



INVESTING

IN OUR BUSINESS TO DRIVE

LONG-TERM VALUE

ANNUAL MEETING OF SHAREHOLDERS

June 20, 2023



FORWARD-LOOKING AND CAUTIONARY STATEMENTS

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AGENDA

- Opening Remarks and Introduction
- Call Meeting to Order, Appoint Secretary and Scrutineer
- Formal Business of Meeting
- Notice of Meeting, Quorum
- Presentation of the 2022 Financial Statements and Auditors' Report
- Election of Directors
- Re-appointment of Auditors
- Termination of Formal Business and Adjournment of Meeting
- Concluding Remarks and Management Presentation
- Question Period (Shareholder Q&A)



DINO BIANCO

CHIEF EXECUTIVE OFFICER

OUR VISION

TO BE THE MOST TRUSTED AND BEST LOVED
TISSUE COMPANY IN NORTH AMERICA.



MAKING EVERYDAY LIFE MORE COMFORTABLE.

5 UNDERLYING STRATEGIES

Drive Strong Revenue, Profit and Shareholder Value in a Sustainable Manner

1



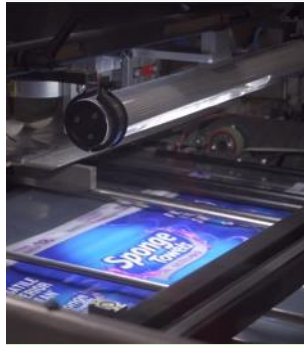
**Consumer As Our
Compass**

2



**Expand Our
Business Footprint**

3



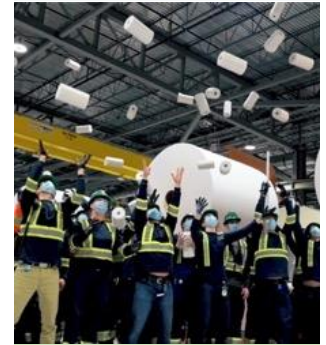
**End-to-End Supply
Chain Excellence**

4



**Deliver
Sustainability**

5



**Winning Team &
Culture**



CORPORATE HIGHLIGHTS—2022

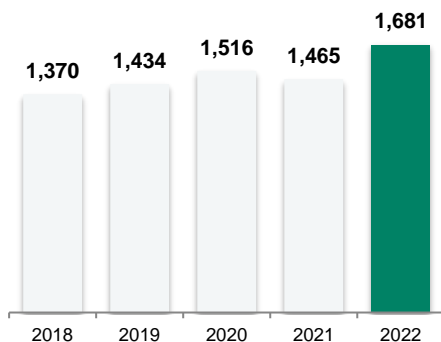
- Implemented multi-faceted strategy, including pricing and cost management initiatives, to counter inflation
- Revenue reached \$1.7 billion, up 14.8% year-over-year
- Adjusted EBITDA⁽¹⁾ decreased 24.4% to \$116.0 million
- Consumer segment affected by price increases in latter part of year as some shoppers traded down
- AFH revenue improved 40.1% year-over-year, moving to sustainable profit model
- Year 2 of TAD Sherbrooke exceeded ramp-up curve, while Sherbrooke Expansion Project expected to become growth catalyst in 2023 and beyond
- Refocused Memphis production on high-quality TAD and facial tissue products (following year-end)
- Corporate reorganization of KPLP into Kruger Products, no impact on KPT (following year-end)

(1) Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure

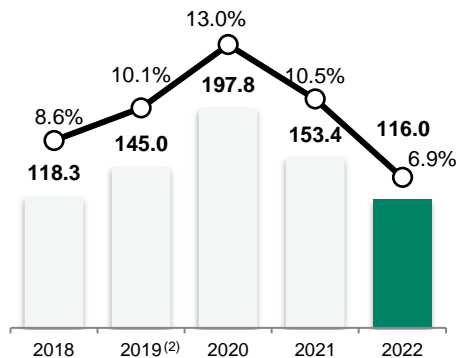
FINANCIAL PERFORMANCE TREND

Revenue

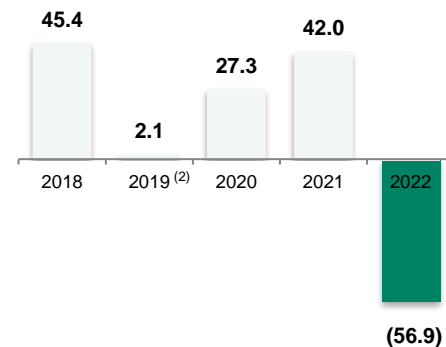
(in C\$ millions and including Mexico)



Adjusted EBITDA⁽¹⁾ and Adjusted EBITDA Margin⁽¹⁾



Net Income

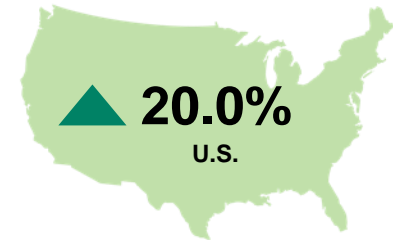
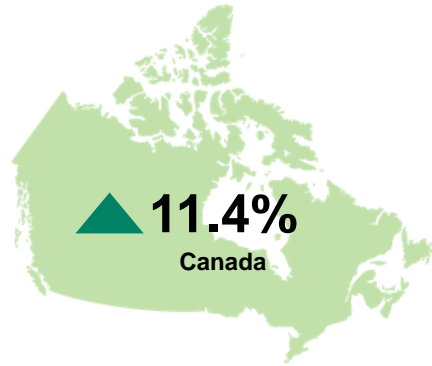


(1) Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure

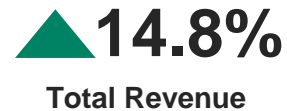
(2) Effective January 1, 2019, Kruger Products adopted IFRS 16 Leases, the new accounting standard covering lease accounting, using the full retrospective approach. Under this approach, Fiscal 2018 has been restated to reflect the adoption of IFRS 16.

SEGMENT AND GEOGRAPHIC SPLIT

By Geography



By Segment



Q1 2023 RESULTS



\$451.0M

Q1 Revenue

13.1%

over Q1 2022

\$50.0M

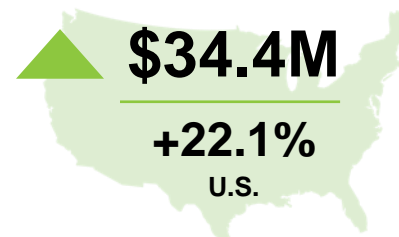
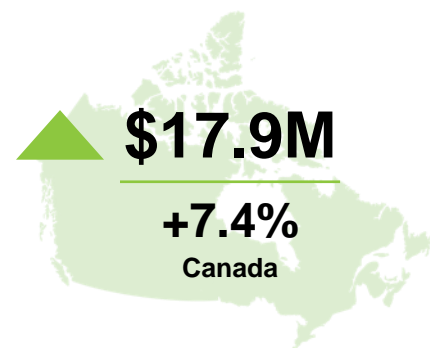
Q1 Adjusted EBITDA⁽¹⁾

71.9%

over Q1 2022

⁽¹⁾ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

Geographic Revenue Split



INFLATION, PRICING AND COST MANAGEMENT—Q1 2023

INFLATION

- Inflation has slowed but still above prior year
- Up 4-6% compared to Q1 2022

PRICING

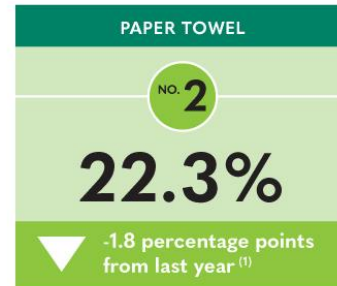
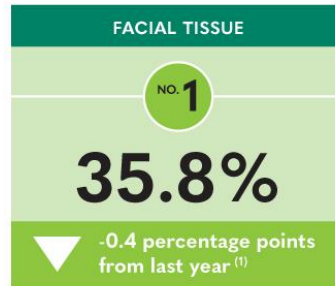
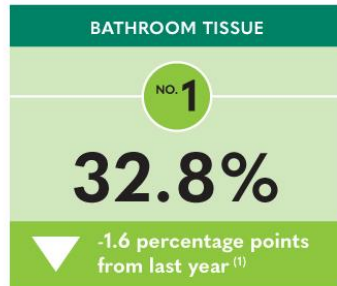
- All announced pricing has been implemented
- Continuing to monitor market pricing to remain competitive

COST MANAGEMENT

- Cost management initiatives ongoing
- Targeting CAPEX, inventory, productivity and discretionary spending

REINVESTING IN BRANDS TO GROW SHARE

Share fluctuations should recover as selling prices have stabilized





WE'VE COMMITTED OVER
\$600,000
TO CANADIAN MINOR
HOCKEY FAMILIES!*



FOCUSED BRAND SUPPORT

- Reinvesting to support brands and grow share
- Quarterly marketing focused on multi-brand activities with 42nd Scotties Tournament of Hearts and third year of the Kruger Big Assist program
- Significant investment around Made-in-Canada positioning
- Bonterra continuing to make an impact by winning three packaging awards and shortlisted for two innovation and advertising awards



AFH SEGMENT

- Volume remained solid in Q1 2023, 9% higher than Q1 2022
- Three consecutive quarters of positive Adjusted EBITDA
- AFH operations performing above historical level
- Monitoring potential impact of economic slowdown



BALANCE SHEET

(Million CAD\$, unless otherwise noted)	Q1 2023	Q4 2022
Cash	45.3	78.4
Current Portion of Long-term Debt	34.4	34.4
Long-term Debt	1,096.1	1,077.3
Net Debt	1,085.2	1,033.3
LTM Adjusted EBITDA ¹	136.9	116.0
Net Debt/LTM Adjusted EBITDA¹	7.9x	8.9x

- Cash decreased by \$33.1 million from previous quarter
- Net debt increased by \$51.9 million from Q4 2022
- Leverage decreased to 7.9x due to higher LTM Adjusted EBITDA

¹ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

2022 AWARDS



Canada's Best Managed Companies for 5th consecutive year, Gold Member



Corporate Knights' Best 50 Corporate Citizens in Canada for 5th consecutive year



Greater Toronto Area Top Employer for 10th consecutive year



Women In Governance, Bronze Level Parity Certification



Canadian Grocer Annual Impact Awards, Community Service for Kruger Big Assist



Product of the Year Canada, Household Paper Towel, SpongeTowels Ultra Pro

SUSTAINABILITY FOCUS



PILLAR: PRODUCTS EMPOWER

- FIBRE & FORESTS
- PACKAGING
- PRODUCT INNOVATION

PILLAR: PLANET POSITIVE

- CLIMATE CHANGE
- WATER
- WASTE

PILLAR: EMPLOYEE IMPACT

- HEALTH & SAFETY
- DIVERSITY & CULTURE
- TRAINING & DEVELOPMENT

PILLAR: COMMUNITY EMBRACE

- COMMUNITY INVESTMENT
- EMPLOYEE VOLUNTEERING
- COMMUNITY RELATIONS

OUR 2030 TARGETS

To utilize
100%
third-party
certified fibres

To reduce
Scopes 1 + 2
GHG emissions by
25%*

To reduce water
consumption by
50%*

To reduce virgin
plastic packaging
in branded
products by
50%†

* Intensity-based from 2009 baseline

† Intensity-based from 2020 baseline





PART OF OUR PURPOSE

KEY METRICS			
13%	REDUCTION IN SCOPE 1+2 GHG EMISSIONS ⁽¹⁾	100%	THIRD-PARTY CERTIFIED FIBRE
38%	REDUCTION OF WATER CONSUMPTION ⁽¹⁾	63%	IMPROVEMENT IN EMPLOYEE HEALTH & SAFETY ⁽²⁾
3%	REDUCTION IN VIRGIN PLASTICS PACKAGING IN BRANDED PRODUCTS ⁽³⁾	230+	THIRD-PARTY CERTIFIED PRODUCTS



⁽¹⁾ Intensity-based versus 2009 benchmark.
⁽²⁾ OSHA Total Incidence Rate since 2015 benchmark.
⁽³⁾ Intensity-based versus 2020 benchmark.



INVESTING IN OUR BUSINESS TO DRIVE LONG-TERM VALUE

- Continuing to deliver strong top-line growth
- Monitoring pricing margins and input costs
- Reinvesting in brands to grow share
- Sherbrooke expansion moving forward and Memphis turnaround progressing
- AFH delivering against a sustainable profit model
- Progressively improving leverage ratio
- Developing organizational capability and culture to drive future growth





Q&A

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THANK YOU

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