

*For immediate release***TC Transcontinental enters into a definitive agreement with Hood Packaging Corporation for the sale of its paper and woven polypropylene packaging operations**

**Montréal, November 27, 2019** – TC Transcontinental (TSX: TCL.A TCL.B) announced today that it has reached a definitive agreement to sell its paper and woven polypropylene packaging operations to Hood Packaging Corporation for a price of US\$180 million (about C\$239 million<sup>1</sup>) subject to working capital adjustments. These operations generated approximately US\$215 million (about C\$286 million<sup>2</sup>) in revenues for fiscal 2019 ended October 27, 2019. The Corporation anticipates using the net proceeds from this transaction to reduce debt in line with its goal to bring its net indebtedness ratio below 2.0x, as well as to continue its transformation through targeted acquisitions. The transaction is subject to regulatory approvals and is expected to close in the first quarter of fiscal 2020.

Hood Packaging is a leading North American manufacturer of plastic film and bags, woven polypropylene bags, coated and laminated materials, and paper packaging, with head offices in Madison, Mississippi, United States, and Burlington, Ontario, Canada. Hood Packaging employs almost 2,000 employees and is a wholly owned subsidiary of Hood Companies, Inc.

“When we acquired Coveris Americas, we welcomed all of their assets and broad portfolio of products,” said François Olivier, President and Chief Executive Officer of TC Transcontinental. “After operating the paper business for almost 18 months, we concluded that it is less core to our Packaging Sector’s growth strategy. As such, our decision to sell these assets is aligned with our plan to continue building our flexible packaging platform where we see good growth potential. In addition, this transaction will enable us to deleverage our balance sheet faster than expected and give us the flexibility to continue acquiring businesses that are more complementary to our existing flexible packaging portfolio.”

Hood Packaging is acquiring the following paper packaging operations and buildings of TC Transcontinental: Transcontinental Sibley, Iowa; Transcontinental Hanford, California; Transcontinental Hazleton, Pennsylvania; and Transcontinental Tifton, Georgia. In addition, Hood Packaging is acquiring the paper and woven polypropylene packaging operations at the Transcontinental Spartanburg, South Carolina plant; TC Transcontinental will retain ownership of this building and continue operating from this location, which also manufactures plastic flexible packaging.

About 415 employees will transfer to Hood Packaging after the closing of the transaction. Thomas Morin, President of TC Transcontinental Packaging, added: “We sincerely thank all of these talented employees for their contribution and commitment. We know we can count on their professionalism to continue supporting our customers with dedication through this transition period, until the transaction is completed.”

**Forward-looking Statements**

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

<sup>1</sup> Converted at CAD/USD exchange rate of 1.33:1.00.

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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 and social environment as well as regulatory and legislative changes, in particular with regard to the environment, sustainable development and the utilization of certain products, 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 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 non-recurring or other unusual items, nor of disposals, business combinations, mergers or acquisitions which may be announced after the date of November 27, 2019.

The forward-looking statements in this press release are made pursuant to the "safe harbour" provisions of applicable Canadian securities legislation.

The forward-looking statements in this release are based on current expectations and information available as at November 27, 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.

## **About TC Transcontinental**

TC Transcontinental is a leader in flexible packaging in North America, and Canada's largest printer. The Corporation is also positioned as the leading Canadian French-language educational publishing group. 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](http://www.tc.tc).

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