



DRIVING
GROWTH AND MARGINS



Q3 2024 FINANCIAL RESULTS

November 13, 2024



FORWARD-LOOKING STATEMENTS

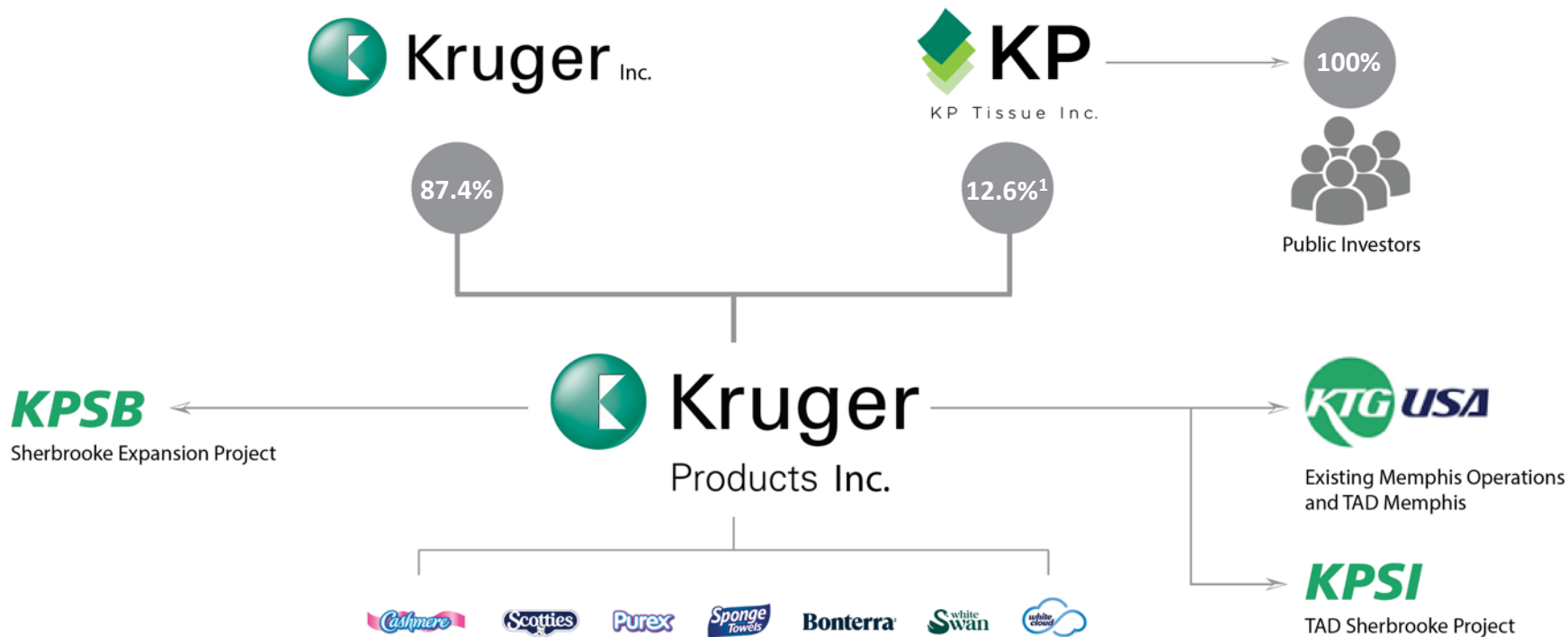
Certain statements in this presentation about KPT's and Kruger Products' current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Forward-looking statements in this presentation include, but are not limited to, statements regarding the projected capacity of the Sherbrooke Expansion Project, the anticipated benefits of the Sherbrooke Expansion Project and the expected cost and dates for commencement of production of the Sherbrooke Expansion Project; Kruger Products' expansion efforts in U.S. premium private label; and Kruger Products' future business strategy and the anticipated benefits of its business strategy. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. The forward-looking statements are based on certain key expectations and assumptions made by KPT or Kruger Products. Although KPT and Kruger Products believe that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking statements since no assurance can be given that such expectations and assumptions will prove to be correct.

Many factors could cause Kruger Products' actual results, level of activity, performance or achievements or future events or developments (which could in turn affect the economic benefits derived from KPT's economic interest in Kruger Products), to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors – Risks Related to Kruger Products Business" section of the KPT Annual Information Form dated March 7, 2024 available on SEDAR+ at www.sedarplus.ca: Kruger Inc.'s influence over Kruger Products; Kruger Products' reliance on Kruger Inc.; consequences of an event of insolvency relating to Kruger Inc.; risks associated with the ownership of the TAD Sherbrooke Project; risk associated with the operations of the TAD Sherbrooke Project; risks associated with the Sherbrooke Expansion Project; operational risks; significant increases in input costs; reduction in supply of fibre; increased pricing pressure and intense competition; Kruger Products' inability to innovate effectively; adverse economic conditions; dependence on key retail trade customers; damage to the reputation of Kruger Products or Kruger Products' brands; Kruger Products' sales being less than anticipated; Kruger Products' failure to implement its business and operating strategies; Kruger Products' obligation to make regular capital expenditures; Kruger Products entering into unsuccessful acquisitions; Kruger Products' dependence on key personnel; Kruger Products' inability to retain its existing customers or obtain new customers; Kruger Products' loss of key suppliers; Kruger Products' failure to adequately protect its intellectual property rights; Kruger Products' reliance on third party intellectual property licenses; adverse litigation and other claims affecting Kruger Products; material expenditures due to comprehensive environmental regulation affecting Kruger Products' cash flow; Kruger Products' pension obligations are significant and can be materially higher than predicted if Kruger Products management's underlying assumptions are incorrect; labour disputes adversely affecting Kruger Products' cost structure and Kruger Products' ability to run its plants; exchange rate and U.S. competitors; Kruger Products' inability to service all of its indebtedness; exposure to potential consumer product liability; covenant compliance; interest rate and refinancing risk; and risks relating to information technology; cyber-security; insurance; internal controls; and trade-related.

Readers should not place undue reliance on forward-looking statements made herein. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement. The forward-looking information contained herein is made as of the date of this presentation and KPT and Kruger Products undertake no obligation to publicly update such forward-looking information to reflect new information, subsequent or otherwise, unless required by applicable securities laws.

**The following presentation is to review Kruger Products'
Q3 2024 financial results**

CORPORATE STRUCTURE



¹As of November 13, 2024 (12.7% as of August 13, 2024).

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**

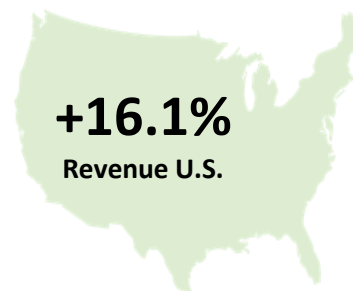
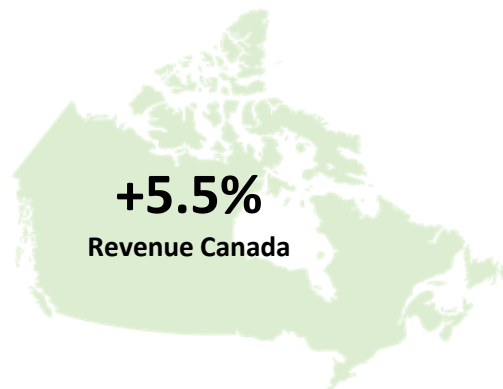
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**Winning Team &
Culture**

Q3 2024 HIGHLIGHTS

Revenue	Adjusted EBITDA ¹	Net Income
\$521.1M  10.1% over Q3 2023	\$65.7M  (9.3)% over Q3 2023	\$18.0M  39.2% over Q3 2023



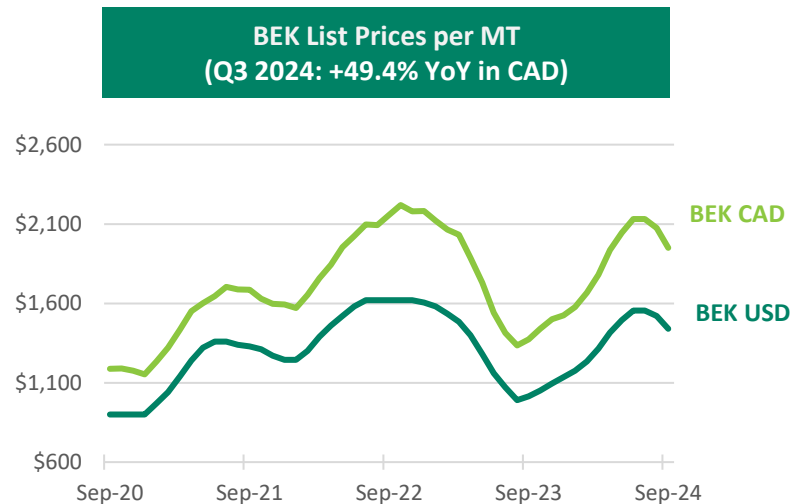
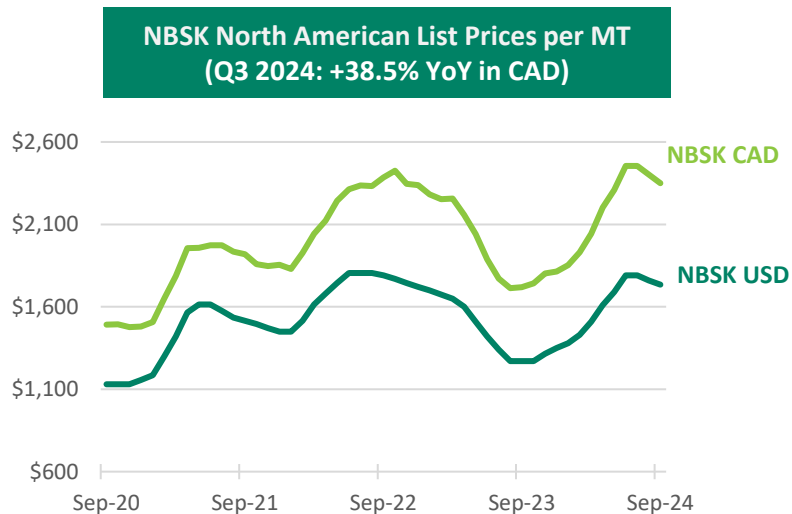
¹ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

PULP INPUT PRICES

Q3 2024 NBSK average prices¹ in CAD increased 3.5% and BEK average prices¹ rose 0.8% from Q2 2024.

Q3 2024 NBSK average prices¹ in CAD climbed 38.5% and BEK average prices¹ soared 49.4% year-over-year.

Market pulp prices² declined in the third quarter; based on industry forecasts, pulp prices expected to remain volatile in 2025.



(CAD/USD exchange rate averaged 1.37 in Q3 2024 compared to 1.34 in Q3 2023)

¹Both NBSK and BEK prices were calculated using RISI.

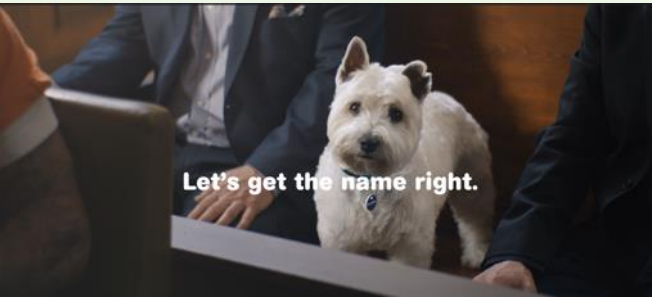
²Pulp price indices to be used only as an indicator of trends as Kruger Products' actual purchase prices may differ.



OPERATIONS

- New paper machine started up successfully in September and exceeding ramp-up curve
- New facial assets continue to perform well with solid market demand
- Our overall production rates on target, while North American utilization rates remain high
- TAD paper machine and converting output remains favorable compared to last year





FOCUSED BRAND SUPPORT

- Brand support driving share growth with new campaigns behind Sponge Towels “Nothing Absorbs Like It” and Scotties “Let’s Get the Name Right”
- Ongoing support behind Bonterra campaign targeting the sustainable consumer, including new shopper marketing program to drive engagement at store level
- Robust consumer activation behind Made In Canada and Tennis Canada omnichannel programs
- Distribution focus behind new Scotties Ultra Soft and Pocket Packs innovation launches

BRAND LEADERSHIP POSITION



Bathroom Tissue

#1
32.5%

14.3%

11.8%



Facial Tissue

#1
44.1%

19.9%

0.9%

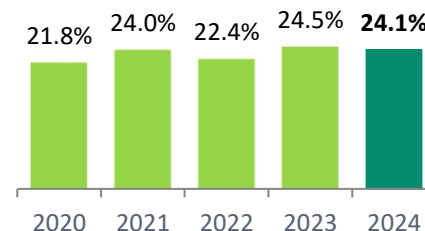
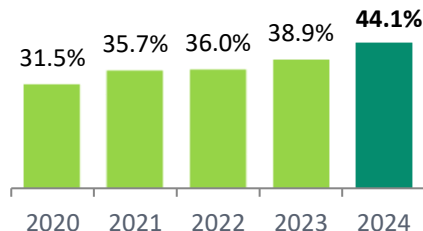
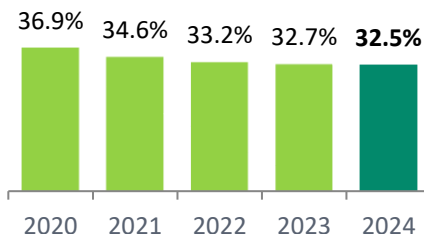


Paper Towel

#2
24.1%

9.5%

33.3%



Source: Nielsen Canadian dollar market share for 52-week period. Data for 2024 represents market share from latest 12 months ended September 7, 2024. Data from previous years based on calendar year.

AFH SEGMENT



- Sales volume slightly increased from Q3 2023 and was flat sequentially
- Strong orders, coupled with challenges in paper supply, hampered order fulfillment
- EBITDA performance negatively affected by additional outsourcing activity compared to Q3 2023
- Sherbrooke start-up will provide internal paper to reduce external requirements

QUARTERLY FINANCIAL SUMMARY

(Million CAD\$, unless otherwise noted)	Q3 2024	Q2 2024	Q3 2023	% Change	
				Y/Y	Q/Q
Revenue	521.1	509.8	473.4	10.1%	2.2%
Cost of Sales	437.3	431.2	386.3	13.2%	1.4%
Gross Profit	83.8	78.6	87.1	(3.6)%	6.8%
Gross Margin	16.1%	15.4%	18.4%		
Adjusted EBITDA¹	65.7	65.3	72.4	(9.3)%	0.6%
Adjusted EBITDA Margin ¹	12.6%	12.8%	15.3%		
Net Income	18.0	10.6	12.9		
Net Income Margin	3.5%	2.1%	2.7%		

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

QUARTERLY SEGMENTED RESULTS

(Million CAD\$, unless otherwise noted)	Q3 2024	Q2 2024	Q3 2023	% Change	
				Y/Y	Q/Q
Segmented Revenue					
Consumer	429.2	421.9	390.3	10.0%	1.7%
AFH	91.9	87.9	83.1	10.6%	4.6%
Total Segment Revenue	521.1	509.8	473.4	10.1%	2.2%
Segment Adjusted EBITDA¹					
Consumer	62.4	60.3	65.9	(5.3)%	3.5%
AFH	6.6	9.6	8.4	(21.2)%	(31.0)%
Corporate and other costs	(3.3)	(4.6)	(1.9)		
Total Segment Adjusted EBITDA¹	65.7	65.3	72.4	(9.3)%	0.6%
Segment Adjusted EBITDA Margin¹					
Consumer	14.5%	14.3%	16.9%		
AFH	7.2%	10.9%	10.1%		
Total Segment Adjusted EBITDA Margin¹	12.6%	12.8%	15.3%		

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

Q3 2024 REVENUE COMPARED TO Q3 2023

\$47.7M

Q3 Revenue increase



10.1%

over Q3 2023

Increase due to the following factors:

- Higher sales volume across both segments
- Favourable selling prices
- Positive FX impact on U.S. dollar sales

Geographic revenue segmentation



\$14.6M

+5.5%
Canada



\$33.1M

+16.1%
U.S.

Q3 2024 ADJUSTED EBITDA¹ COMPARED TO Q3 2023

(\$6.7)M

Q3 Adjusted EBITDA¹ decrease



9.3%

over Q3 2023

Adjusted EBITDA Margin¹

12.6%



Q3 2024

15.3%



Q3 2023

\$65.7M in Q3 2024 compared to \$72.4M in Q3 2023

Decrease primarily due to the following factors:

- Higher pulp prices
- Additional outsourcing activity
- Rising freight rates
- Increased SG&A expenses

Partially offset by:

- Higher sales volume
- Increased selling prices
- Lower manufacturing overhead costs

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

Q3 2024 REVENUE COMPARED TO Q2 2024

\$11.3M

Q3 Revenue increase

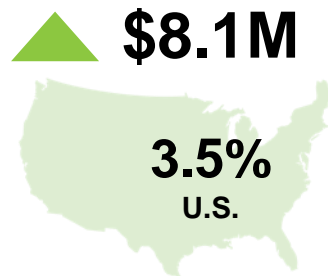
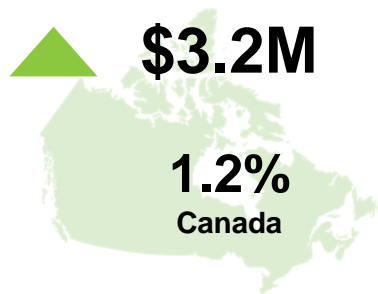


2.2%

over Q2 2024

Sequential increase mainly due to:

- Favourable selling prices
- Higher sales volume



Q3 2024 ADJUSTED EBITDA¹ COMPARED TO Q2 2024

\$0.4M

Q3 Adjusted EBITDA¹ increase



0.6%

over Q2 2024

Adjusted EBITDA Margin¹

12.6%



Q3 2024

12.8%



Q2 2024

\$65.7M in Q3 2024 compared to \$65.3M in Q2 2024

Sequential increase due to:

- Lower manufacturing overhead costs
- Favourable selling prices
- Higher sales volume

Partially offset by:

- Increased pulp prices
- Higher marketing and SG&A expenses
- Greater freight and warehousing costs

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

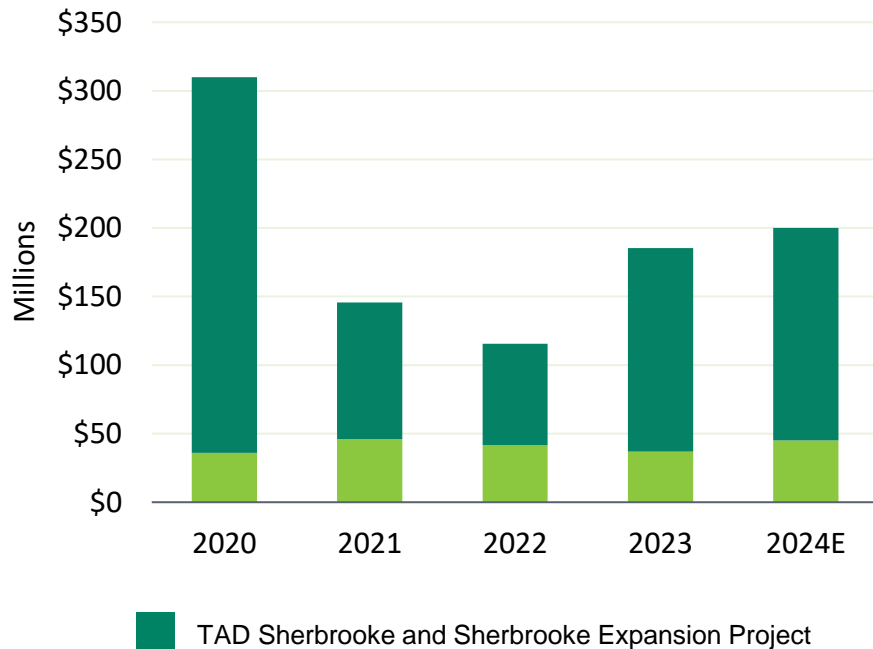
BALANCE SHEET

(Million CAD\$, unless otherwise noted)	Q3 2024	Q2 2024	Q3 2023
Cash	111.2	127.2	151.1
Current Portion of Long-term Debt	169.9	171.6	34.4
Long-term Debt	997.5	1,007.3	1,065.6
Net Debt	1,056.2	1,051.7	948.8
LTM Adjusted EBITDA ¹	259.3	266.0	221.8
Net Debt/LTM Adjusted EBITDA¹	4.1x	4.0x	4.3x

- Net debt increased by \$4.5 million on a sequential basis
- Leverage rose slightly to 4.1x on higher net debt and lower LTM Adjusted EBITDA

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

CAPITAL EXPENDITURES



- Q3 2024 CAPEX totaled \$37.0 million, including \$26.7 million related to Sherbrooke Expansion Project
- Year-to-date CAPEX stood at \$137.4 million
- Lowered CAPEX outlook to \$190-\$210 million for 2024
- Anticipating \$40-\$60 million in CAPEX for 2025, excluding Sherbrooke Expansion Project



SUSTAINABILITY FOCUS

PILLAR: PRODUCTS EMPOWER

- FIBRE & FORESTS
- PACKAGING
- PRODUCT INNOVATION

PILLAR: PLANET CONSCIOUS

- 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
GHG emissions by
35%*

To reduce water
consumption by
35%*

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

* Intensity-based from 2015 baseline
† Intensity-based from 2020 baseline





DRIVING GROWTH AND MARGINS

- Top-line growth driven primarily by U.S. sales
- Pricing expected to offset pulp costs
- Investing in brands to drive long-term share
- Sherbrooke paper machine to enable reduction of purchased paper
- AFH delivering against a sustainable profit model
- Leverage ratio will slightly improve in 2025
- Developing organizational capability and culture to drive future growth



THANK YOU

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