



Transcontinental Inc. Investor Relations Presentation January 2025



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 “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 Note 3 "Segmented Information" to the audited annual consolidated financial statements for the year ended October 27, 2024. 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.

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 its will or control. These factors include, but are not limited to the impact of digital product development and adoption thereof, the impact of changes in the participants in the distribution of newspapers and printed advertising materials and the disruption in their activities resulting mainly from labour disputes, including at Canada Post Corporation, the impact of regulations or legislation regarding door-to-door distribution on the printing of paper flyers or printed advertising materials, inflation and recession risks, economic conditions and geopolitical uncertainty, environmental risks as well as adoption of new regulations or amendments and changes to consumption habits, risk of an operational disruption that could be harmful to our ability to meet deadlines, the worldwide outbreak of a disease, a virus or any other contagious disease that could have an adverse impact on the Corporation's operations, the inability to generate organic long-term growth and face competition, a significant increase in the cost of raw materials, the unavailability of those materials and energy consumption could have an adverse impact on the Corporation's activities, the inability to complete acquisitions and properly integrate them, cybersecurity, data protection, warehousing and usage, the impact of digital product development and adoption on the demand for printed products other than flyers, the failure of patents, trademarks and confidentiality agreements to protect intellectual property, the difficulty to attract and retain employees in the main operating sectors, the non safety and poor quality of packaging products used in the food industry, bad debts from certain customers, import and export controls, duties, tariffs or taxes, exchange rate fluctuations, increase in market interest rates with respect to our financial instruments as well as availability of capital at a reasonable cost, the legal risks related to our activities and the non compliance of our activities with applicable regulations, the impact of major market fluctuations on the solvency of defined benefit pension plans, changes in tax legislation and disputes with tax authorities or amendments to statutory tax rates in force, the impact of impairment tests on the value of assets and a conflict of interest between the controlling shareholder and other shareholders. The main risks, uncertainties and factors that could influence actual results are described in the *Management's Discussion and Analysis* for the fiscal year ended October 27, 2024 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 11, 2024. The forward-looking statements in this annual report are made pursuant to the “safe harbour” provisions of applicable Canadian securities legislation. The forward-looking statements in this annual report are based on current expectations and information available as at December 11, 2024. 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.



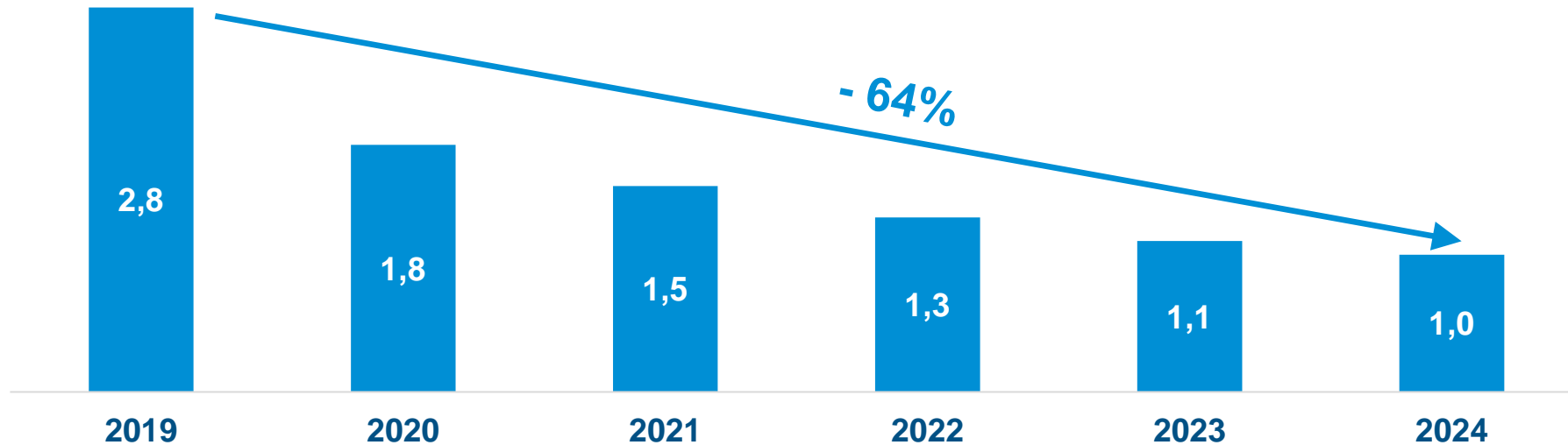
- **Company Overview**
- **Our Strategy**
- **Corporate Social Responsibility**



SAFETY

WE ARE COMMITTED TO PROVIDE A SAFE WORKSPACE FOR OUR EMPLOYEES

Total Incident Rate (TIR)



- Performing root cause analysis of each incident in order to eliminate all injury and provide a safe workspace for our employees
- Significant improvement towards our zero-injury vision

Note: $TIR = (Number\ of\ recordable\ incidents \times 200,000) / Employee\ total\ hours\ worked$



INVESTMENT THESIS: **STRONG CASH FLOW GENERATION & LONG-TERM VISION**



Diversified operations in flexible packaging, in retail services & printing and in educational publishing



Leadership position in most of our verticals driven by deep customer relationships



Leading commitment to sustainability and a circular economy



Resilience during economic cycles with ability to transfer costs from raw materials and inflation to customers



Investment grade credit rating and strong and reliable cash flow providing flexibility for future investments



Disciplined M&A strategy with track record of successful integrations, prudent balance sheet management, and post-acquisition deleveraging



Attractive dividend yield and track record of dividend growth



TC TRANSCONTINENTAL AT A GLANCE

- Family-controlled business founded in 1976
- Solid financial position and investment grade credit rating
- Track record of pursuing our activities responsibly recognized by stakeholders (Sustainalytics, MSCI, Corporate Knights)



\$2.8B
2024 Revenues



~7,500
Employees

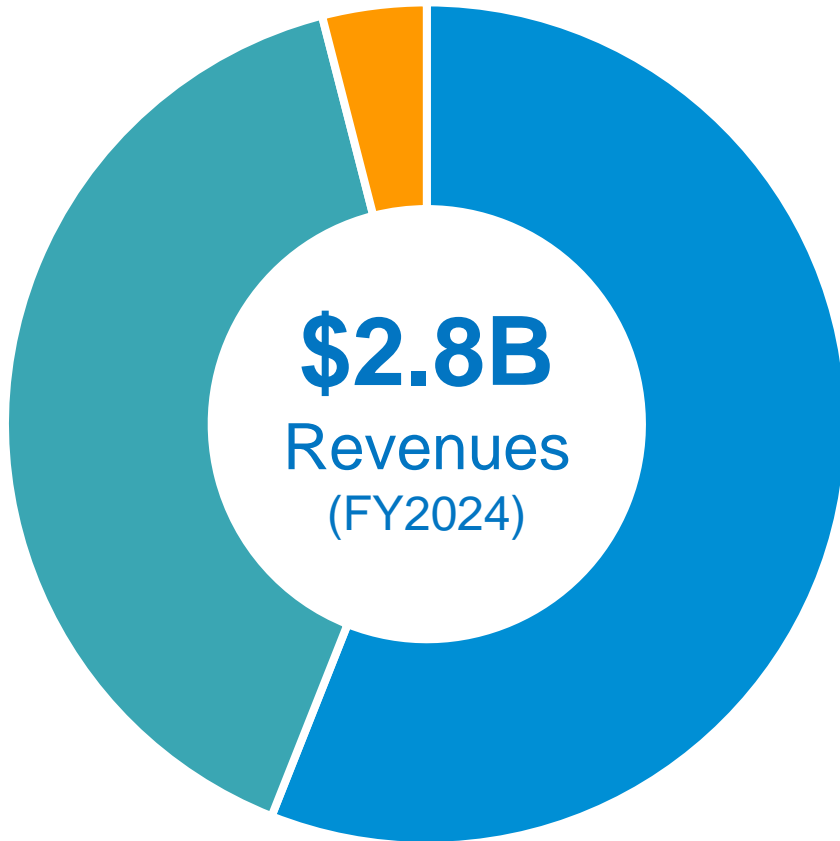


39
Operating sites



LEADER IN OUR MARKETS

Revenue composition by sector¹



tc • TRANSCONTINENTAL
PACKAGING

A leader in flexible packaging in North America

58%

tc • RETAIL SERVICES &
PRINTING

A leader in retail services and Canada's largest printer

38%

tc • MEDIA

The leading Canadian French-language educational publishing group

4%

1. As a percentage of revenues (excluding inter-segment eliminations).

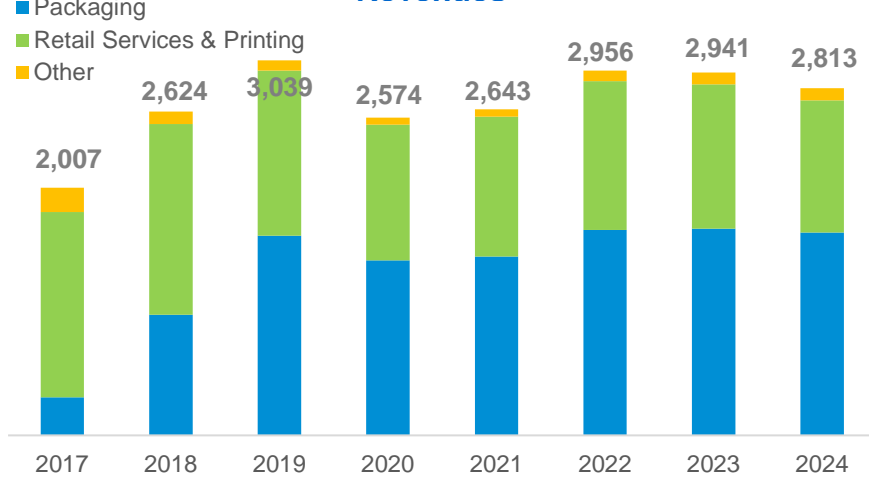


2017-2024 PERFORMANCE HIGHLIGHTS

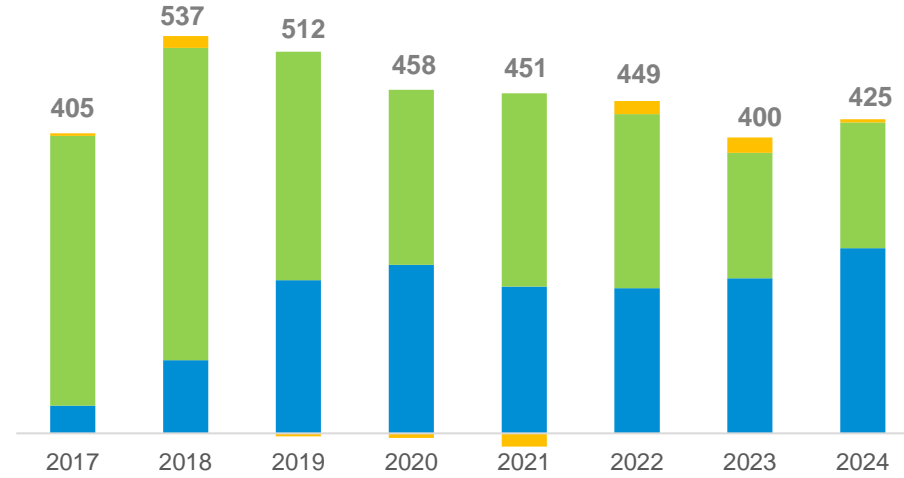
(in millions of \$)

- Packaging
- Retail Services & Printing
- Other

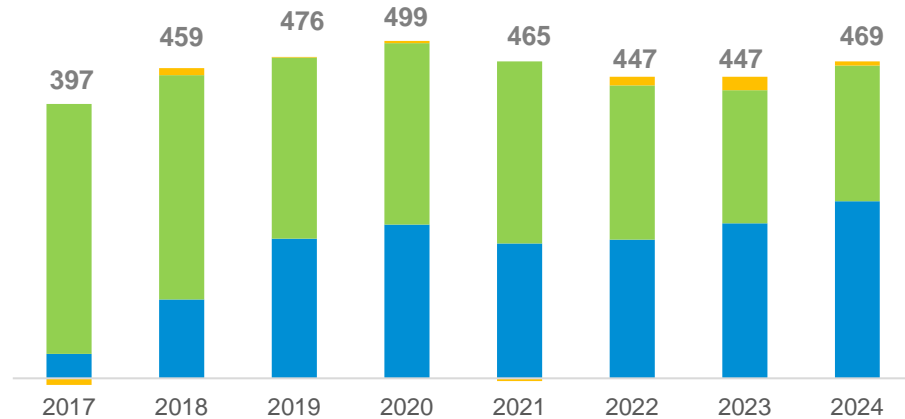
Revenues



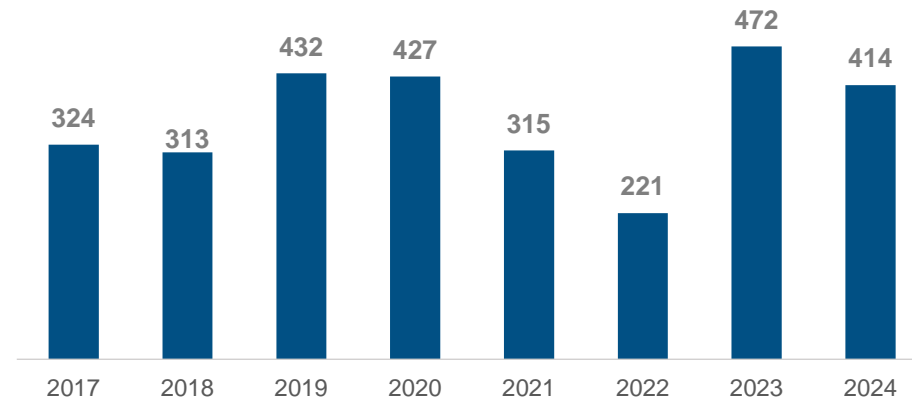
EBITDA



Adjusted EBITDA¹



Cash Flow from Operating Activities



>\$2.9B Cash flow from operating activities generated since FY2017
(average of \$365M/year)

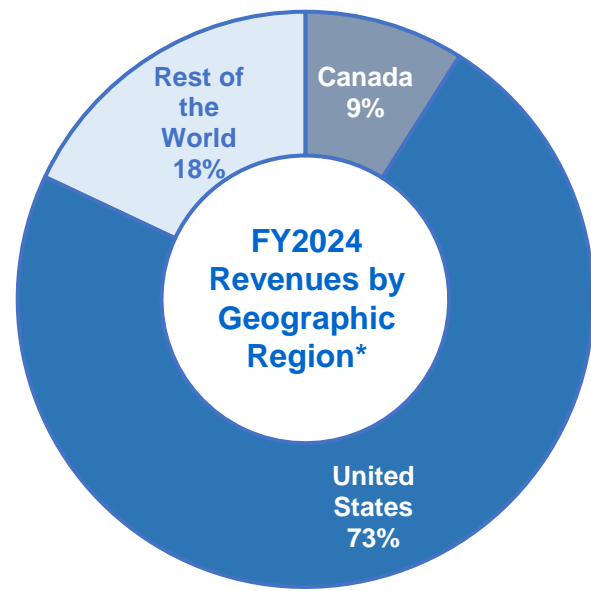
¹ Non-IFRS financial measure.



OUR PACKAGING SECTOR



OUR TC PACKAGING NETWORK



FY24 Revenue: \$1.6B
Adj EBITDA: \$262M



25 operating sites

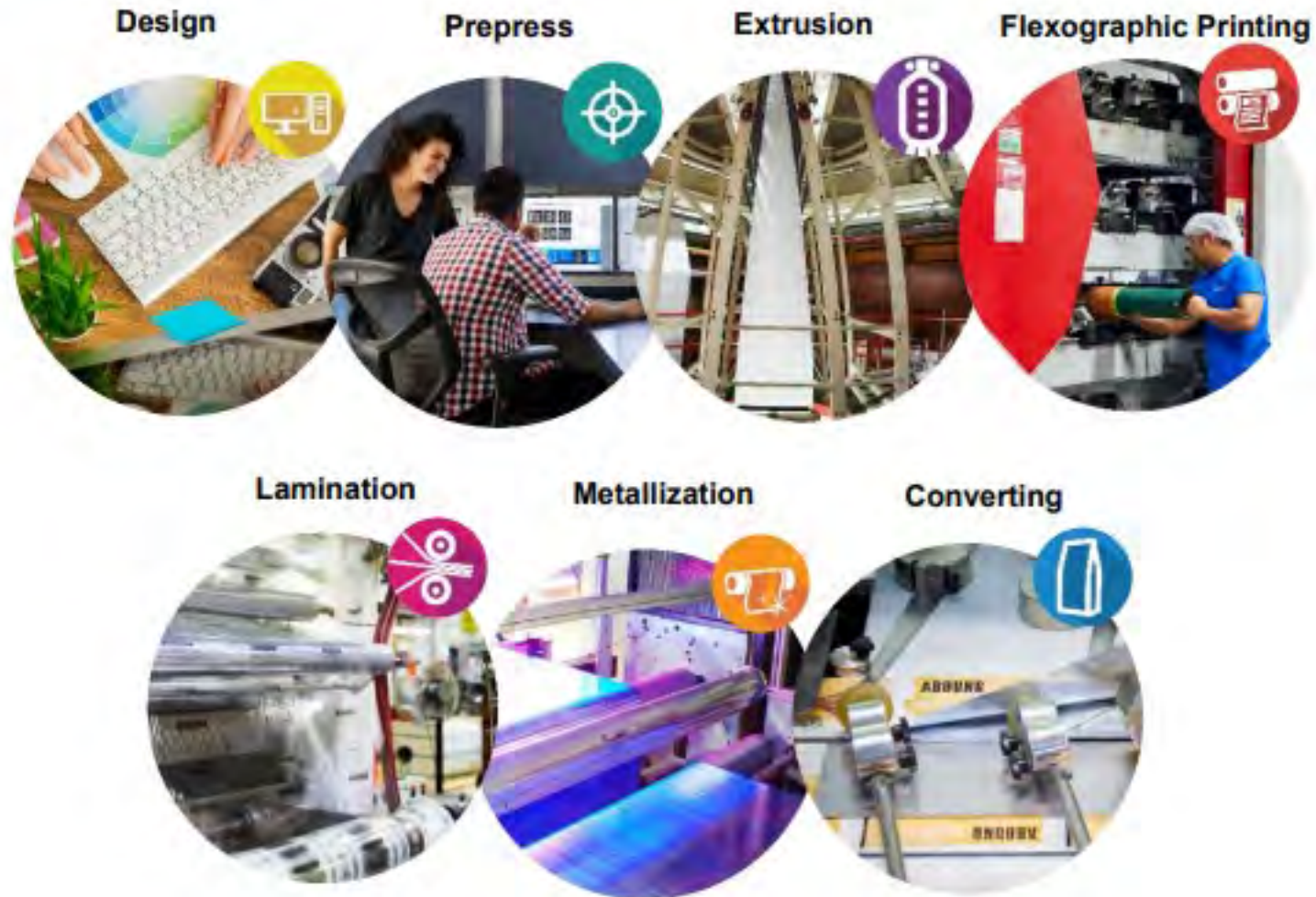


3,500 employees

*based on plant locations



OUR INTEGRATED PLATFORM WITH BEST-IN-CLASS CAPABILITIES




INERTAL




DIVERSE PORTFOLIO OF PRODUCTS AND CUSTOMERS


Broad Array of Flexible Packaging Products


Shrink Bags and Forming Films

 Barrier Shrink Bags


 Forming films

Films and Lamination

 Shrink Films


 Form, Fill and Seal

Plastic Bags and Pouches

 Flat Bottom


 Frozen


Fruit Bags and Packaging

 Banana Treebags

 Banana Packaging

Outdoor Films and Wraps

 Sillage/ Waste Wrap

 Greenhouse Films



Diverse End-Markets

 **Consumer, home & personal care**

 **Cheese & Dairy**

 **Agriculture**

 **Beverage**

 **Protein**

 **Pet Food**

 **Coffee, snacks & confection**

 **Advanced Coating / Medical**





OUR RETAIL SERVICES & PRINTING SECTOR



A STATE-OF-THE-ART NATIONAL PRINTING NETWORK

The largest retail services & printing company in Canada. TC Transcontinental Retail Services & Printing offers Integrated solutions for retailers including content production, marketing products, in-store marketing and retail analytics, as well as print services for newspapers, magazines and books.



\$1.1B

2024 Revenues



~3,300

Employees



14

Operating sites

QUÉBEC: 5 operating sites

- Anjou
- Beauceville
- Boucherville
- LaSalle
- St-Laurent

ONTARIO : 6 operating sites

- Aurora
- Brampton
- Mississauga
- Owen Sound
- Paris
- Vaughan

ALBERTA : 1 operating sites

- Calgary

BRITISH COLUMBIA : 1 operating sites

- Vancouver

NOVA SCOTIA : 1 operating sites

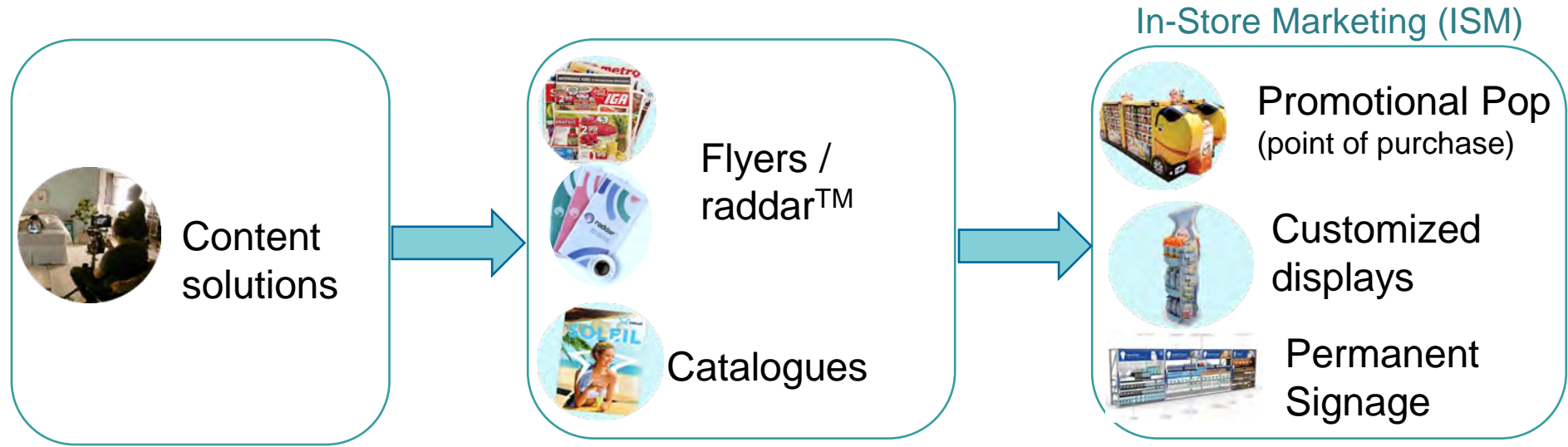
- Halifax





RETAIL SERVICES & PRINTING: CORE SERVICES AND PRODUCTS

1. Comprehensive Service and Product Offerings for Retailer's Marketing Strategy and Customer Experience Cycle



2. Printing

-  Books
-  Newspapers
-  Magazines

3. Niche/ Specialty Products

-  Vinyls
-  DVDs & CDs
-  Direct Mail



RETAIL SERVICES & PRINTING: GROWING IN-STORE MARKETING (ISM) BUSINESS

2017
<\$50M in revenues



2019

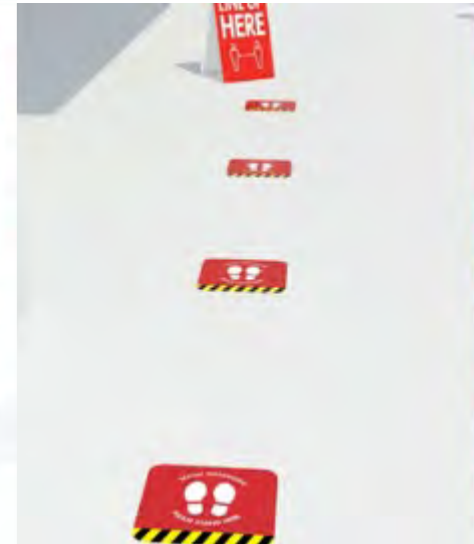


2020



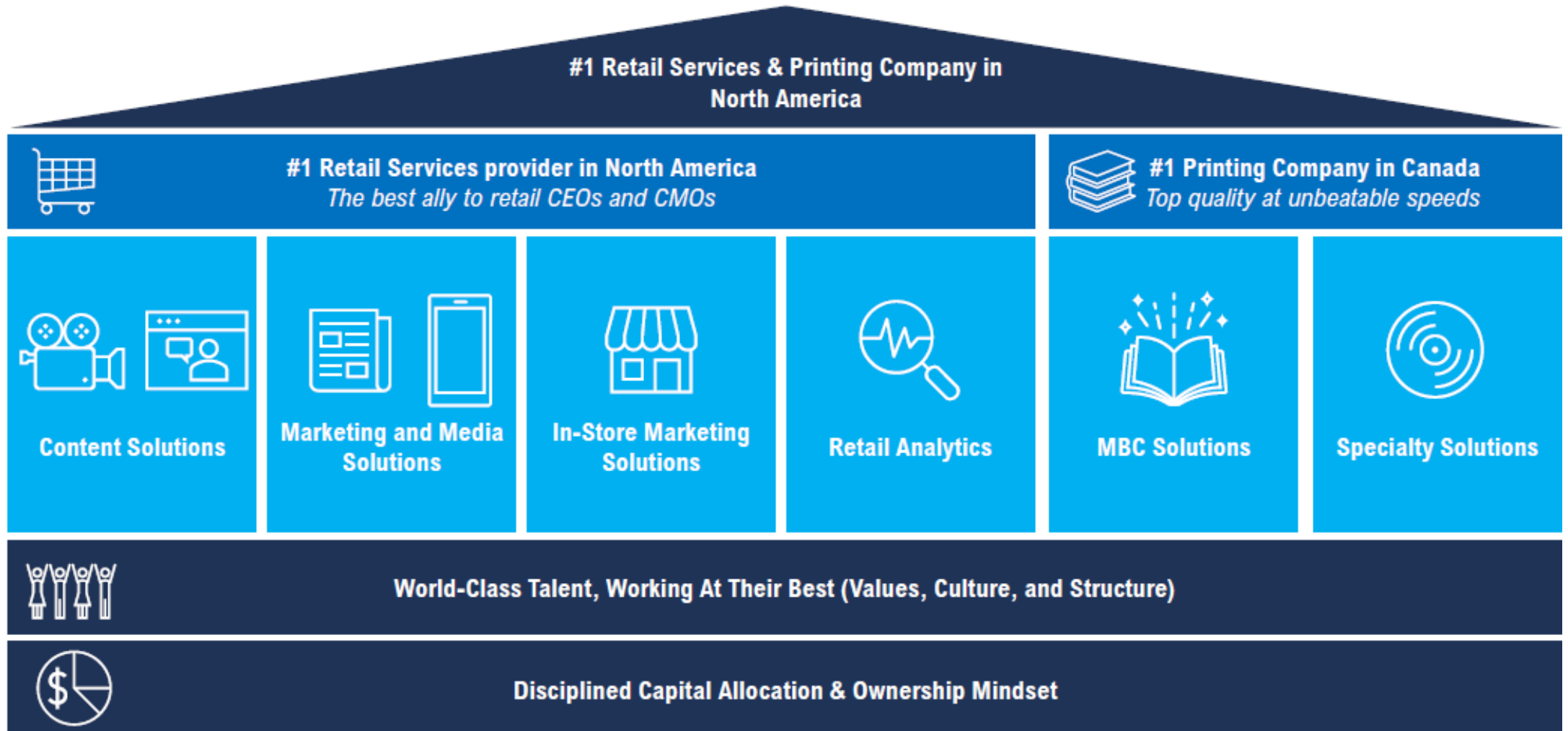
2021

2024
\$207M in revenues





RETAIL SERVICES & PRINTING: CLEAR VISION TOWARDS THE FUTURE OF THE SECTOR

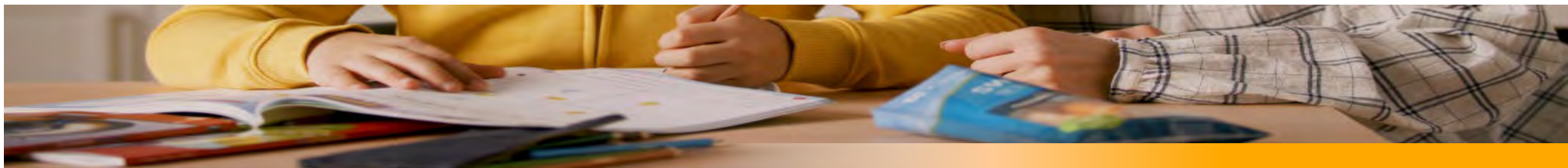




OUR MEDIA SECTOR



PROVIDING A RANGE OF MULTIPLATFORM PRODUCTS & SERVICES



BOOKS AND EDUCATIONAL GROUP

Publishing of educational, supplemental and trade books, as well as innovative digital educational products; distribution of specialized books.



CONSTRUCTO GROUP

Publication of strategic information for the construction sector in Québec, through its print and digital media.





- **Company Overview**
- **Our Strategy**
- **Corporate Social Responsibility**

OUR 4 PRIORITIES



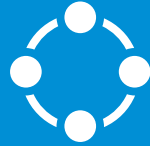
People & Culture

Cultivate a positive and inclusive work environment for our people



Transformation

Further solidify our leading position in Packaging



Diversification

Continue to diversify our offering and customer base

- **Grow profits**
- **Deliver strong return on assets**
- **Maintain a solid balance sheet**
- **Commercialize sustainability**

OUR VALUES



Performance



Respect



Innovation

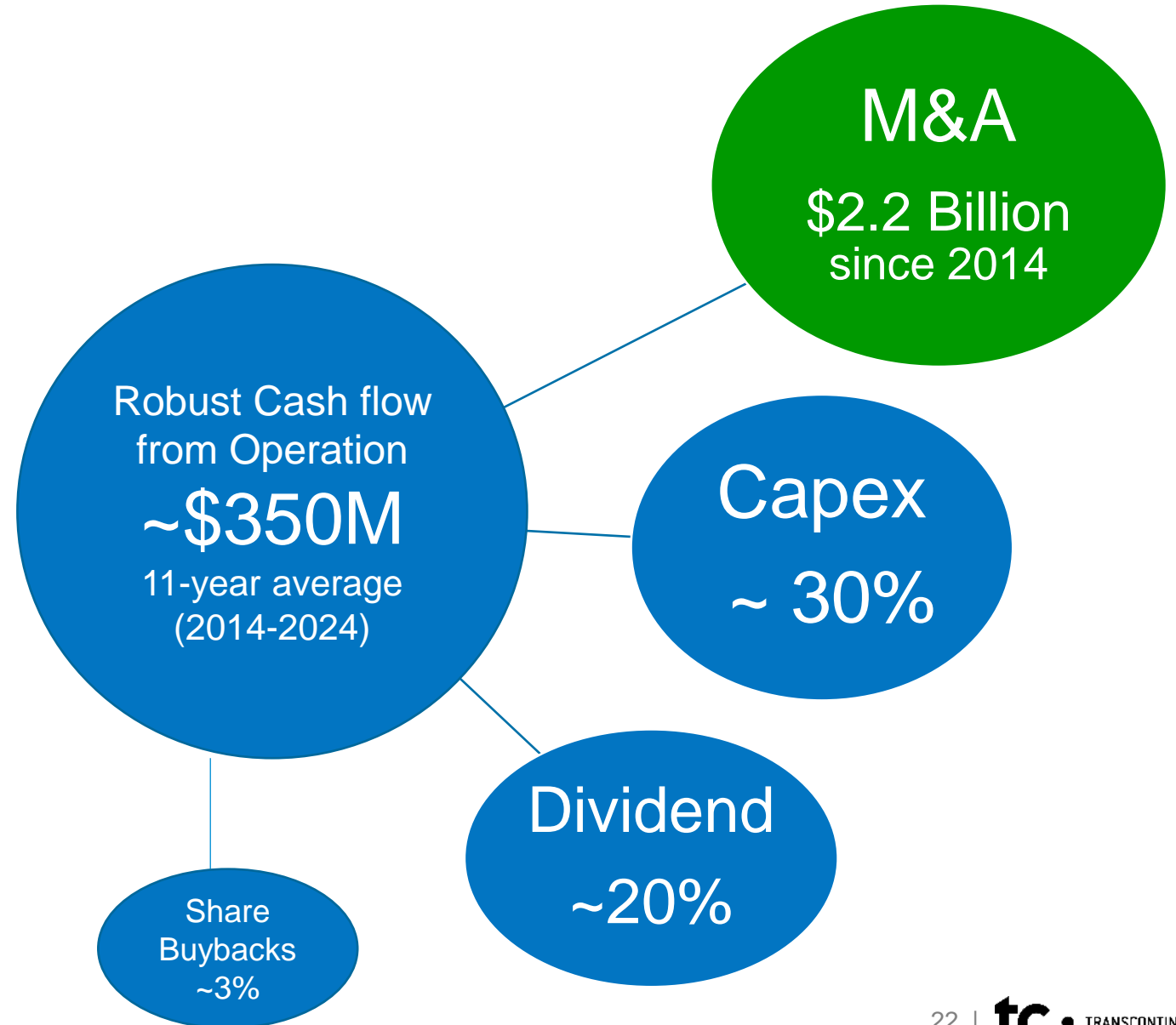


Teamwork



STRONG CASH FLOW SUPPORTING GROWTH

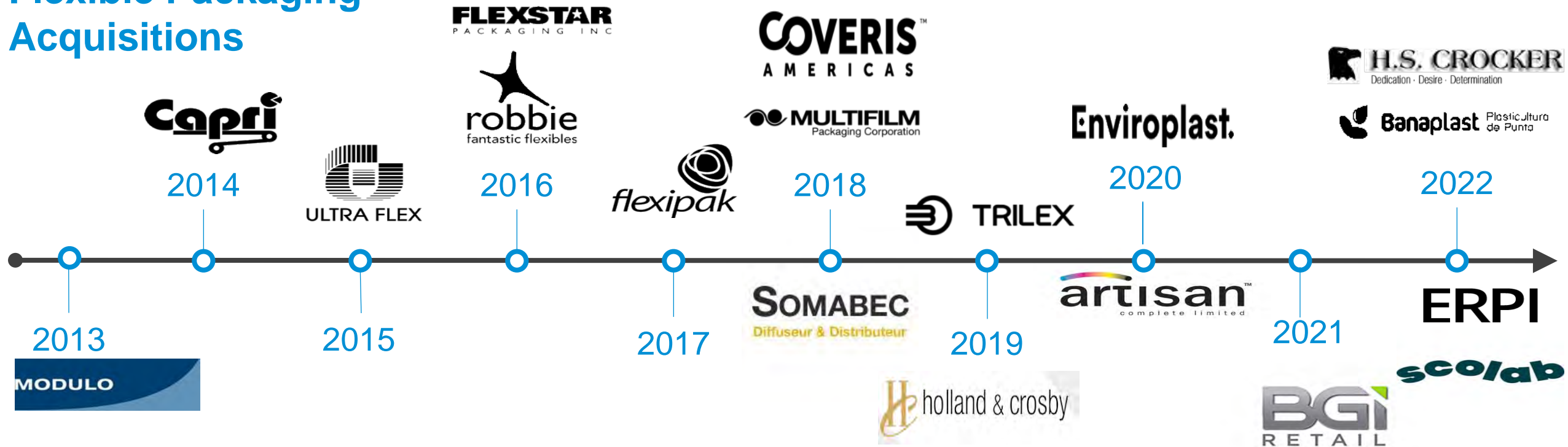
Our strategy is to use our strong and consistent cash flow generated from our traditional printing activities to grow our leadership positions in our growth segments: flexible packaging, in-store-marketing and educational publishing.





ACQUISITIONS ENABLING TRANSITION IN GROWING MARKETS

Flexible Packaging Acquisitions

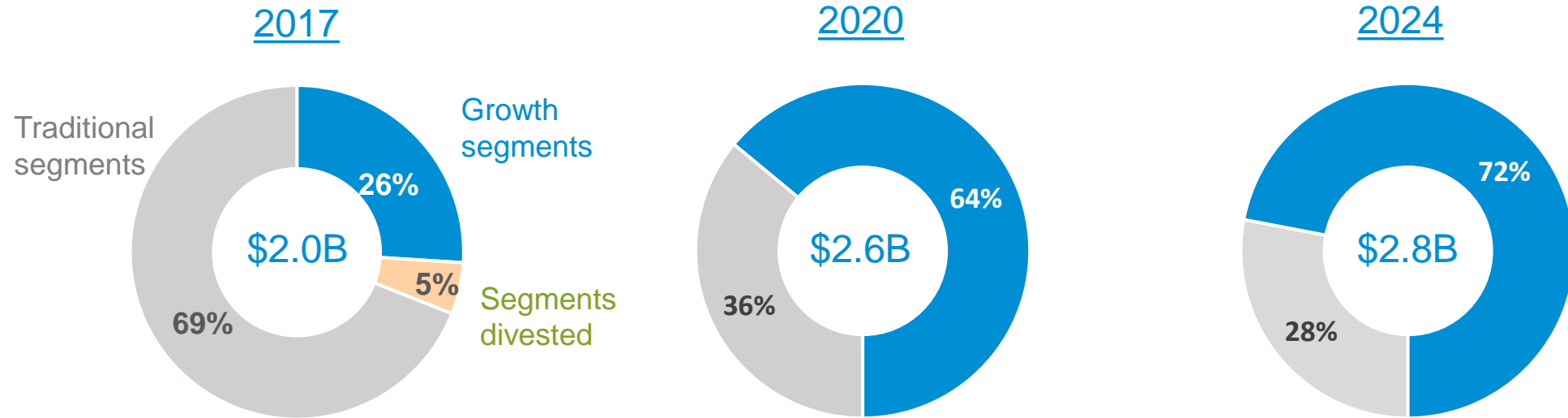


Media and ISM Acquisitions

- Invested > \$2B to build a leading North American flexible packaging platform
- Invested ~ \$200M to strengthen Media/Education and ISM growth market



SUCCESSFULLY TRANSFORMED PORTFOLIO TOWARDS ACTIVITIES WITH FAVOURABLE LONG-TERM OUTLOOK



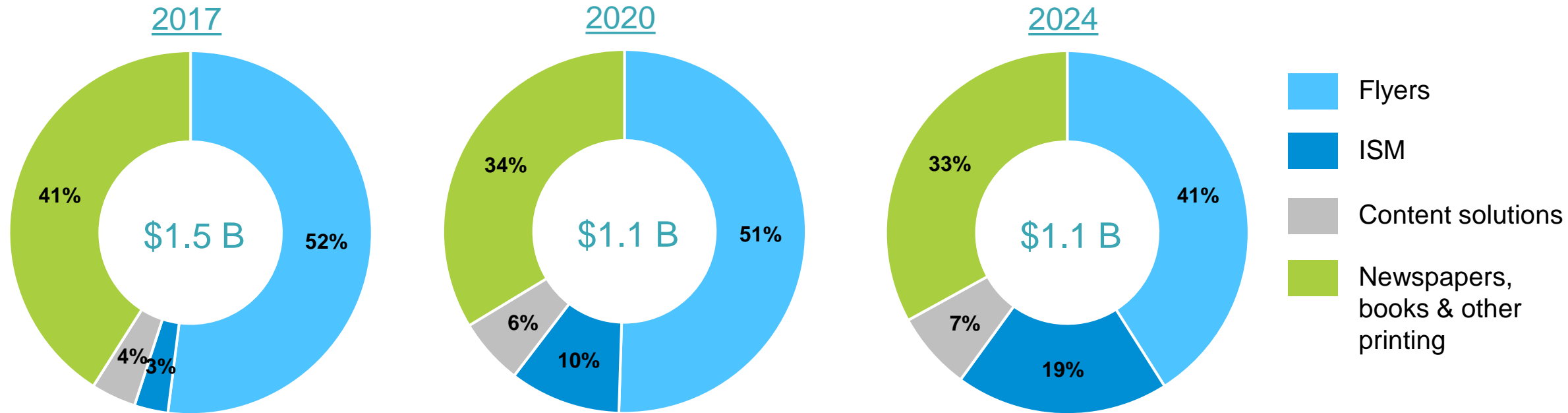
- Using strong cash flows from traditional segments to transform company by investing in activities with favourable outlook
- Leadership position in most verticals driven by deep customer relationships and long-term profitable growth outlook
- Solid balance sheet and investment grade credit rating providing flexibility for future investments

Note: Growth segments include the Packaging Sector, the Media Sector, the In-Store Marketing (ISM) activities and Content Solutions.



DYNAMICALLY ADAPTING PRINT PORTFOLIO TO GROWTH MARKETS

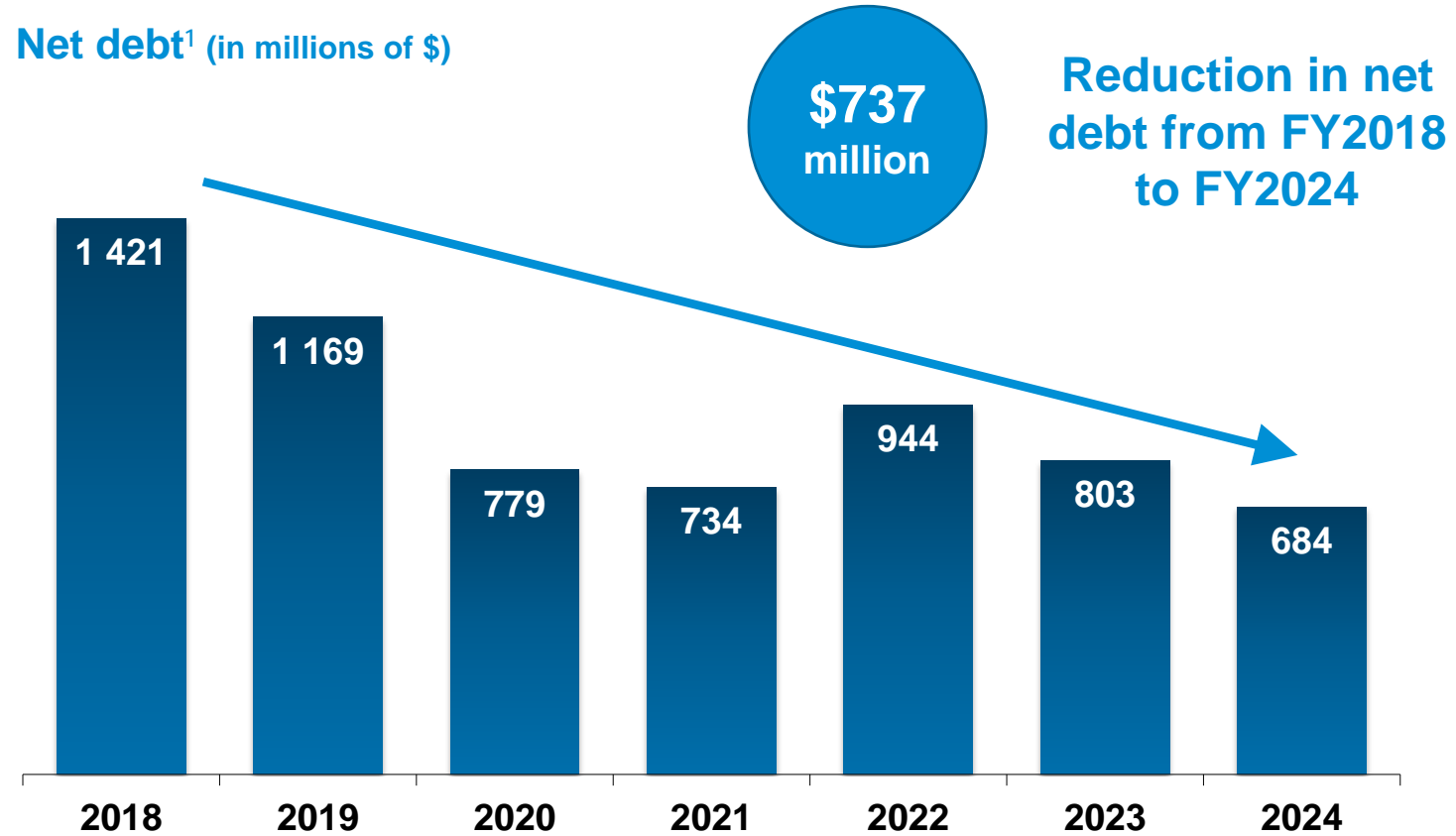
Revenues by product/market in the Printing Segment



- A growing portion of the portfolio is composed of market segments with favourable opportunities. This includes strong growth in the in-store marketing activities where revenues grew from less than \$50M in FY2017 to \$207M in FY2024.
- Flyers continue to generate significant revenues due to unmatched reach and return on investment for retailers. The deployment of *raddar*TM will also reduce risks for the printed flyers.
- Print's portfolio today is more resilient with lower exposure to Newspapers, Magazines and Commercial printing while continuing to generate strong free cash flow.



DEMONSTRATED ABILITY TO DELEVERAGE RAPIDLY USING SOLID FREE CASH FLOW



S&P and DBRS both recently reaffirmed TC's Investment Grade Rating

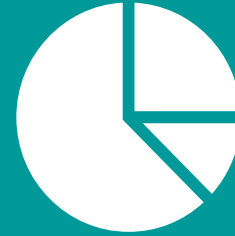
1. Long-term debt minus cash. Excluding the impact of IFRS 16 (lease liabilities).



RETURNING CAPITAL TO SHAREHOLDERS



Dividend yield¹
5.0%



Payout Ratio²
39%



Growth³
9.1%



Track Record
> 30 Years

¹ Dividend yield calculated as at January 7th 2025

² Payout ratio (5 yr average: FY2020 to FY2024) = Dividends per Share / Adj. Earnings per Share

³ Average Annual Dividend Growth Rate (1993-2024)



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FLEXIBLE PACKAGING PLAYS A KEY ROLE IN SUSTAINABILITY



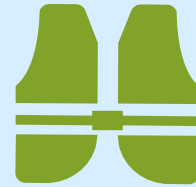
Lower environmental impact

Lower energy consumptions,
Greenhouse emissions
& Water usage



Food Waste Reduction

Extended shelf life
Barrier properties



Protects the Product & Reduces container breakage

Less Waste



Fewer Trucks for Transport

Optimizes transportation with light weight & flat shape

Flexible plastic packaging protects and extends shelf life with significantly less waste, energy use, and global warming potential



FLEXIBLE PACKAGING HAS A LOWER ENVIRONMENTAL IMPACT

Coffee Package Comparison



Water Consumption



16X less than



Greenhouse Gas Emissions



8X less than



Fossil Fuel Consumption



5X less than





FLEXIBLE PACKAGING REDUCES FOOD WASTE

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



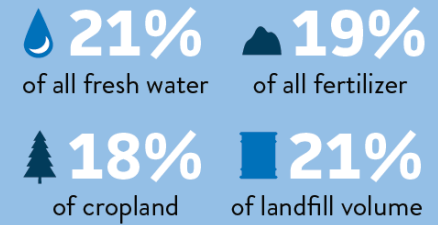
■ Without Flexible Packaging
 ■ With Flexible Packaging

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



FEWER TRUCKS FOR TRANSPORT

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



VIEVERTE: OUR GROWING SUSTAINABLE PACKAGING LINE

100% Recycled Ready



vieVERTe™
RECYCLE READY

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

Barrier Recycled Ready



vieVERTe™
RECYCLE READY

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

Compostable



vieVERTe™
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

PCR Shrink Films



Integritite™
RECYCLE READY

- Use of post-industrial recycled (PIR), post-consumer recycled (PCR) and FDA approved
- Maintains machine speeds
- Up to 50% PCR content by weight
- Recycle Ready



PURSuing OUR BUSINESS ACTIVITIES RESPONSIBLY

OUR EFFORTS ARE BEING RECOGNIZED BY STAKEHOLDERS.



Rated “A” by MSCI ESG Ratings



Included in the Top 50 of the Jantzi® Social Index in Canada since 2004



Signatory of the United Nations Global Compact



Committed to disclosure in the Carbon Disclosure Project since 2010



Near-term science-based emissions reduction targets approved by SBTi



SIGNATORY OF THE UNITED NATIONS GLOBAL COMPACT

Since 2020 we have aligned our CSR objectives with those of the United Nations Sustainable Development Goals (SDGs).

Of the 17 goals established that are part of the 2030 Agenda for Sustainable Development, we are contributing to 9 of them.

SUSTAINABLE DEVELOPMENT GOALS





Contact information

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