



DRIVING GROWTH

IN A SUSTAINABLE MANNER

2022 ANNUAL MEETING OF SHAREHOLDERS

June 21, 2022



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AGENDA

- Opening Remarks and Introduction
 - For technical issues contact: TstxVGMinfo@tmx.com or <https://go.lumiglobal.com/fag>
- Call Meeting to Order, Appoint Secretary and Scrutineers
- Formal Business of Meeting
- Notice of Meeting, Quorum
- Presentation of the 2021 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 IS 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



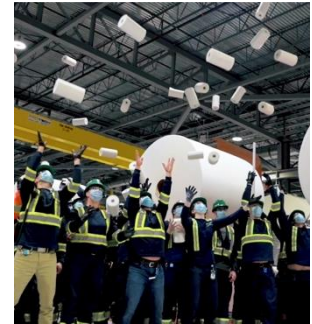
**End-to-End Supply
Chain Excellence**

4



**Deliver
Sustainability**

5



**Winning Team
and Culture**



CORPORATE HIGHLIGHTS—2021

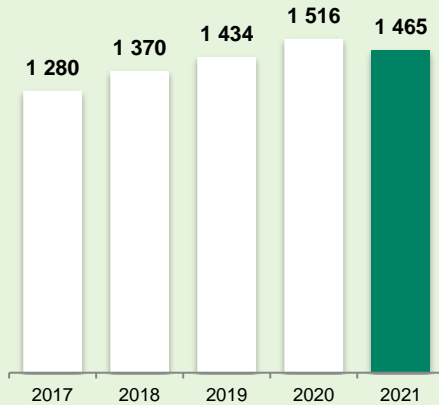
- Revenue reached \$1.5 billion, down 3.4% year-over-year
- Adjusted EBITDA⁽¹⁾ decreased 22.4% to \$153.4 million
- Sustained share gains in facial tissue and paper towel categories, market leadership in bathroom and facial tissue
- Successful launch of SpongeTowels Ultra Pro in 2021, introduction of environmentally friendly Bonterra and upgrade of Purex and Cashmere UltraLuxe TAD products following year-end
- Year 1 of TAD Sherbrooke exceeded expectations, announced expansion project and incremental investment to double capacity to 60,000 MT by 2024
- Investment of \$28 million in Memphis facial tissue line slated for Q3 2022

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

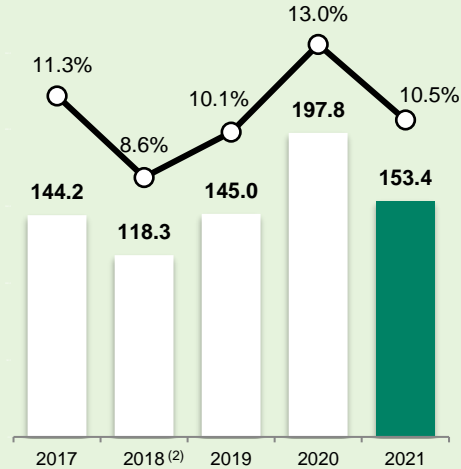
FINANCIAL PERFORMANCE TREND

Revenue

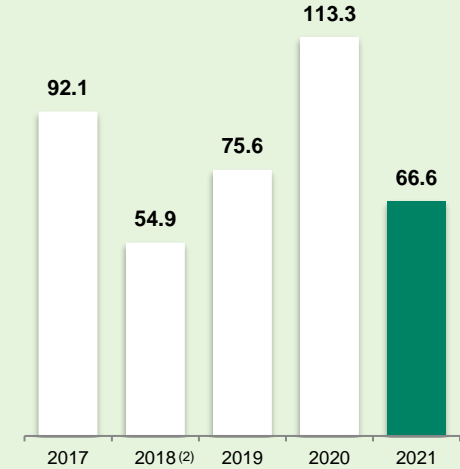
(in C\$ millions and including Mexico)



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



Operating Income

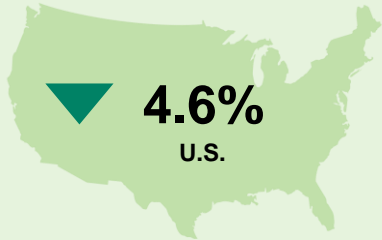
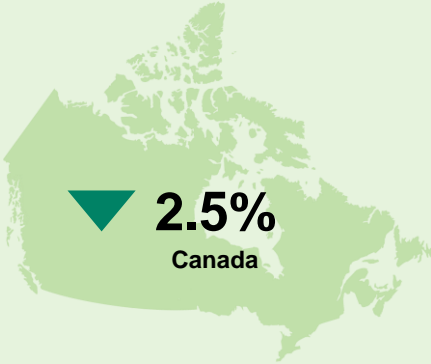


(1) Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure

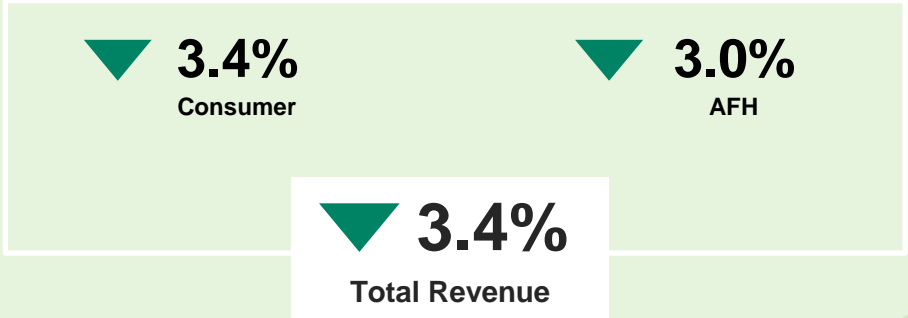
(2) Effective January 1, 2019, KPLP adopted IFRS 16 Leases, the new accounting standard covering lease accounting, using the full retrospective approach. Under this approach, Fiscal 2018 has been restated to reflect the adoption of IFRS 16.

2021 REVENUE – SEGMENT AND GEOGRAPHIC SPLIT

By Geography



By Segment



Q1 2022 RESULTS



\$398.7 M

Q1 Revenue

28.5%
over Q1 2021

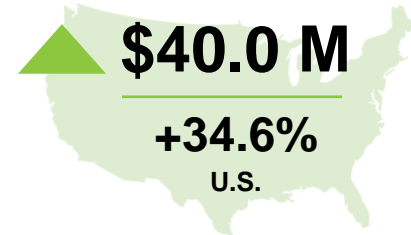
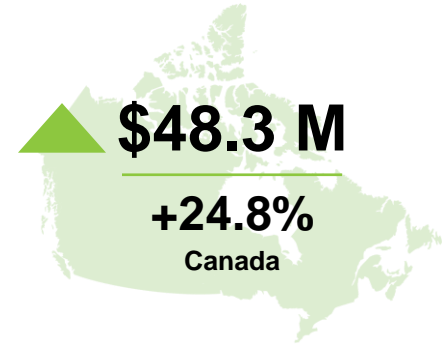
\$29.1 M

Q1 Adjusted EBITDA⁽¹⁾

22.4%
over Q1 2021

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

Geographic revenue split



HIGH INFLATIONARY PRESSURE

Q1 2022 vs. Q1 2021



17-25%
FIBRE



35-40%
FREIGHT



4-6%
LABOUR



15-25%
PACKAGING



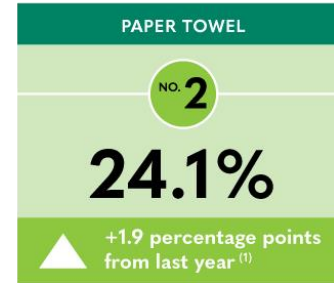
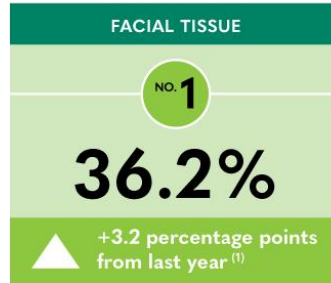
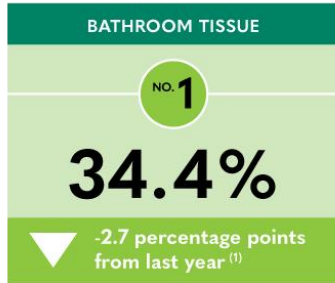
50-55%
NATURAL GAS



5-15%
OTHER

DRIVING GROWTH IN A SUSTAINABLE MANNER

Market-driven innovation, strong brand equity and effective go-to market strategy, has delivered sustained share gains over the years





TO SUPPORT BRANDS

INVESTING IN INNOVATION AND MARKETING

- Strong distribution across customer base for newly launched, sustainable Bonterra
- Cashmere and Purex UltraLux TAD upgrade tracking well against expectations
- SpongeTowels UltraPro driving ongoing share gains with consumers
- Expanding distribution of relaunched White Cloud in the United States
- KPLP continues to outpace eCommerce channels, growing >80% in 2021 and up more than 2.0 share points at key accounts in Q1 2022





RECOVERY ONGOING IN COMMERCIAL SECTOR

AFH SEGMENT

- AFH revenue decreased 3.0% to \$205.1 million in 2021
- Market recovery continued in Canada in Q1 2022, while US volume fully returned
- Volume approximately 30% better in Q1 2022 than Q1 2021
- Inflationary pressure on raw materials, transportation and labour negatively affected profitability in Q1 2022
- Price increases began positively impacting financials in May 2022, creating a better EBITDA profile for second half of 2022





GROWING TOGETHER

Community empowerment

- Long-standing philanthropic commitments spanning healthcare, athletics, environment and local charitable organizations
- Cashmere Collection — Top-five contributor to breast cancer research via annual fashion event
- Kruger Big Assist program — Donated over \$400,000 since 2021 to help kids get back on the ice
- Scotties Tournament of Hearts — 41 years sponsoring women’s curling in Canada
- Vaccibus — Collaboration covering funding costs related to vaccination efforts in isolated communities within Outaouais region of Quebec
- Supporting more than 45 local organizations — including United Way, Le BRAS Outaouais and Fraserside Community Services Society — that address the needs of our communities



AWARDS

We share with our employees the honours and awards that recognize and celebrate their hard work and commitment



For 4th consecutive year,
Gold Member



For 4th consecutive year



For 9th consecutive year



For 5th consecutive year



Women In Governance,
Bronze Level Parity
Certification

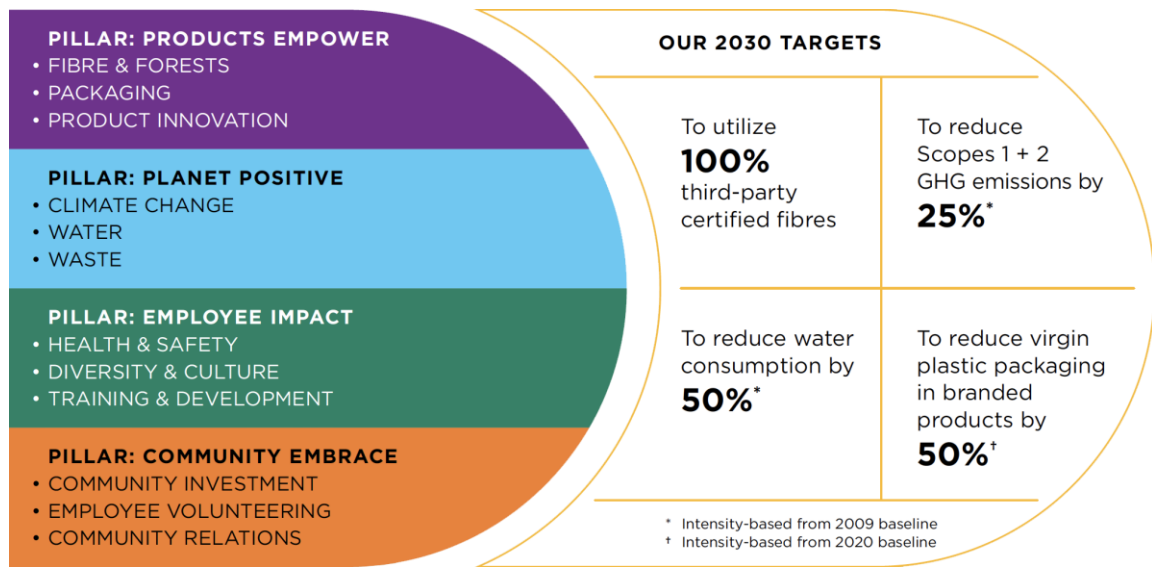


Best Paper Product,
Sponge Towels Ultra Pro



The Next 10 Years

REIMAGINE
2030
 TRANSFORMATIVE GROWTH
 SUSTAINABLE INNOVATION





Sustainability – Part of Our Purpose

REIMAGINE
2030
 TRANSFORMATIVE GROWTH
 SUSTAINABLE INNOVATION

PROGRESS REPORT 2021			
100%	THIRD-PARTY CERTIFIED FIBRE	250+	THIRD-PARTY CERTIFIED PRODUCTS
15%	REDUCTION IN SCOPE 1+2 GHG EMISSIONS ⁽¹⁾	1ST	CANADIAN TISSUE MANUFACTURER TO EARN FSC® CERTIFICATION (2011)
41%	REDUCTION OF WATER CONSUMPTION ⁽¹⁾	1ST	BIOMASS GASIFICATION SYSTEM IN CANADIAN PULP AND PAPER INDUSTRY
5%	REDUCTION IN VIRGIN PLASTICS PACKAGING IN BRANDED PRODUCTS	1ST	ISO50001 ENERGY MANAGEMENT CERTIFICATION FROM THE BUREAU DE NORMALISATION DU QUEBEC
63%	IMPROVEMENT IN EMPLOYEE HEALTH & SAFETY ⁽²⁾		

⁽¹⁾ Intensity-based versus 2009 Benchmark

⁽²⁾ OSHA Total Incidence Rate since 2015 Benchmark





GROWING BUSINESS LONG-TERM WHILE MANAGING INFLATIONARY PRESSURE

- Continuing to deliver strong top-line growth
- Price increases and cost efficiencies to begin mitigating inflationary pressure in second half of 2022
- Newly launched Bonterra and UltraLuxe upgrade tracking against expectations
- Expanding distribution of relaunched White Cloud in U.S.
- Maintaining investments in our brands and innovation to drive future growth
- TAD Sherbrooke facility continuing to exceed ramp-up curve, while Memphis turnaround plan to yield benefits in the second half of year
- Away-from-Home recovery in progress
- Developing our organizational capability and culture to drive growth for the future

Q & A





THANK
YOU

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