

Investor Relations Presentation:

Moving forward in our transformation

September 2020

tc • TRANSCONTINENTAL

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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 section entitled "Reconciliation of Non-IFRS Financial Measures" and in Note 3, "Segmented Information", to the interim condensed consolidated financial statements for the third quarter ended July 26, 2020. 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 (adjusted EBITDA)	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 (Adjusted EBIT)	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 EBITDA margin	Adjusted operating earnings before depreciation and amortization divided by adjusted revenues
Net indebtedness	Total of long-term debt, of current portion of long-term debt, of lease liabilities and of current portion of lease liabilities, less cash
Net indebtedness ratio	Net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization

(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 or 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, indebtedness level and the impact of the COVID-19 pandemic on its operations, facilities and financial results, change in consumption habits from consumers and changes in the operations and financial position of the Corporation's customers due to the pandemic and the effectiveness of plans and measures implemented in response thereto. 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, and were updated in the Management's Discussion and Analysis for the second quarter ended April 26, 2020.

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 September 9, 2020. 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 September 9, 2020. 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
- ▶ 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



~8,500

Employees



40

Operating
facilities

Our vision

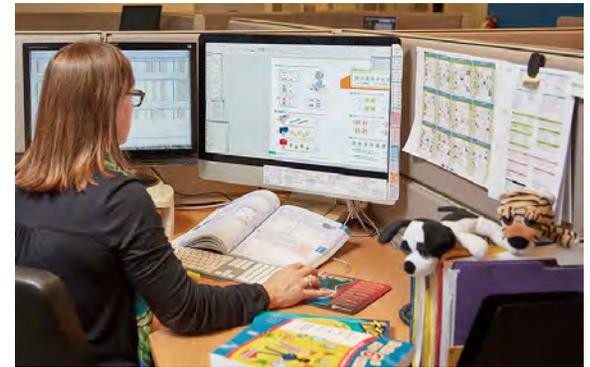
To become a **market leader** in flexible packaging in North America while maintaining our position as Canada's largest printer and as the leading Canadian French-language educational publishing group



tc • TRANSCONTINENTAL
PACKAGING



tc • TRANSCONTINENTAL
PRINTING



tc • MEDIA

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



François Taschereau
Vice President,
Corporate Communications
and Public Affairs

Our transformation journey

TRANSFORMATION

2010

Strategic investments

2014

1st Packaging acquisition

2016

4th Packaging acquisition completed

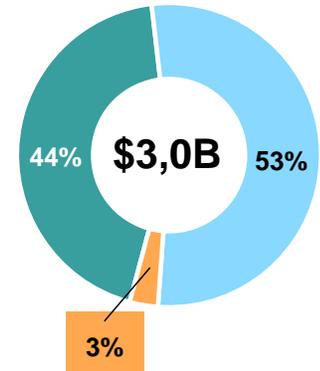
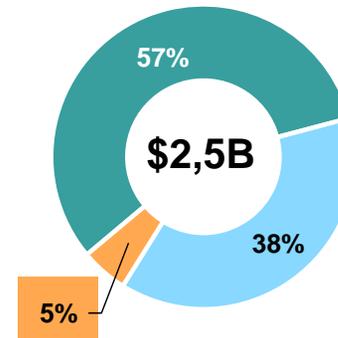
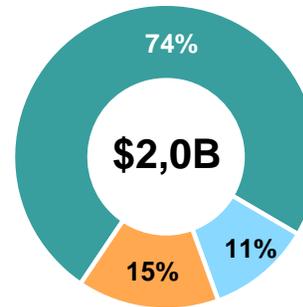
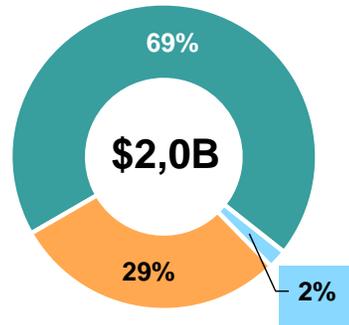
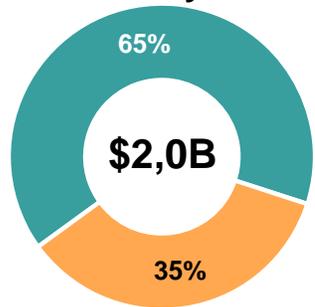
2018

Transformational acquisition of Coveris Americas

2019

Successful integration of Coveris Americas

Revenues by Sector¹



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

2018-2019

- 4 acquisitions in flexible packaging
 - Coveris Americas
 - Multifilm
 - Flexipak (2017)
 - Trilex
- Completed the sale of all of our local newspapers
- Small acquisitions in book publishing and in-store marketing
- Sale of majority of specialized assets in Media



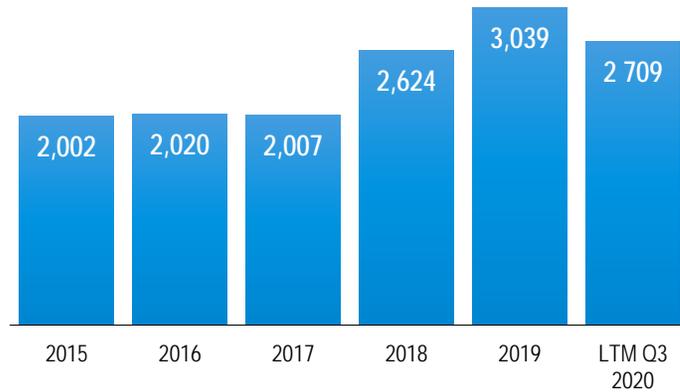
¹ As reported and excludes intercompany eliminations. For 2010 and 2014, Distribution and Premedia services are under Media. Adjusted revenues for 2018 - Non-IFRS financial measure (2018 IFRS Revenues of \$2,6B). Please refer to page 2 of this presentation for a complete description of these measures.

Overview

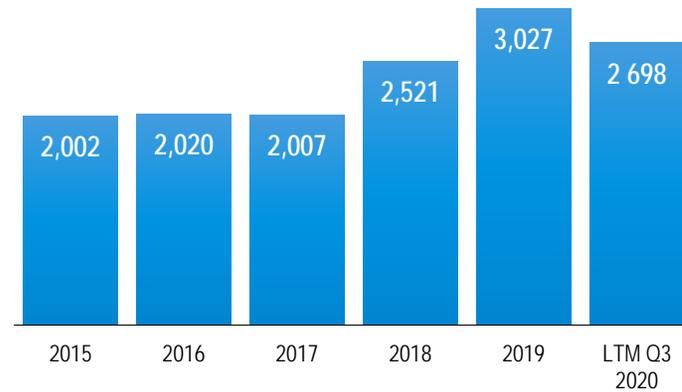
- ▶ TC Transcontinental at a Glance
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Performance highlights

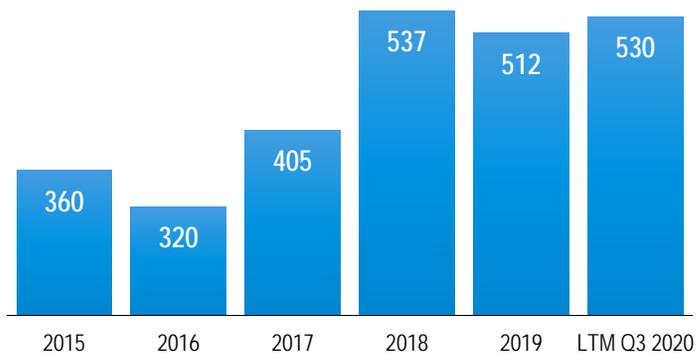
Revenues (\$M)



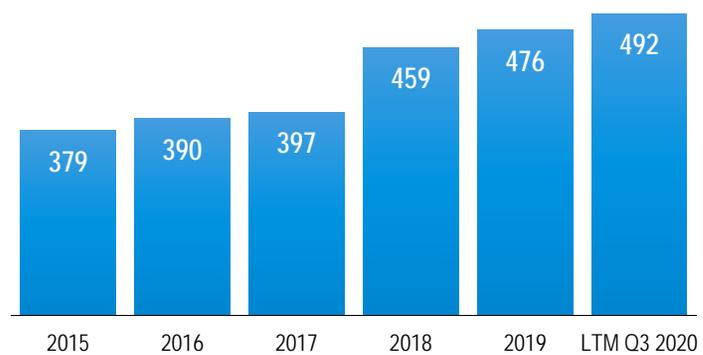
Adjusted Revenues¹ (\$M)



EBITDA (\$M)



Adjusted EBITDA¹ (\$M)



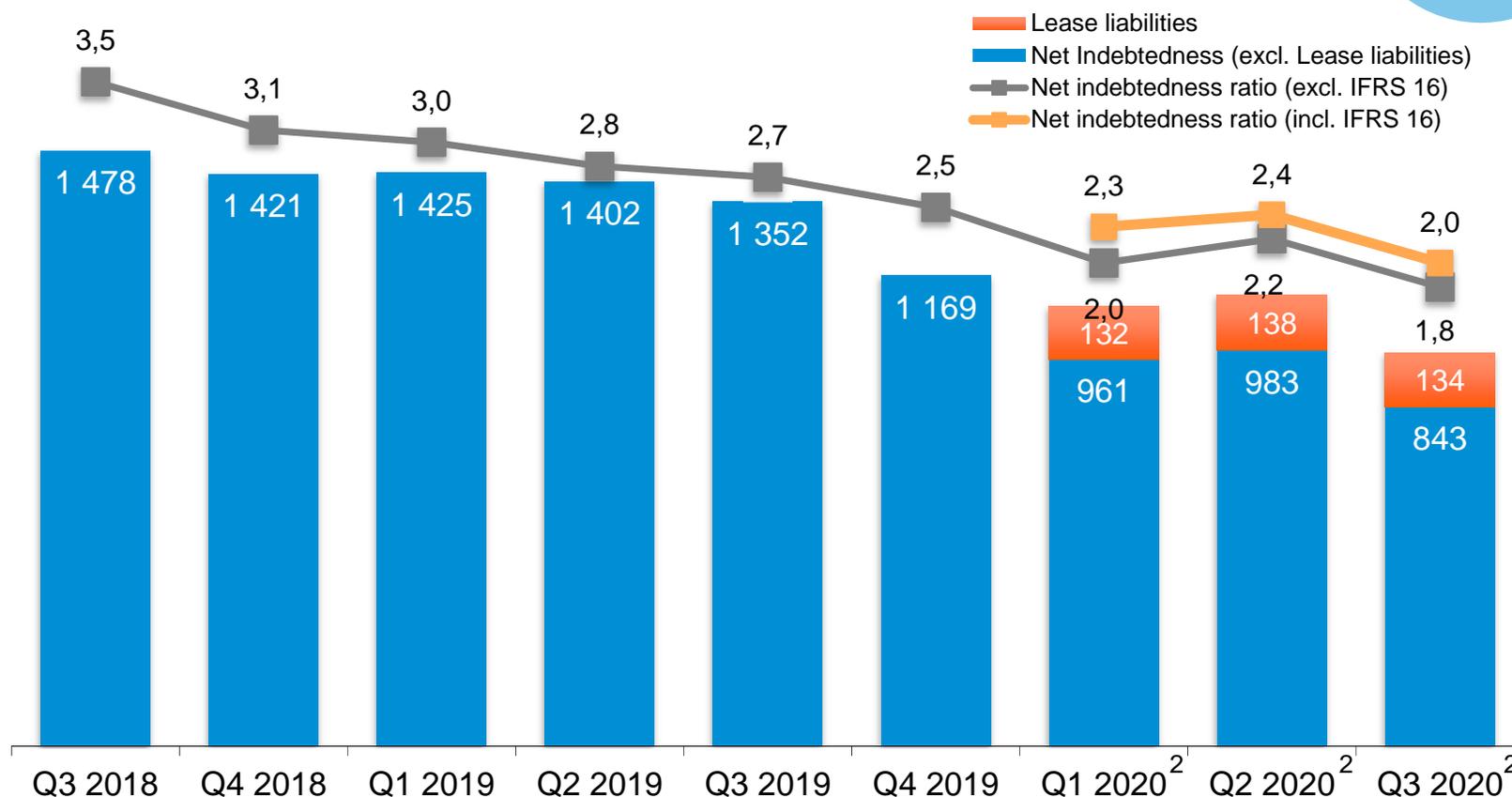
Strong and stable performance in challenging times

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

Deleveraging in a disciplined manner

INVESTMENT
GRADE CREDIT
RATING

Net indebtedness (in millions) and net indebtedness ratio¹

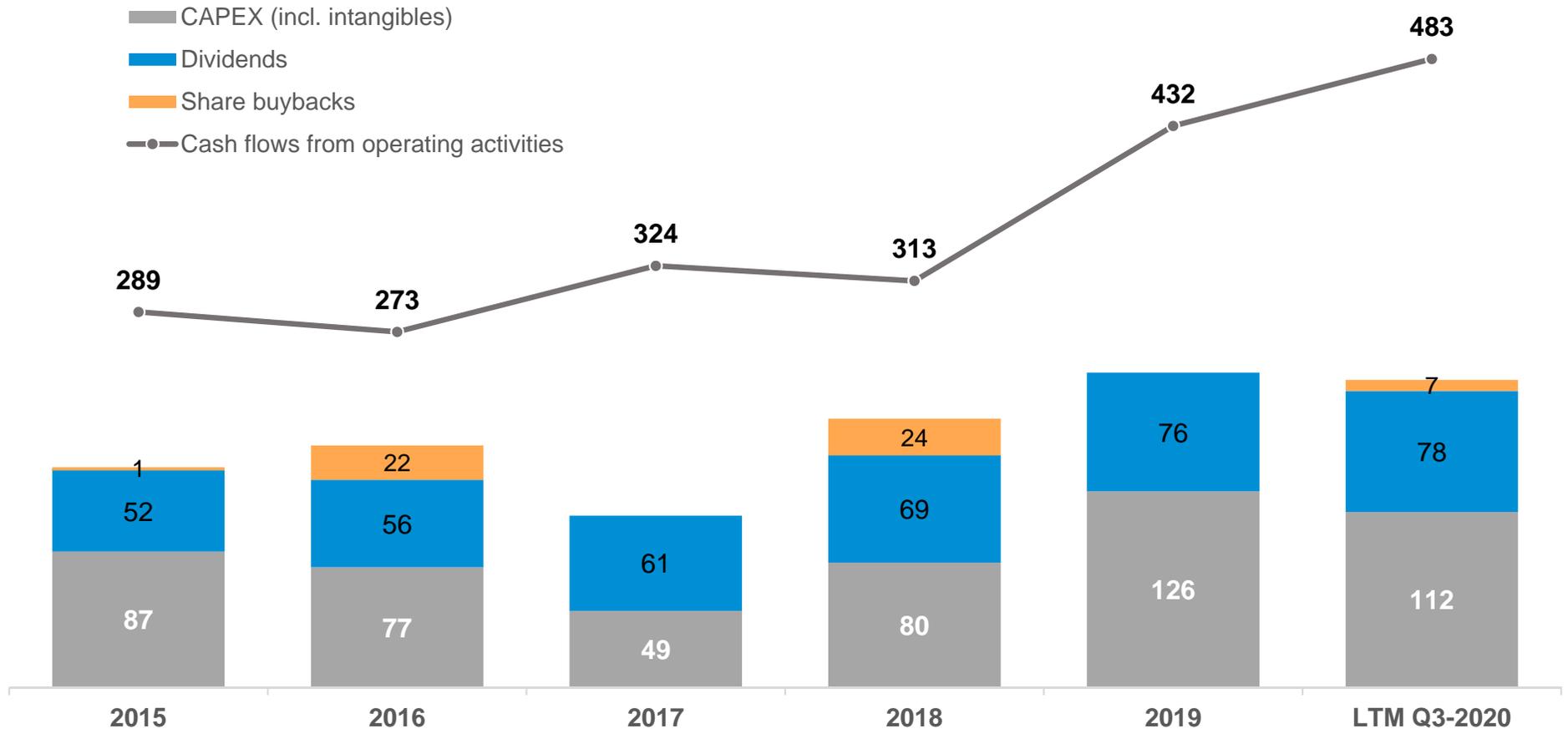


Reduced net indebtedness by ~ \$635 million since July 2018

1. Non-IFRS financial measure. Please refer to page 2 of this presentation for a complete description of these measures.
 2. Excluding the impact of IFRS 16. In FY2020, the Corporation adopted IFRS 16 using the modified retrospective transition method. Under this method, the net indebtedness ratio calculation includes the total impact of IFRS 16 on the numerator and the partial impact on the denominator.

Returning capital to shareholders

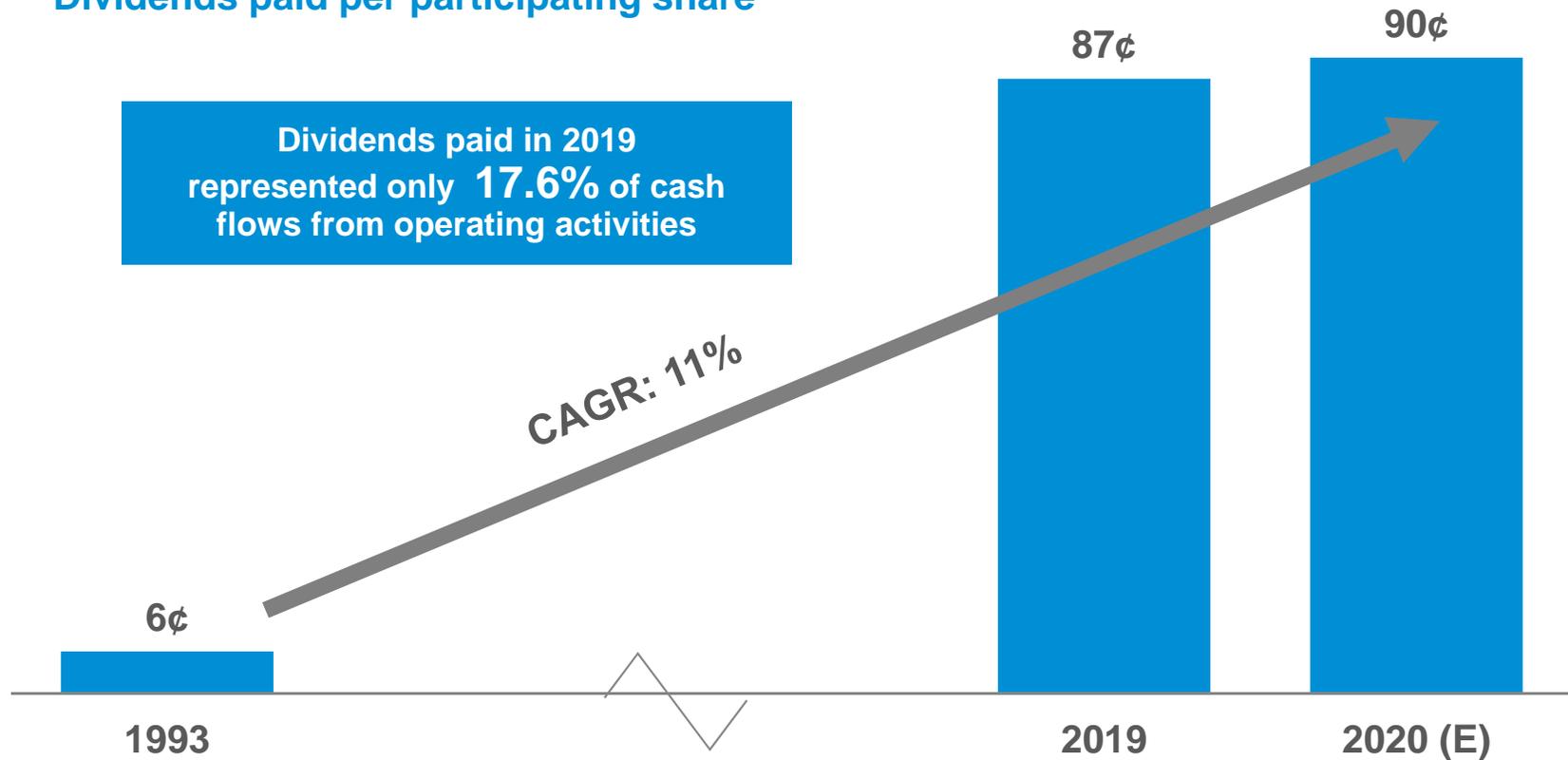
Cash flows from operating activities and capital allocation (\$M)



Strong and consistent cash flow generation that allow deployment of over \$2B to diversify into flexible packaging

Returning capital to shareholders (cont'd)

Dividends paid per participating share



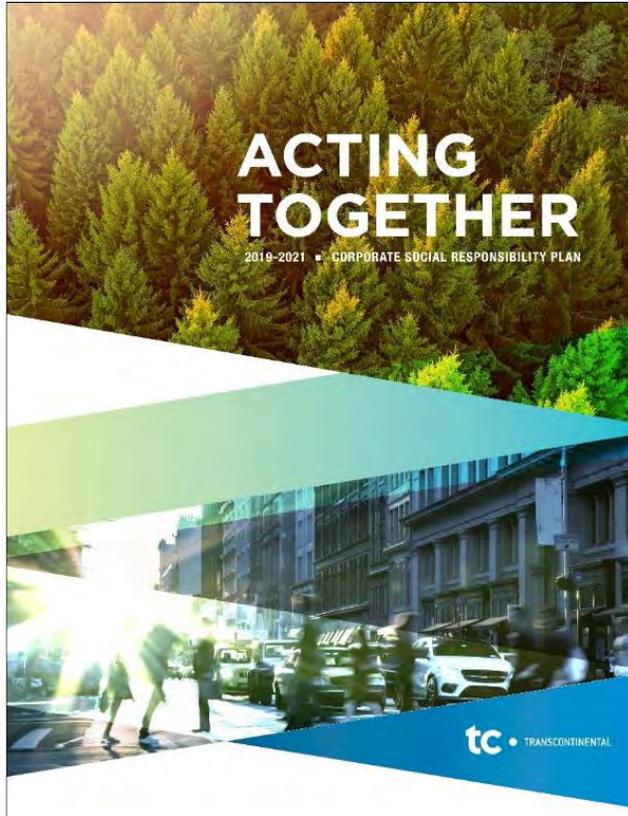
Strong cash flow generation provided confidence to continue dividend distribution

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Our CSR Strategy

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



- ▶ Confirm our leadership and impact
- ▶ Collaborate across the value chain between all stakeholders
- ▶ Deliver on our 11 goals related to our people, our operations, our products and our communities
- ▶ Targets are directly aligned with seven of the 17 sustainable development goals defined by the UN Global Compact
- ▶ Initially released in 2019 and published a progress report in June 2020

Established targets following a large-scale stakeholders consultation

Pursuing our business activities responsibly



Signatory of the United Nations Global Compact



Committed to disclosure in the Carbon Disclosure Project (CDP)



Among the Best 50 Corporate Citizens in Canada for the 17th time and ranked in top 10 in 2019 and 2020



Included in the Top 50 of the Jantzi® Social Index in Canada



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 women¹ and **34.5% of our senior executives** are women².

¹ As at February 27, 2020 – Election of Directors at the Annual Meeting of Shareholders

² As at October 27, 2019 – Management Proxy Circular

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▶ TC Transcontinental Packaging

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PACKAGING

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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

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

Recent achievements in Packaging

- Investments in manufacturing capabilities (including the internalization of film extrusion in Whitby, Ontario)
- Steady improvement in profitability
 - Exceeded target for synergies, helping to generate YTD FY2020 (9 months) Adjusted EBITDA margin of 15,8% - a 340 bps improvement vs previous year)
- Managed the strong order uptake and supported our customers by optimizing capacity and keeping employees safe & healthy during pandemic
- Establishing our leadership in sustainability and the circular economy for plastics
 - Created a Recycling Group within TC Transcontinental Packaging and acquired the assets of Enviroplast inc. to vertically integrate the recycling of plastics in our packaging production chain

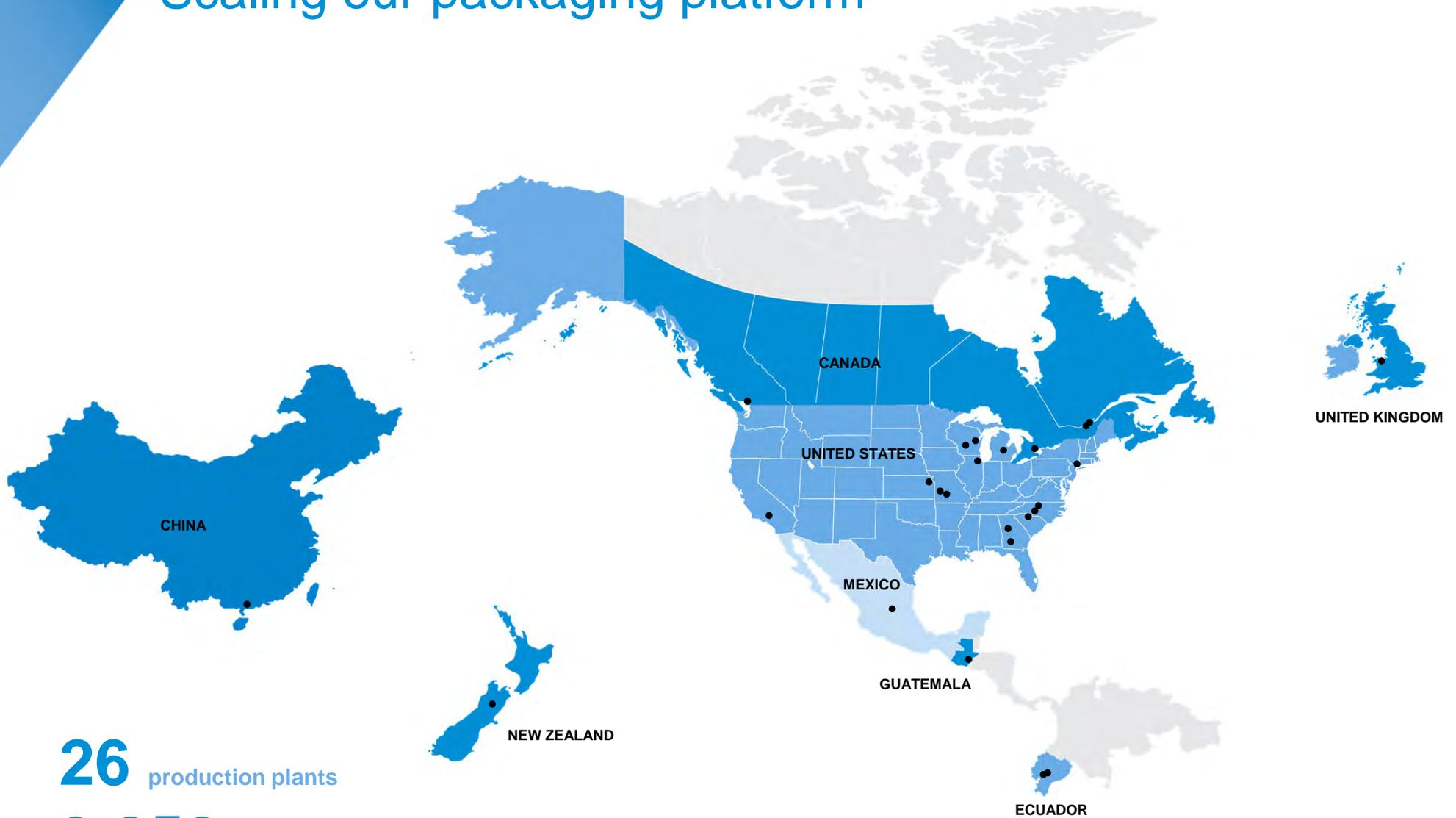
Strong performance in 2020 demonstrating the resilience of the packaging business

Packaging outlook

- Focus on manufacturing efficiency as we finalize synergies to continue to gradually improve margins
- Generate long-term organic sales growth
 - Consolidated platform has capacity to accommodate additional volume
- Continue to strengthen our packaging portfolio

Higher organic revenue growth and continued margin improvement expected in fiscal 2021

Scaling our packaging platform



26 production plants

3,850 employees

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

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



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 (4 sold in 2020)



2019

Acquisition of a majority participation in Industrial y Comercial Trilex
Guayaquil, Ecuador

1 plant



2020

Acquisition of the assets of Enviroplast Inc.
Montréal, Québec

1 plant

Successful integration of Coveris Americas

Exceeded synergy targets

- ▶ EBIT and adjusted EBITDA¹ increased significantly over the last 2 years. Adjusted EBITDA margins¹ grew from 11.9% in FY2018 to 12.8% in FY2019, and to 15.8% YTD FY2020 (9 months), a 390bps improvement in less than 2 years.

Insourcing of film manufacturing contributing to FY2020 margin improvement

- ▶ Acquisition of a strong expertise in technical films production that enables insourcing of film manufacturing leading to cost competitiveness, differentiation and faster product development

Value creation from more than US\$20M annual cost synergies
(more than US\$20M realized in FY2019/20 and remaining synergies expected in FY2021)



Economies of scale

- Procurement of raw materials

Sharing of best practices & integration

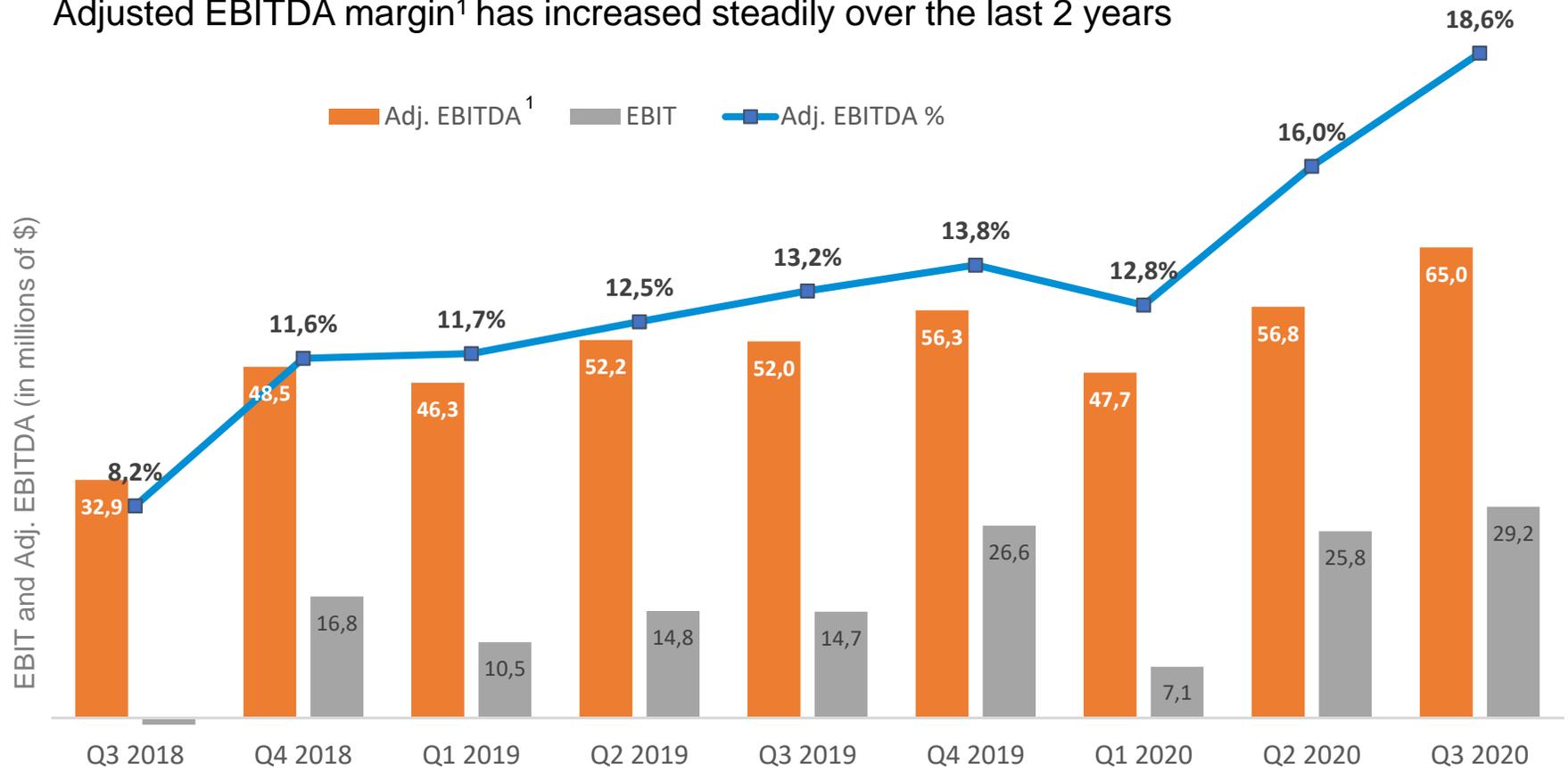
- Vertical integration of film manufacturing
- Insourcing of prepress and plate-making operations

**Significant operating margin improvement from exceeding synergy targets.
Margin improvement to continue in 2021**

Growing profitability in Packaging

Growing profitability since the acquisition of Coveris Americas

Adjusted EBITDA margin¹ has increased steadily over the last 2 years



Operational efficiency gains, exceeding synergy targets and portfolio management are contributing to margin improvement in Packaging

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



Investing in innovative and ecoresponsible products to become the market leader in core markets

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

The Benefits of Flexible Packaging

WHY FLEXIBLE PACKAGING IS AWESOME:

Less energy. Fewer resources. Smaller footprint.

The role flexible packaging plays in sustainability across the different stages of the supply chain.

- Protects the product and reduces container breakage → Less waste
- Produces less CO₂ emissions → Better for the environment
- Improves product-packaging ratio → Efficient resource utilization
- Optimizes transportation with light weight and flat shape → Fewer trucks on the road for transport
- Extends shelf life with barrier properties → One of the key solutions to reduce food waste



CARBON IMPACT

A rigid PET container for laundry detergent pods emits **+726%** more greenhouse gases than a flexible pouch with zipper



MATERIAL TO LANDFILL

+31% more thermoformed tubs for baby food packaging ends up in a landfill compared to a flexible pouch with fitment



WATER USAGE

A HDPE bottle for motor oil packaging consumes **+513%** more water than a flexible pouch with fitment



FOSSIL FUEL USAGE

A rigid pail for cat litter packaging consumes **+1,429%** more fossil fuel than a flexible bag



WATER USAGE

A steel can for packaging coffee consumes **+1,605%** more water than a flexible pouch



PRODUCT-TO-PACKAGE RATIO

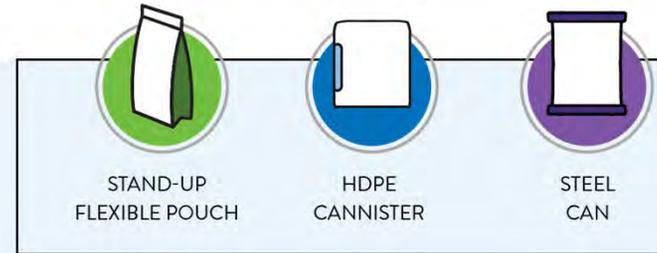
A single serve juice flexible pouch efficiently uses packaging with a product-to-package ratio of **+97%**

Source: <https://www.flexpack.org/resources/sustainability-resources#a-holistic-view-of-the-role-of-flexible-packaging-in-a-sustainable-world>

The Benefits of Flexible Packaging

COFFEE PACKAGE COMPARISON

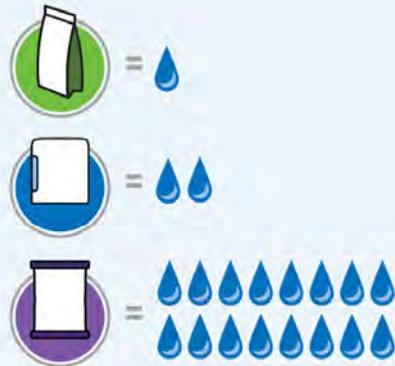
Ground coffee is a popular beverage and is packaged in a variety of package formats. For this Life Cycle Assessment (LCA) study, the stand-up flexible pouch, steel can and plastic canister package formats were evaluated for their environmental impacts with a cradle to grave boundary.



WATER CONSUMPTION

The steel can uses **16x** as much water as the stand-up flexible pouch, mainly during the material development stage, as large amounts of water are used during the cooling process in the formation of steel.

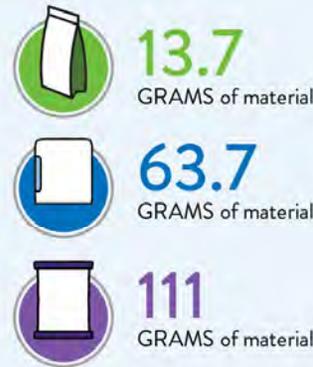
The HDPE plastic canister consumes **2x** as much water as the stand-up flexible pouch due to water usage during the injection molding process.



GREENHOUSE GAS EMISSIONS

The production of steel cans and the HDPE canister both require much more energy and have higher carbon emissions in the manufacturing or conversion stage. The carbon impact is lower for a lighter stand-up flexible pouch that holds more of the product and uses less material.

The HDPE canister and steel can respectively emit **4x** and **7x** more GHG emissions than the flexible pouch.



FOSSIL FUEL CONSUMPTION

A flexible pouch has a lower overall fossil fuel usage.

A steel can and HDPE canister respectively use **453%** and **518%** more fossil fuel than a stand-up flexible pouch.



The Benefits of Flexible Packaging

Guess how many trucks you would need to transport the same volume of rigid containers?

ONE TRUCKLOAD OF FLAT POUCHES
OFTEN EQUALS BETWEEN
15-25 truckloads of empty rigid containers



Source : AWT Labels and Packaging, 2016

Flexible packaging plays a vital role in preserving food and reducing food waste

What are the **flexible packaging benefits?**



Significantly improves product protection and freshness



Increases shelf life and reduces food waste



Offers unprecedented convenience features



Provides confidence in sterility and product security



Informs the consumer of the contents

The Benefits of Flexible Packaging

1/3 of all food produced is disposed of before it is consumed

RULE OF THUMB:

Packaging accounts for about 10% of carbon footprint of product

Food Waste Consumes



85%

Occurs downstream at consumer facing businesses and homes

FLEXIBLE PACKAGING **reduces food waste**

When shelf life increases, **food waste decreases**



Without Flexible Packaging With Flexible Packaging

vieVERTe: Our Growing Sustainable Packaging Line

vieVERTe™
— RECYCLE READY



100% RECYCLED READY

- Low barrier outer bag/pouch
- Lamination-two layer
- Approved by How2Recycle for in-store drop off
- Seal-ability, machinability, and durability

vieVERTe™
— RECYCLE READY



BARRIER RECYCLED READY

- First to commercialize barrier structure barrier
- Lamination-two layer, reverse print
- Submitted for How2Recycle approval
- Moisture and oxygen barrier requirements met
- Maintains machine speeds
- Available with up to 15% PCR content by weight in sealant lamination layer

vieVERTe™
— COMPOSTABLE



COMPOSTABLE

- Leader in packaging films for compostable
- Custom engineered with customer collaboration
- BPI certified INDUSTRIAL COMPOSTABLE
- Developing film technology for HOME COMPOSTABLE
- Know how on ASTM 6400 testing requirements
- Strong relationships throughout the industry: composters, BPI, forums, universities, suppliers

Integritite™
RECYCLE READY



PCR CONTAINING SHRINK FILMS

- Maintains machine speeds
- Up to 30% PCR content by weight
- Recycle Ready

Our circular economy vision

Innovate

to design packaging that is reusable, recyclable or compostable



Collaborate

with industry partners to increase reuse, recycling and composting rates

Promote

the use of post-consumer recycled content

- ▶ Live up to our 2025 commitment
- ▶ 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

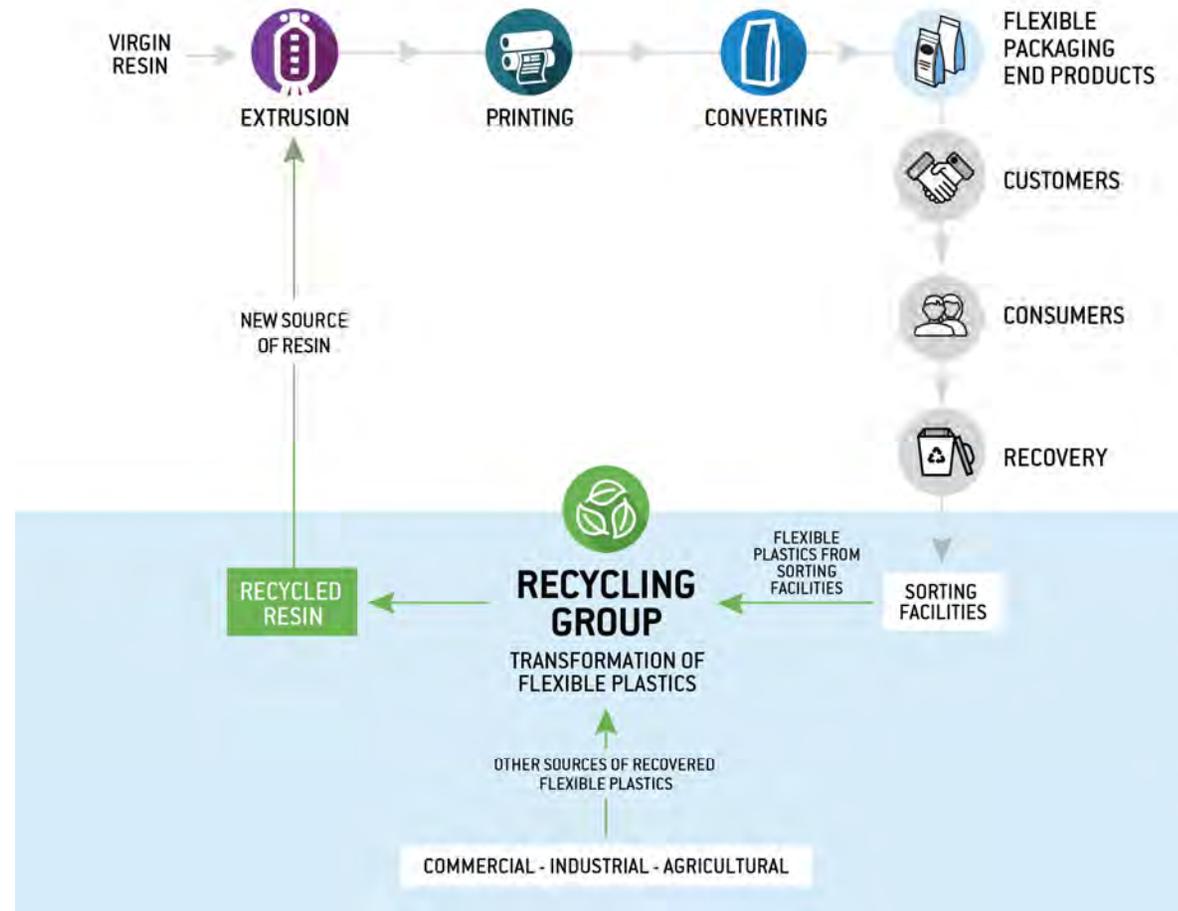
**We are proud signatories of the
Ellen MacArthur Foundation's
New Plastics Economy
Global Commitment.**



*Global
Commitment*

Integrating the recycling of plastics in our production chain

Our equipment are used for converting plastic waste recovered from sorting facilities and other commercial, industrial and agricultural sources into recycled plastic granules providing a **stable procurement of recycled resin**.



Our recycling activities allow us to offer our customers **eco-responsible packaging products that contain recycled plastic**, and accelerate its development.



▶ 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

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

Recent achievements in Printing

- Optimizing our manufacturing platform
 - Announced the closure of three small plants (PEI, Quebec City and Gatineau)
- Simplifying overhead structure to reduce indirect costs
- Proactive defense of the Publisac
- Acquisition of Holland & Crosby and Artisan Complete to increase our presence in a growth vertical (In-Store Marketing).
 - The annual revenues run-rate for this vertical stands at ~\$140 million
- Took swift actions at the onset of the pandemic and delivered solid profitability and free cash flows through the crisis

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

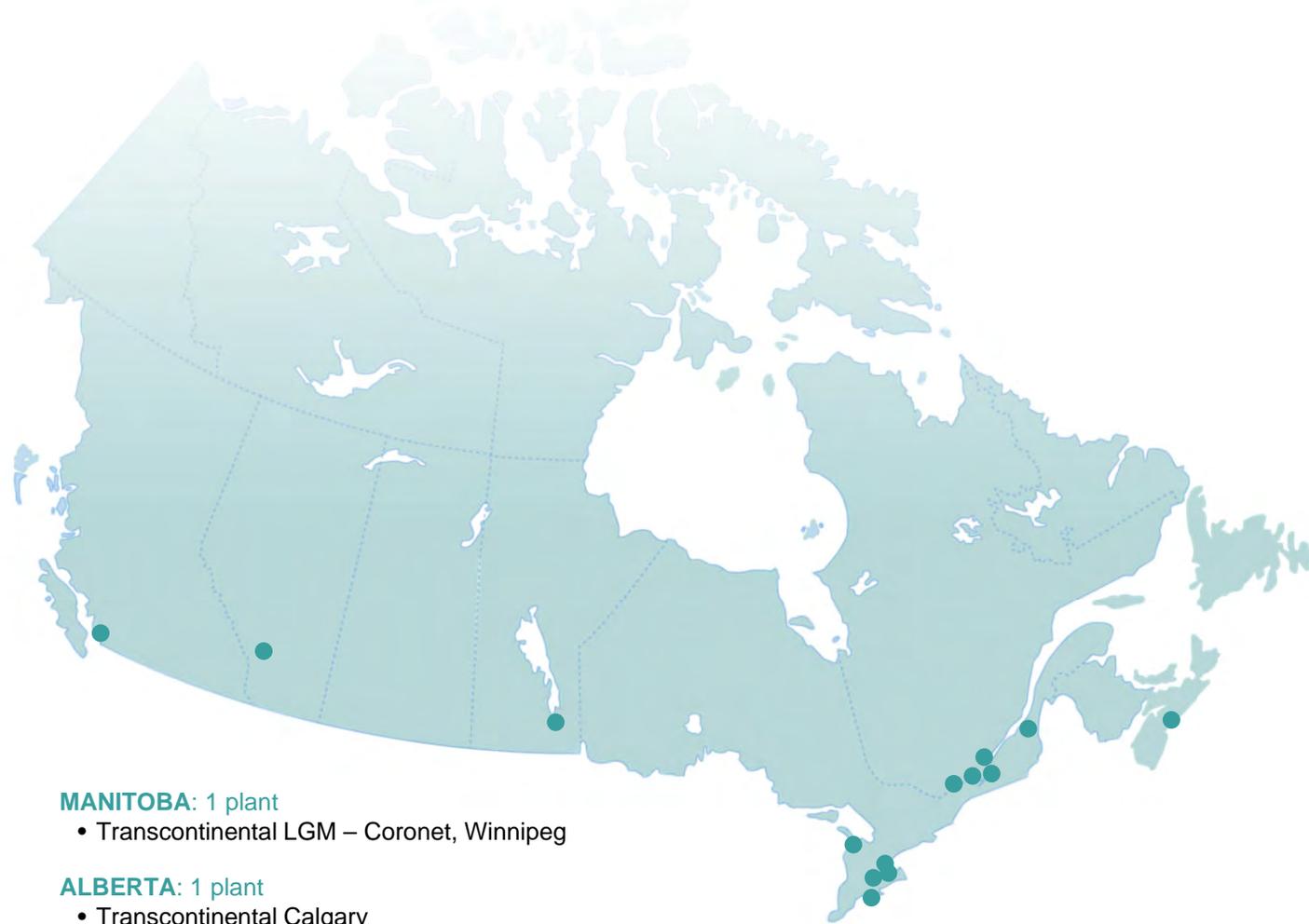


Printing outlook

- Monitor volume trends and proactively adjust cost structure to protect profitability
- Grow our market share in verticals with 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

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

14
printing plants



QUÉBEC: 5 plants

- Transcontinental Interglobe, Beauceville
- Transcontinental Interweb, Boucherville
- Transcontinental Ross-Ellis, Montréal
- Transcontinental Transmag, Montréal
- Transcontinental Saint-Hyacinthe

ONTARIO: 5 plants

- Transcontinental Artisan Complete, Markham
- Transcontinental Aurora
- Transcontinental Holland & Crosby, Mississauga
- Transcontinental RBW Graphics, Owen Sound
- Transcontinental Vaughan

MANITOBA: 1 plant

- Transcontinental LGM – Coronet, Winnipeg

ALBERTA: 1 plant

- Transcontinental Calgary

BRITISH COLUMBIA: 1 plant

- Transcontinental Vancouver

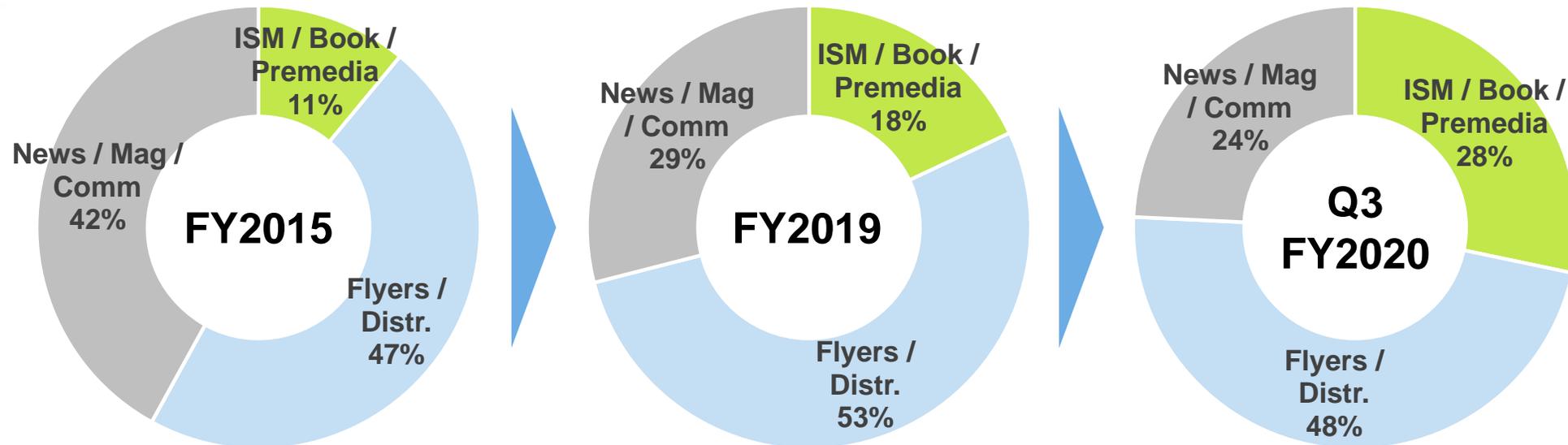
NOVA SCOTIA: 1 plant

- Transcontinental Halifax

4,150
employees

Dynamically adapting Print's portfolio to market

Printing Revenues by product / market



- Through acquisitions, divestitures and organic transformation, a growing portion of the portfolio is composed of activities with favourable growth opportunities (In-store marketing, Books, and Premedia)
- While its portfolio of activities has evolved over time, Print continues to generate strong profitability and free cash flow
- Print's portfolio in 2020 is much more resilient with lower exposure to Newspapers, Magazines and Commercial printing

In-Store Marketing

A growth vertical within our Printing sector

- Grew from less than \$7M annualized revenues in 2012 to ~\$140M today (through organic growth & acquisitions)
- Recent acquisition of Holland & Crosby and Artisan Complete to complement our product/service offering and provide scale
 - Significant cost synergies have been identified, allowing margins improvement
- Strong customer relationships, internal capabilities and attractive revenue synergies from acquisitions will contribute to generate organic growth
- Creative teams working with retail customers for a safe back-to-business



Preparing back-to-business



Retail environments



Point of purchase display



▶ TC Media

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www.tc.tc

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.
- Solid financial performance in the first nine months of FY2020 with limited impact from COVID-19.
- 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

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

We have a strong financial position to withstand the current crisis and continue our transformation

- Investment grade credit rating
- Net indebtedness ratio of 1.8x (excl. the impact of IFRS 16¹)
- Access to \$631 million in liquidity (cash and undrawn credit facilities) and limited upcoming maturities (\$235 million in FY2021)
- With its strong cash flow generation and real estate portfolio, the Printing segment could handle the entire long-term debt, leaving an unlevered Packaging segment
- With its defensiveness nature and growing markets, the Packaging segment is key to unlock shareholder value

¹ Please refer to the section entitled "Non-IFRS Financial Measures" in this presentation for a definition of this measure. The Corporation adopted IFRS 16 using the modified retrospective transition method. Under this method, the net indebtedness ratio calculation includes the total impact of IFRS 16 on the numerator and the partial impact on the denominator. For comparison purposes, the ratio excluding the impact of IFRS 16 was calculated.



Conclusion

- ▶ The pandemic has highlighted the relevance of our transformation, our resilience, agility and operational excellence
- ▶ We are taking actions to continue optimizing cost structure and building sales growth
- ▶ We are in a solid financial position, generating strong and consistent cash flows allowing us to continue to both pay down our debt and explore potential opportunities

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