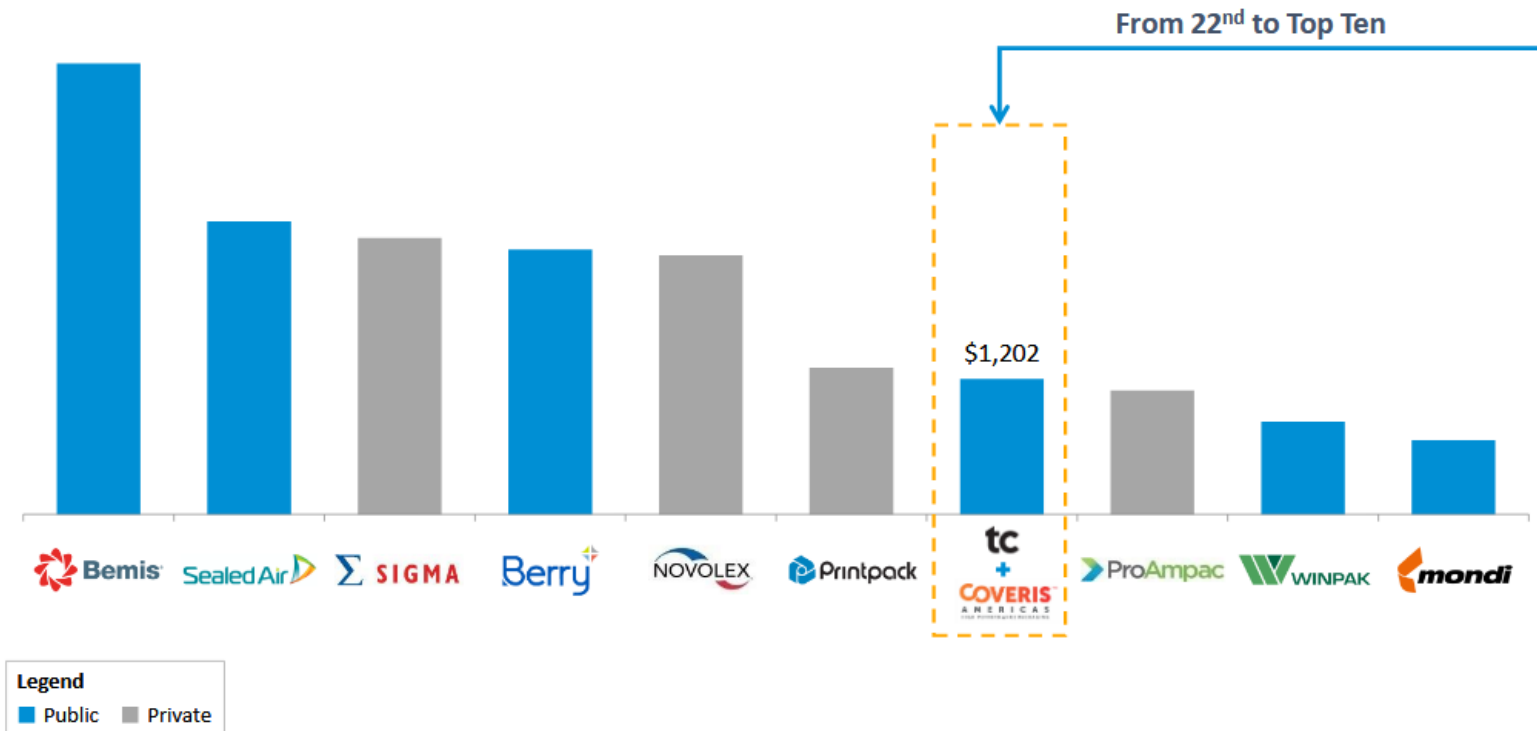
Acquisition of
Coveris Americas
Chicago, Illinois

21 plants

Among the top 10 flexible packaging converters in North America

Top 10 North American Flexible Packaging Converters¹

(US\$ million)



Source: *Flexible Packaging Magazine*

Note: Financial figures of TC Transcontinental in fiscal year 2017 translated at an average CAD/USD exchange rate of 1.3142 for the period beginning November 1, 2016 and ending October 29, 2017.

1. Rankings for peers based on 2017 Top 25 Converters.

Integrating our transformational acquisition: Coveris Americas

Scaling opportunity of film manufacturing

- ▶ Acquisition of a strong expertise in technical films production that enables insourcing of film manufacturing
 - ▶ Significant high-end blown extrusion capacity for multi-layer barrier film (up to 11 layers)
 - ▶ Extensive extrusion lamination capabilities
 - ▶ Cast extrusion capabilities
- ▶ These capabilities will lead to:
 - ▶ Cost competitiveness
 - ▶ Competitive differentiation
 - ▶ Product development
 - ▶ Innovation of sealant technology



Value creation to be enhanced by more than US\$20M annual cost savings synergies to be realized over the first 24 months following the closing of the acquisition

Economies of scale

- Procurement of raw materials

Sharing of best practices & integration

- Vertical integration of film manufacturing
- Insourcing of prepress and plate-making operations

Cost saving synergies estimated at more than US\$20 million

Serving a variety of industries

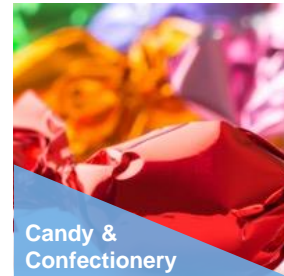
Markets



Agriculture



Beverage



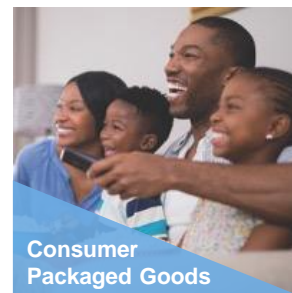
Candy &
Confectionery



Cheese & Dairy



Coffee & Tea



Consumer
Packaged Goods



Industrial



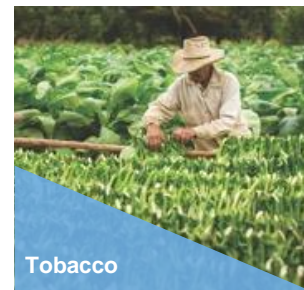
Meat & Poultry



Pet Food



Supermarkets



Tobacco

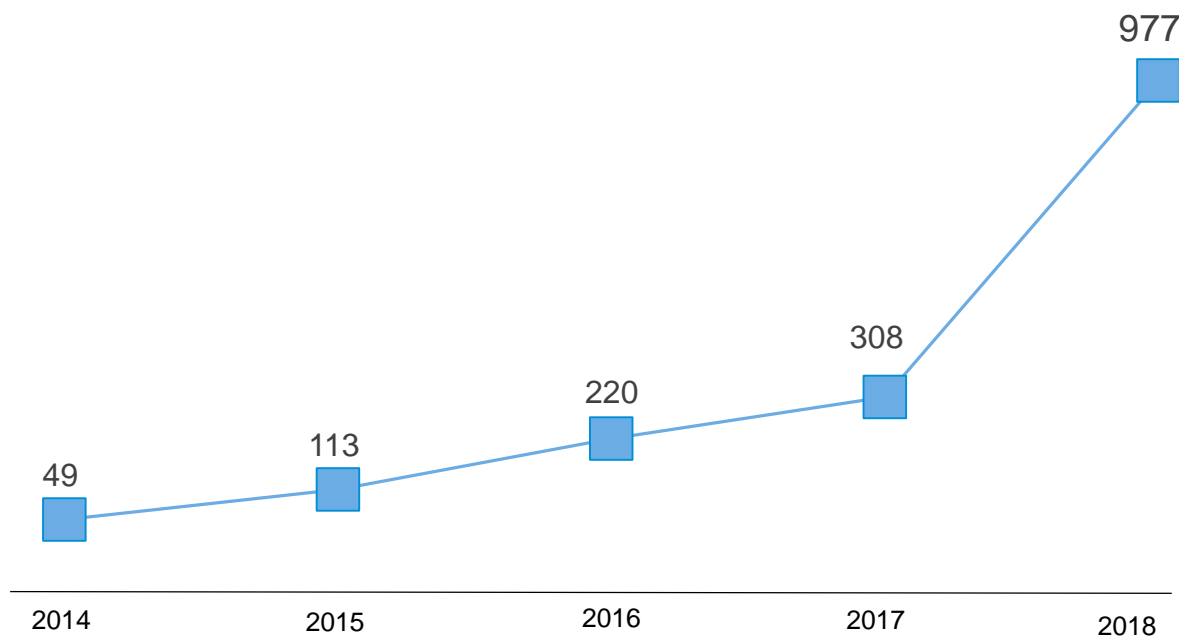
Our top packaging customers



Growing our packaging revenues since 2014 (\$M)

2018 PRO FORMA
REVENUES¹:

\$1,604M

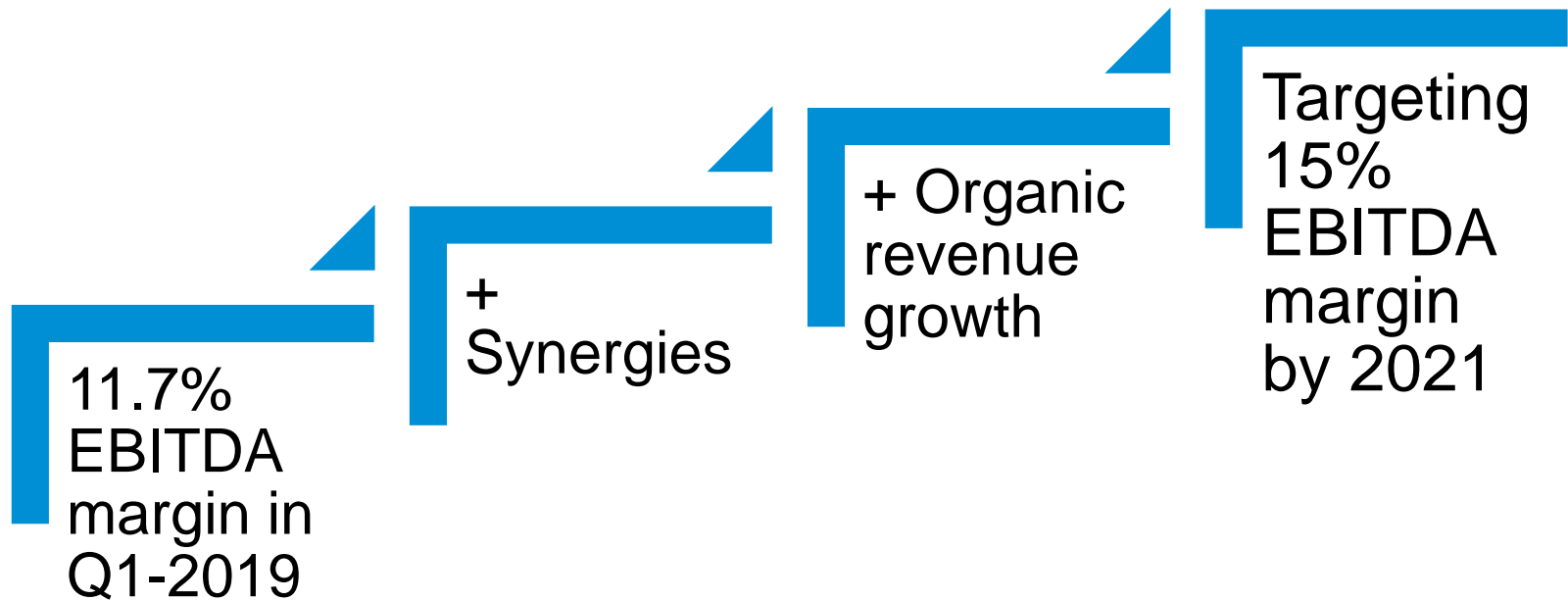


¹ Revenues including the effect of annualized business combinations.

Pursuing organic growth

- Organic growth of 7% in Q1-2019 with volume growth in most plants
- Recently renewed and extended long-term agreements that represent more than 20% of overall packaging portfolio
- Driving revenues through increased focused on sales organization
- Consolidated platform has capacity to accommodate additional volume
- Top line growth target of 1% for FY-2019
- Committed to gradually improving margins

Increasing our packaging margins





Packaging outlook

- Realize anticipated synergies related to acquisitions to gradually improve margins
- Focus on manufacturing efficiency
- Generate organic sales growth
- Continue to strengthen our packaging portfolio



▶ TC Transcontinental Printing

tc • TRANSCONTINENTAL
PRINTING

www.tc.tc

Printing Sector overview

Vision

- Maintain our position as Canada's largest printer

Strategy

- Develop our product and service offering and solidify our printing platform

Network

- 16 state-of-the-art printing plants, from coast to coast

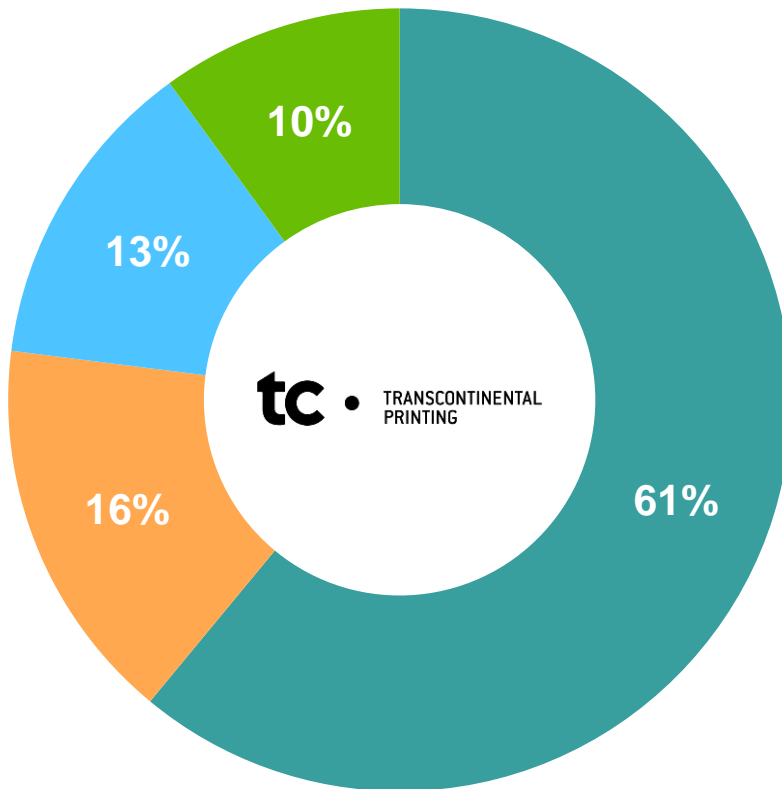
Offering a state-of-the-art national printing network



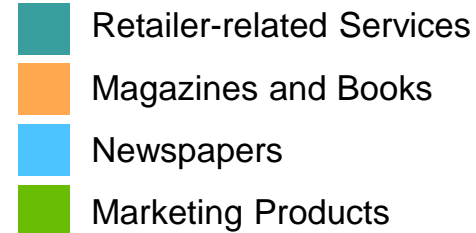
16

PRINTING
PLANTS

Generating more than 60% of our printing revenues through our retailer-related services



2018 Adjusted Revenues¹: \$1,443M

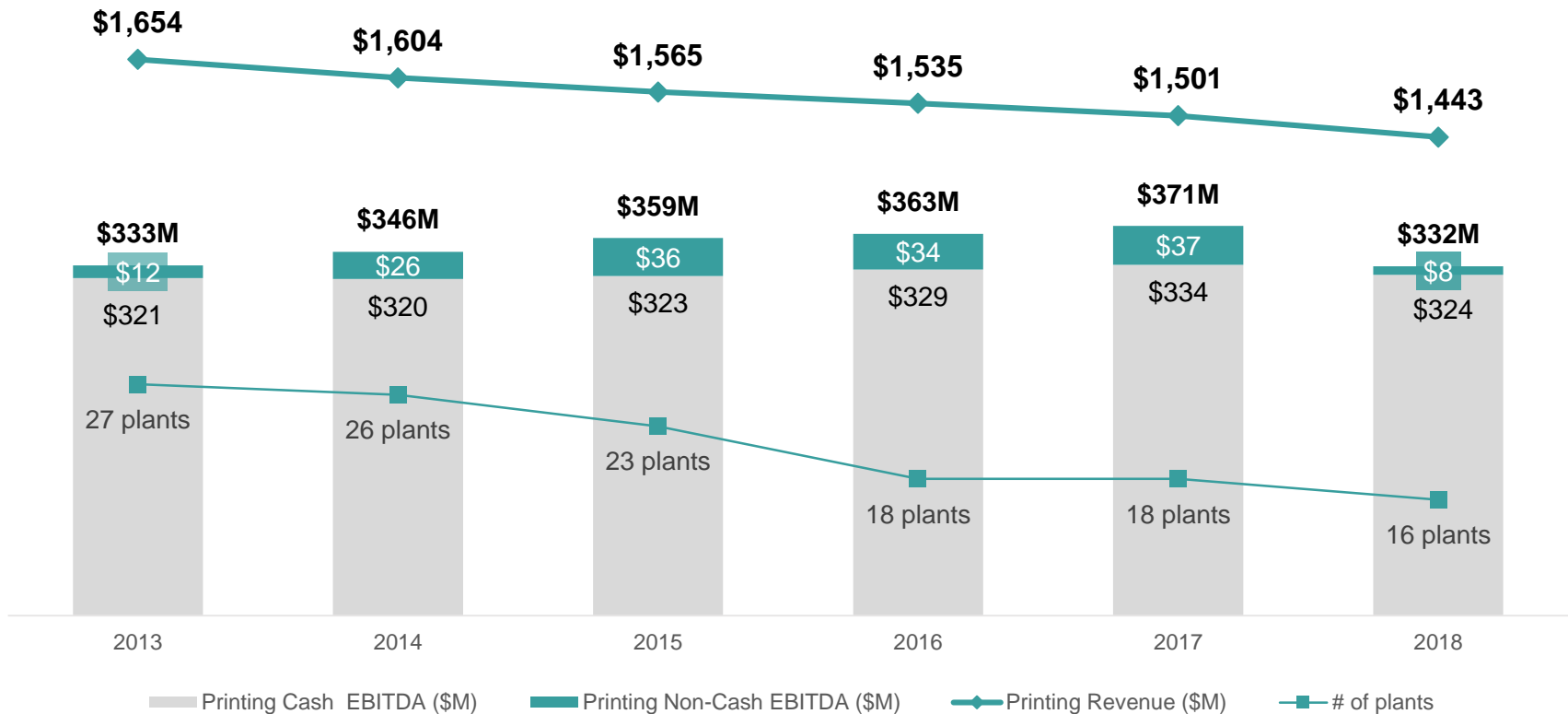


¹ Non-IFRS financial measure. Revenues before the accelerated recognition of deferred revenues*.

* Related to the agreement signed with The Hearst Corporation on December 21, 2017. Please refer to note 31, "New agreement with Hearst", to the annual consolidated financial statements for the fiscal year ended October 28, 2018.

Optimizing our operations

Printing Sector adjusted EBITDA (in \$M)



NB. 2017 and 2018 reflect favorable changes in Management fees of approximately \$6M resulting the split of the Printing & Packaging Sector into two sectors. 2017 adjusted EBITDA excludes \$100M gain due to the accelerated recognition of deferred revenue related to the contract to print the *San Francisco Chronicle*.

Providing a broad range of printing solutions for many industries

Markets



Marketing Products



Publishing



Retail



In-Store Marketing

Our top printing customers



Printing outlook

- Monitor volume trends and proactively adjust cost structure to protect profitability
- Expect revenues for retailer-related services to be slightly lower in fiscal 2019
- Tap into new growth opportunities in certain regions and verticals
- Grow our market share in all of our verticals, particularly in the growing markets of in-store marketing product printing and premedia services
- Expect continued strong performance in book vertical
- Ensure rigorous management of our long-term contracts
- Invest in automation to improve our manufacturing efficiency
- Continue to generate significant cash flow



► TC Media

tc • MEDIA

www.tc.tc

Providing a range of multiplatform specialty products & services

► Business Media



► Educational and Trade Book Publishing



Growing the Business and Education Group

- Completed transformation in Media Sector by continuing to focus on our promising segments
- Close to \$700 million in revenues in 2010, the Media Sector now represents over \$100 million or 5% of our consolidated revenues
- Solid adjusted EBITDA margin¹ of 18.5% in FY-2018
- 21% of Media Sector revenues² are advertising-based in FY-2018

¹ Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of this measure.

² Excluding Local Solutions.

Overview

- ▶ TC Transcontinental at a Glance
- ▶ Financial Performance
- ▶ Our Business Sectors
- ▶ Corporate Social Responsibility
- ▶ Appendix

Building on our achievements as part of our 2016-2018 Corporate Social Responsibility Plan

Our three-year plan, entitled Driving Sustainable Results, presented 13 objectives with respect to four key axes:

Employees



Develop talent



Retain talent



Maintain a safe and healthy work environment



Maintain an environment conducive to health and well-being



Progressively move to a more balanced gender representation in the workforce

Community



Maintain philanthropic involvement

Prosperity



Grow the packaging division



Foster innovation

Environment



Optimize waste management



Reduce energy consumption



Reduce greenhouse gas emissions



Maintain our preference for ecoresponsible paper



Increase certification rate of TC Media publications



We are actively working on our 2019-2021 Corporate Social Responsibility Plan

Pursuing our business activities responsibly



Among the Best 50 Corporate Citizens
in Canada for the 15th time in 2018



Committed to disclosure in the Carbon
Disclosure Project (CDP)



Included in the Jantzi Social Index®



Member of the Sustainable Packaging
Coalition® (SPC)

Promoting gender diversity



- Fostering a culture of diversity and inclusion is important to us at TC Transcontinental.
- Over the last few years, we have **formalized our commitment** to gender diversity with:
 - the adoption of **two gender diversity policies**. The first one relates to the representation of women at the Board level and the other applies to all other levels of the organization, including senior executives;
 - the design and implementation of programs and processes.
- We are fostering a work environment in which women, like men, are valued and respected, are recognized based on merit, and are promoted according to their contribution.
- The Corporation aims for a significant representation of women throughout the organization, including at the senior executive and Board of Directors levels.
- **38.5% of the directors** on our Board are women¹ and **32% of our senior executives** are women².

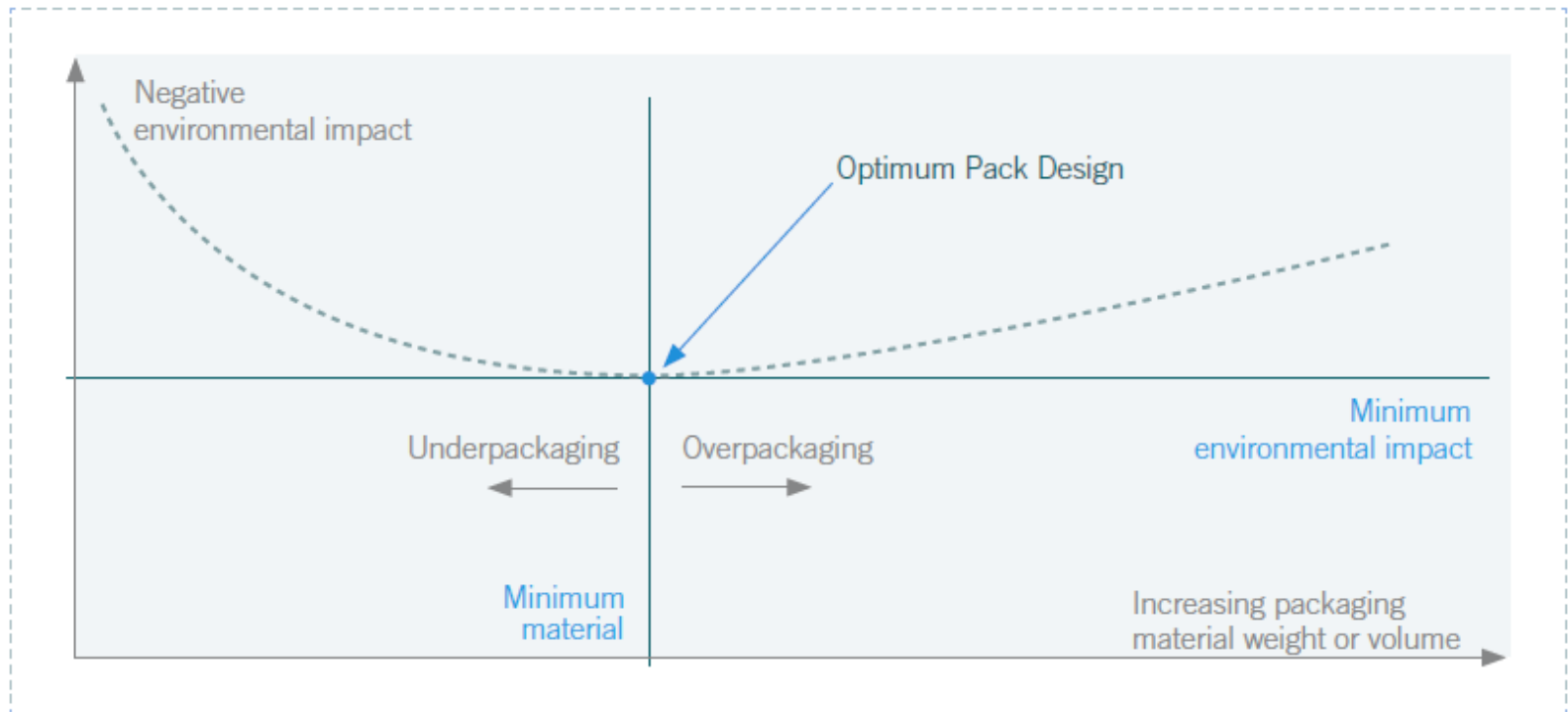
¹ As at February 28, 2019 – Election of Directors at the Annual Meeting of Shareholders

² As at October 28, 2018 – Management Proxy Circular

Packaging Sustainability

Packaging serves a purpose

- ▶ The key function of a package is to contain and protect the product, and to prevent it from becoming waste



Source: Lars Erlov, Cathrine Lofgren, Anders Soras
Report No. 194 'Packaging – a Tool for the Prevention of Environmental'

The food waste problem: packaging extends shelf life

- ▶ Rule of thumb: packaging accounts for about 10% of carbon footprint of product¹
- ▶ 1/3 of all food produced is disposed of before it is consumed²
- ▶ Packaging is identified as one of the solutions to reduce food waste³



"Consumer perceptions of food waste and packaging are misaligned, in that consumers only see the packaging waste at the end of product use, but do not consider the impact of cultivation, water, land and transportation energy that is required to bring food products to their plate".

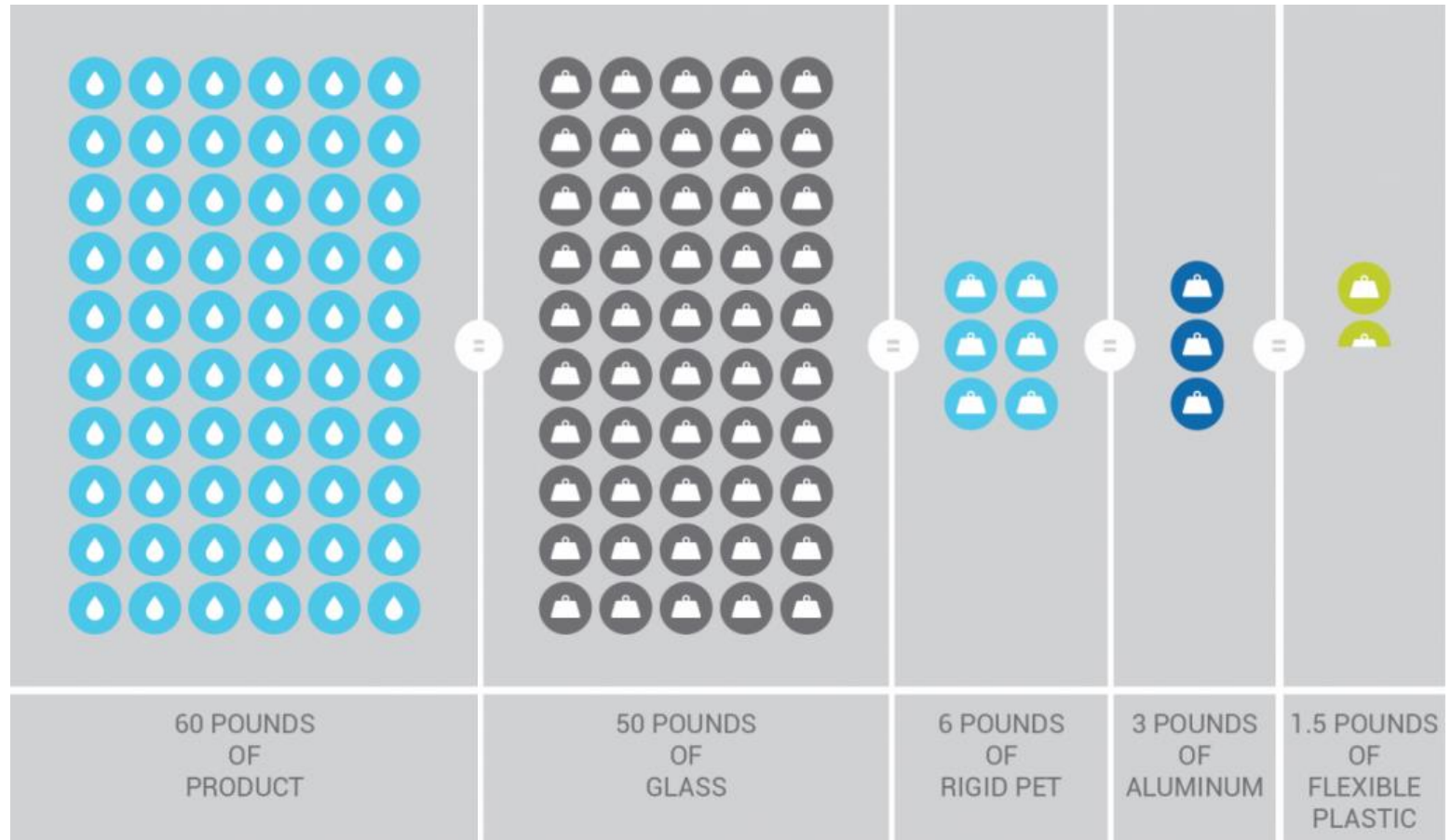
Waste Resources Action Program

¹ Source: Sustainable Packaging Coalition

² Source: [U.S. Department of Agriculture](#). In the United States, over one-third of all available food goes uneaten through loss or waste.

³ Source: According to ReFED, a non-profit organization committed to reducing U.S. food waste.

Flexible packaging is lightweight



Source: Dow Presentation; FPA Case Studies, 2009

Flexible packaging optimizes transportation

One truckload of
flat pouches



=

Often equals between **15-25**
truckloads of empty rigid
containers



The challenge of flexible packaging: end-of-life management



Making strides towards a circular economy for plastics

- ▶ We share the Ellen MacArthur Foundation's common vision of a circular economy for plastic, **where plastic never becomes waste**.
- ▶ Uniting organizations worldwide, the Ellen MacArthur Foundation is a global thought leader establishing the circular economy on the agenda of decision-makers across business, governments and academia.
- ▶ TC Transcontinental is **the first Canadian-based manufacturer to join** the Ellen MacArthur Foundation's New Plastics Economy Global Commitment.

**We are proud signatories of the
Ellen MacArthur Foundation's
New Plastics Economy
Global Commitment.**



*Global
Commitment*

Committing to specific targets

- ▶ TC Transcontinental is pledging, by 2025, for **100% of its plastic packaging to be reusable, recyclable or compostable** and to achieve a **10% use of post-consumer recycled content** on average by weight across all plastics in its product basket.
- ▶ The Corporation commits to **collaborating towards increasing reuse, recycling and composting rates for plastic** in the communities where it operates.

“We want to leave behind the legacy of a responsible corporate citizen, mindful of how today’s decisions will impact our collective tomorrow,” explains François Olivier, TC Transcontinental’s President and Chief Executive Officer. “We look forward to inspire change by pioneering the development of sustainable products and driving innovation to support our customers in their own sustainability journey.”

- François Olivier, President and Chief Executive Officer



Our circular approach to plastic

Innovate

to design packaging that is reusable, recyclable or compostable

Our Circular Approach to Plastic

Collaborate

with industry partners to increase reuse, recycling and composting rates

Promote

the use of post-consumer recycled content

Focusing on sustainable, innovating product development

Award-Winning Compostable Solutions

Compostable Films

- Custom engineered films
- Developed by our R&D teams
- Customer collaboration
- 100% renewable resources



Dedicated R&D Team with focus on ongoing development of innovative sustainable solutions

Focusing on sustainable, innovating product development (continued)

Award-Winning 100% Recyclable Solutions



100% recyclable mono-material barrier structure

- Similar barrier performance than multi-material
- 100% recycle ready for in-store drop off

100% recyclable multilayer film with barrier

- One of the first commercialized 100% recyclable pouch with barrier
- Moisture and oxygen barrier
- Excellent sealability, machinability, and durability
- No compromise graphic reproduction
- 100% recycle ready for in-store drop-off



Overview

- ▶ TC Transcontinental at a Glance
- ▶ Financial Performance
- ▶ Our Business Sectors
- ▶ Corporate Social Responsibility
- ▶ Appendix

Leveraging our integrated packaging platform with best-in-class capabilities



Design



Prepress



Extrusion



Lamination



Printing



Converting



Serving a variety of industries with packaging

Markets

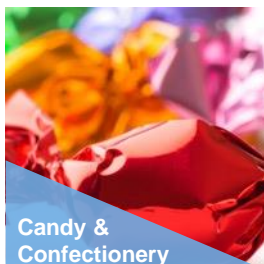


Products



Serving a variety of industries with packaging

Markets



Products



Twist wrap



Twist close



Flow wrap



Aluminum foil wrap



Stand up pouches



Shredded cheese films



Peel reseal lidding



HALO®
for natural sliced and
chunk cheese



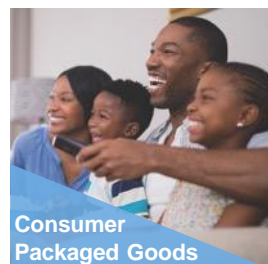
ENVIO®
Forming & non-forming films



Dairy whey bags

Serving a variety of industries with packaging

Markets



Products



Whole bean



Brick pack with
compostable options



Fractional



Single serve



Paper products



Personal care &
feminine care



Household cleaning



Multipacks

Serving a variety of industries with packaging

Markets



Products



Paper pasted valve



Poly sheeting



Bottom seal open mouth (SOS)



Poly tubing



Nextrus®
Boneless vacuum
shrink bags



Tufftite® Poultry
shrink bags



Clearshield®
Bone-in shrink bags



Envio® Forming
& non-forming films



Chub film for fresh meats

Serving a variety of industries with packaging

Markets



Products



Stand up pouches



PET laminated bags



Flat bottom bags



WPP:
Woven Polypropylene bags



Multiwall paper bags



Hot N Handy®
deli pouch



Oven N Done®
fresh meal kit bag



Steam N Eat® fresh
vegetable cook-in-bag



Fresh N Tasty®
fresh produce pouch



Fresh N Tasty®
baked goods pouch



Cigarillos

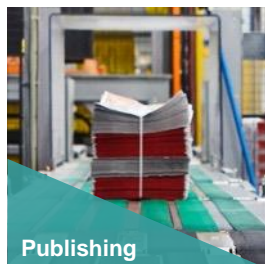


Loose Leaf

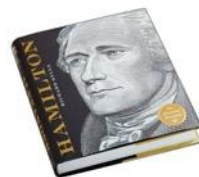
Understanding that the packaging experience can transform the way consumers engage, shop and buy.

Providing a broad range of printing solutions for many industries

Markets



Products



Contact information

Transcontinental Inc.

Mathieu Hébert
Corporate Treasurer
1 Place Ville Marie, Suite 3240
Montréal (QC) H3B 0G1
Telephone: 514 954-4029
mathieu.hebert@tc.tc
www.tc.tc



www.tc.tc