



DRIVING
GROWTH AND MARGINS



KP Tissue Inc.

ANNUAL MEETING OF SHAREHOLDERS

June 11, 2024



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 7, 2024 available on SEDAR at www.sedar.com: 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.



AGENDA

- Opening Remarks and Introduction
 - For technical issues contact: tsxtvgminfo@tmx.com
- Call Meeting to Order, Appoint Secretary and Scrutineer
- Formal Business of Meeting
- Notice of Meeting, Quorum
- Presentation of the 2023 Financial Statements and Auditors' Report
- Election of Directors
- Re-appointment of Auditors
- Amendments to By-Law No. 3 of the Corporation
- 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

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 &
Culture**



CORPORATE HIGHLIGHTS—2023

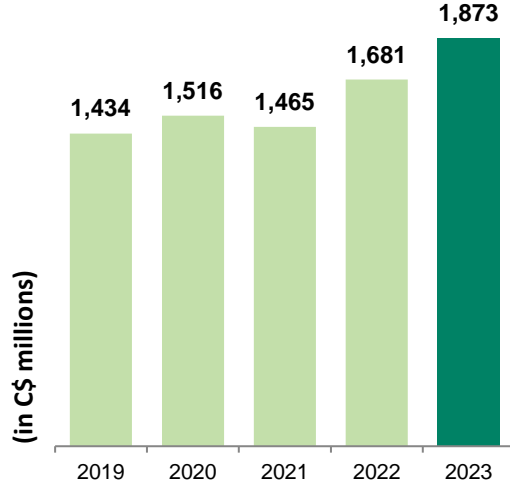
- Reported record revenue of \$1.9B and record Adjusted EBITDA⁽¹⁾ of \$238.6M
- Gained market share in facial tissue and paper towel categories within Consumer segment, while improving share trend in bathroom tissue
- Captured additional share in facial tissue due to competitor exit in Canada and strategic spending in capacity and innovation for Scotties
- AFH business continued to deliver strong profitable growth
- Invested in manufacturing capabilities at Sherbrooke and other sites
- Initiated seamless CFO transition



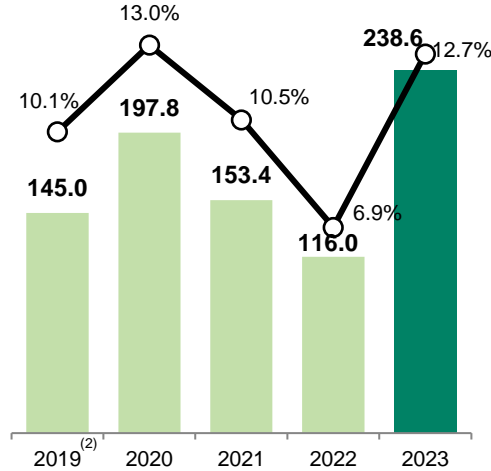
(1) Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

STRONG HISTORICAL TRACK RECORD

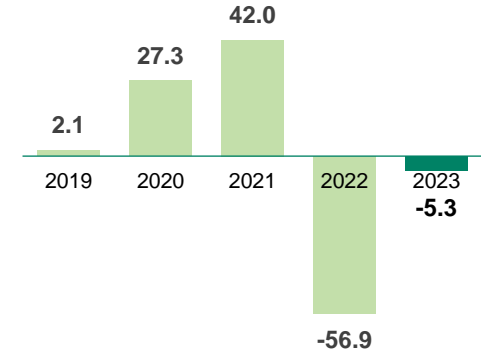
Revenue



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



Net Income (Loss)

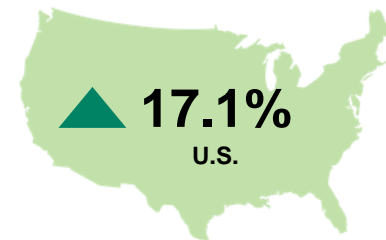
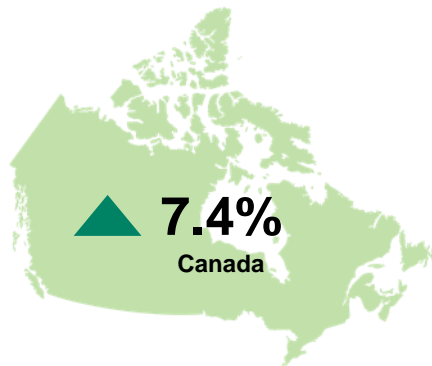


(1) Non-GAAP measure – see MD&A for the definition and reconciliation of the most comparable GAAP measure.

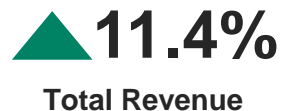
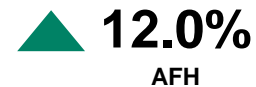
(2) Effective January 1, 2019, KPLP adopted IFRS 16 Leases, the new accounting standard covering lease accounting, using the full retrospective approach.

REVENUE SPLIT FOR 2023




By Geography

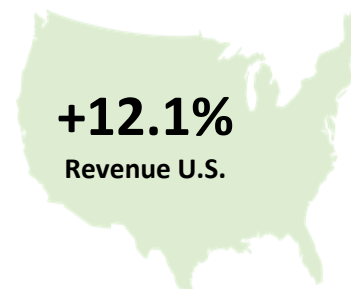
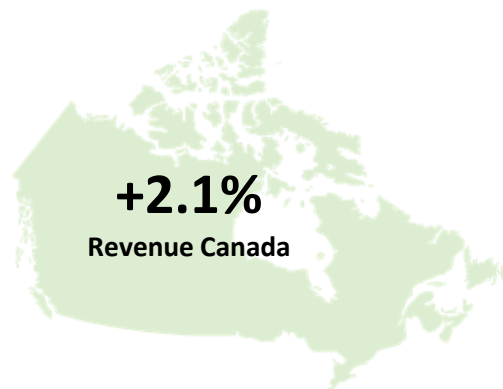


By Segment



Q1 2024 HIGHLIGHTS

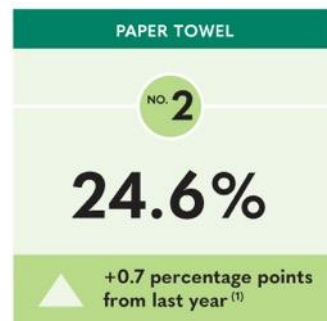
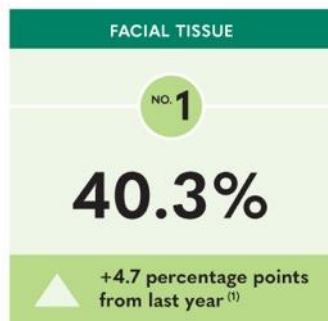
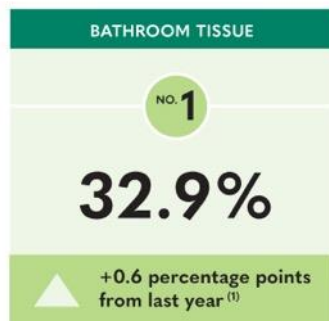
Revenue	Adjusted EBITDA ⁽¹⁾	Net Income
\$479.4 M  6.3% over Q1 2023	\$67.1 M  34.3% over Q1 2023	\$9.0 M  \$58.3 M over Q1 2023



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

MARKET LEADERSHIP

Recovering share following high inflationary period



⁽¹⁾ Source: Nielsen. Dollar market share for the 52-week period ended March 23, 2024.



BRAND SUPPORT

- Strong Q1 2024 brand support to drive awareness and share
- Multi-brand activities focused on Unapologetically Human “Love is Messy” campaign, 43rd Scotties Tournament of Hearts and Kruger Big Assist program
- Additional targeted media behind Bonterra in support of incremental customer listings
- Market-leading shopper marketing programs behind sports partnerships
- Strategic shopper investments behind White Cloud driving trial and awareness across portfolio



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AWAY-FROM-HOME

- Sustained recovery in AFH with robust EBITDA results in first quarter that improved over Q1 2023 and Q4 2023
- Volume increased in Q1 2024 from same period in 2023, but decreased sequentially due to seasonality
- AFH asset performance continues to progress and support growth in demand





SHERBROOKE EXPANSION PROJECT

- Bathroom tissue line surpassing expectations after launch in February 2023
- New facial tissue line, which started up in February 2024, ramping to plan and producing high-quality products
- Paper machine construction progressing well and expected to start production in Q4 2024
- At maturity, paper machine will increase KP's annual output by at least 60,000 MT
- Cost of project forecasted to be \$378 million





OTHER MANUFACTURING SITES

- New facial line in Gatineau supplementing Sherbrooke's facial capacity to meet North American demand
- TAD paper machine production continues to improve year-over-year in Memphis
- Converting production in Memphis also progressing with investments in operations and maintenance leadership delivering results
- Other plants generally operating at plan



BALANCE SHEET

(Million CAD\$, unless otherwise noted)	Q1 2024	Q4 2023	Q1 2023
Cash	117.1	135.7	36.9
Current Portion of Long-term Debt	41.1	35.2	34.4
Long-term Debt	1,105.0	1,034.0	1,096.1
Net Debt	1,029.0	933.5	1,093.6
LTM Adjusted EBITDA ¹	255.7	238.6	136.9
Net Debt/LTM Adjusted EBITDA¹	4.0x	3.9x	8.0x

- Net debt increased \$95.5 million sequentially due to Sherbrooke Expansion Project and higher working capital
- Leverage slightly rose to 4.0x on higher net debt despite improved LTM Adjusted EBITDA

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

2023 AWARDS



Canada's Best Managed Companies for 6th consecutive year, Gold Member



Corporate Knights' Best 50 Corporate Citizens in Canada for 6th consecutive year



Greater Toronto Area Top Employer for 11th consecutive year



Women In Governance, Bronze Level Parity Certification



Canadian Grocer 3rd Annual Impact Awards, Community Service for Kruger Big Assist

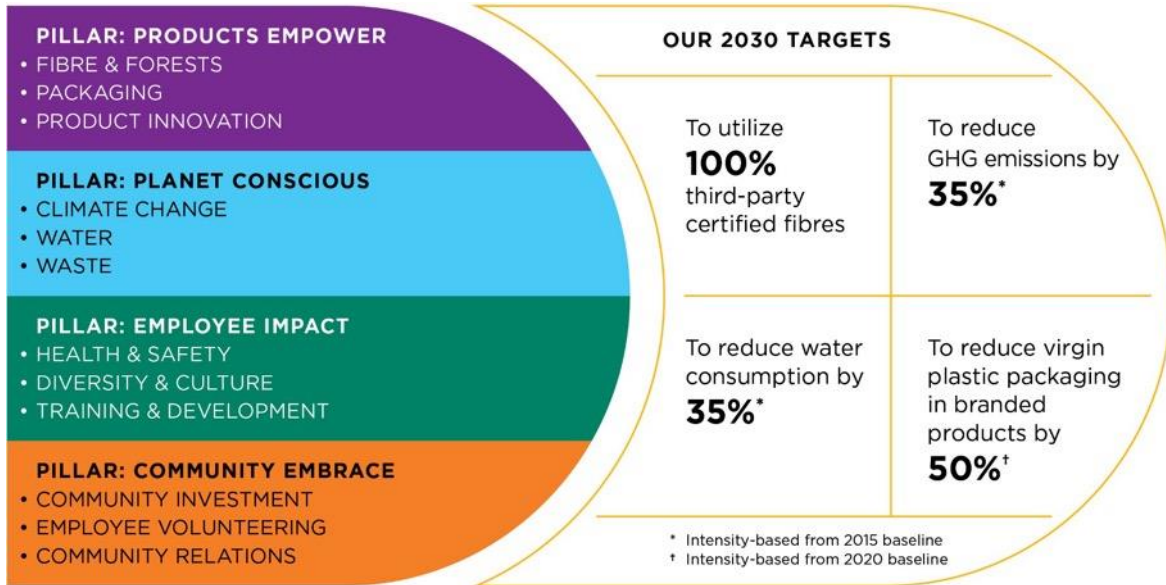


Best New Product Awards Bonterra Paper Towel, BETTER-FOR-THE-ENVIRONMENT PAPER TOWEL



SUSTAINABILITY FOCUS

KEY TARGETS TO ACHIEVE BY 2030





LOOKING AHEAD TO 2024

- Managing margins amid rising costs
- Continuing to invest in our brands
- Growing our facial tissue position
- Implementing successful start-up of Sherbrooke Expansion Project



Q&A

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