



Corporate Presentation:

Moving forward in our transformation

January 31, 2020

tc • TRANSCONTINENTAL

www.tc.tc

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. Please refer to the section entitled "Reconciliation of Non-IFRS Financial Measures" in the *Management's Discussion and Analysis (MD&A) for the year ended October 27, 2019* for a complete description of these measures.

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 January 31, 2020.

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 January 31, 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

- ▶ Our Organization at a Glance
- ▶ Our Business Sectors
- ▶ Our Management Philosophy
- ▶ Contact and Additional Information

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 French-language educational publishing group



\$3.0B

2019 Revenues



8,700+

Employees



41

Production
facilities

Managing a family-controlled business for the long-term



Rémi Marcoux
Founder and Director

Implemented a well-structured succession plan to hand over the reins to the second generation and inspire the third.



Isabelle Marcoux
Chair of the Board

Driven by a long-term vision to ensure continued profitable growth.

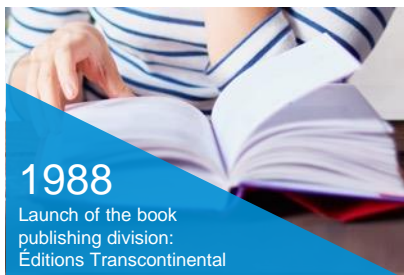
Building on more than 40 years of innovation and transformation to anticipate and meet our customers' evolving needs.

Making impressions count since 1976

Creation and development: 1976-1985



Acquisitions and expansion: 1986-1995



Growth and innovation: 1996-2005



Making impressions count since 1976 (cont.)

Diversification and consolidation: 2006-2015



Transformation and long-term vision: 2016 to date



Generating revenues from three business sectors

Revenue composition by sector¹

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PACKAGING**

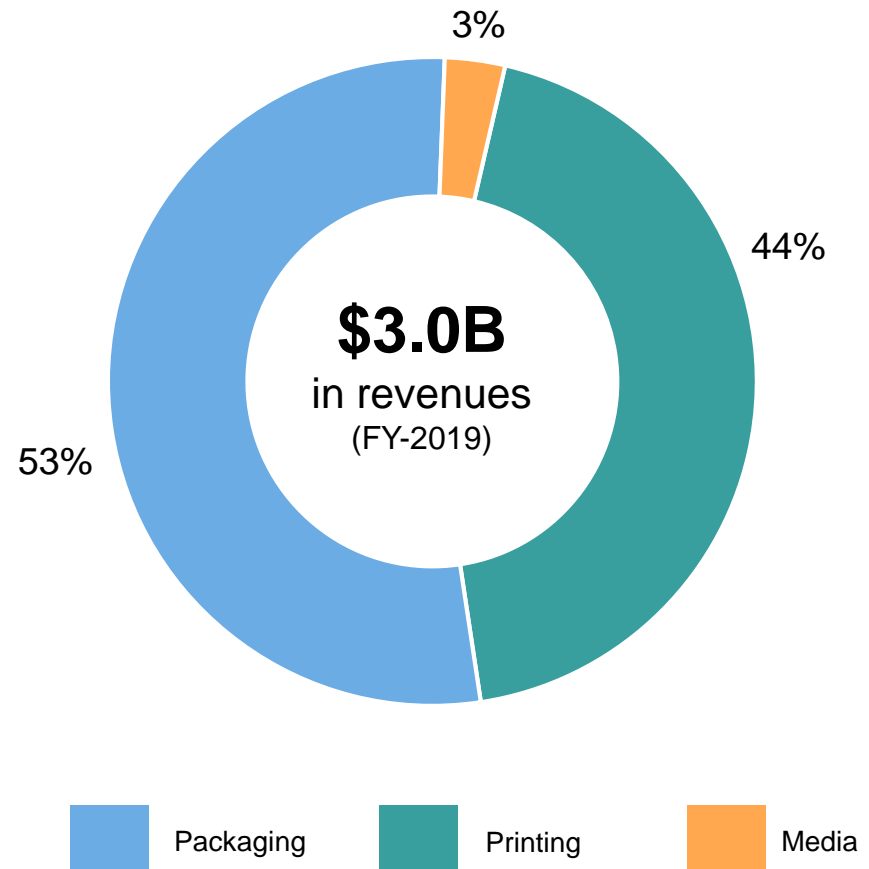
A leader in flexible packaging
in North America

**tc • TRANSCONTINENTAL
PRINTING**

Canada's largest printer, and one
of the largest in North America

tc • MEDIA

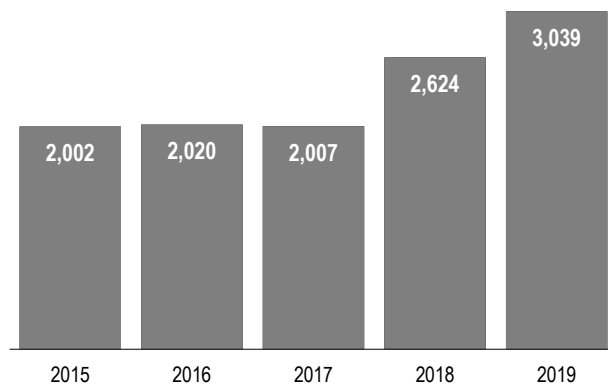
The leading Canadian French-
language educational publishing
group



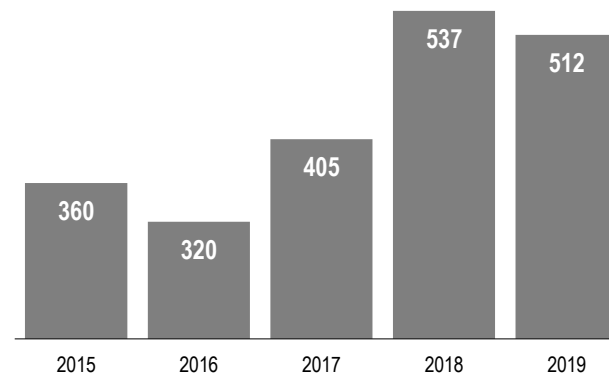
¹ As a percentage of revenues (excluding inter-segment eliminations).

Delivering a solid performance

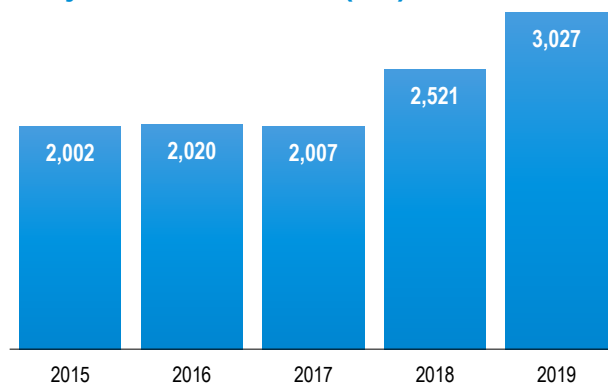
Revenues (\$M) – IFRS



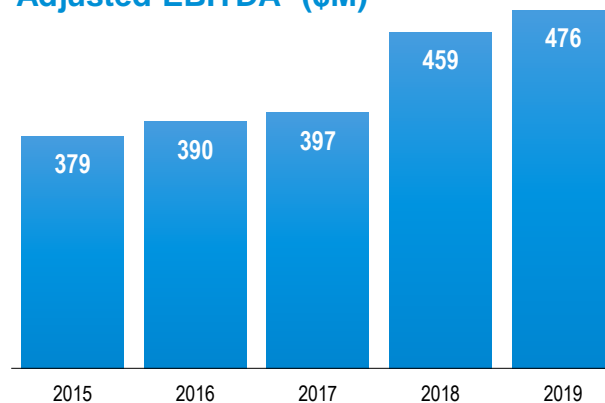
EBITDA (\$M) – IFRS



Adjusted Revenues¹ (\$M)



Adjusted EBITDA² (\$M)



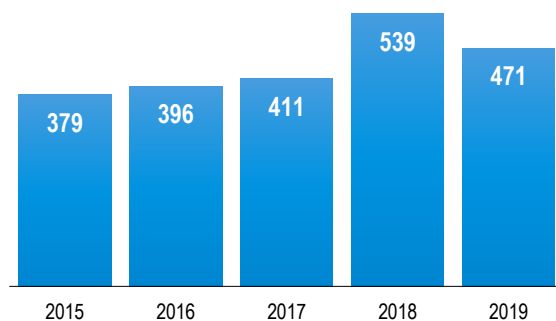
¹ Non-IFRS financial measure. Revenues before the accelerated recognition of deferred revenues*.

² Non-IFRS financial measure. Operating earnings before depreciation and amortization as well as 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.

* Related to the agreement signed with The Hearst Corporation. Please refer to note 31 to the annual consolidated financial statements for the fiscal year ended October 27, 2019.

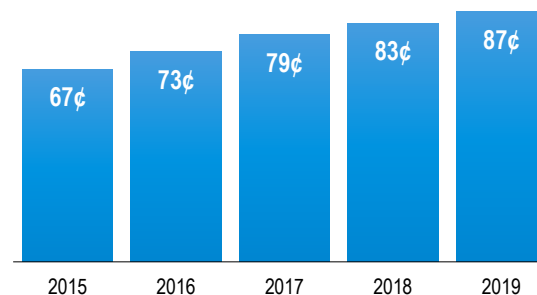
Delivering a solid performance (continued)

Cash Flows from Operations* (\$M)

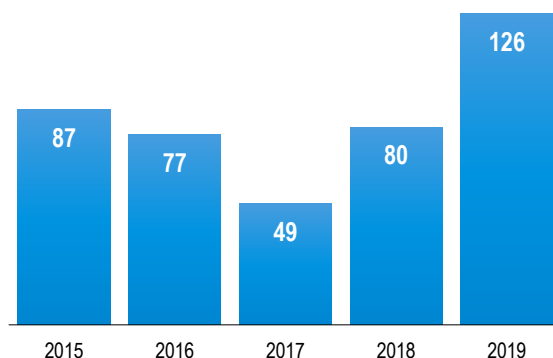


* Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid.

Dividends Paid per Participating Share

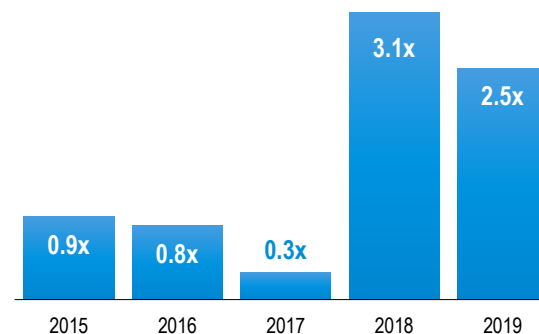


Capital Expenditures (\$M)



Note: Capital expenditures including intangible assets.

Net Indebtedness Ratio*



* Non-IFRS financial measure. 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.

Pursuing an optimization and diversification strategy



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PACKAGING

Build a solid flexible packaging platform

- ▶ Generate long-term organic sales growth
- ▶ Identify complementary acquisition opportunities for our portfolio
- ▶ Innovate in sustainable product development
- ▶ Realize anticipated acquisition synergies
- ▶ Optimize our platform efficiency



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PRINTING

Optimize our printing platform and seize growth opportunities

- ▶ Align our capacity and costs to market demand
- ▶ Grow our market share in verticals with significant growth potential
- ▶ Defend our market share for retailer-related services
- ▶ Invest in automation to improve our manufacturing efficiency



tc • MEDIA

Develop the sector's activities to gain market share

- ▶ Evaluate targeted acquisition opportunities
- ▶ Develop French-language educational material publishing and distribution activities
- ▶ Gain market share in targeted educational verticals
- ▶ Develop Groupe Constructo's activities

Overview

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▶ TC Transcontinental Packaging

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PACKAGING

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Building our flexible packaging platform since 2014



2014

Acquisition of
Capri Packaging
Clinton, Missouri



2015

Acquisition of
Ultra Flex Packaging Corp.
Brooklyn, New York



2016

Acquisition of
Robbie Manufacturing
Lenexa, Kansas



2016

Acquisition of
Flexstar Packaging Inc.
Richmond, British Columbia



2017

Acquisition of
Les Industries Flexipak Inc.
Montréal, Québec



2018

Acquisition of
Multifilm Packaging
Corporation Elgin, Illinois



2018

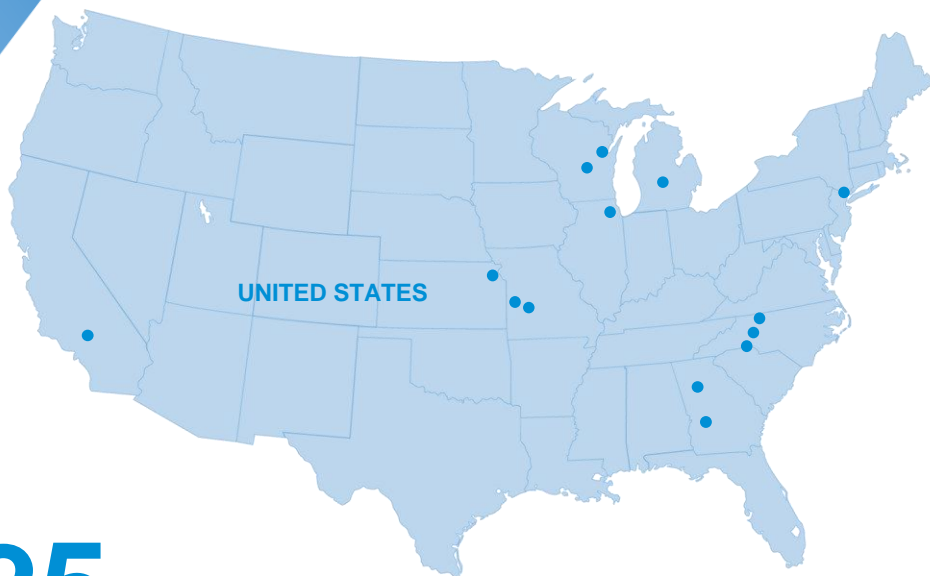
Acquisition of
Coveris Americas
Chicago, Illinois



2019

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

Scaling our packaging platform



25 production plants

UNITED STATES: 15 plants

- Transcontinental Albany
- Transcontinental Battle Creek
- Transcontinental Capri 1
- Transcontinental Capri 2
- Transcontinental Griffin
- Transcontinental Matthews
- Transcontinental Menasha
- Transcontinental Multifilm
- Transcontinental Ontario
- Transcontinental Robbie
- Transcontinental Spartanburg
- Transcontinental Tomah
- Transcontinental Thomasville
- Transcontinental Tulsa
- Transcontinental Ultra Flex

CANADA: 3 plants and one premedia studio

- Transcontinental Flexipak
- Transcontinental Flexstar
- Transcontinental Whitby
- Transcontinental Premedia

LATIN AMERICA: 4 plants

- Transcontinental Ecuador
- Transcontinental Guatemala
- Transcontinental Mexico
- Transcontinental Trilex (Ecuador)

REST OF THE WORLD: 3 plants

- Transcontinental New Zealand
- Transcontinental United Kingdom
- Transcontinental China



3,900 employees

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

Providing a broad range of innovative and high-performance flexible packaging solutions

- We blend **art, science and technology** to create the perfect flexible packaging that accentuates our customers' brand, protects their products and inspires consumers.
- We offer a **variety of flexible plastic products**, including rollstock, bags and pouches, coextruded films, shrink films, coatings and agricultural films.



Serving a variety of industries

Markets



Products



Serving a variety of industries (cont.)

Markets



Shredded cheese films



Peel reseal lidding



HALO®
For natural sliced and
chunk cheese



ENVIO®
Forming & non-forming films



Whole bean bags and
recyclable pouches



Brick pack with
compostable options



Fractional

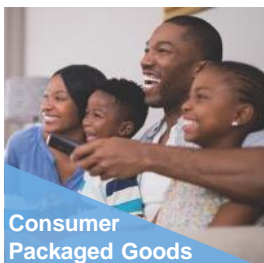


Single serve

Serving a variety of industries (cont.)

Markets

Products



Paper products



Personal care &
feminine care



Household cleaning



Multipacks



Nextrus®
Boneless vacuum
shrink bags



Tuffite® Poultry
shrink bags



Clearshield®
Bone-in shrink bags



ENVIO® Forming
& non-forming films



Chub film for fresh meats

Serving a variety of industries (cont.)

Markets

Products



Stand-up pouches



PET laminated bags



Flat bottom bags



Hot N Handy®
deli pouch



Steam N Eat® fresh
vegetable cook-in-bag



Fresh N Tasty®
fresh produce pouch



Fresh N Tasty®
baked goods pouch

Understanding that the packaging experience can transform the way consumers engage with a brand, shop and buy products.

Leveraging our integrated platform with best-in-class capabilities



Design



Prepress



Extrusion



Lamination



Printing



Converting



Developing, manufacturing and distributing high-quality coated films and foils

- We are a **global manufacturer** of precision coated polymers, films and specialty substrates that touch everyday life.
- Our state-of-the-art **ISO 9001-certified production facilities** in Europe and in the United States allow us to apply our key technology platforms to develop high-performance products for the most challenging applications.



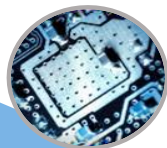
Serving multiple markets with high-performance products and brands



Automotive



Medical



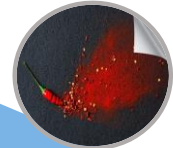
Electronics



Conductive films



Optical films



Digital imaging

contract
coating

digital
imaging

inspire

strat-fx

reflex

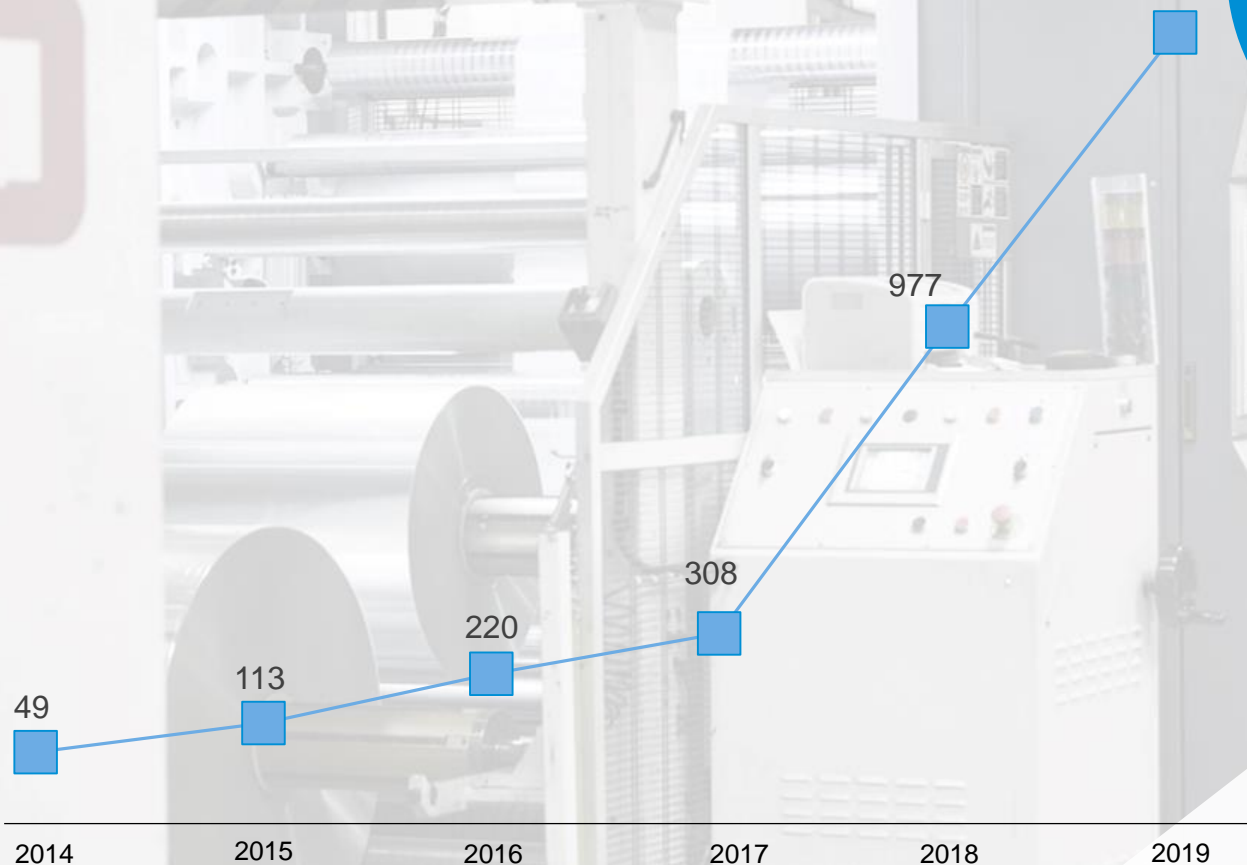
tecnilith

z-flo

SENTIENT FOAMS

Growing our packaging revenues since 2014 (\$M)

2019:
\$1,618M





▶ TC Transcontinental Printing

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PRINTING

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

16
printing plants

QUÉBEC: 7 plants

- Transcontinental Interglobe, Beauceville
- Transcontinental Interweb, Boucherville
- Transcontinental Qualimax, Gatineau
- Transcontinental Ross-Ellis, Montréal
- Transcontinental Transmag, Montréal
- Transcontinental de la Capitale, Québec
- 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

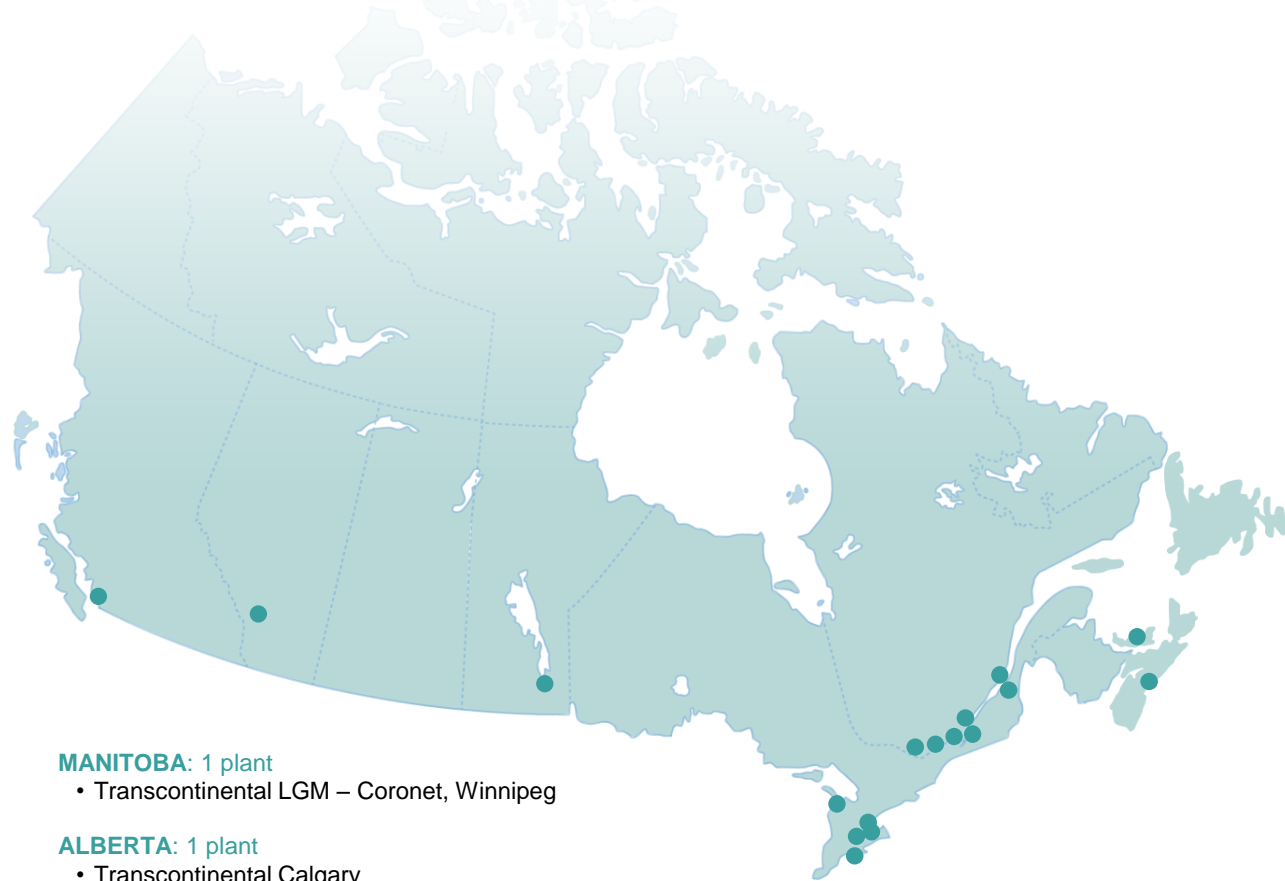
- Transcontinental Calgary

BRITISH COLUMBIA: 1 plant

- Transcontinental Vancouver

NOVA SCOTIA: 1 plant

- Transcontinental Halifax



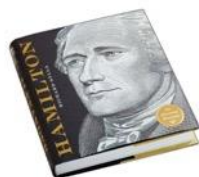
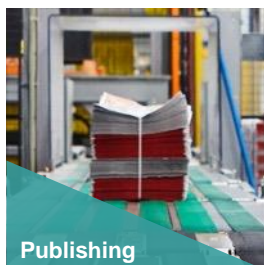
4,400
employees

Providing a broad range of printing solutions for many industries

Markets



Products



Providing a broad range of printing solutions for many industries (cont.)

Markets



Products





► TC Media

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Providing a range of multiplatform products & services

Educational and Trade Book Publishing



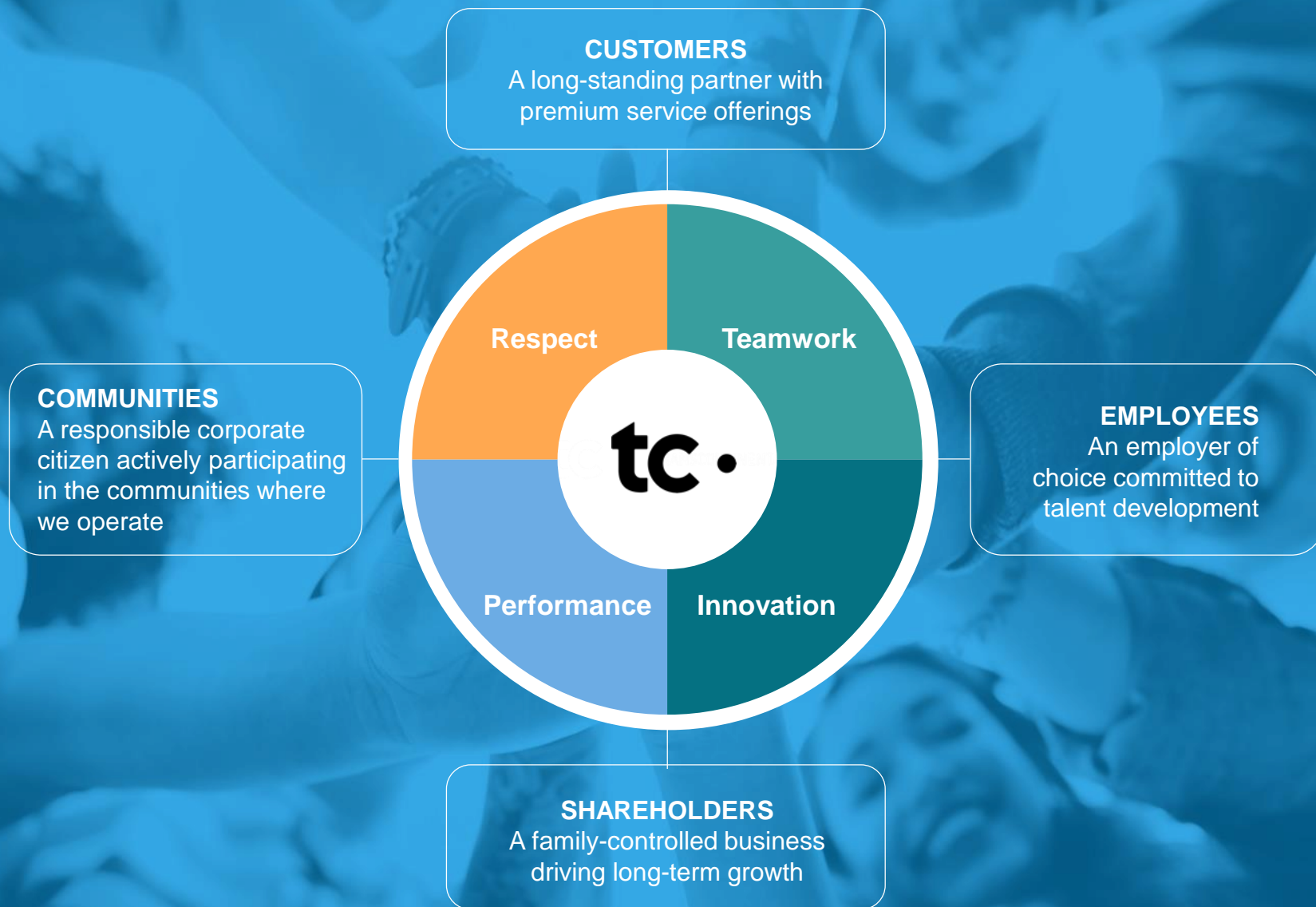
Groupe Constructo



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Living our values every day



Driving strategic growth together, with an experienced executive management team



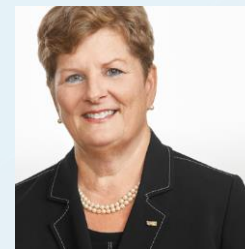
François Olivier
President and
Chief Executive Officer



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

Committing to corporate social responsibility objectives

We have always diligently integrated best practices in sustainable development as part of our business activities and processes.



Isabelle Marcoux
Chair of the Board

“For over 40 years, TC Transcontinental has remained committed to the long-term profitable growth of our organization, while creating value for all of our stakeholders. As a family-controlled corporation, we have the desire to build a lasting company and to pass on the legacy of a solid, responsible corporate citizen. We have always demonstrated our leadership in corporate social responsibility (CSR) and we are proud to continue doing so by investing in the development and wellness of our employees, adopting good practices to limit the environmental impact of our operations, innovating in the development of sustainable products for our customers, from sourcing to end-of-life, and by contributing to the communities in which we operate.”

Throughout our transformation, we are committed to maintaining our leadership in corporate social responsibility by deploying efforts to pursue our business activities in a responsible manner within all our verticals.



François Olivier
President and
Chief Executive Officer

“Respect for our people, our customers, our shareholders and the communities in which we operate is at the heart of our commitment to corporate social responsibility (CSR). Building on our past accomplishments, we have developed our 2019-2021 CSR Plan, which presents ambitious goals that are precise and quantifiable. It becomes our roadmap to further our commitment towards sustainability throughout our transformation and steadfast growth in packaging. I strongly believe that rising to the sustainability challenges we are facing as an industry will be achieved by #ActingTogether in a concerted manner. We want to be part of the solution and I invite you to join us along the way.”

Executing our 2019-2021 Corporate Social Responsibility Plan

Our three-year plan, entitled *Acting Together*, presents 11 targets with respect to four key axes: our people, our operations, our products and our communities.





Our PEOPLE

TARGET 1 Maintain a safe and healthy work environment

- Reduce the total incident rate (incidents per 200,000 worked hours) by 15% for our Printing and Packaging sectors

TARGET 2 Move towards a more balanced gender representation in leadership

- Ensure at least 30% of female representation on the Board of Directors
- Have at least 3 women on the Executive Management Committee
- Reach 30% of women in executive and management positions

TARGET 3 Develop our talent

- Annual performance reviews to be completed for 100% of salaried employees



Our OPERATIONS

TARGET 4 Reduce our greenhouse gas emissions

- Reduce our greenhouse gas emissions by 5%¹

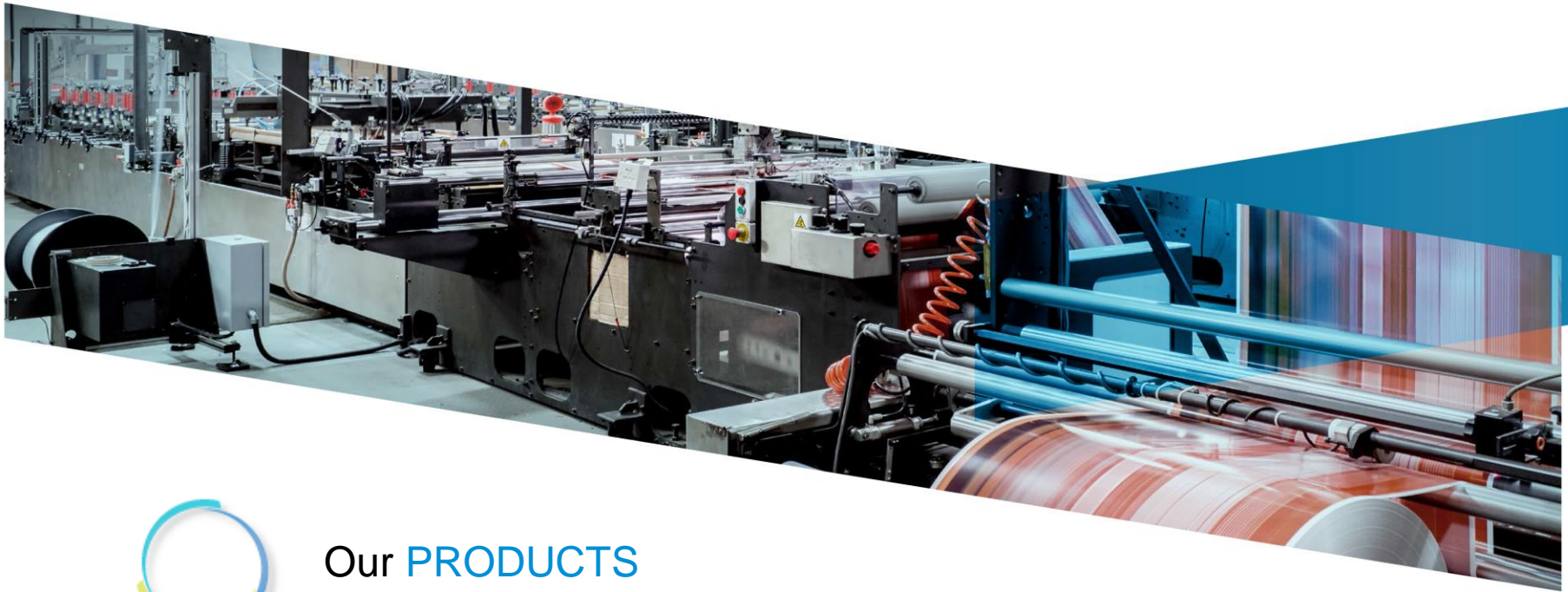
TARGET 5 Optimize waste management

- Aim for zero non-hazardous waste to landfill in our operating business units

TARGET 6 Ensure food safety and quality

- Obtain a GFSI-recognized food safety certification for all our direct-food contact packaging facilities

¹ Refers to absolute emissions from Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from the generation of purchased energy)



Our PRODUCTS

TARGET 7 Promote the use of sustainable materials

- 100% of our paper purchases to come from third-party certified or recycled sources
- By 2025, achieve a 10% use of post-consumer recycled content on average by weight across all plastic packaging in our product offering

TARGET 8 Design for end-of-life

- By 2025, 100% of our plastic packaging to be reusable, recyclable or compostable

TARGET 9 Focus on product research and development

- Invest at least 1% of our Packaging Sector's annual revenues in research and development



Our COMMUNITIES

TARGET 10 Invest in our communities

- Over 3 years, donate \$5M in financial contributions, goods and services to organizations, projects and programs that support the communities in which we operate

TARGET 11 Foster employee engagement

- All business units to participate annually in at least one initiative making a positive impact in their community

Pursuing our business activities responsibly



Among the Best 50 Corporate Citizens in Canada (8th position in 2019)



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

Making strides towards a circular economy for plastic

- ▶ We share the Ellen MacArthur Foundation's common vision of a circular economy for plastic, **where plastic never becomes waste**.
- ▶ Uniting organizations worldwide, the Ellen MacArthur Foundation is a global thought leader establishing the circular economy on the agenda of decision-makers across business, governments and academia.
- ▶ TC Transcontinental is **the first Canadian-based manufacturer to join** the Ellen MacArthur Foundation's New Plastics Economy Global Commitment.

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



*Global
Commitment*

Making strides towards a circular economy for plastic (continued)

Innovate

to design packaging that
is reusable, recyclable
or compostable

Our Circular
Approach to Plastic

Collaborate

with industry partners to
increase reuse, recycling
and composting rates

Promote

the use of post-consumer
recycled content

Committing to specific targets towards a circular economy for plastic



As signatory of the Ellen MacArthur Foundation's New Plastics Economy Global Commitment:

- ▶ The Corporation commits to **collaborating towards increasing reuse, recycling and composting rates for plastic** in the communities where it operates.
- ▶ TC Transcontinental is pledging, by 2025, for **100% of its plastic packaging to be reusable, recyclable or compostable** and to achieve a **10% use of post-consumer recycled content** on average by weight across all plastics in its product basket.

"We want to leave behind the legacy of a responsible corporate citizen, mindful of how today's decisions will impact our collective tomorrow. We look forward to inspire change by pioneering the development of sustainable products and driving innovation to support our customers in their own sustainability journey."

– François Olivier, President and Chief Executive Officer of TC Transcontinental



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Contact and additional information

Transcontinental Inc.

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Montréal (QC) H3B 0G1
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History

[2019-2021 Corporate
Social Responsibility Plan](#)

[2016-2018 Corporate Social
Responsibility Report](#)



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