



DRIVING
GROWTH AND MARGINS



Q4 2024 FINANCIAL RESULTS

March 5, 2025



FORWARD-LOOKING STATEMENTS

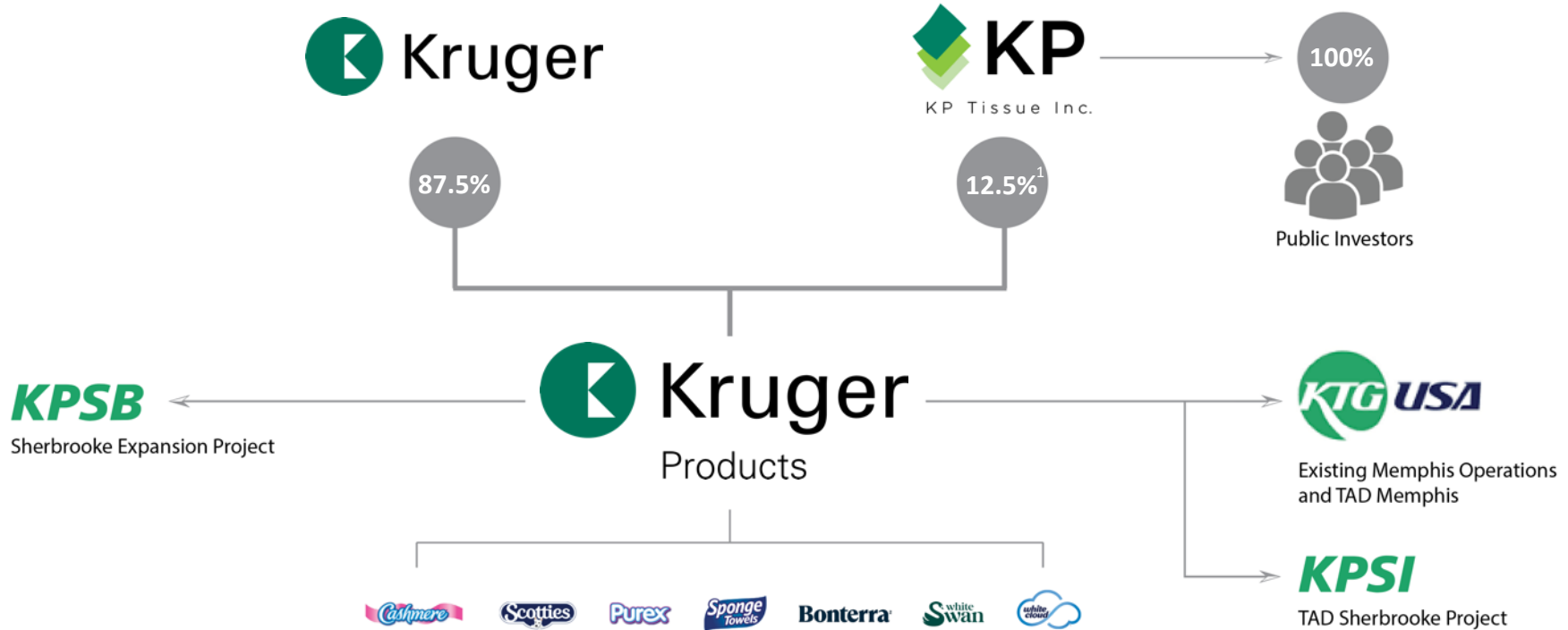
Certain statements in this presentation about KPT's and Kruger Products' current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Forward-looking statements 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 5, 2025 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'
Q4 2024 financial results**

CORPORATE STRUCTURE



¹As of March 5, 2025

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**

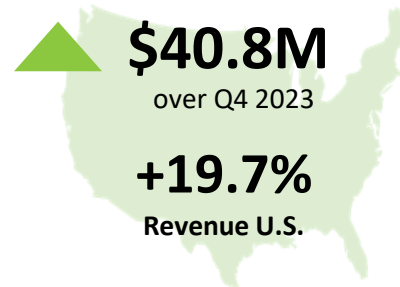
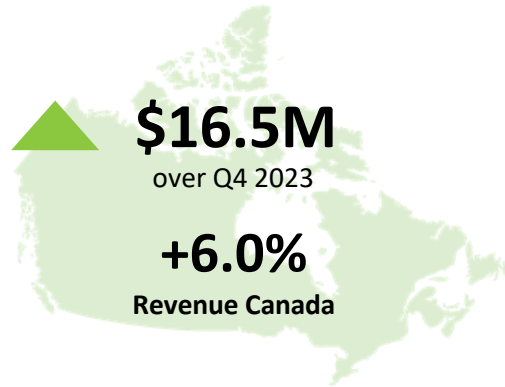
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**Winning Team &
Culture**




Q4 2024 HIGHLIGHTS

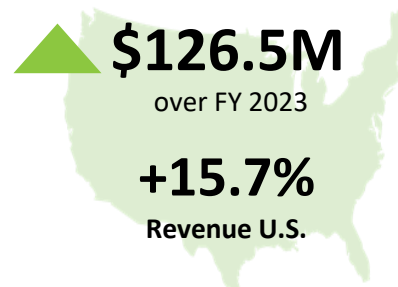
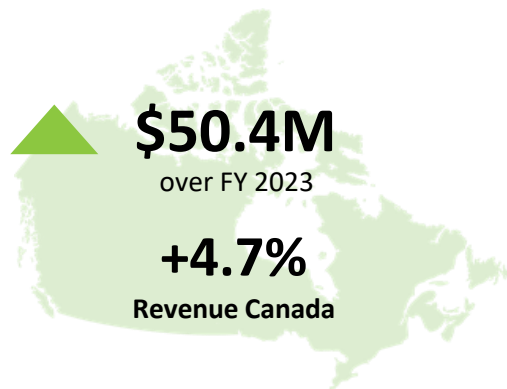
Revenue	Adjusted EBITDA ¹	Net Loss
\$539.6M ▲ 11.9% over Q4 2023	\$66.8M ▲ 9.2% over Q4 2023	(\$13.7)M ▼ (\$30.2)M over Q4 2023



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

FY 2024 HIGHLIGHTS

Revenue	Adjusted EBITDA ¹	Net Income
\$2,049.9M  9.4% over FY 2023	\$264.8M  11.0% over FY 2023	\$23.8M  \$29.1M over FY 2023



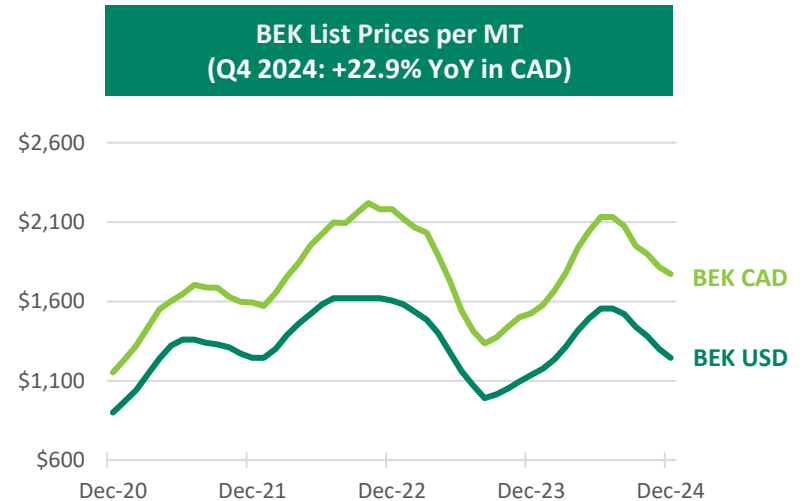
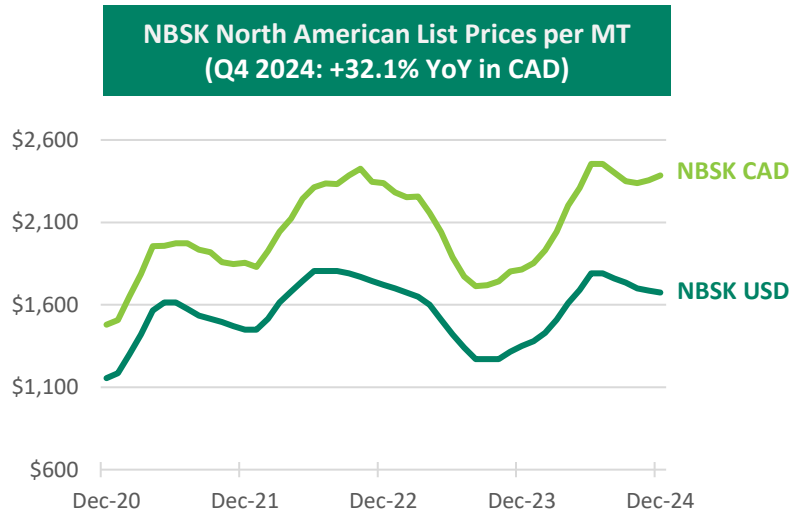
¹ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

PULP INPUT PRICES

Q4 2024 NBSK average prices¹ in CAD decreased 1.8% and BEK average prices¹ were down 10.9% from Q3 2024.

Q4 2024 NBSK average prices¹ in CAD grew 32.1% and BEK average prices¹ rose 22.9% year-over-year.

After market pulp prices² dropped sequentially in Q4 2024, industry analysts expect prices to rise again in 2025.



(CAD/USD exchange rate averaged 1.40 in Q4 2024 compared to 1.36 in Q4 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

- Overall production rates reached 2024 target, and North American demand remains strong
- New paper machine and new facial assets exceeded 2024 production targets and continue to perform well
- Solid market demand for facial tissue continues
- TAD Memphis paper machine and converting output remains favourable compared to last year
- Ongoing production increases expected in 2025



CAPACITY OUTLOOK

- After successful start-up of the new Sherbrooke tissue plant, evaluating construction of the next tissue plant
- Proposed new plant would contain state-of-the-art TAD paper machine and three converting lines
- Supports continued focus on growing the business, protecting market share, and offering high-quality tissue products to customers across North America



Cleans messes
from A to Zed,
not Zee.



MADE BY CANADIANS FOR CANADIANS

FOCUSED BRAND SUPPORT

- Investing and expanding Made in Canada positioning
- Activating Scotties Tournament of Hearts campaign
- Record engagement at 21st Cashmere Collection enhanced with live streaming and first-ever live voting
- Solid brand equity campaigns for Sponge Towels, Scotties, and Cashmere UltraLuxe Bathroom Guide
- Regional activations behind sports partnerships
- Continued distribution drive behind Scotties Ultra Soft, pocket packs as well as Holiday cubes



BRAND LEADERSHIP POSITION



Bathroom Tissue

#1

32.1%

13.7%

12.2%



Facial Tissue

#1

45.0%

19.6%

0.5%



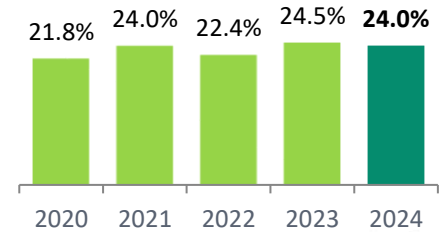
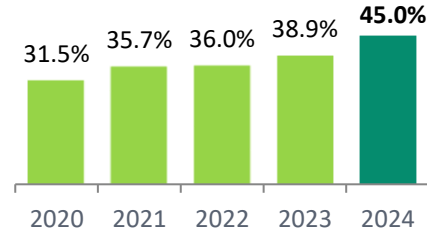
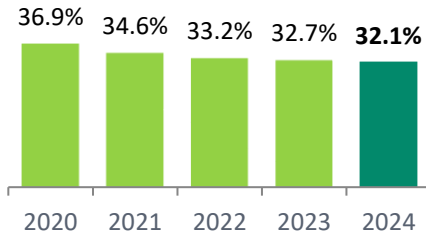
Paper Towel

#2

24.0%

9.2%

33.8%



Source: Nielsen Canadian dollar market share for 52-week period. Data for 2024 represents market share from latest 12 months ended December 28, 2024.



AFH SEGMENT



- Sales volume down slightly from Q4 2023 and prior quarter
- Continued strong orders, coupled with challenges in paper supply, hampered order fulfillment
- Sherbrooke paper machine will provide internal paper and reduce external requirements
- Rebranding AFH to *Kruger PRO* and leveraging strong consumer brands in this channel
- Full-year results provide solid foundation for future growth

QUARTERLY FINANCIAL SUMMARY

(Million CAD\$, unless otherwise noted)	Q4 2024	Q3 2024	Q4 2023	% Change	
				Y/Y	Q/Q
Revenue	539.6	521.1	482.3	11.9%	3.6%
Cost of Sales	459.3	437.3	400.5	14.7%	5.0%
Gross Profit	80.3	83.8	81.8	(1.8)%	(4.2)%
Gross Margin	14.9%	16.1%	17.0%		
Adjusted EBITDA¹	66.8	65.7	61.2	9.2%	1.7%
Adjusted EBITDA Margin ¹	12.4%	12.6%	12.7%		
Net Income (Loss)	(13.7)	18.0	16.5		
Net Income (Loss) Margin	(2.5)%	3.5%	3.4%		

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)	Q4 2024	Q3 2024	Q4 2023	% Change	
				Y/Y	Q/Q
Segment Revenue					
Consumer	452.7	429.2	400.9	12.9%	5.5%
AFH	86.9	91.9	81.4	6.8%	(5.4)%
Total Segment Revenue	539.6	521.1	482.3	11.9%	3.6%
Segment Adjusted EBITDA¹					
Consumer	64.0	62.4	59.8	6.9%	2.5%
AFH	4.6	6.6	5.7	(19.2)%	(30.0)%
Corporate and other costs	(1.8)	(3.3)	(4.3)		
Total Segment Adjusted EBITDA¹	66.8	65.7	61.2	9.2%	1.7%
Segment Adjusted EBITDA Margin¹					
Consumer	14.1%	14.5%	14.9%		
AFH	5.3%	7.2%	7.0%		
Total Segment Adjusted EBITDA Margin¹	12.4%	12.6%	12.7%		

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

Q4 2024 REVENUE COMPARED TO Q4 2023

\$57.3M

Q4 2024 Revenue increase



11.9%

over Q4 2023

Increase primarily due to:

- Higher sales volume
- Favourable selling prices in Canada
- Positive FX impact on U.S. dollar sales

Geographic revenue segmentation



\$16.5M

over Q4 2023

+6.0%

Revenue Canada



\$40.8M

over Q4 2023

+19.7%

Revenue U.S.

Q4 2024 ADJUSTED EBITDA¹ COMPARED TO Q4 2023

\$5.6M

Q4 2024 Adjusted EBITDA¹ increase



9.2%

over Q4 2023

Adjusted EBITDA Margin¹

12.4%



Q4 2024

12.7%



Q4 2023

\$66.8M in Q4 2024 compared to \$61.2M in Q4 2023

Increase primarily due to the following factors:

- Higher sales volume
- Increased selling prices
- Decreased marketing and SG&A expenses

Partially offset by:

- Higher pulp prices
- Additional outsourcing activity
- Greater freight and warehousing costs

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

Q4 2024 REVENUE COMPARED TO Q3 2024

\$18.5M

Q4 2024 Revenue increase



3.6%

over Q3 2024

Sequential increase primarily due to:

- Increase in selling prices
- Higher Consumer segment volume
- Positive FX impact on U.S. dollar sales



\$9.2M

over Q3 2024

+3.2%

Revenue Canada



\$9.3M

over Q3 2024

+3.9%

Revenue U.S.

Q4 2024 ADJUSTED EBITDA¹ COMPARED TO Q3 2024

\$1.1M

Q4 2024 Adjusted EBITDA¹ increase



1.7%
over Q3 2024

Adjusted EBITDA Margin¹

12.4%



Q4 2024

12.6%



Q3 2024

\$66.8M in Q4 2024 compared to \$65.7M in Q3 2024

Sequential increase primarily due to:

- Favourable selling prices
- Lower SG&A expenses
- Improved sales mix

Partially offset by:

- Higher manufacturing overhead costs
- Greater freight and warehousing costs

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

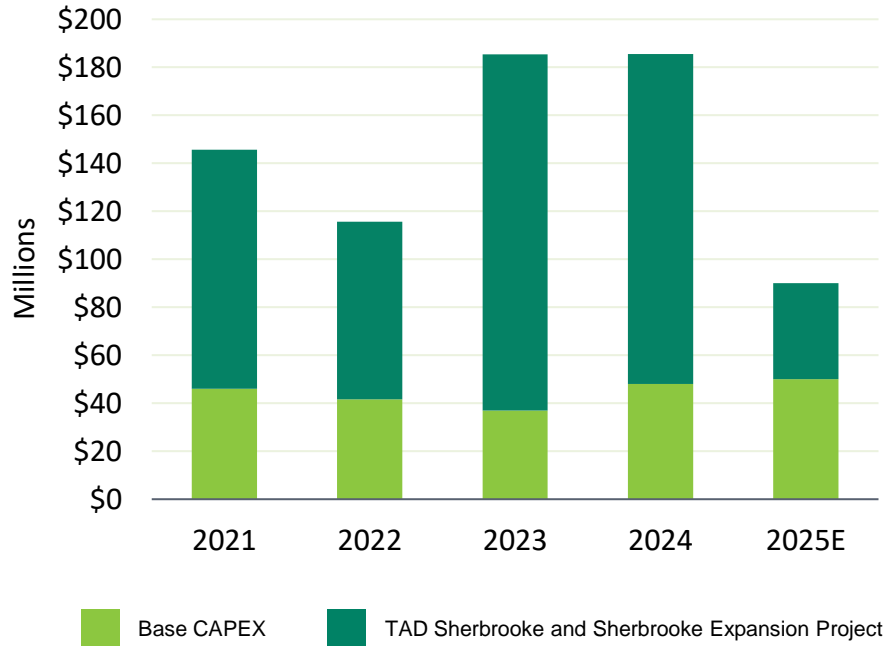
BALANCE SHEET

(Million CAD\$, unless otherwise noted)	Q4 2024	Q3 2024	Q4 2023
Cash	119.5	111.2	135.7
Current Portion of Long-term Debt	54.2	169.9	35.2
Long-term Debt	1,180.5	997.5	1,034.0
Net Debt	1,115.2	1,056.2	933.5
LTM Adjusted EBITDA ¹	264.8	259.3	238.6
Net Debt/LTM Adjusted EBITDA¹	4.2x	4.1x	3.9x

- Net debt increased by \$59.0 million on a sequential basis
- Leverage rose slightly to 4.2x on increased net debt, partially offset by 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 2024 CAPEX totaled \$48.1 million, including \$16.1 million related to the Sherbrooke Expansion Project
- Total 2024 CAPEX was \$185.5 million
- Anticipating \$40-\$60 million in 2025 CAPEX, excluding the 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

- Expecting continued strong growth in U.S. sales
- Managing tariff disruptions, while leveraging Made in Canada consumer sentiment
- Pricing expected to offset market 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 and implementing rebranding
- Developing organizational capability to strengthen adaptability and resiliency





**THANK
YOU**

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