



WELL POSITIONED FOR GROWTH

**RBC Capital Markets Forest Products
Conference**

December 2020



Forward-Looking and Cautionary Statements

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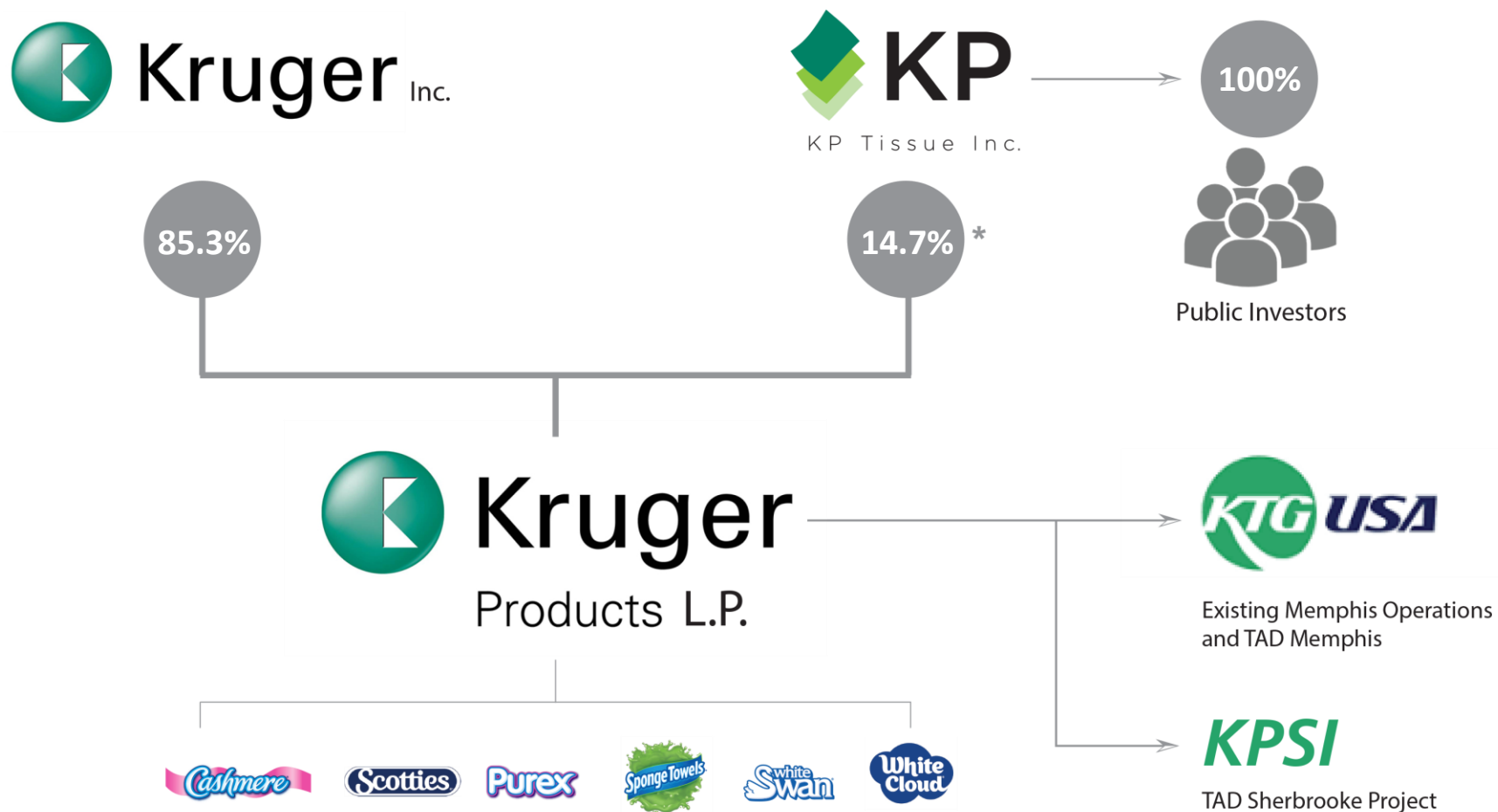
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Unless otherwise stated, references in this presentation to market shares or KPT's market leadership are based on Nielsen dollar market share data and management estimates. Please refer to the Company's MD&A for the complete Forward-looking and cautionary statements.

Corporate Structure



*As of November 5, 2020 (14.8% as of September 30, 2020).

Our Vision



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

Making everyday life more comfortable.

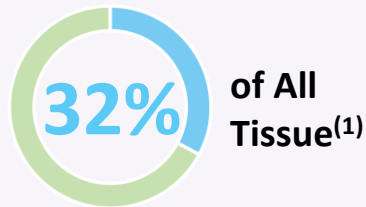
Drive Strong Revenue, Profit and Shareholder Value



Kruger Products Overview

Canada's Leading Tissue Company

#1 Branded Tissue
Company in Canada



7th Largest in
North America

2019 Sales

\$1.4 B

Employees

~2,500

Large North American Manufacturing Footprint

8

Plants

14

Paper Machines

84

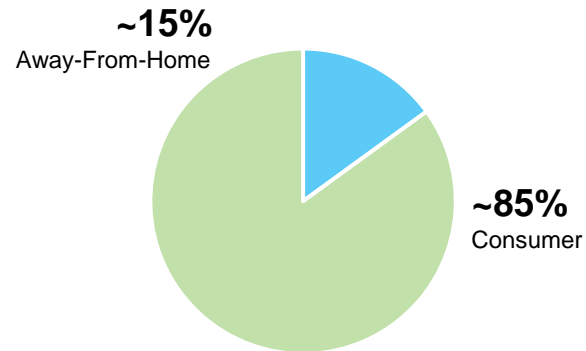
Converting Lines

CAPABILITIES
in Structured,
Conventional and
Recycled Paper

(1) Nielsen Market, Last 52 weeks ending August 8th, 2020. Numbers were rounded.

Diversified Portfolio Across Canada & U.S.

Segment Split⁽¹⁾



Geographic Split⁽¹⁾



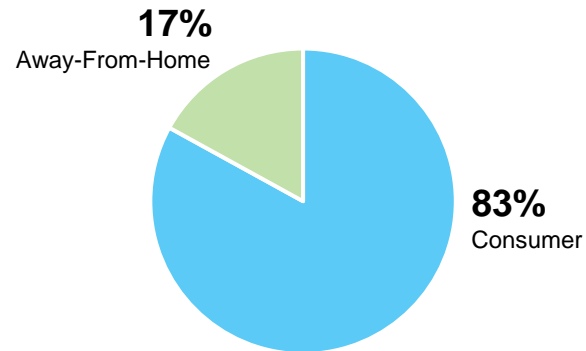
	Bathroom Tissue	Facial Tissue	Paper Towel	Napkin
Branded	✓	✓	✓	✓
Away-From-Home	✓	✓	✓	✓
Private Label	✓	✓	✓	✓



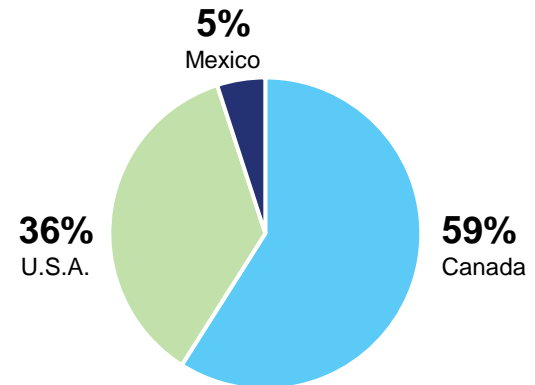
(1) The segment and geographic split are based on the 1H of FY2020

Diversified Portfolio Across Canada & U.S.

Segment Split - 2019



Geographic Split - 2019

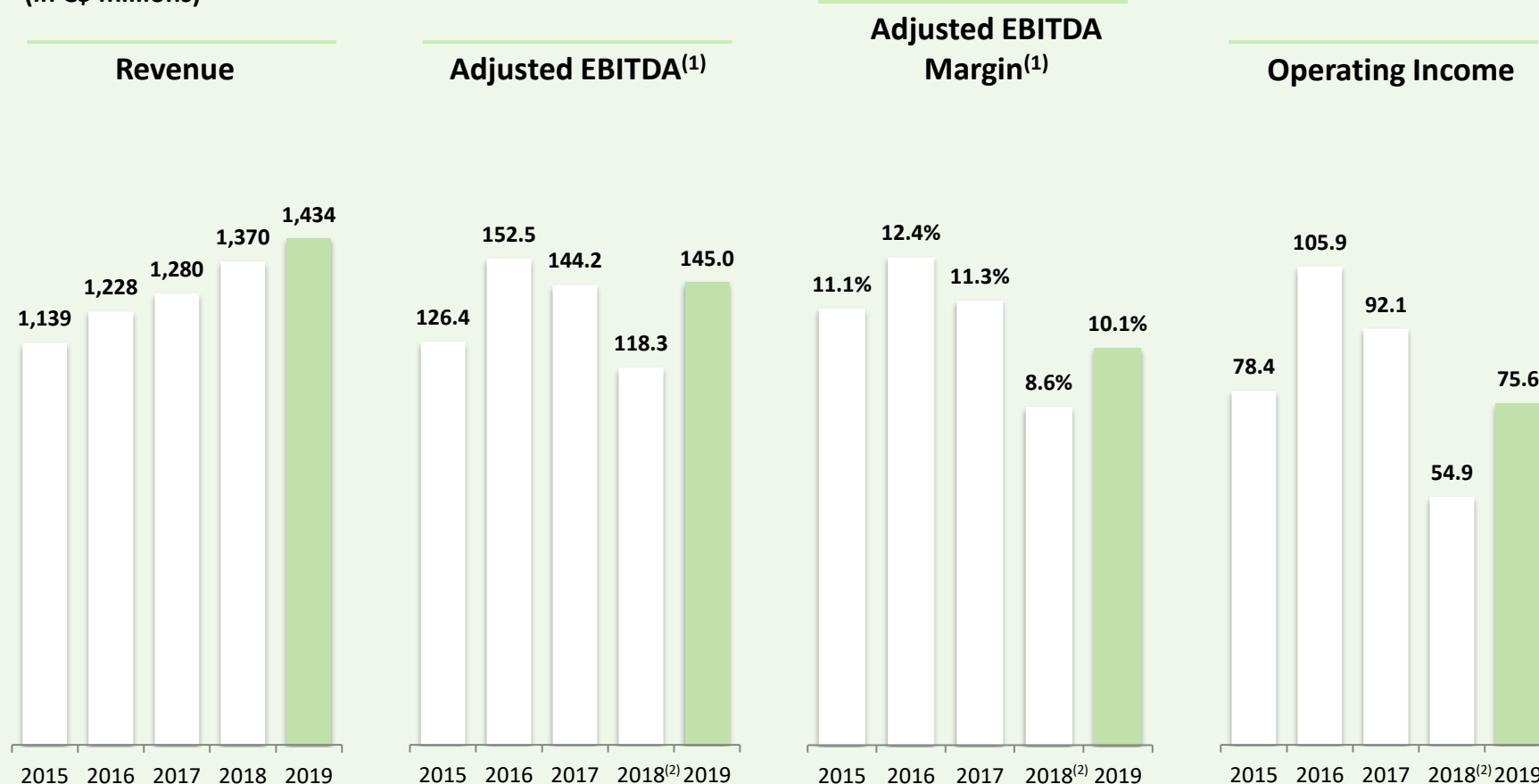


	Bathroom Tissue	Facial Tissue	Paper Towel	Napkin
Branded	✓	✓	✓	✓
Away-From-Home	✓	✓	✓	✓
Private Label	✓	✓	✓	✓



Financial Performance Trend

(in C\$ millions)



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

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

9M 2020 Highlights

\$1,131.0 M

Revenue

4.1%*

Over 9M 2019

Excluding Mexico

12.1%*

over 9M 2019

Volume increases in
Consumer and
favourable F/X,
partially offset by AFH

+8.6%

Canada

+17.6%

U.S.

\$161.6 M

Adjusted EBITDA¹

63.2%

over 9M 2019

The increase was primarily due to the favourable sales impact and product mix and lower pulp prices, partially offset by higher cost of sales and SG&A costs

\$55.7 M

Net Income

\$47.5 M

over 9M 2019

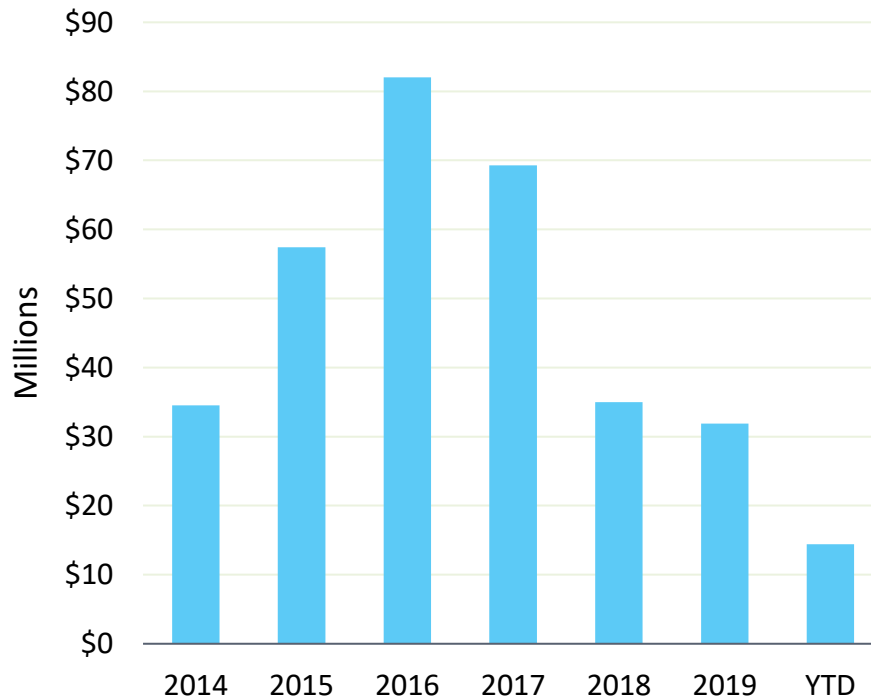
The increase was primarily due to higher Adjusted EBITDA and lower interest expense, partially offset by an increase in other expense, income tax expense and in depreciation expense

* The Mexico business was divested in September 2019. In 9M 2019, Mexico represented revenue of \$76.9 million

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

CAPEX

CAPEX, excluding TAD Sherbrooke Facility



- Q3 and YTD 2020 TAD Sherbrooke CAPEX was \$65.1 million and \$201.3 million
- \$43.3 million of accrued and unpaid capital spending at quarter-end
- 2020 TAD Sherbrooke CAPEX estimated at between \$300 and \$320 million
- Q3 2020 CAPEX excluding TAD Sherbrooke was \$5.3 million
- 2020 regular CAPEX estimated at \$30-\$40 million range
- Total 2020 CAPEX of \$330-\$360 million

Balance Sheet

(Million CAD\$, unless otherwise noted)	Q3 2020	Q2 2020
Cash	117.5	144.2
Current Portion of Long-term Debt	4.9	4.9
Long-term Debt	705.0	700.4
Net Debt	592.5	561.1
LTM Adjusted EBITDA ¹	207.6	205.4
Net Debt/LTM Adjusted EBITDA¹	2.9	2.7

- Leverage increased slightly due to the higher level of net debt but remained relatively low considering the significant increase in LTM adjusted EBITDA

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

COVID-19 Impact



- Enhanced our safety protocols in wake of wave 2
- Strong performance of assets with no major disruptions
- Running fewer SKUs with priority on top selling products leading to improved productivity
- Extended our raw material purchases to secure business continuity
- Consumer trust in our brand is a key differentiator in period of uncertainty leading to further market share gain

TAD SHERBROOKE

Site construction near completion

- On time and on budget
 - All converting lines are operational and performing well
 - Trying to exceed planned production to meet increased demand
 - \$2.1 million in start-up costs incurred in Q3
 - Paper machine remains on track for Q1 2021 start-up
 - Strong demand is anticipated for this output across North American customers
-





Driving more capacity, asset reliability, cost savings and cultural shift

- OpEx program tracking to overall plan and rolled out to all sites
 - High level of employee engagement and culture shift in motion
 - Plants operating very well in Q3
 - SKU consolidation helped run more efficiently and increased output and productivity
 - Lower manufacturing costs YoY
 - Investing more in enhanced maintenance to drive stronger asset performance
 - By the end of 2020, expect to reach the top-end of \$15-20 million target in cost savings on a run rate basis
-



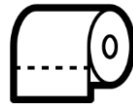
TRADEMARK

Continued focus on investing and building our brands

- Share gains continued in Q3 supported by strong shipments
- Planned higher advertising and promotion spend in 2H of 2020
- Focus on connecting with consumers with purpose-driven messaging through new media campaign
- Cashmere Collection in support of Canadian Cancer Society via virtual fashion show was resounding success
- Full distribution of quality improved Cashmere
- Strong growth momentum of White Cloud in the U.S. sustained with increased distribution



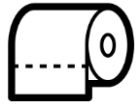
Canada's Leading Tissue Company



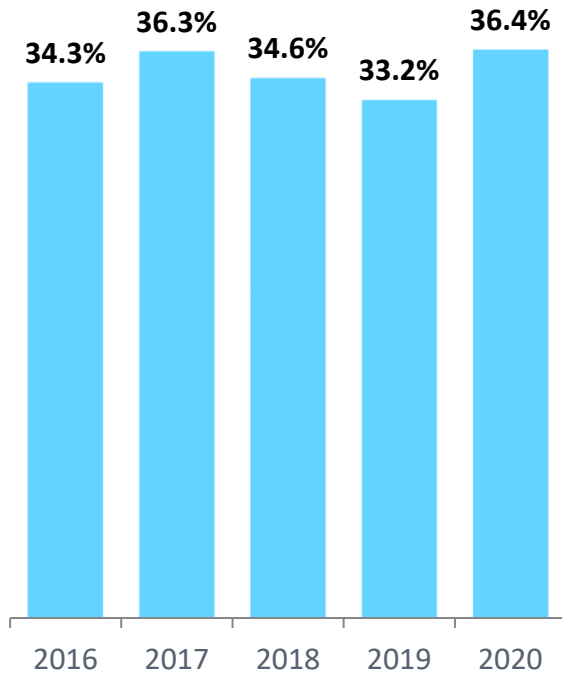
Bathroom Tissue	Facial Tissue	Paper Towel
#1 36.4%	#1 31.7%	#2 22.0%
18.9%	19.2%	12.5%
10.1%	0.6%	34.2%
1.3%	18.0%	0.8%

Source: Nielsen; dollar market share for the 52-week period ended October 3, 2020.

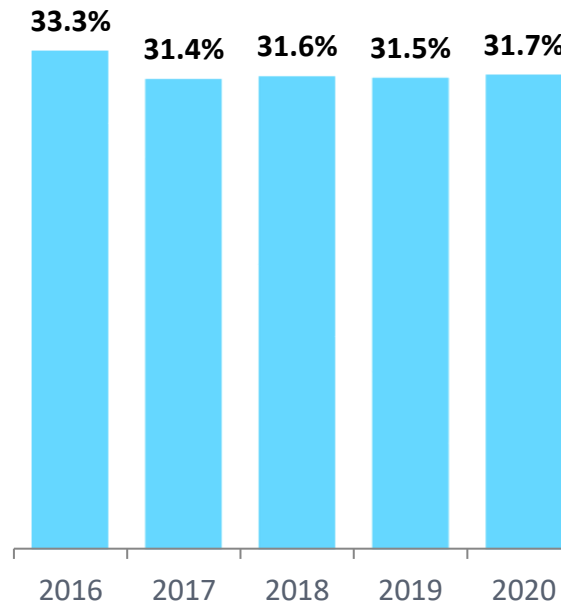
Brand Leadership Position



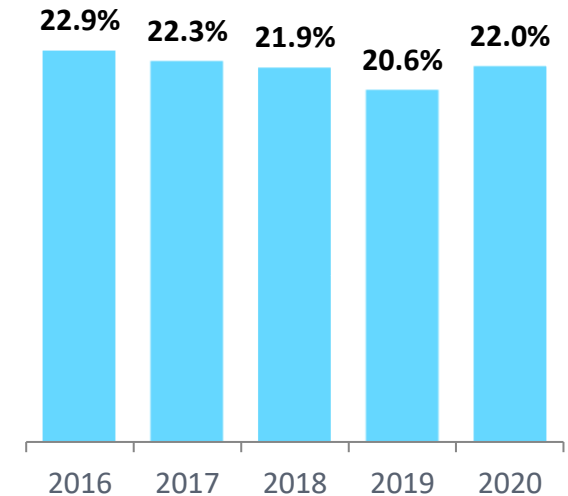
#1 Bathroom Tissue



#1 Facial Tissue



#2 Paper Towel



Source: Nielsen Canadian dollar market share for 52-week period data. 2020 represents the latest 12 months ending October 3, 2020.

AFH SEGMENT

Doing the right things to rebuild the business

- Market conditions remain challenging for Foodservice, Lodging and Property Management
 - End-user consumption has improved from Q2 but stabilized at 15% to 20% below prior year volume
 - Heightened focus on hand hygiene has kept towel volume strong despite market conditions
 - Migration shift to selling consumer-like products in retail outlets
 - OpEx continues to drive improved productivity but has created headroom with soft demand
 - Strong consumer demand requiring more outsourcing at AFH
-



Sustainability Efforts Deliver Impact



	2020 TARGET	2019 RESULTS
Employee Safety ⁽¹⁾	50% improvement from 2015	35% improvement from 2015
Energy Consumption ⁽²⁾	15% reduction from 2009	10% reduction from 2009
Greenhouse Gas Emissions ⁽²⁾	27% reduction from 2009	22% reduction from 2009
Water Consumption ⁽²⁾	35% reduction from 2009	33% reduction from 2009

⁽¹⁾ OSHA Total Incidence Rate

⁽²⁾ Intensity-based



Reinvesting in the business to build a strong future

Our focus going forward will be on:

- Continuing to drive consumer revenue growth
- Investing in our brands to build market share leadership in Canada while expanding White Cloud in the U.S.
- Completing the TAD Sherbrooke facility, successful start-up and aggressive sales plan
- Creating a more efficient and capable supply chain network with benefits and progress of OpEx program
- Doing the right things to improve AFH performance considering slow recovery in end-user markets
- Developing our organizational capability to drive growth for the future