



DRIVING
GROWTH AND MARGINS



Q1 2025 FINANCIAL RESULTS

May 14, 2025



FORWARD-LOOKING STATEMENTS

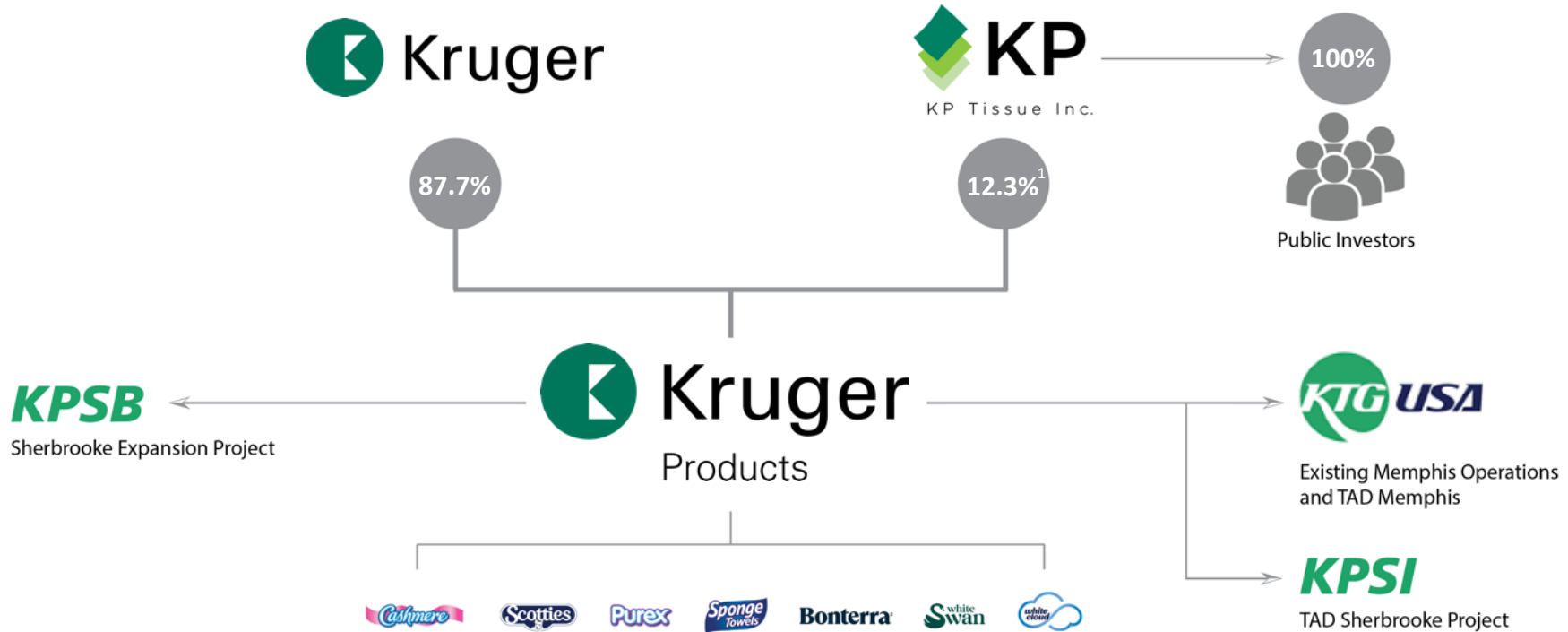
Certain statements in this presentation about KPT's and Kruger Products' current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Forward-looking statements 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'
Q1 2025 financial results**

CORPORATE STRUCTURE



¹As of May 14, 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**

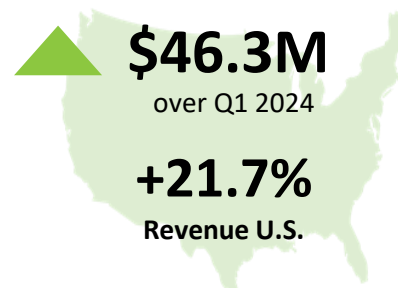
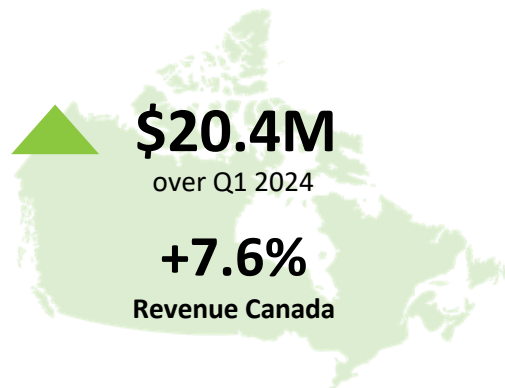
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**Winning Team &
Culture**

Q1 2025 HIGHLIGHTS

Revenue	Adjusted EBITDA ¹	Net Income
\$546.1M  13.9% over Q1 2024	\$75.8M  12.9% over Q1 2024	\$15.4M  \$6.4M over Q1 2024



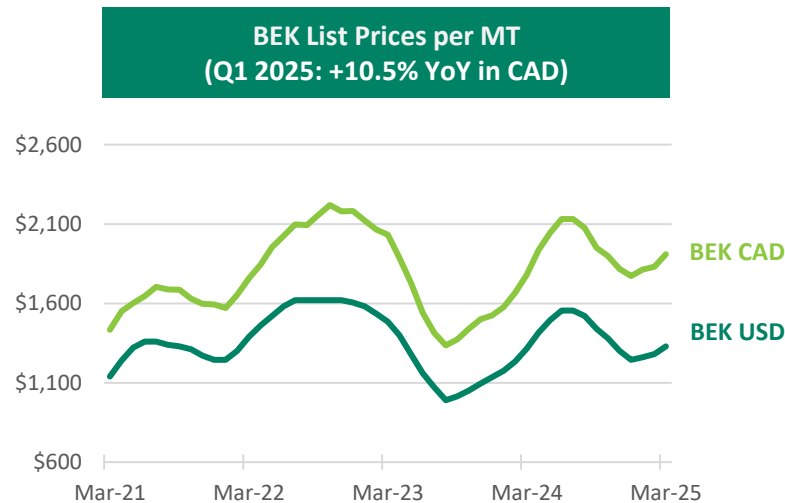
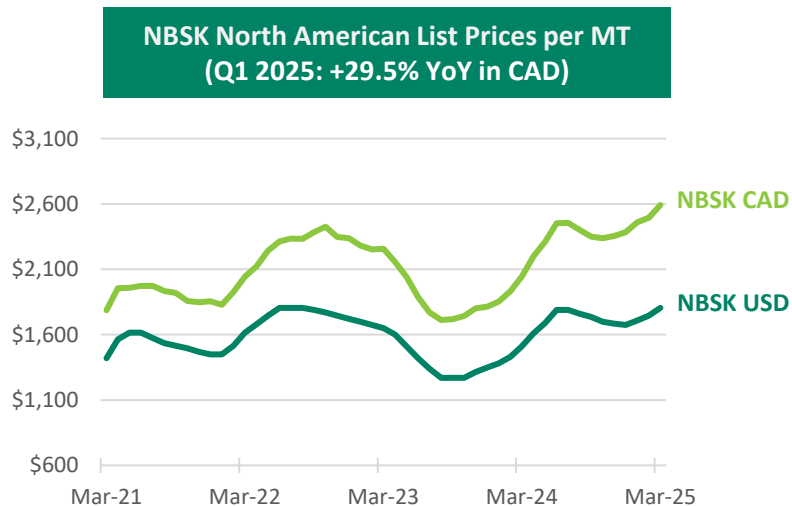
¹ Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

PULP INPUT PRICES

Q1 2025 NBSK average prices¹ in CAD increased 6.6%, while BEK average prices¹ were up 1.2% from Q4 2024.

Q1 2025 NBSK average prices¹ in CAD grew 29.5% and BEK average prices¹ rose 10.5% year-over-year.

Market pulp prices² increased significantly in Q1 2025 and industry analysts expect volatility due to uncertain trade environment.



(CAD/USD exchange rate averaged 1.44 in Q1 2025 compared to 1.35 in Q1 2024)

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

- Production rates exceeded forecasts in Q1 2025
- North American demand remains strong
- New LDC paper machine and facial converting assets surpassing start-up expectations
- TAD paper machine and converting output remains strong year-over-year
- Production increases expected for rest of the year as new assets reach maturity curve





FOCUSED BRAND SUPPORT

- Continued focus on Made In Canada positioning across all trademark brands
- Investments behind brand-specific campaigns for Bonterra, Scotties and SpongeTowels, both TV and digital to drive top-of-mind awareness
- Launch of new Bonterra “Driving Good Together” contest in partnership with Volkswagen and new electric ID. Buzz microbus
- Fifth year of Kruger Big Assist program making hockey more accessible to Canadian families
- In-market activations with Toronto Maple Leafs, Montreal Canadiens and NHL



BRAND LEADERSHIP POSITION¹



Bathroom Tissue

#1
32.1%

13.7%

12.1%



Facial Tissue

#1
45.0%

19.2%

0.3%

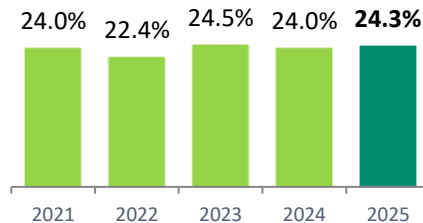
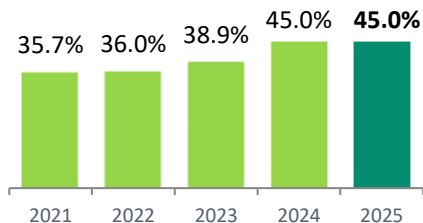
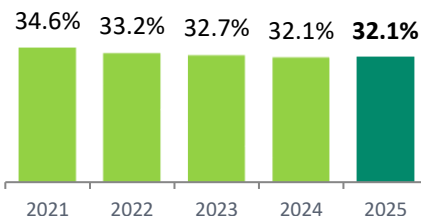


Paper Towel

#2
24.3%

8.7%

33.9%



¹Data for 2021 to 2024 represents Nielsen Canadian dollar market share for 52-week period ended December 31.

²Data for 2025 represents Nielsen Canadian dollar market share for 52-week period ended March 22, 2025.

AFH SEGMENT



- Volume increased in Q1 2025 year-over-year, and decreased sequentially due to seasonality
- Although orders remained strong, customer communication focused on potential tariffs impact
- Profitability decreased year-over-year due to external purchased products and paper
- Successful startup of Sherbrooke paper machine to satisfy paper requirements and improve margins starting Q2 2025
- Launching Cashmere and Scotties brands for commercial market in June

QUARTERLY FINANCIAL SUMMARY

(Million CAD\$, unless otherwise noted)	Q1 2025	Q4 2024	Q1 2024	% Change	
				Y/Y	Q/Q
Revenue	546.1	539.6	479.4	13.9%	1.2%
Cost of Sales	451.0	459.3	394.0	14.5%	(1.8)%
Gross Profit	95.1	80.3	85.4	11.4%	18.4%
Gross Margin	17.4%	14.9%	17.8%		
Adjusted EBITDA¹	75.8	66.8	67.1	12.9%	13.5%
Adjusted EBITDA Margin ¹	13.9%	12.4%	14.0%		
Net Income (Loss)	15.4	(13.7)	9.0		
Net Income (Loss) Margin	2.8%	(2.5)%	1.9%		

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)	Q1 2025	Q4 2024	Q1 2024	% Change	
				Y/Y	Q/Q
Segment Revenue					
Consumer	465.2	452.7	404.3	15.1%	2.8%
AFH	80.9	86.9	75.1	7.7%	(6.9)%
Total Segment Revenue	546.1	539.6	479.4	13.9%	1.2%
Segment Adjusted EBITDA¹					
Consumer	76.1	64.0	62.6	21.4%	18.9%
AFH	2.8	4.6	7.8	(64.1)%	(39.6)%
Corporate and other costs	(3.1)	(1.8)	(3.3)		
Total Segment Adjusted EBITDA¹	75.8	66.8	67.1	12.9%	13.5%
Segment Adjusted EBITDA Margin¹					
Consumer	16.3%	14.1%	15.5%		
AFH	3.4%	5.3%	10.3%		
Total Segment Adjusted EBITDA Margin¹	13.9%	12.4%	14.0%		

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

Q1 2025 REVENUE COMPARED TO Q1 2024

\$66.7M

Q1 2025 Revenue increase



13.9%

over Q1 2024

Increase primarily due to:

- Higher Consumer segment volume
- Favourable selling prices across both segments
- Positive FX impact on U.S. dollar sales

Geographic revenue segmentation



\$20.4M

over Q1 2024

+7.6%

Revenue Canada



\$46.3M

over Q1 2024

+21.7%

Revenue U.S.

Q1 2025 ADJUSTED EBITDA¹ COMPARED TO Q1 2024

\$8.7M

Q1 2025 Adjusted EBITDA¹ increase



12.9%
over Q1 2024

Adjusted EBITDA Margin¹

13.9%



Q1 2025

14.0%



Q1 2024

\$75.8M in Q1 2025 compared to \$67.1M in Q1 2024

Increase primarily due to:

- Higher sales volume
- Increased selling prices
- Lower manufacturing overhead costs

Partially offset by:

- Higher pulp prices
- Greater freight costs and higher warehousing costs
- Increased SG&A expenses

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

Q1 2025 REVENUE COMPARED TO Q4 2024

\$6.5M

Q1 2025 Revenue increase



1.2%

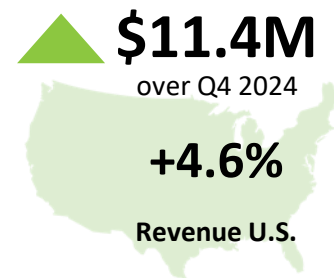
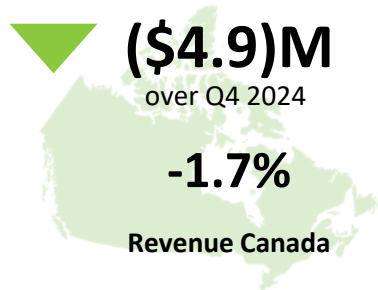
over Q4 2024

Sequential increase primarily due to:

- Higher Consumer segment volume
- Positive FX impact on U.S. dollar sales

Partially offset by:

- Lower selling prices



Q1 2025 ADJUSTED EBITDA¹ COMPARED TO Q4 2024

\$9.0M

Q1 2025 Adjusted EBITDA¹ increase



13.5%

over Q4 2024

Adjusted EBITDA Margin¹

13.9%



Q1 2025

12.4%



Q4 2024

\$75.8M in Q1 2025 compared to \$66.8M in Q4 2024

Sequential increase primarily due to:

- Lower manufacturing overhead costs
- Increased sales volume

Partially offset by:

- Increased SG&A expenses
- Lower selling prices
- Greater freight costs and higher warehousing costs

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

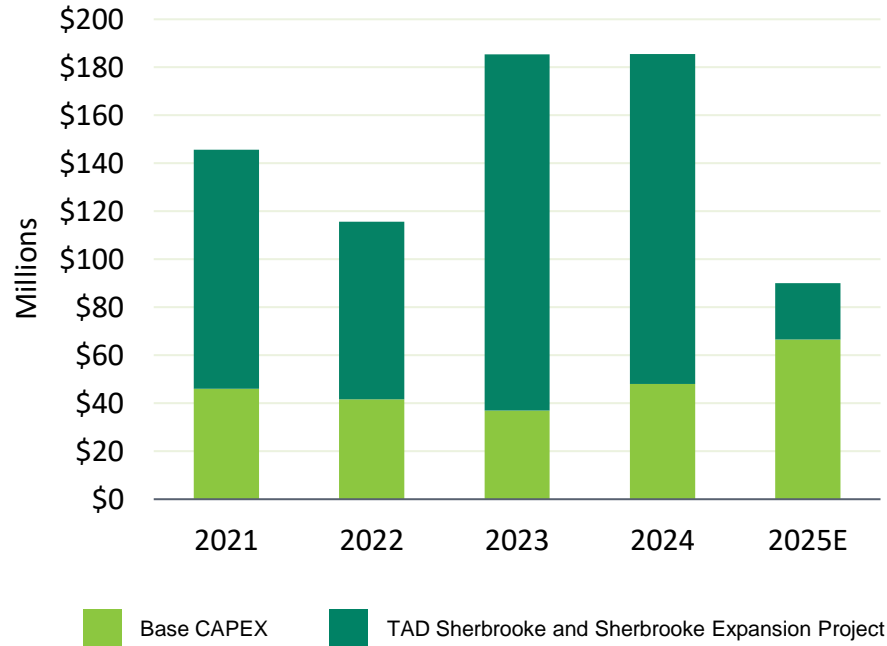
BALANCE SHEET

(Million CAD\$, unless otherwise noted)	Q1 2025	Q4 2024	Q1 2024
Cash	141.8	119.5	117.1
Current Portion of Long-term Debt	61.0	54.2	41.1
Long-term Debt	1,186.7	1,180.5	1,105.0
Net Debt	1,105.9	1,115.2	1,029.0
LTM Adjusted EBITDA ¹	273.6	264.8	255.7
Net Debt/LTM Adjusted EBITDA¹	4.0x	4.2x	4.0x

- Net debt decreased by \$9.3 million on a sequential basis
- Leverage down slightly to 4.0x 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



- Q1 2025 CAPEX totaled \$17.5 million, including \$15.4 million related to Sherbrooke Expansion Project
- Anticipating \$80-\$100 million in CAPEX for 2025, including the Sherbrooke Expansion Project



KEY TARGETS TO ACHIEVE BY 2030

REIMAGINE



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



"Join us in removing barriers and making hockey accessible for more Canadians."

Join in on the assist at [KrugerBigAssist.ca](https://www.KrugerBigAssist.ca)



DRIVING GROWTH AND MARGINS

- Expecting continued strong growth in U.S. sales
- Monitoring trade environment, while leveraging Made in Canada positioning
- Managing margins amid changing cost base
- Investing in brands to drive long-term share
- Sherbrooke LDC paper machine will significantly reduce reliance on purchased paper
- AFH profitability to benefit from internal paper, while implementing rebranding
- Developing organizational capability to strengthen adaptability and resiliency



Cleans messes
from A to Zed,
not Zee.



MADE BY CANADIANS FOR CANADIANS



**THANK
YOU**

WWW.KPTISSUEINC.COM