



DELIVERING

ON OUR STRATEGIC PLAN

2020 ANNUAL MEETING OF SHAREHOLDERS

June 4, 2020



Forward-Looking and Cautionary Statements

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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.

Agenda



- Opening Remarks and Introduction
 - For technical issues contact: TsxtVGMinfo@tmx.com
- Call Meeting to Order, Appoint Secretary and Scrutineers
- Formal Business of Meeting
- Notice of Meeting and Quorum
- Presentation of 2019 Financial Statements and Auditors' Report
- Election of Directors
- Re-appointment of Auditors
- Termination of Formal Business and Adjournment of Meeting
- Concluding Remarks
- Management Presentation
- Question Period (Shareholder Q&A)



DINO BIANCO

Chief Executive Officer

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



Corporate Highlights



**Revenues increased
to \$1.4 billion, up 4.6%
over 2018**



**Adjusted EBITDA
increased by 22.6%
to \$145 million**



**Started construction of
TAD Sherbrooke and
progressing well**



**Launched Operational
and Logistics programs
("OpEx")**



**Implemented pricing
actions in response to
cost increases**



**Improved performance
of Away-from-Home
("AFH")**



**Started to rebuild
market share momentum
in Q4 2019**

COVID-19 – Safety and Business Continuity



SAFETY AND BUSINESS CONTINUITY

- Priority focus on keeping our people safe while maintaining Business Continuity
- Activated Pandemic Response and Business continuity teams and protocols in late February

SAFETY PROCEDURES

- Work from home for office staff
- Restricted visitors to our facilities
- Increased daily screening, cleaning and use of PPE

BUSINESS CONTINUITY PROCEDURES

- Extending purchase of Raw Materials
- Segregation of specialized personnel
- Contingency planning on critical assets

COVID-19 – Demand Impacts



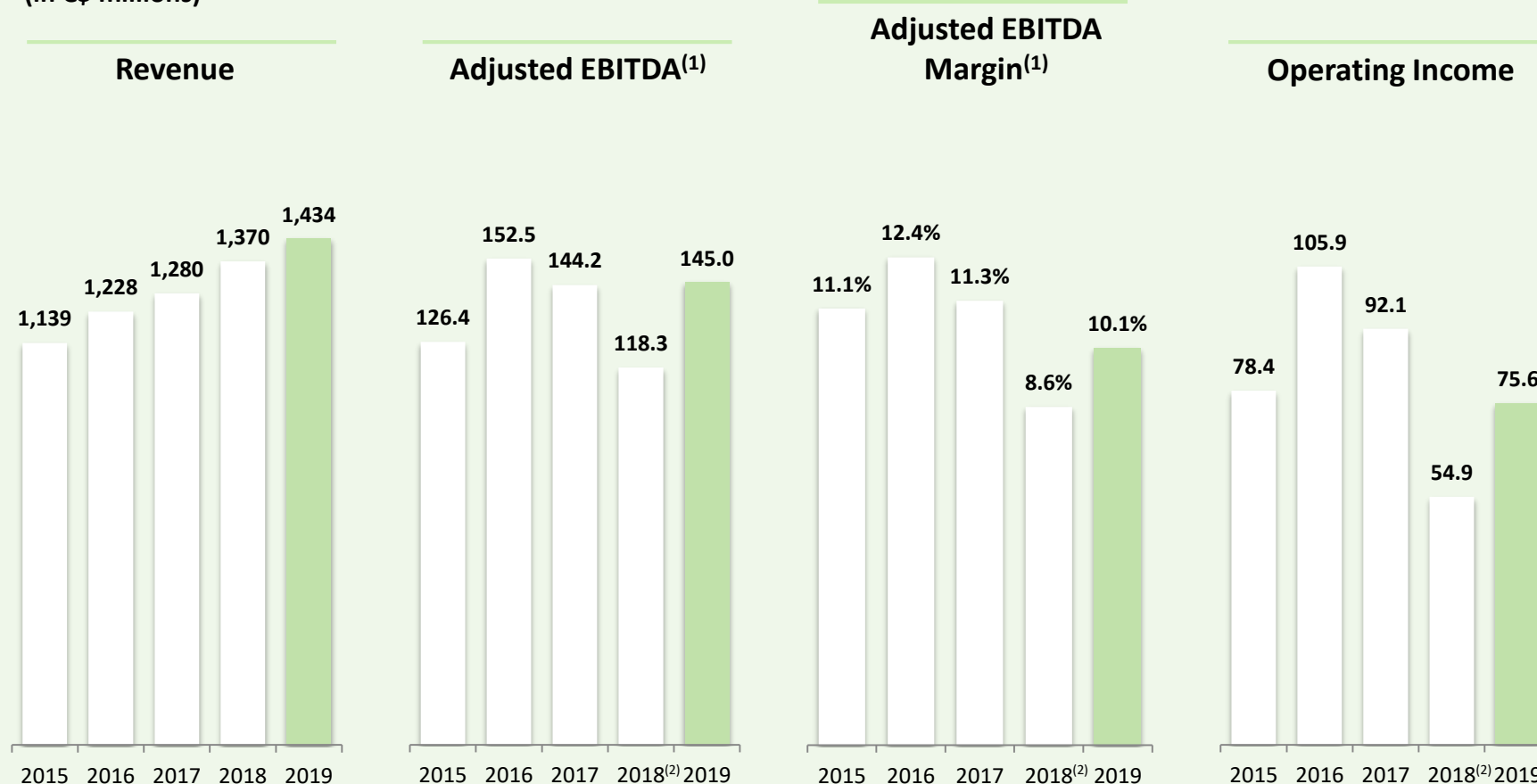
Lend a hand.
Make a difference.
#RollingItForward



- Increased Tissue demand in March driven by pantry loading and increased usage in consumer products driven by work from home mandates
- Paper towel and Facial increase driven by above and increased usage due to personal hygiene practices
- Demand expected to slowdown due to high personal inventories and relaxation of work from home protocols
- AFH end market closures will create future headwinds
- Significant corporate giving to Food Banks and Frontline Healthcare workers
- #RollingItForward

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.

Q1 2020 Results



\$375.1 M

Q1 Revenue



6.9%
over Q1 2019

Excluding Mexico



15.5%*
over Q1 2019

* The Mexico business was divested in September 2019. In Q1 2019, Mexico represented revenue of \$26.1 million.

\$51.0 M

Q1 Adjusted EBITDA⁽¹⁾



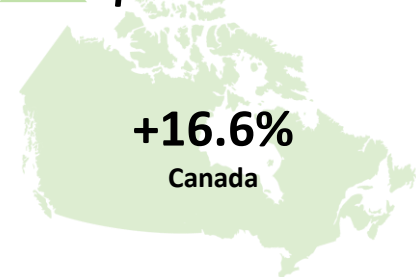
116.4%
over Q1 2019

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

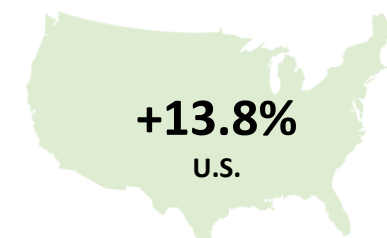
Geographic revenue
variation



\$32.7 M



\$17.5 M



The TAD Sherbrooke Project Update



- Started construction of TAD Sherbrooke in May 2019
- Halted construction in March 2020 due to COVID-19 and restarted one month later
- Project is essentially progressing on time and on budget
- Production to begin in early 2021 with anticipated ramp-up with new and existing customers across North America
- New facility central to long-term North American growth strategy in the ultra-premium tissue segment

OpEx Program



- Established OpEx program at the beginning of 2019
- **Five key pillars:** environment, health and safety, asset care and progressive maintenance, end-to-end quality, and strategic deployment initiative management
- When combined with logistics program, expected to yield significant savings estimated at between \$15-\$20 million on a run-rate basis by end of 2020
- Delivering against the objectives we set

Trademark



- Focus remains on further building our brands
- Clear Canadian leader in overall tissue market share, while also expanding in the North American private label market
- Increasing our investments, doing more innovation and improving product quality
- Leveraging partnerships

Source: Nielsen; dollar market share for the 52-week period ended March 21, 2020.

Great Partners to Further Our Brands



Kruger Products is Canada's leading tissue company and the 7th largest in North America. In Canada, the Company's brands account for approximately 44% of total branded volume. Our success reflects continued investments in our brands and products, and strong collaboration with our well recognized partners.



Since 1981



Since 1990



Since 1999



Canadian
Cancer
Society

Since 2005



Since 2013



Crohn's and
Colitis Canada
Crohn et
Colite Canada

Since 2014



Quebec
Breast Cancer
Foundation

Since 2017



Since 2018



Since 2019

Away-From-Home (AFH) Segment



- Canadian leader with market share of approximately 30% and accounting for approximately 17% of total revenues
- Good Q1 sales results supported by order backlog and some cross-over to consumer segment
- Financial performance going forward will reflect challenging market conditions due to COVID-19 impact on end-user markets
- With OpEx program success and progress, future performance mainly driven by market demand

2019 Employee and Corporate Social Responsibility Awards



Corporate Knights'
Best 50 Corporate Citizens
2nd Consecutive Year



Canada's Best Managed
Companies
2nd Consecutive Year



Forbes Canada's
Best Employers
3rd Consecutive Year



Greater Toronto's
Top Employers
7th Consecutive Year

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



Delivering on Our Strategic Plan



Despite a volatile market environment and economic uncertainty, our vision and strategy remains unchanged.

- Continuing to drive top line growth
- Investing to further strengthen our brands
- Completing the TAD Sherbrooke facility with its elevated strategic importance considering the new capacity it provides
- Creating a more efficient and capable supply chain network with benefits and progress of OpEx program
- Executing the right things to improve AFH performance considering expected strong headwinds in end-user markets
- Developing our organizational capability and culture of continuous improvement to drive next phase of growth



Q & A



KP Tissue Inc.

THANK YOU

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