Investor Relations Presentation:
Moving forward in our transformation

January 2020
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 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.

<table>
<thead>
<tr>
<th>Terms used</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted revenues</td>
<td>Revenues before the accelerated recognition of deferred revenues (1)</td>
</tr>
<tr>
<td>Adjusted operating earnings before depreciation and amortization (adjusted EBITDA)</td>
<td>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</td>
</tr>
<tr>
<td>Adjusted operating earnings (Adjusted EBIT)</td>
<td>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</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>Adjusted operating earnings before depreciation and amortization divided by adjusted revenues</td>
</tr>
<tr>
<td>Net indebtedness</td>
<td>Total of long-term debt plus current portion of long-term debt less cash</td>
</tr>
<tr>
<td>Net indebtedness ratio</td>
<td>Net indebtedness divided by the last 12 months’ adjusted operating earnings before depreciation and amortization</td>
</tr>
</tbody>
</table>

(1) Related to the agreements signed with Hearst. Please refer to Note 31 to the annual consolidated financial statements for the year ended October 27, 2019.
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 at a reasonable rate, bad debts from certain customers, import and export controls, raw materials and transportation costs, competition, the Corporation's ability to generate organic growth in its Packaging Sector, the Corporation's ability to identify and 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 and door-to-door distribution, changes in consumption habits related, in particular, to issues involving sustainable development and the use of certain products or services such as door-to-door distribution, the impact of digital product development and adoption on the demand for retailer-related services and other printed products, change in consumption habits or loss of a major customer, the impact of customer consolidation, the safety and quality 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, the inability to maintain or improve operational efficiency and avoid disruptions that could affect its ability to meet deadlines, recruiting and retaining qualified personnel in certain geographic areas and industry sectors, taxation, interest rates and indebtedness level. The main risks, uncertainties and factors that could influence actual results are described in the Management's Discussion and Analysis for the year ended October 27, 2019 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 or entered into after the date of December 12, 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 December 12, 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
- Corporate Social Responsibility
- Our Business Sectors
- 2020 Outlook and Conclusion
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
- The leading Canadian publishing group of French-language educational resources
- Family-controlled business founded in 1976

$3.0B
2019 Revenues

8,700+
Employees

41
Operating facilities
Our vision

To become a **market leader** in flexible packaging in North America while maintaining our position as Canada’s largest printer and as the leading Canadian French-language educational publishing group.
Our management team

François Olivier
President and
Chief Executive Officer

Sam Bendavid
Vice President,
Corporate Development

Magali Depras
Chief Strategy Officer

Christine Desaulniers
Chief Legal Officer and
Corporate Secretary

Benoit Guilbault
Chief Information Officer

Donald LeCavalier
Chief Financial Officer

Lyne Martel
Chief Human Resources Officer

Thomas Morin
President,
TC Transcontinental Packaging

Brian Reid
President,
TC Transcontinental Printing
Our transformation journey

1. **Strategic investments**
   - 2010: Pursued diversification into packaging
   - 2014: Regrouped retailer-related services under the Printing Division
   - 2016: Exited Interactive Marketing Solutions
   - 2018: Diversified into packaging with the acquisition of Capri Packaging
   - 2019: Divested consumer magazines

2. **Transformation**
   - 2010-2014: Consolidated printing industry in Canada
   - 2014-2015: Diversified into packaging with the acquisition of Capri Packaging
   - 2016: Pursued diversification into packaging
   - 2018-2019: 4 acquisitions in flexible packaging

3. **Revenues by Sector**
   - **2010**: $2,0B
     - Printing: 65%
     - Packaging: 29%
     - Media: 6%
   - **2014**: $2,0B
     - Printing: 69%
     - Packaging: 29%
     - Media: 2%
   - **2016**: $2,0B
     - Printing: 74%
     - Packaging: 15%
     - Media: 11%
   - **2018**: $2,5B
     - Printing: 57%
     - Packaging: 38%
     - Media: 5%
   - **2019**: $3,0B
     - Printing: 44%
     - Packaging: 53%
     - Media: 3%

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1. As reported and excludes intercompany eliminations. For 2010 and 2014, Distribution and Premedia services are under Media. Adjusted revenues for 2018 - Non-IFRS financial measure (2018 IFRS Revenues of $2,6B). Please refer to page 2 of this presentation for a complete description of these measures.
Overview

- TC Transcontinental at a Glance
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- 2020 Outlook and Conclusion
Performance highlights

Revenues ($M)

Adjusted Revenues\(^1\) ($M)

Adjusted EBITDA ($M)

Record Revenues and adjusted EBITDA in 2019

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

Cash flows from operating activities and capital allocation ($M)

- CAPEX (incl. intangibles)
- Dividends
- Share buybacks
- Cash flows from operating activities

Strong and consistent cash flow generation that allow deployment of over $2B to diversify into flexible packaging
Deleveraging in a disciplined manner

Net indebtedness¹ (in $M) and net indebtedness ratio¹

INVESTMENT GRADE CREDIT RATING

Reduce net indebtedness by over $250 million in 2019

1. Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures.
2. Taking into consideration the closing of the sale of our paper operations to Hood Packaging (expected in Q1 2020).
Note: As originally reported for 2009 to 2013 and including securitization for 2012 and 2013. 2013 figures have been restated to take into account the effects of amended IAS 19 - Employee Benefits, IFRS 11 – Joint Arrangements and other elements.
Rewarding our shareholders

Dividends paid per participating share

- 1993: 6¢
- 2018: 83¢
- 2019: 87¢

CAGR: 11%

Dividends paid in 2019 only represented 17.6% of cash flows from operating activities.
Overview

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- Our Business Sectors
- 2020 Outlook and Conclusion
Our CSR Strategy

Corporate Social Responsibility is embedded into our strategy and sustainability drives innovation

- Confirm our leadership and impact
- Embed CSR in all our activities
- Collaborate across the value chain between all stakeholders
- Deliver on our 11 goals related to our people, our operations, our products and our communities

www.tc_tc/about-us/social-responsibility/publications-certifications

Established targets following a large-scale stakeholders consultation
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)

Signatory of the Ellen MacArthur Foundation’s New Plastics Economy Global Commitment
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 women\(^1\) and **32% of our senior executives** are women\(^2\).

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1. As at February 28, 2019 – Election of Directors at the Annual Meeting of Shareholders
2. As at October 28, 2018 – Management Proxy Circular
Overview

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- 2020 Outlook and Conclusion
Packaging Sector overview

**Vision**
- To become a market leader in flexible packaging in North America

**Strategy**
- Grow our Packaging Sector through organic sales growth and acquisitions

**Network**
- 25 production plants worldwide, mainly in the United States, Canada and Latin America, as well as one premedia studio
Scaling our packaging platform

**UNITED STATES:** 15 plants
- Transcontinental Capri 1
- Transcontinental Capri 2
- Transcontinental Ultra Flex
- Transcontinental Robbie
- Transcontinental Multifilm
- Transcontinental Ontario
- Transcontinental Albany
- Transcontinental Griffin
- Transcontinental Battle Creek
- Transcontinental Matthews
- Transcontinental Thomasville
- Transcontinental Tulsa
- Transcontinental Spartanburg
- Transcontinental Menasha
- Transcontinental Tomah

**CANADA:** 3 plants and one premedia studio
- Transcontinental Flexipak
- Transcontinental Flexstar
- Transcontinental Whitby
- Transcontinental Premedia

**LATIN AMERICA:** 4 plants
- Transcontinental Ecuador
- Transcontinental Trilex (Ecuador)
- Transcontinental Guatemala
- Transcontinental San Luis Potosi (Mexico)

**REST OF THE WORLD:** 3 plants
- Transcontinental New Zealand
- Transcontinental United Kingdom
- Transcontinental China

**25 PRODUCTION PLANTS**

**3,900 EMPLOYEES**

TC Transcontinental Packaging is a leader in flexible packaging in North America specializing in extrusion, lamination, printing and converting.

*Note: As at January 2020*
Building our flexible packaging platform

2014
Acquisition of Capri Packaging
Clinton, Missouri
2 plants

2015
Acquisition of Ultra Flex Packaging Corp.
Brooklyn, New York
1 plant

2016
Acquisition of Robbie Manufacturing
Lenexa, Kansas
1 plant

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

2019
Acquisition of a majority participation in Industrial y Commercial Trilex
Guayaquil, Ecuador
1 plant
Building our flexible packaging platform (cont’d)

Packaging Sector Revenues (in $M) and number of plants

- Revenues
- # of plants

Significant traction in growing profitability
Adjusted EBITDA margins\(^1\) grew from 11.9% in FY2018 to 12.8% in FY2019, a 90bps improvement

\(^1\) Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures.
Successful integration of Coveris Americas

Growing profitability from exceeding FY2019 synergies

- EBIT and adjusted EBITDA\(^1\) increased from $21.9M to $66.6M and $116.5M to $206.8M respectively in FY2019. Adjusted EBITDA margins\(^1\) grew from 11.9% in FY2018 to 12.8%, a 90bps improvement.

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
  - Extensive extrusion lamination capabilities
  - Cast extrusion capabilities
- These capabilities will lead to:
  - Cost competitiveness
  - Competitive differentiation
  - Product development including innovation of sealant technology

Value creation to be enhanced by more than US$20M annual cost savings synergies (more than US$10M realized in FY2019 and remaining synergies expected in FY2020)

- Economies of scale
  - Procurement of raw materials
- Sharing of best practices & integration
  - Vertical integration of film manufacturing
  - Insourcing of prepress and plate-making operations

Significant operating margin improvement in 2019 from exceeding synergy targets

\(^1\) Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures.
Serving a variety of industries

Core markets among our portfolio of products

- Agriculture (Banana)
- Beverage
- Candy & Confectionery
- Cheese & Dairy
- Coffee & Tea
- Home & Personal Care
- Pet Food
- Meat & Poultry

Investing in innovative and ecoresponsible products to become the market leader in core markets
Flexible packaging serves an important purpose

- The key function of a package is to contain and protect the product

- Packaging extend shelf life
  - Rule of thumb: packaging accounts for about 10% of carbon footprint of product\(^1\)
  - 1/3 of all food produced is disposed of before it is consumed\(^2\)
  - Packaging is identified as one of the solutions to reduce food waste\(^3\)

- Benefits of flexible packaging:
  - Flexible packaging is lightweight
  - Flexible packaging optimizes transportation
  - Flexible packaging offers significant improvement in shelf life

The challenge of flexible packaging is the end-of-life management

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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

<table>
<thead>
<tr>
<th></th>
<th>60 POUNDS OF PRODUCT</th>
<th>50 POUNDS OF GLASS</th>
<th>6 POUNDS OF RIGID PET</th>
<th>3 POUNDS OF ALUMINUM</th>
<th>1.5 POUNDS OF FLEXIBLE PLASTIC</th>
</tr>
</thead>
</table>

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

Source: AWT Labels and Packaging, 2016
Our circular economy vision

- Maintain our leadership in paper
- Live up to our 2025 commitment with plastics
- Develop industry leadership
- Accelerate innovation

“Our R&D strategy is focused on a deep understanding of our customers’ needs and market trends. Working closely with our supply chain partners, we will accelerate the path towards a circular economy for plastic packaging, yielding greater benefits for our communities and the environment, while driving value for our shareholders.”

— Alex Hayden, Senior Vice President, R&D, Innovation and Sustainability, TC Transcontinental Packaging
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.
- TC Transcontinental is the first Canadian-based manufacturer to join the Ellen MacArthur Foundation’s New Plastics Economy Global Commitment.
- Our Commitment:
  - 100% of plastic packaging to be reusable, recyclable, or compostable by 2025
  - 10% of our plastic supply will come from post consumer recycled content by 2025
  - We will collaborate towards increasing recycling and composting rates for plastic

We are proud signatories of the Ellen MacArthur Foundation’s New Plastics Economy Global Commitment.
Packaging Innovation and Sustainability

Product Protection
- Oxygen, Moisture, Light
- Transportation

Consumer Engagement
- On the Shelf Image
- Convenience of Use

Total Cost of Ownership
- Purchase Price
- Processing Speed & Ease

Sustainability
- Carbon Footprint Impact
- End-of-Life Scenario
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
2019 Achievements in Packaging

- Appointment of Thomas Morin as President, TC Transcontinental Packaging
- New R&D and innovation team including the appointment of Alex Hayden as Senior Vice President, R&D, Innovation and Sustainability
- Significant investments in manufacturing capabilities (including the internalization of film extrusion in Whitby, Ontario)
- Acquisition of Trilex in Latin America
- Steady improvement in profitability margins quarter after quarter
  - Exceeded target for FY2019 synergies
  - Additional synergies expected in FY2020 from internalization of film and plates
- Establishing our leadership in sustainability and the circular economy for plastics

Strong performance in 2019 as we structure our packaging platform to accelerate our transformation

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

- Realize second wave of synergies (internalization of film and plates) to continue to gradually improve margins
- Focus on manufacturing efficiency
- Generate long-term organic sales growth
  - Consolidated platform has capacity to accommodate additional volume
- Continue to strengthen our packaging portfolio

Expect modest organic revenue growth in fiscal 2020, followed by more significant growth as of 2021
TC Transcontinental Printing
Printing Sector overview

Vision

- Maintain our position as Canada’s largest printer

Strategy

- Optimize our printing platform and capture growth opportunities in promising verticals

Network

- 16 state-of-the-art printing plants, from coast to coast
Offering a state-of-the-art national printing network

4,400 EMPLOYEES

16 PRINTING PLANTS

QUÉBEC (7)
- Beauceville
- Boucherville
- Montreal (2)
  - Transmag
  - Ross-Ellis
- St-Hyacinthe
- Gatineau
- Québec City

ONTARIO (5)
- Aurora
- Markham
- Mississauga
- Owen Sound
- Vaughan

MANITOBA (1)
- Winnipeg

ALBERTA (1)
- Calgary

BRITISH COLUMBIA (1)
- Delta

NOVA SCOTIA (1)
- Halifax

Note: As at January 2020
Providing a broad range of printing solutions for many industries

Markets

Marketing Products

Publishing

Retail

Premedia & Distribution
Summary of Publisac Situation

- New Publisac bag made of 100% recycled plastic was launched on Montreal Island.
- Report from the City of Montreal’s Commission on Water, Environment, Sustainable Development and Large Parks recommending moving to an “opt-in” model
- TC Transcontinental will continue a discussion with all stakeholders to defend and demonstrate the relevance, sustainability and economic importance of Publisac.
- Many initiatives in progress to demonstrate the recyclability of Publisac and to create a true circular economy for plastics.

We remain convinced that the situation will result in a positive outcome.
2019 Achievements in Printing

- Optimizing our manufacturing platform
  - Announced the closure of Brampton and PEI plants
- Simplifying overhead structure to reduce indirect costs
- Proactive defense of the Publisac
- Acquisition of Holland & Crosby to increase our presence in a growth vertical (In-Store Marketing)
- Sale of Fremont building to Hearst ($75M US)

We will continue to take action to ensure we generate strong free cash flow in our Printing sector
Printing outlook

- Monitor volume trends and proactively adjust cost structure to protect profitability
- Grow our market share in verticals with significant growth potential like in-store marketing product, book printing and premedia services
- Ensure rigorous management of our long-term contracts
- Invest in automation to improve our manufacturing efficiency
- Continue to generate significant cash flow
Segment now focused on Educational Material and Groupe Constructo

- Completed the transformation in Media Sector with the sale of the majority of our specialty media assets and event planning activities.

- With close to $700 million in revenues in 2010, the Media Sector now represents less than $70 million annually or ~2% of our consolidated revenues.


- Committed to growing our activities of TC Media Books (educational material publishing and distribution) and Groupe Constructo.

Our vision is to maintain our position as the leading Canadian French-language educational publishing group
Overview

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Key investment considerations

- Long-term value creation
- Leader in most of our verticals
- Ability to generate significant cash flows
- Solid relationships with our customers
- Investment grade credit rating
- History of dividend growth
- Pursuing our business activities in a responsible manner
## FY 2020 Outlook

<table>
<thead>
<tr>
<th>Section</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>Packaging</td>
<td>Modest organic growth improvement in operating margins</td>
</tr>
<tr>
<td>Printing</td>
<td>Positive impact from operational efficiency initiatives and acquisitions in growth markets</td>
</tr>
<tr>
<td>CAPEX</td>
<td>$90 - $100 million</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>~ $55 million</td>
</tr>
<tr>
<td>Cash taxes</td>
<td>$55 - $65 million</td>
</tr>
<tr>
<td>Tax expense (%)</td>
<td>Mid-twenties</td>
</tr>
</tbody>
</table>

We expect to continue generating strong free cash flow
Conclusion

- Managing our portfolio of activities in line with our plan
- Taking actions to optimize cost structure and building sales growth
- Continuing to generate strong and consistent cash flows allowing us to distribute dividends, deleverage our balance sheet and continue our transformation through targeted acquisitions
Contact information

Transcontinental Inc.

Yan Lapointe
Director, Investor Relations
1 Place Ville Marie, Suite 3240
Montréal (QC) H3B 0G1
Telephone: 514 954-3574
yan.lapointe@tc.tc
www.tc.tc