



## **KRUGER PRODUCTS INAUGURATES NEW LDC PLANT IN SHERBROOKE**

### **A historic investment of nearly \$1 billion in the region since 2018 to create a major tissue product manufacturing hub in North America**

**Sherbrooke, Québec, June 9, 2025** — Kruger Products Inc. today inaugurated its new LDC (light dry crepe) tissue plant in Sherbrooke, constructed on a site adjacent to its TAD plant. The construction of this new facility was part of a large-scale \$377.5-million expansion project that included the construction of a double-wide tissue machine featuring LDC technology, as well as the installation of two new converting lines: a facial tissue line in the new plant and a bathroom tissue line in the TAD plant. The project created 205 direct jobs, increasing the number of new jobs at the Sherbrooke Operational Centre to 378 since 2020. Today, Kruger Products employs 429 people in Estrie and supports about 1,500 regional direct and indirect jobs. All told, this major project represents a historic investment of nearly \$1 billion in the region since 2018 to create a major tissue product manufacturing hub in North America. This expansion project was supported by Investissement Québec, agent for the Government of Québec, who provided \$165 million in loans.

The inauguration ceremony was attended by **Gene Kruger** and **Sarah Kruger**, Co-Presidents of Kruger Inc.; **Christine Fréchette**, Minister of Economy, Innovation and Energy and Minister Responsible for Regional Economic Development; **Geneviève Hébert**, Member for Saint-François; **Évelyne Beaudin**, Mayor of Sherbrooke; **Michel Manseau**, Senior Vice President and General Manager, Consumer Business – Canada, Kruger Products; **Patrice Bégin**, Vice President, Manufacturing, Kruger Products; and **Éric Blais**, General Manager, Sherbrooke Operational Centre, Kruger Products.

With a capacity of 60,000 metric tons, the new LDC machine nearly doubles the Sherbrooke Operational Centre's production capacity and increases overall production to more than 130,000 metric tonnes per year. The ultra-modern industrial complex located in Sherbrooke's Brompton borough is now one of North America's most advanced and best-performing. It manufactures such well-known brands as Cashmere UltraLuxe®, Scotties® Ultra Soft, and SpongeTowels Ultra Pro®.

#### **Quotes**

"Paper producers need to renew and modernize to adapt to new market realities. Kruger understands this very well! Given the current geopolitical context, we need projects like this one to contribute to Québec's economic development and boost the production of goods made right here. I extend my warmest congratulations to the Kruger family and the entire team!"

– **Christine Fréchette**, Minister of Economy, Innovation and Energy, and  
Minister Responsible for Regional Economic Development

"Once again, our government is there to help businesses in Estrie with their major investment projects. Large-scale initiatives such as this one diversify our region's economy and provide quality jobs for local residents. I congratulate the Kruger team for seeing this project through on time."

– **Geneviève Hébert**, Member for Saint-François

"This second plant fulfills our vision to make Sherbrooke a major manufacturing hub in North America of premium-quality tissue products. The fact that two large-scale projects were completed in just six years is a clear indicator of outstanding success and a testament to stellar teamwork. I would like to extend special congratulations to the project team at our LDC plant and to everyone who was involved in building both facilities. I also applaud our employees in Sherbrooke, whose daily commitment is key to our success."

– **Michel Manseau**, Senior Vice President and General Manager,  
Consumer Business – Canada, Kruger Products

#### **Significant economic benefits in Estrie**

The project, carried out over three years, required some 660,000 person-hours of work, generated significant economic benefits for the region, with direct spending estimated at \$165 million, and helped to create about 1,000 direct and indirect jobs during the construction phase, which was completed on time and on budget in fall 2024.

**About Kruger Products Inc. (Kruger Products)**

Kruger Products is Canada's leading manufacturer of quality tissue products for household, industrial and commercial use. Kruger Products serves the Canadian consumer market with such well-known brands as Cashmere®, Purex®, SpongeTowels®, Scotties®, White Swan® and Bonterra™. In the U.S., Kruger Products manufactures the White Cloud® brand, as well as many private label products. Kruger Products has approximately 3,000 employees and operates ten FSC®-certified CoC plants (FSC® C-104904) in North America. For more information, visit [www.krugerproducts.ca](http://www.krugerproducts.ca).

**About KP Tissue Inc. (KPT)**

KPT was created to acquire, and its business is limited to holding, a limited equity interest in Kruger Products, which is accounted for as an investment on the equity basis. KPT currently holds a 12.3% interest in Kruger Products. For more information, visit [www.kptissueinc.com](http://www.kptissueinc.com).