

Investor Fact Sheet

First Quarter of 2019

As at February 28th, 2019

HIGHLIGHTS

- Revenues increased by \$249.9 million, or 49.8%, from \$501.7 million to \$751.6 million, essentially as a result of the transformational acquisition of Coveris Americas, which contributed \$306.0 million to revenues. This increase was partially mitigated by the accelerated recognition of deferred revenues of \$39.8 million recorded in the first quarter of 2018 and the \$19.5 million unfavourable effect of the sale of our California newspaper printing operations resulting from the agreement signed with Hearst. Adjusted revenues, which exclude the accelerated recognition of deferred revenues, increased by \$289.7 million, or 62.7%, from \$461.9 million to \$751.6 million. Organic growth remained stable in the first quarter of 2019 compared to the corresponding period in 2018.
- Operating earnings decreased by \$70.0 million, or 56.6%, from \$123.6 million to \$53.6 million, mainly as a result of the \$39.8 million positive effect of the accelerated recognition of deferred revenue recorded in the first quarter of 2018 and the favourable impact of gains on the sale of certain activities amounting to \$33.0 million in the first quarter of 2018. Adjusted operating earnings, which exclude the accelerated recognition of deferred revenues, accelerated depreciation, restructuring and other costs [gains], impairment of assets and amortization of intangible assets arising from business combinations, increased by \$6.3 million, or 8.9%, from \$70.4 million to \$76.7 million.
- Net earnings decreased by \$30.1 million, or 51.7%, from \$58.2 million to \$28.1 million. Adjusted net earnings, which exclude the accelerated recognition of deferred revenues, accelerated depreciation, restructuring and other costs [gains], impairment of assets and amortization of intangible assets arising from business combinations, net of related income taxes, as well as the impact of the U.S. tax reform on deferred taxes, decreased by \$6.3 million, or 12.2%, from \$51.8 million to \$45.5 million.
- A sign of confidence in the Corporation's transformation, the Board of Directors approved a 4.8% increase in the annual dividend, bringing it to \$0.88 per share.

NOTES TO READERS

In this document, 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 Investor Fact Sheet, we also use non-IFRS financial measures. Please refer to the section entitled "Reconciliation of Non-IFRS Financial Measures" in the Management's Discussion and Analysis (MD&A) and Note 3 "Segmented Information" accompanying the unaudited interim consolidated financial statements for the first quarter ended January 27th, 2019 for a complete description of these measures.

FORWARD-LOOKING STATEMENT

This report contains certain forward-looking statements concerning the future performance of the Corporation. Such statements, based on the current expectations of management, inherently involve numerous risks and uncertainties, both general and specific.

We caution that all forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information, and that actual future performance will be affected by a number of factors, many of which are beyond the Corporation's control. The 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 October 28th, 2018* and in the latest *Annual Information Form*.

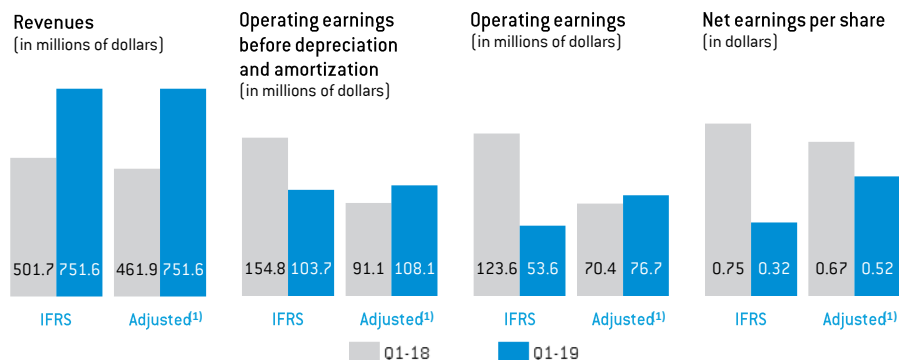
PROFILE

TC Transcontinental is a leader in flexible packaging in North America, and Canada's largest printer. The Corporation is also a Canadian leader in its specialty media segments. 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.

Respect, teamwork, performance and innovation are the strong values held by the Corporation and its employees. TC Transcontinental's commitment to its stakeholders is to pursue its business activities in a responsible manner.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has over 9,000 employees, the majority of which are based in Canada, the United States and Latin America. TC Transcontinental had revenues of more than C\$2.6 billion for the fiscal year ended October 28, 2018. For more information, visit TC Transcontinental's website at www.tc.tc.

FIRST QUARTER FINANCIAL HIGHLIGHTS



MESSAGE FROM THE PRESIDENT & CEO

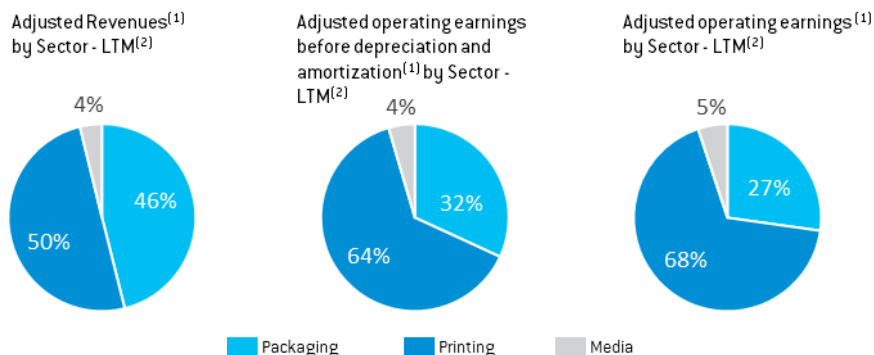
"I am satisfied with the revenue growth we experienced in the Packaging Sector in the first quarter of 2019, said François Olivier, President and Chief Executive Officer of TC Transcontinental. We remain committed to gradually improving our profit margins during the year, in particular by realizing the expected synergies related to the transformational acquisition of Coveris Americas.

"Our Printing Sector had a more moderate start, mainly as a result of the sale of our newspaper printing operations in California. Furthermore, while we saw a slight decrease in our revenues from our retailer-related service offering, it remains healthy and resilient.

"In summary, our consolidated results demonstrated solid growth in terms of revenues reflecting the dynamic implementation of our transformation. Though our profitability was somewhat softer than expected, we continue to rigorously execute our business plan.

"To conclude, we will continue generating significant cash flows from our operating activities, which will first be allocated to reducing our indebtedness."

OVERVIEW



KEY INVESTMENT CONSIDERATIONS

- Strong cash flow generating ability
- Leader in most of the markets we serve
- Solid relationships with our customers
- Balanced portfolio of businesses
- Track record of dividend growth
- Family-controlled business with long-term vision
- Investment grade credit rating

ADJUSTED REVENUES⁽¹⁾ BY GROUP 2018

(in millions of dollars)

Printing Sector	1,443
Retailer-related services ⁽⁴⁾	888
Newspapers	183
Magazines and Books	225
Marketing products	147
Packaging Sector	977
Media Sector	116

STOCK MARKET INFORMATION

As at February 27, 2019

Symbol on the TSX: **TCLA** **TCLB**

Participating Shares Outstanding:	87.3M
Public Float:	74.7M
Market Capitalization:	\$1,883.9M
Dividend Yield:	4.1%
Annual Dividend per Share:	\$0.88
Corporate Credit Ratings:	– DBRS: BBB (low), Stable outlook – S&P: BBB-, Negative outlook

ANALYST COVERAGE

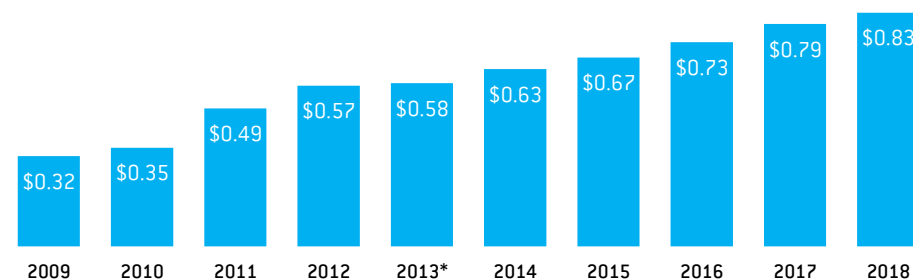
Adam Shine	National Bank Financial
Aravinda Galappaththige	Canaccord Genuity
Robert Bek	CIBC
Damir Gunja	TD Securities
David McFadgen	Cormark Securities Inc.
Drew McReynolds	RBC Capital Markets
Mark Neville	Scotia Capital
Tim Casey	BMO Capital Markets

SELECTED FINANCIAL DATA

(in millions of dollars, except ratios)

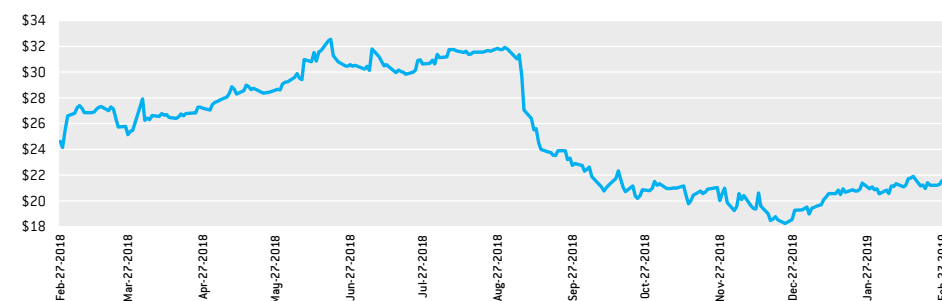
	Q1-19	Q4-18	Q3-18	Q2-18	LTM ⁽²⁾	Q1-18
Revenues	751.6	829.2	757.9	534.7	2,873.4	501.7
Packaging	395.0	417.6	400.2	87.9	1,300.7	70.9
Printing	336.8	379.7	334.2	363.9	1,414.6	365.3
Other	19.8	31.9	23.5	20.6	95.8	25.7
Adjusted Revenues	751.6	829.2	757.9	472.4	2,811.1	461.9
Operating earnings before depreciation and amortization	103.7	153.6	89.7	138.7	485.7	154.8
Packaging	46.3	49.9	48.9	11.6	156.7	6.1
Printing	63.0	92.4	71.5	85.6	312.5	82.9
Other	-1.2	19.9	-4.0	-7.5	7.2	2.1
Adjusted operating earnings before depreciation and amortization⁽¹⁾	108.1	162.2	116.4	89.7	476.4	91.1
Packaging	11.7%	11.9%	12.2%	13.2%	12.0%	8.6%
Printing	18.7%	24.3%	21.4%	23.5%	22.1%	22.7%
Adjusted operating earnings before depreciation and amortization margin⁽¹⁾	14.4%	19.6%	15.4%	19.0%	16.9%	19.7%
Net earnings per share	0.32	0.76	0.22	0.89	2.16⁽⁵⁾	0.75
Adjusted net earnings per share⁽¹⁾	0.52	0.99	0.59	0.63	2.74⁽⁵⁾	0.67
Net indebtedness ratio ⁽³⁾	3.0x	3.1x	3.5x	0.1x		0.1x
Net indebtedness ⁽³⁾	1,424.6	1,420.5	1,478.3	50.3		34.5

DIVIDENDS PAID PER PARTICIPATING SHARE



* Paid a special dividend of \$1.00 and a regular dividend of \$0.58.

TCL.A STOCK PRICE - LTM⁽²⁾



IMPORTANT DATES

Quarterly Results

Q2-2019	June 6, 2019
Q3-2019	September 5, 2019
Q4-2019	December 12, 2019

CONTACT

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Note 1: Adjusted revenues exclude the accelerated recognition of deferred revenues. Adjusted operating earnings before depreciation and amortization exclude the accelerated recognition of deferred revenues, 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 exclude the same elements as well as accelerated depreciation. Adjusted net earnings exclude the same elements, net of related income taxes, as well as the impact of the U.S. tax reform on deferred taxes. Adjusted operating earnings before depreciation and amortization margin is calculated by dividing adjusted operating earnings before depreciation and amortization by adjusted revenues.

Note 2: Last twelve months.

Note 3: Net indebtedness represents total of long-term debt plus current portion of long-term debt less cash. The net indebtedness ratio is calculated by dividing the net indebtedness by the last 12 months adjusted operating earnings before depreciation and amortization.

Note 4: Retailer-related services include flyer and in-store marketing product printing, premedia services, and door-to-door distribution.

Note 5: Per share data corresponds to net earnings per share for the LTM and does not add up to quarterly data due to the issuance of 10.8 million shares in the beginning of the third quarter of 2018.