



KP Tissue Inc.

ACCELERATING GROWTH ACROSS OUR BUSINESS

Q4 2025 FINANCIAL RESULTS

February 18, 2026



FORWARD-LOOKING STATEMENTS

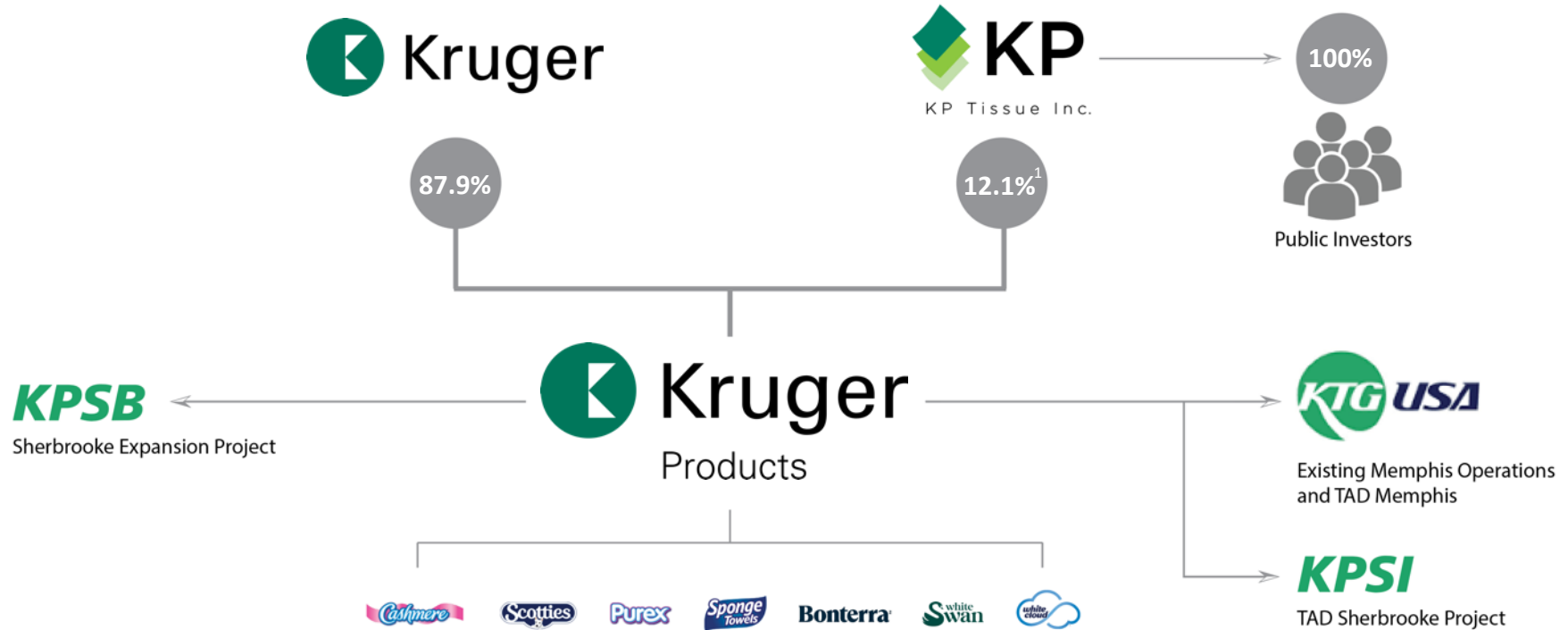
Certain statements in this presentation about KPT's and Kruger Products' current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Forward-looking statements in this presentation include, but are not limited to, statements regarding plans to build a new TAD tissue plant and its expected annual production capacity; expected date for starting production; the expected financing structure of the project; certain anticipated benefits of the 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, including obtaining financing on acceptable terms for the project. 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 February 18, 2026 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 operation of the TAD Sherbrooke 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; information technology; cyber-security; insurance; internal control; trade-related; and tax.

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'
Q4 2025 financial results**

CORPORATE STRUCTURE



¹As of February 18, 2026



OUR VISION

**TO BE THE MOST TRUSTED
AND BEST LOVED TISSUE COMPANY
IN NORTH AMERICA.**

OUR MISSION

**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**

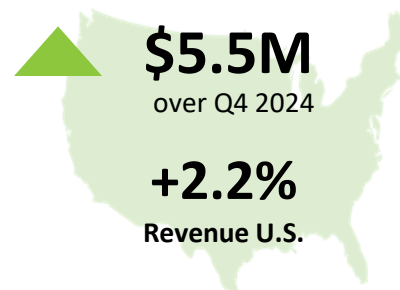
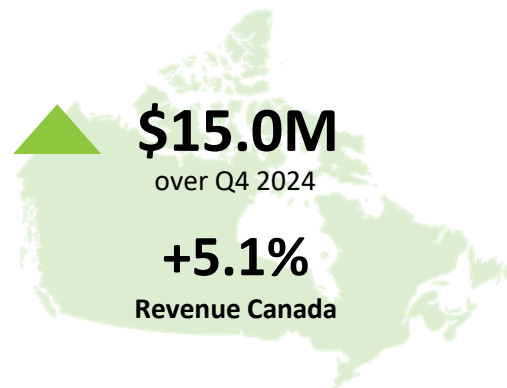
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**Winning Team
& Culture**




Q4 2025 HIGHLIGHTS

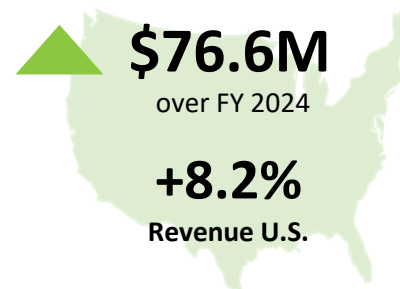
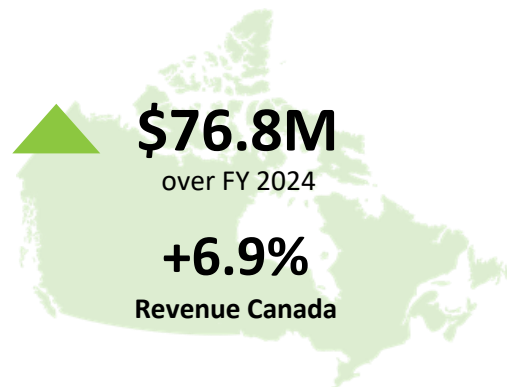
Revenue	Adjusted EBITDA ¹	Net Income
\$560.1M  3.8% over Q4 2024	\$84.2M  26.0% over Q4 2024	\$23.4M  \$37.1M over Q4 2024



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

FY 2025 HIGHLIGHTS

Revenue	Adjusted EBITDA ¹	Net Income
\$2,203.4M  7.5% over FY 2024	\$318.2M  20.2% over FY 2024	\$75.5M  \$51.7M over FY 2024



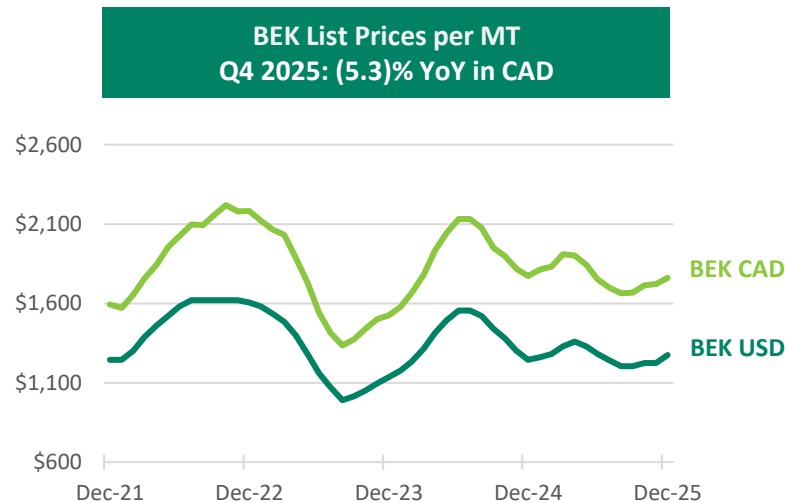
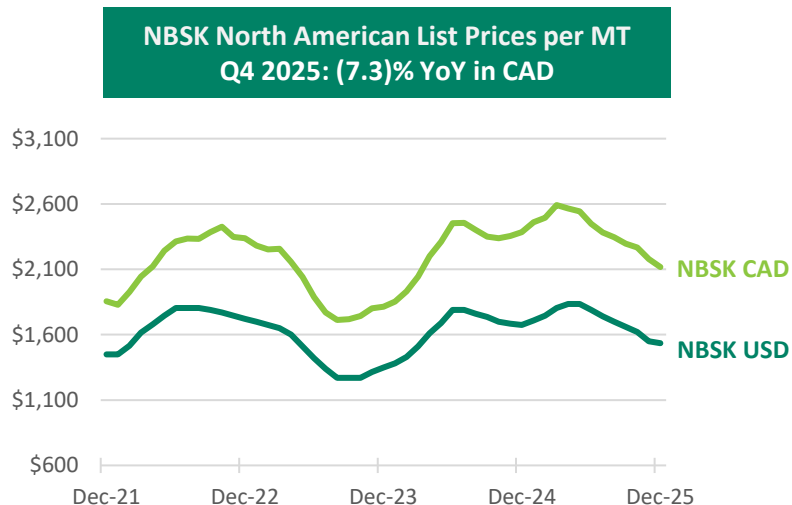
¹ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

PULP INPUT PRICES

Q4 2025 NBSK average prices¹ in CAD decreased 6.6% while BEK average prices¹ were up 3.3% sequentially.

Q4 2025 NBSK average prices¹ in CAD declined 7.3% and BEK average prices¹ were down 5.3% year-over-year.

Industry analysts expect pulp prices to trend upwards over the upcoming year.



(CAD/USD exchange rate averaged 1.40 in Q4 2025 compared to 1.40 in Q4 2024)

¹ Both NBSK and BEK prices were calculated using RISI.

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



OPERATIONS

- Production rates for paper machines and converting operations remain positive, exceeding 2025 targets
- Memphis update
 - Renewed asset strategy driving strong sequential performance across paper machine and converting lines
 - Multi-purpose, state-of-the-art converting line project on track for start-up in early Q2 2026
- Finalizing location, project scope, and financing details for new TAD facility in western United States
- Record safety results with several sites achieving safety milestones throughout the year





FOCUSED BRAND SUPPORT

- Equity-building campaigns for Cashmere, SpongeTowels, Bonterra, and Scotties
- Cashmere featured in a full-episode Project Runway Canada design challenge
- Launched “Scott for Scotties” activation with Toronto Raptors star Scottie Barnes
- Sixth year of Kruger Big Assist program, making hockey more accessible to Canadian families
- Expanded support of Scotties seasonal cubes with the Toronto Maple Leafs, Montreal Canadiens and Holiday Cubes



BRAND LEADERSHIP POSITION



BATHROOM TISSUE

NO. 1

32.3%

FACIAL TISSUE

NO. 1

46.3%

PAPER TOWEL

NO. 2

25.3%

* Data represents Nielsen Canadian dollar market share for 52-week period ended December 27, 2025.



AFH SEGMENT – KRUGER PRO

- Revenue grew moderately year-over-year on higher volume, but decreased sequentially due to seasonality
- Profitability increased year-over-year, but declined sequentially
- In-sourcing of paper improved year-over-year profitability
- Strong performance across Cashmere, Scotties, and TITAN brands
- Monitoring AFH market amid economic uncertainty



QUARTERLY FINANCIAL SUMMARY

	% Change				
(Million CAD\$, unless otherwise noted)	Q4 2025	Q3 2025	Q4 2024	Y/Y	Q/Q
Revenue	560.1	561.1	539.6	3.8%	(0.2)%
Cost of Sales	451.9	460.0	459.3	(1.6)%	(1.8)%
Gross Profit	108.2	101.1	80.3	34.7%	7.0%
Gross Margin	19.3%	18.0%	14.9%		
Adjusted EBITDA¹	84.2	85.7	66.8	26.0%	(1.8)%
Adjusted EBITDA Margin ¹	15.0%	15.3%	12.4%		
Net Income (Loss)	23.4	14.6	(13.7)		
Net Income (Loss) Margin	4.2%	2.6%	(2.5)%		

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

QUARTERLY SEGMENTED RESULTS

				% Change	
(Million CAD\$, unless otherwise noted)	Q4 2025	Q3 2025	Q4 2024	Y/Y	Q/Q
Segment Revenue					
Consumer	472.3	468.3	452.7	4.3%	0.9%
AFH	87.8	92.8	86.9	1.0%	(5.4)%
Total Segment Revenue	560.1	561.1	539.6	3.8%	(0.2)%
Segment Adjusted EBITDA¹					
Consumer	78.1	78.2	64.0	22.0%	(0.1)%
AFH	9.7	10.4	4.6	110.9%	(6.7)%
Corporate and other costs	(3.6)	(2.9)	(1.8)		
Total Segment Adjusted EBITDA¹	84.2	85.7	66.8	26.0%	(1.8)%
Segment Adjusted EBITDA Margin¹					
Consumer	16.5%	16.7%	14.1%		
AFH	11.0%	11.2%	5.3%		
Total Segment Adjusted EBITDA Margin¹	15.0%	15.3%	12.4%		

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

Q4 2025 REVENUE COMPARED TO Q4 2024

\$20.5M

Q4 2025 Revenue increase



3.8%

over Q4 2024

\$560.1M in Q4 2025 compared to \$539.6M in Q4 2024

Increase primarily due to:

- Higher sales volume across both segments

Geographic revenue segmentation



\$15.0M

over Q4 2024

+5.1%

Revenue Canada



\$5.5M

over Q4 2024

+2.2%

Revenue U.S.

Q4 2025 ADJUSTED EBITDA¹ COMPARED TO Q4 2024

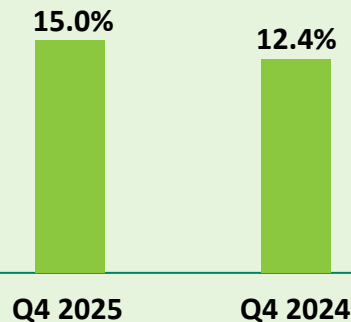
\$17.4M

Q4 2025 Adjusted EBITDA¹ increase



26.0%
over Q4 2024

Adjusted EBITDA Margin¹



\$84.2M in Q4 2025 compared to \$66.8M in Q4 2024

Increase primarily due to:

- Higher sales volume
- Favourable productivity at manufacturing sites
- Lower pulp prices
- Reduced freight costs

Partially offset by:

- Higher manufacturing overhead costs
- Increased SG&A expenses

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

Q4 2025 REVENUE COMPARED TO Q3 2025

(\$1.0)M

Q4 2025 Revenue decrease



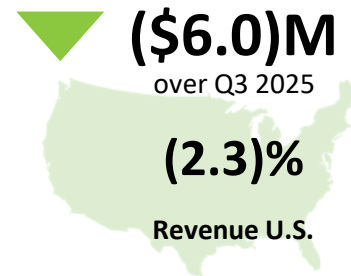
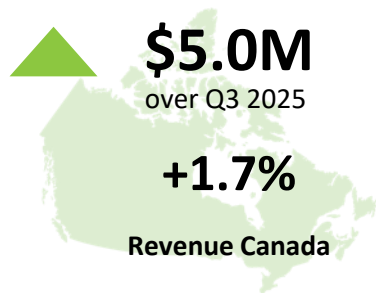
(0.2)%

over Q3 2025

\$560.1M in Q4 2025 compared to \$561.1M in Q3 2025

Sequential decrease primarily due to:

- Lower U.S. sales volume



Q4 2025 ADJUSTED EBITDA¹ COMPARED TO Q3 2025

(\$1.5)M

Q4 2025 Adjusted EBITDA¹ decrease

(1.8)%
over Q3 2025

Adjusted EBITDA Margin¹

15.0%



Q4 2025

15.3%



Q3 2025

\$84.2M in Q4 2025 compared to \$85.7M in Q3 2025

Sequential decrease primarily due to:

- Higher SG&A expenses
- Elevated freight costs and warehousing expenses
- Increased marketing expenses
- Greater manufacturing overhead costs
- Lower U.S. sales volume

Partially offset by:

- Lower pulp prices

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

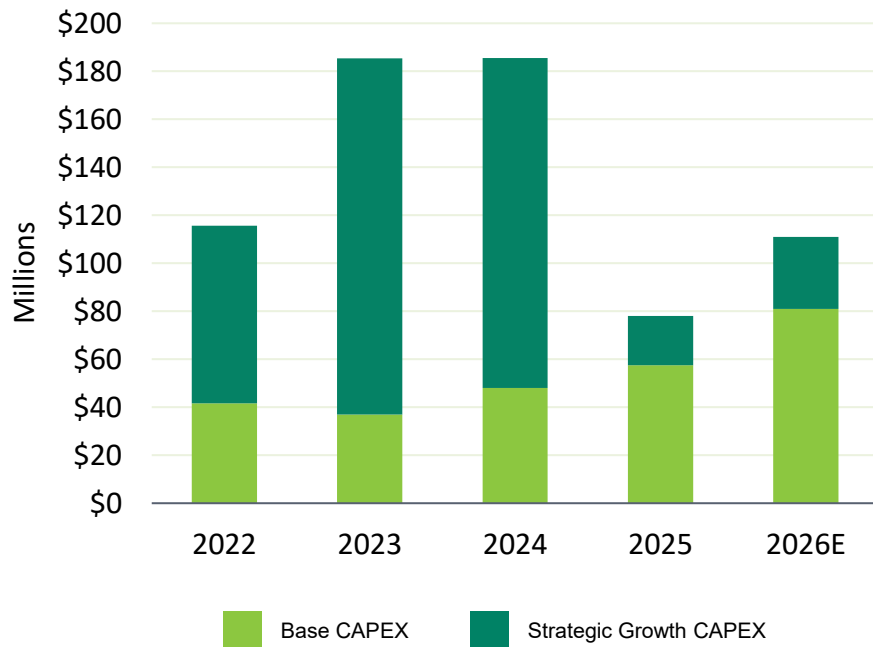
BALANCE SHEET

(Million CAD\$, unless otherwise noted)	Q4 2025	Q3 2025	Q4 2024
Cash	196.1	149.1	119.5
Current Portion of Long-term Debt	98.6	97.9	54.2
Long-term Debt	1,074.1	1,083.5	1,180.5
Net Debt	976.6	1,032.3	1,115.2
LTM Adjusted EBITDA ¹	318.2	300.8	264.8
Net Debt/LTM Adjusted EBITDA¹	3.1x	3.4x	4.2x

- Net debt decreased by \$55.7 million on a sequential basis
- Leverage declined to 3.1x on lower net debt and higher LTM Adjusted EBITDA

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

CAPITAL EXPENDITURES



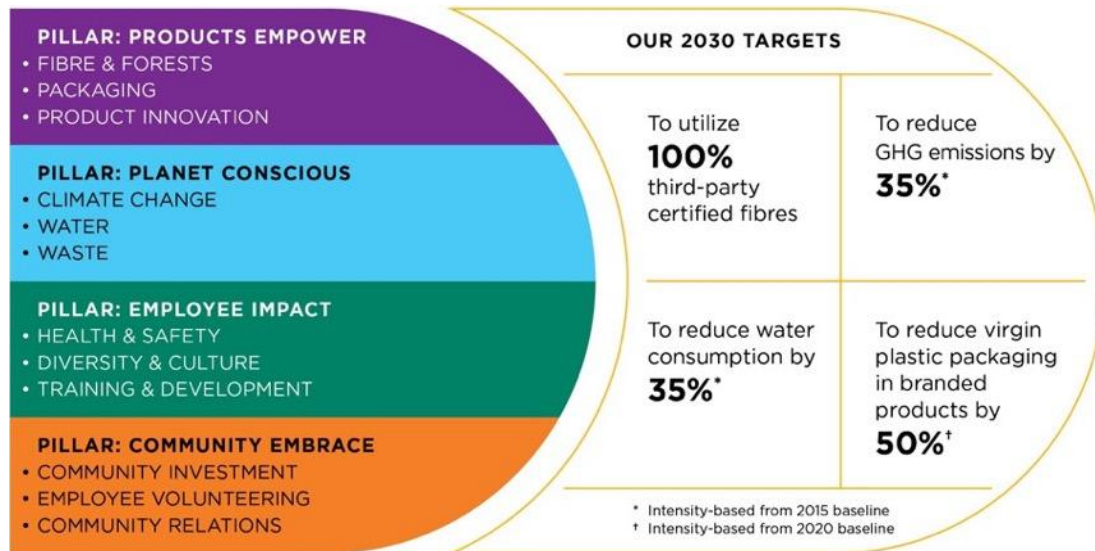
- Q4 2025 CAPEX totaled \$33.4M, including \$1.3M related to the Sherbrooke Expansion Project
- Total 2025 CAPEX reached \$78.0M
- Anticipating \$100M-\$120M in CAPEX for 2026, driven by strategic projects



KEY TARGETS TO ACHIEVE BY 2030

SUSTAINABILITY FOCUS

REIMAGINE
2030
TRANSFORMATIVE GROWTH
SUSTAINABLE INNOVATION



CPP CANADA
PLASTICS
PACT

BEST 50 2025
CANADA'S BEST CORPORATE CITIZENS

Private25 2025
Most Sustainable Corporations in the World



ACCELERATING GROWTH

- Preparing for new TAD tissue plant in 2028
- Managing margins amid volatile economic environment
- Investing in operations to increase efficiency and capacity
- Driving long-term brand share
- AFH has built a sustainable business model
- Developing organizational capability to strengthen adaptability and resiliency



THANK YOU

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