



Transcontinental Inc. Investor Relations Presentation January 2024



Notes to readers

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Standards (IFRS) and the term “dollars” as well as the symbol “\$” designate Canadian dollars. In this document, we also use non-IFRS financial measures for which a complete definition is presented below and for which a reconciliation to financial information in accordance with IFRS is presented at the end of this presentation and in Note 3 “Segmented Information” to the audited annual consolidated financial statements for the year ended October 29, 2023. These measures should be considered as a complement to financial performance measures in accordance with IFRS. They do not substitute and are not superior to them.

Forward-looking information

Our public communications often contain oral or written forward-looking statements which are based on the expectations of management and inherently subject to a certain number of risks and uncertainties, known and unknown. By their very nature, forward-looking statements are derived from both general and specific assumptions. The Corporation cautions against undue reliance on such statements since actual results or events may differ materially from the expectations expressed or implied in them. Forward-looking statements may include observations concerning the Corporation's objectives, strategy, anticipated financial results and business outlook. The Corporation's future performance may also be affected by a number of factors, many of which are beyond the Corporation's will or control. These factors include, but are not limited to the impact of digital product development and adoption as well as regulations or legislation regarding door-to-door distribution on the printing and distribution of paper flyers, inflation and recession risks, economic conditions and geopolitical uncertainty, environmental risks as well as adoption of new regulations or amendments and changes to consumption habits, the risk of an operational disruption that could be harmful to its ability to meet deadlines, the worldwide outbreak of a disease, a virus or any other contagious disease could have an adverse impact on the Corporation's operations, the ability to generate organic long-term growth and face competition, a significant increase in the cost of raw materials, the availability of those materials and energy consumption could have an adverse impact on the Corporation's activities, the ability to complete acquisitions and properly integrate them, cybersecurity, data protection, warehousing and usage, the impact of digital product development and adoption on the demand for printed products other than flyers, the failure of patents, trademarks and confidentiality agreements to protect intellectual property, a difficulty to attract and retain employees in the main operating sectors, the safety and quality of packaging products used in the food industry, bad debts from certain customers, import and export controls, duties, tariffs or taxes, exchange rate fluctuations, increase in market interest rates with respect to our financial instruments as well as availability of capital at a reasonable cost, the legal risks related to its activities and the compliance of its activities with applicable regulations, the impact of major market fluctuations on the solvency of defined benefit pensions plans, changes in tax legislation and disputes with tax authorities or amendments to statutory tax rates in force, the impact of impairment tests on the value of assets and a conflict of interest between the controlling shareholder and other shareholders. The main risks, uncertainties and factors that could influence actual results are described in the Management's Discussion and Analysis for the year ended October 29, 2023 and in the latest Annual Information Form.

Unless otherwise indicated by the Corporation, forward-looking statements do not take into account the potential impact of non-recurring or other unusual items, nor of disposals, business combinations, mergers or acquisitions which may be announced or entered into after the date of December 12, 2023. The forward-looking statements in this presentation are made pursuant to the “safe harbour” provisions of applicable Canadian securities legislation. The forward-looking statements in this presentation are based on current expectations and information available as at December 12, 2023. Such forward-looking information may also be found in other documents filed with Canadian securities regulators or in other communications. The Corporation's management disclaims any intention or obligation to update or revise these statements unless otherwise required by the securities authorities.



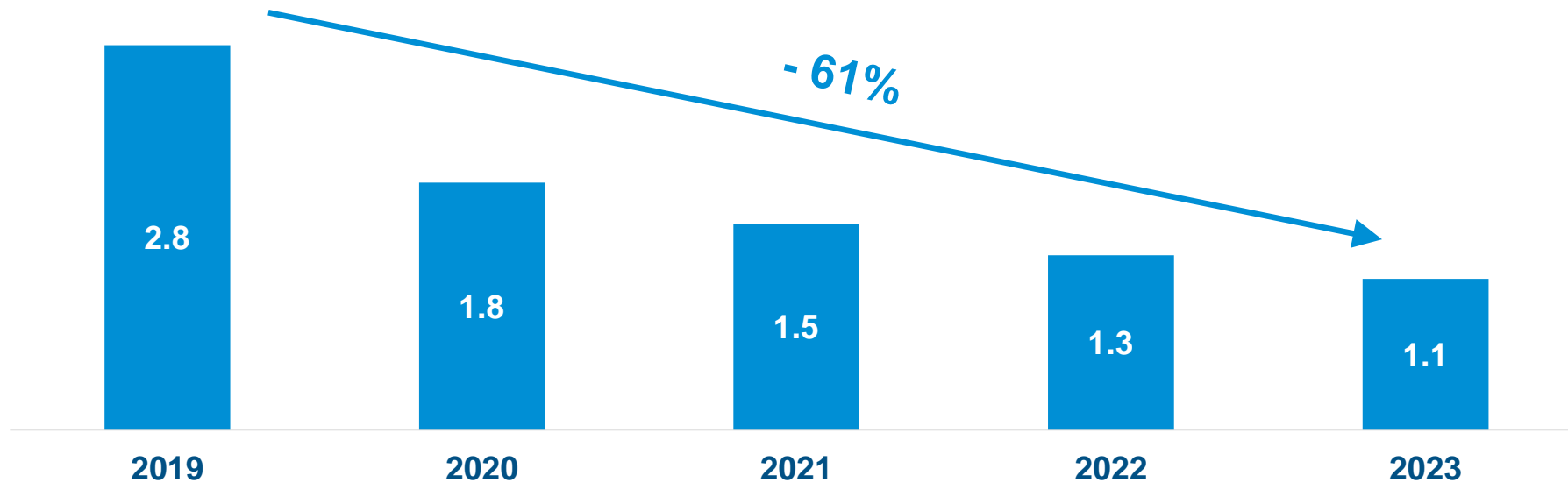
- **Company Overview**
- **Our Strategy**
- **Corporate Social Responsibility**



SAFETY

WE ARE COMMITTED TO PROVIDE A SAFE WORKSPACE FOR OUR EMPLOYEES

Total Incident Rate (TIR)



- Performing root cause analysis of each incident in order to eliminate all injury and provide a safe workspace for our employees
- Significant improvement towards our zero-injury vision

Note: TIR = (Number of recordable incidents X 200,000) / Employee total hours worked



RESILIENT INVESTMENT CASE: LONG TERM VISION & INCOME GENERATION



Diversified operations in flexible packaging, printing and education



Leadership position in most of our verticals driven by deep customer relationships



Leading commitment to sustainability and a circular economy



Resilience during economic cycles with ability to transfer higher costs from raw materials and inflation to customers



Strong and reliable cash flow and investment grade credit rating providing flexibility for future investments



Disciplined M&A strategy with track record of successful integrations, prudent balance sheet management, and post-acquisition deleveraging



Attractive dividend yield and track record of dividend growth (dividend yield at 6.7% as of January 11, 2023)



TC TRANSCONTINENTAL AT A GLANCE

- Family-controlled business founded in 1976
- Solid financial position and investment grade credit rating
- Track record of pursuing our activities responsibly recognized by stakeholders (Sustainalytics, MSCI, Corporate Knights)



\$2.9B
2023 Revenues



~8,000
Employees

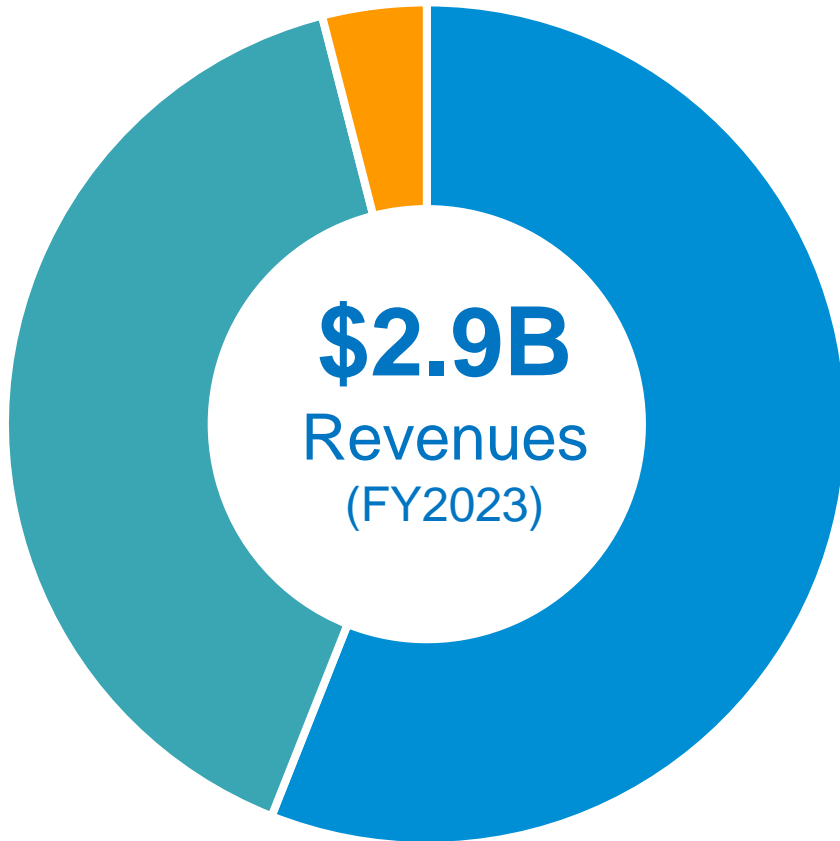


40
Production facilities



LEADER IN OUR MARKETS

Revenue composition by sector¹



tc • TRANSCONTINENTAL
PACKAGING

A leader in flexible packaging in North America

57%

tc • TRANSCONTINENTAL
PRINTING

Canada's largest printer, and one of the largest in North America

39%

tc • MEDIA

The leading Canadian French-language educational publishing group

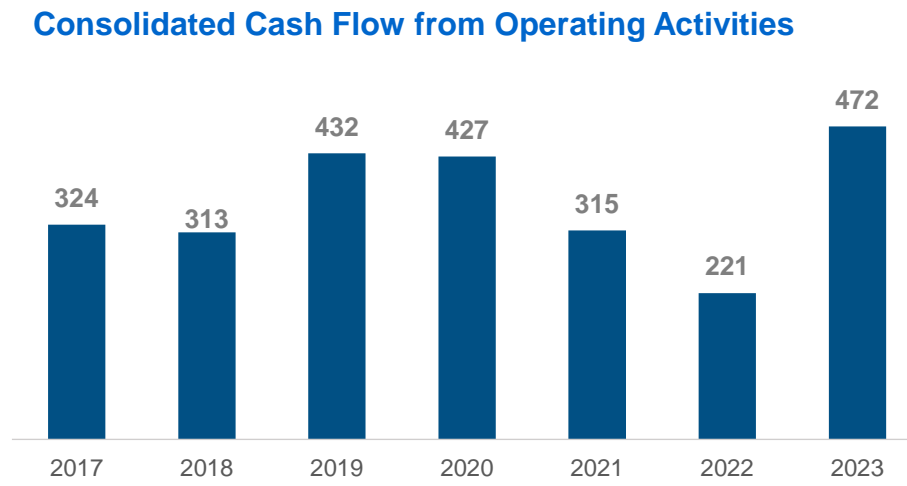
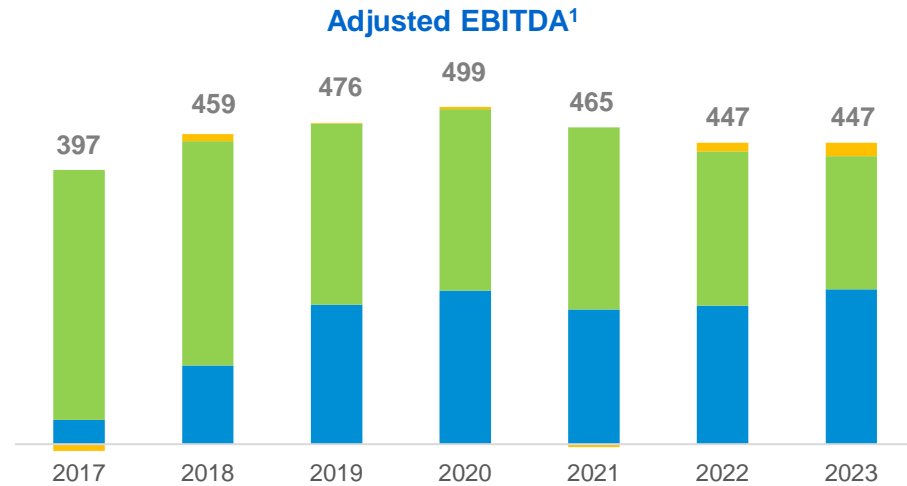
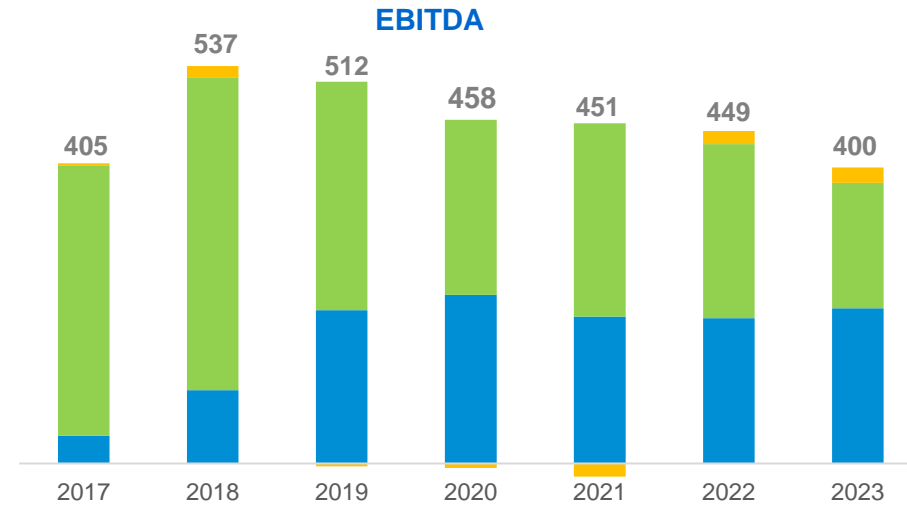
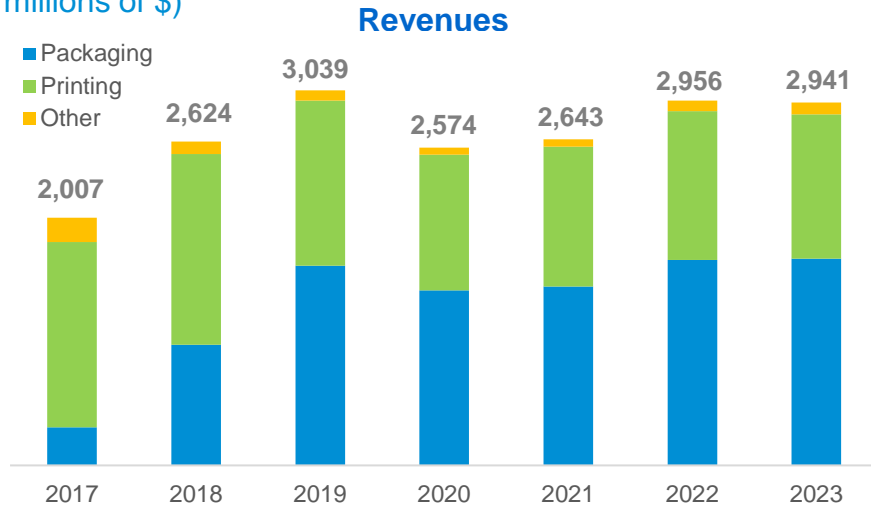
4%

1. As a percentage of revenues (excluding inter-segment eliminations).



2017-2023 PERFORMANCE HIGHLIGHTS

(in millions of \$)



~\$2.5B cash flows from operating activities generated since FY2017 (average of ~\$358M/year)

¹ Non-IFRS financial measure.

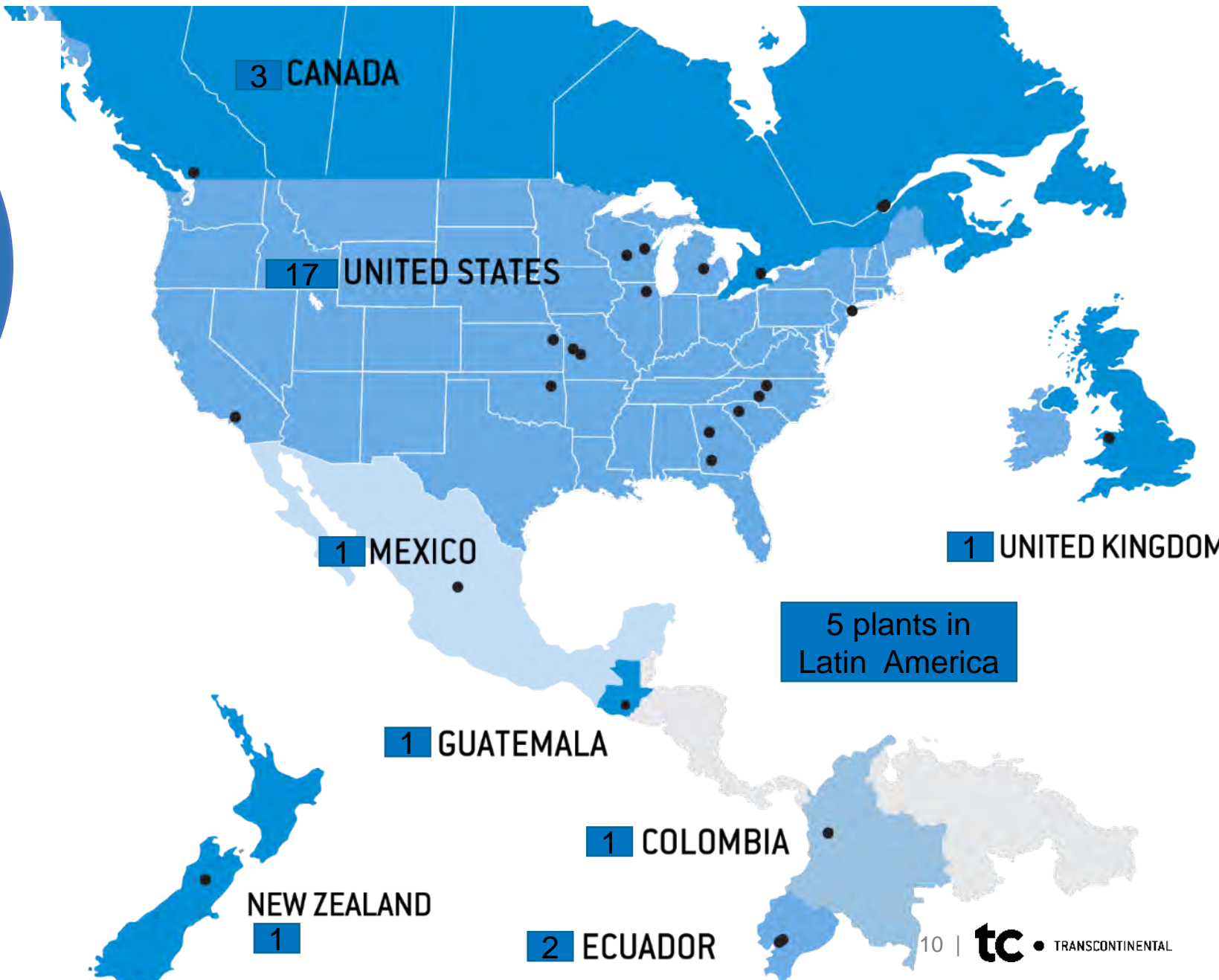
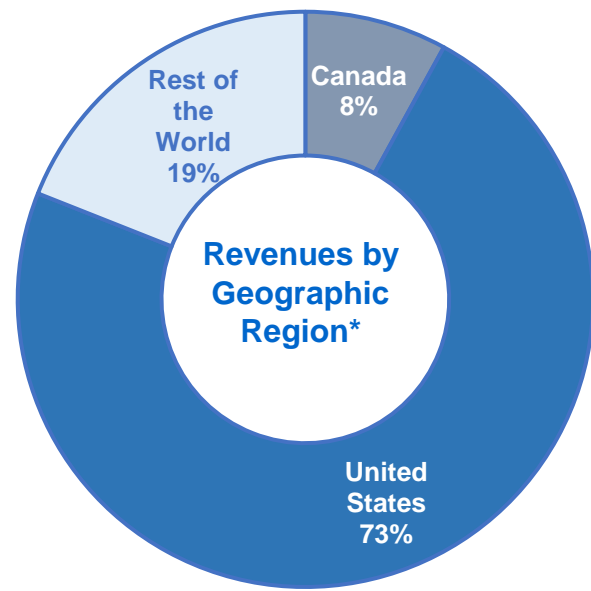


tc •

**TRANSCONTINENTAL
PACKAGING**



OUR TC PACKAGING NETWORK



FY23 Revenue: \$1.7B
Adj EBITDA: \$230M



27 plants



3,800 employees


*based on plant locations




DIVERSE PORTFOLIO OF PRODUCTS AND CUSTOMERS


Broad Array of Flexible Packaging Products


Shrink Bags and Forming Films

 Barrier Shrink Bags


 Forming films


Films and Lamination

 Shrink Films

 Form, Fill and Seal


Plastic Bags and Pouches

 Flat Bottom


 Frozen


Fruit Bags and Packaging

 Banana Treebags

 Banana Packaging


Outdoor Films and Wraps


 Sillage/ Waste Wrap

 Greenhouse Films



Diverse End-Markets

 **Consumer**

 **Dairy**

 **Agriculture**

 **Beverage**

 **Protein**

 **Pet Food**

 **Industrial**

 **Advanced Coating**





tc ●

**TRANSCONTINENTAL
PRINTING**



A STATE-OF-THE-ART NATIONAL PRINTING NETWORK

The largest printer in Canada. TC Transcontinental Printing offers innovative print solutions for flyers, in-store marketing products (ISM), newspapers, magazines and 4-colour books.



\$1.2B

2023 Revenues



~3,500

Employees



13

Production facilities

QUÉBEC: 5 plants

- Anjou
- Beauceville
- Boucherville
- LaSalle
- Saint-Hyacinthe

ONTARIO : 5 plants

- Aurora
- Brampton
- Owen Sound
- Paris
- Vaughan

ALBERTA : 1 plant

- Calgary

BRITISH COLUMBIA : 1 plant

- Vancouver

NOVA SCOTIA : 1 plant

- Halifax





PRINTING: CORE SERVICES AND PRODUCTS

1. Comprehensive Service and Product Offerings for Retailer's Marketing Strategy and Customer Experience Cycle



2. Printing



3. Niche/ Specialty Products





tc ● MEDIA



PROVIDING A RANGE OF MULTIPLATFORM PRODUCTS & SERVICES



BOOKS AND EDUCATIONAL GROUP

Publishing of educational, supplemental and trade books, as well as innovative digital educational products; distribution of specialized books.



CONSTRUCTO GROUP

Publication of strategic information for the construction sector in Québec, through its print and digital media.





- **Company Overview**
- **Our Strategy**
- **Corporate Social Responsibility**

tc. OUR LONG-TERM PLAN



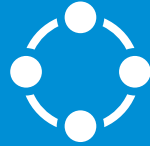
People & Culture

Cultivate a positive and inclusive work environment for our people



Transformation

Further solidify our leading position in Packaging



Diversification

Continue to diversify our offering and customer base

Priorities

- Sustain profitable organic growth
- Optimize our return on assets
- Deleverage our balance sheet
- Commercialize our sustainable products

Our Values



Performance



Respect



Innovation

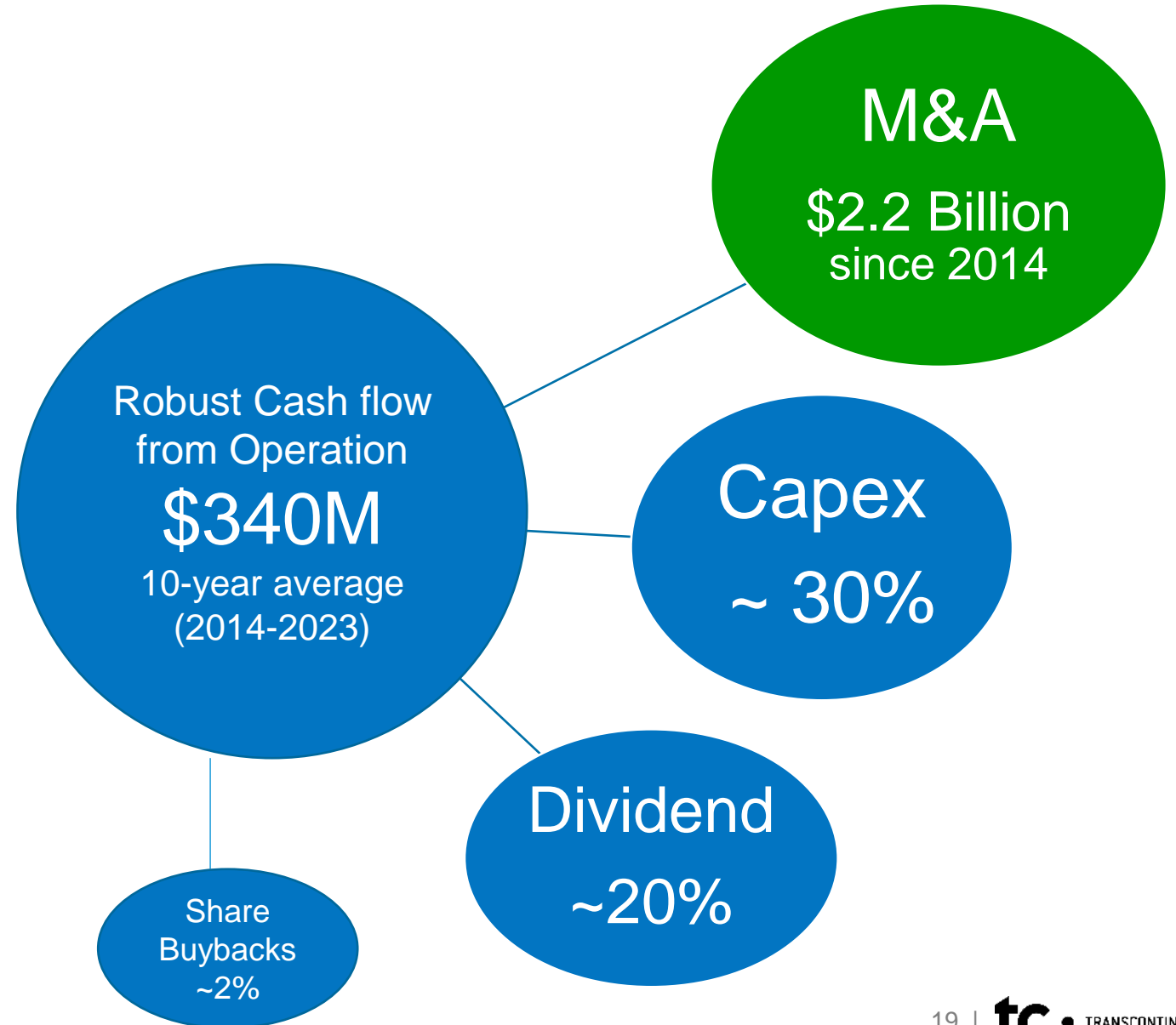


Teamwork



STRONG CASH FLOW SUPPORTING GROWTH

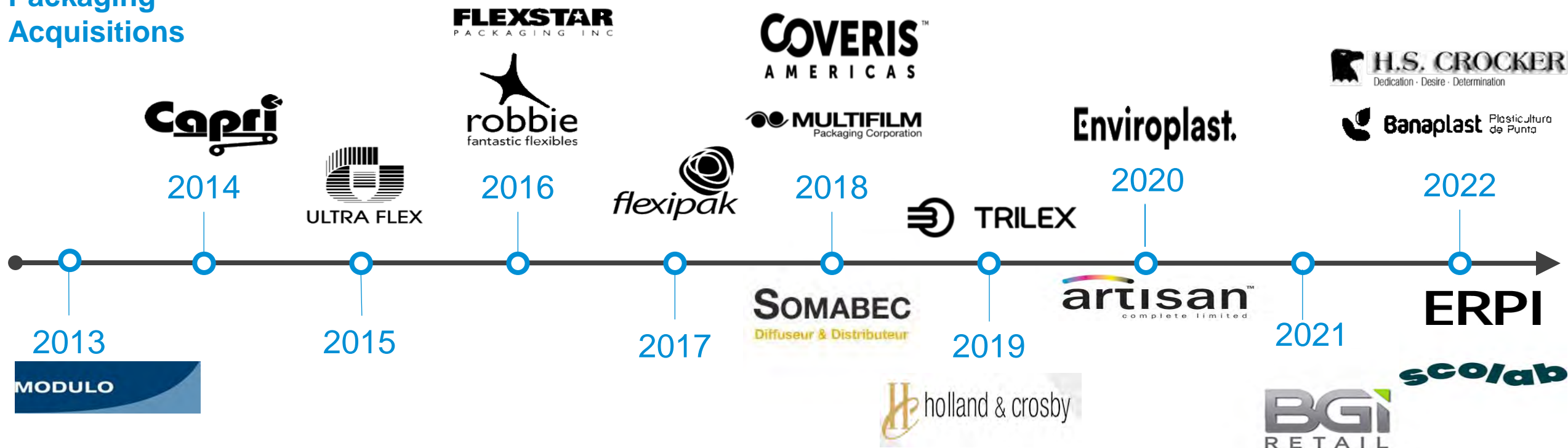
Our strategy is to use our strong and consistent cash flow generated from our traditional printing segment to grow our leadership positions in our growth segments: flexible packaging, in-store-marketing and education.





ACQUISITIONS TO TRANSITION TO GROWING MARKETS

Packaging Acquisitions

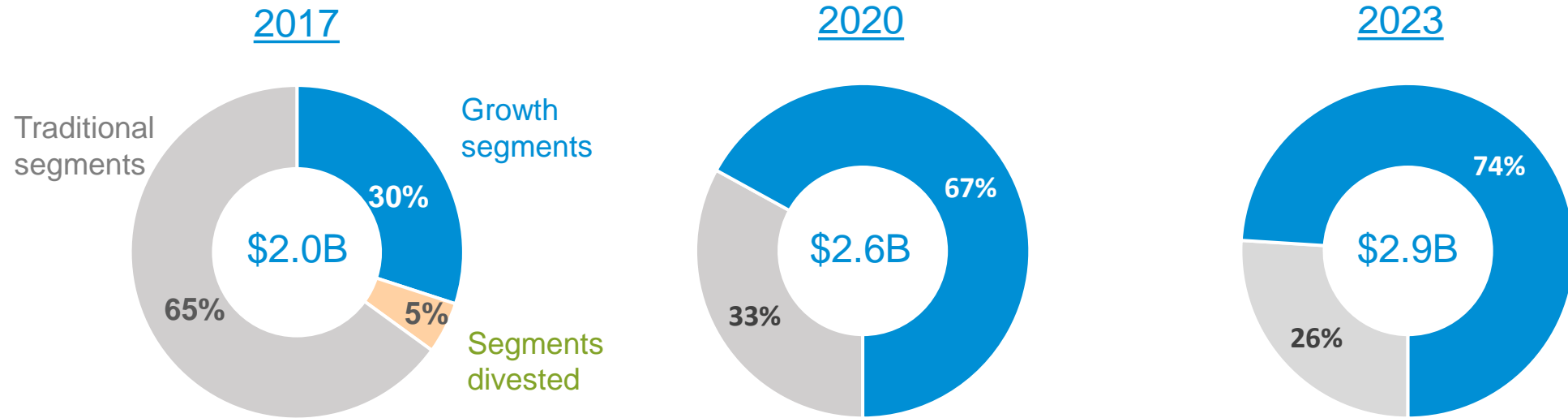


Media and ISM Acquisitions

- Invested > \$2B to build a leading North American flexible packaging platform
- Invested ~ \$200M to strengthen Media/Education and ISM growth market



SUCCESSFULLY TRANSFORMED PORTFOLIO TOWARDS ACTIVITIES WITH FAVOURABLE LONG-TERM OUTLOOK



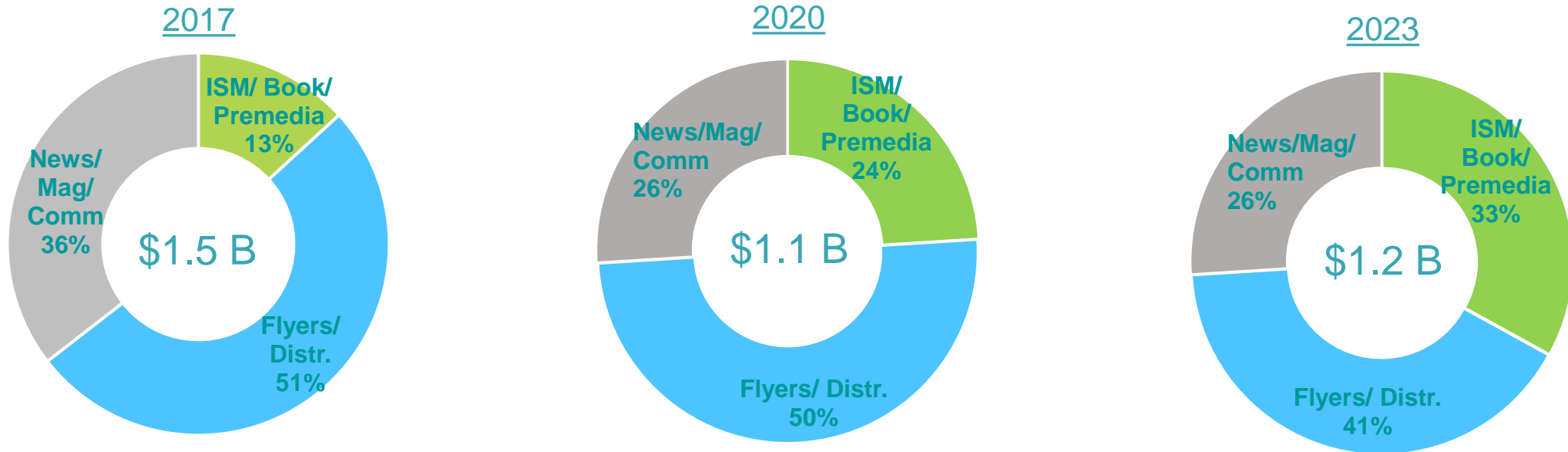
- Using strong cash flows from traditional segments to transform company by investing in activities with favourable outlook
- Leadership position in most verticals driven by deep customer relationships and long-term profitable growth outlook
- Solid balance sheet and investment grade credit rating providing flexibility for future investments

Note: Growth segments include the Packaging Sector, the Media Sector, and the In-Store Marketing (ISM), Book, and Premedia activities



DYNAMICALLY ADAPTING PRINT PORTFOLIO TO GROWTH MARKETS

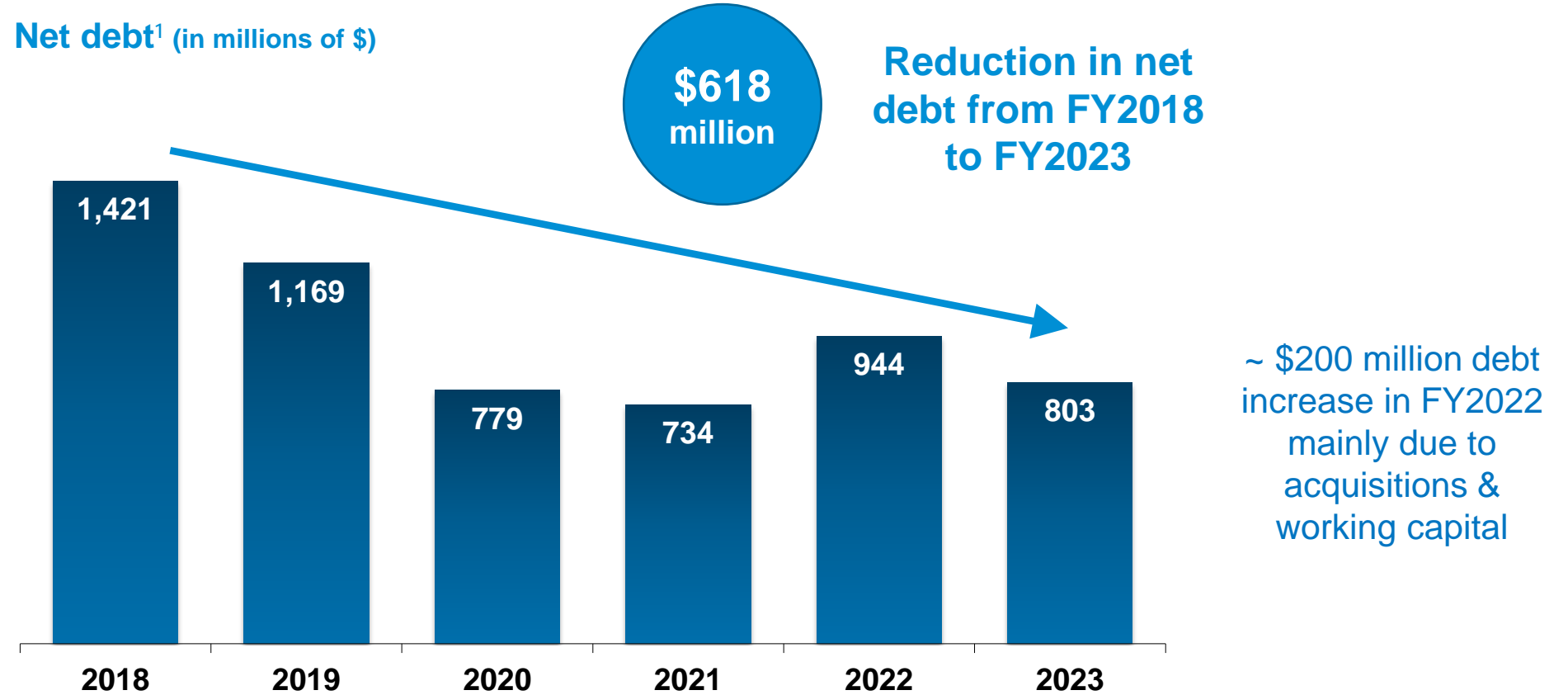
Revenues by product/market in the Printing Segment



- A growing portion of the portfolio is composed of market segments with favourable opportunities. This includes strong growth in the in-store marketing activities where revenues grew from less than \$50M in FY2017 to close to \$200M in FY2023.
- Flyers continue to generate significant revenues due to unmatched reach and return on investment for retailers. The deployment of raddar™ will also reduce risks for the printed flyers.
- Print's portfolio today is more resilient with lower exposure to Newspapers, Magazines and Commercial printing while continuing to generate strong free cash flow.



DEMONSTRATED ABILITY TO DELEVERAGE RAPIDLY USING SOLID FREE CASH FLOW



S&P and DBRS both recently reaffirmed TC's Investment Grade Rating

1. Long-term debt minus cash. Excluding the impact of IFRS 16 (lease liabilities).

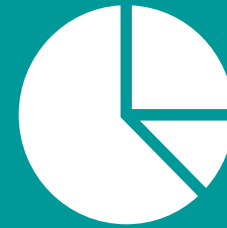


RETURNING CAPITAL TO SHAREHOLDERS



Dividend yield¹
6.7%

*Vs. a Dividend yield of ~3.2% for
the TSX composite index*



Payout Ratio²
~38%

*Dividend Supported by Strong Cash
Flow Generation and Profitability*



Growth
9.4%

*Average Annual Dividend
Growth Rate (1993-2023)*



Track Record
> 30 Years

*Distributing a Quarterly Dividend
Since 1993*

¹ Dividend yield calculated as at January 11th 2024

² Payout ratio (average 5 years) = Dividends per Share / Adj. Earnings per Share



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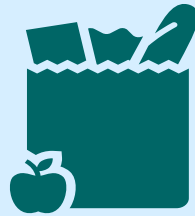


FLEXIBLE PACKAGING PLAYS A KEY ROLE IN SUSTAINABILITY



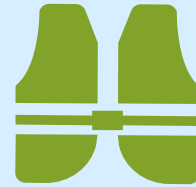
Lower environmental impact

Lower energy consumptions,
Greenhouse emissions
& Water usage



Food Waste Reduction

Extended shelf life
Barrier properties



Protects the Product & Reduces container breakage

Less Waste



Fewer Trucks for Transport

Optimizes transportation with light weight & flat shape

Flexible plastic packaging protects and extends shelf life with significantly less waste, energy use, and global warming potential



FLEXIBLE PACKAGING HAS A LOWER ENVIRONMENTAL IMPACT

Coffee Package Comparison



Water Consumption



STAND-UP FLEXIBLE POUCH

16X less than



STEEL CAN



Greenhouse Gas Emissions



STAND-UP FLEXIBLE POUCH

8X less than



STEEL CAN



Fossil Fuel Consumption



STAND-UP FLEXIBLE POUCH

5X less than



STEEL CAN



FLEXIBLE PACKAGING REDUCES FOOD WASTE

When shelf life increase, **food waste decreases**



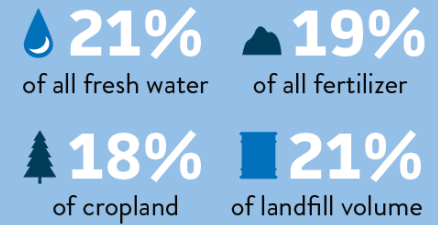
Without Flexible Packaging With Flexible Packaging

1/3 of all food produced is disposed of before it is consumed

RULE OF THUMB:

Packaging accounts for about 10% of carbon footprint of product

Food Waste Consumes



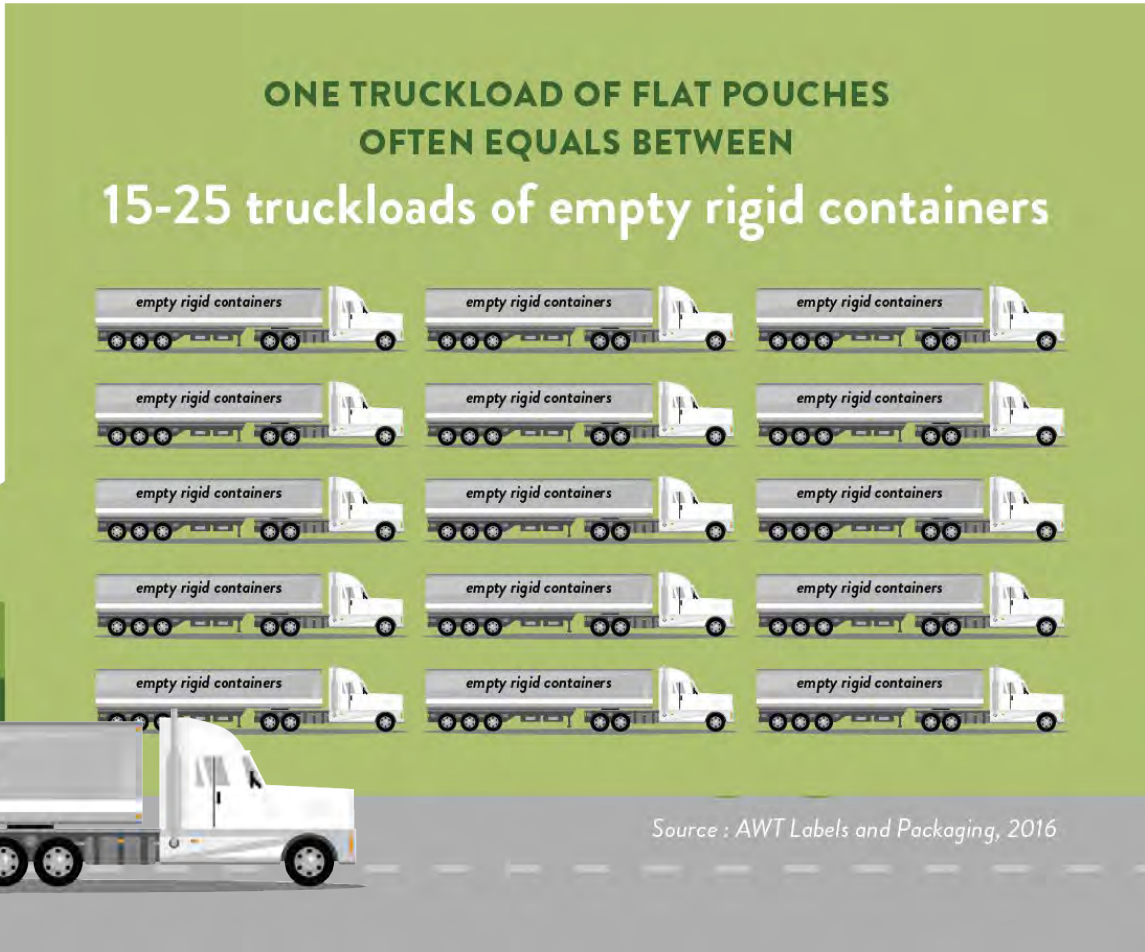
85%

Occurs downstream at consumer facing businesses and homes



FEWER TRUCKS FOR TRANSPORT

Guess how many trucks you would need to transport the same volume of rigid containers?





VIEVERTE: OUR GROWING SUSTAINABLE PACKAGING LINE

100% Recycled Ready



vieVERTe™
RECYCLE READY

- Low barrier outer bag/pouch
- Lamination-two layer
- Approved by How2Recycle for in-store drop off
- Seal-ability, machinability, and durability

Barrier Recycled Ready



vieVERTe™
RECYCLE READY

- First to commercialize barrier structure barrier
- Lamination two-layer, reverse print
- Received How2Recycle approval
- Moisture and oxygen barrier requirements met
- Maintains machine speeds
- Available with up to 15% PCR content by weight in sealant lamination layer

Compostable



vieVERTe™
COMPOSTABLE

- Leader in packaging films for compostable
- Custom engineered with customer collaboration
- BPI certified INDUSTRIAL COMPOSTABLE
- Developing film technology for HOME COMPOSTABLE
- Know how on ASTM 6400 testing requirements
- Strong relationships throughout the industry: composters, BPI, forums, universities, suppliers

PCR Shrink Films



Integritite™
RECYCLE READY

- Use of post-industrial recycled (PIR), post-consumer recycled (PCR) and FDA approved
- Maintains machine speeds
- Up to 50% PCR content by weight
- Recycle Ready



PURSuing OUR BUSINESS ACTIVITIES RESPONSIBLY

OUR EFFORTS ARE BEING RECOGNIZED BY STAKEHOLDERS.



Rated "A" by MSCI ESG Ratings for the last 6 years



Corporate Knights: Ranked 16th on the list of the 100 most sustainable corporations in the world in 2021



Included in the Top 50 of the Jantzi® Social Index in Canada



Global Commitment

Signatory of the United Nations Global Compact and of the Ellen MacArthur Foundation's New Plastics Economy Global Commitment



Committed to disclosure in the Carbon Disclosure Project since 2010



SIGNATORY OF THE UNITED NATIONS GLOBAL COMPACT

Since 2020 we have aligned our CSR objectives with those of the United Nations Sustainable Development Goals (SDGs).

Of the 17 goals established that are part of the 2030 Agenda for Sustainable Development, we are contributing to 9 of them.

SUSTAINABLE DEVELOPMENT GOALS





2025 CORPORATE SOCIAL RESPONSIBILITY PLAN



Waste Management

- Recover **100%** of non-hazardous operational waste

Greenhouse Gas Emissions

- Reduce greenhouse gas emissions by **10%**
- Publish a longer-term GHG reduction roadmap aligned with the SBTi by the end of 2023

Health & Security

- Reduce our Incident Frequency Rate each year by **3%** as we pursue our goal of « zero injury »

Diversity & Inclusion

- Maintain female representation on the Board, at Executive Committee level and in management positions with a proportion target of **35%**

Paper Procurement

- Achieve a **100%** paper sourcing from third-party certified / recycled sources

Circular Economy Plastic

- Reach an average usage rate of post-consumer recycled content of **10%** for all plastic packaging in our product portfolio
- Aim for **100%** of our plastic packaging to be reusable, recyclable or compostable

Governance & Responsible Business Practices



Responsible Procurement



Data Security



Food Safety & Roadmap



Ethics & Compliance



Risk Management



2022 CORPORATE SOCIAL RESPONSIBILITY PROGRESS REPORT

Pillar		2025 Target	2022 Result	Progress
GREENER GROWTH				
Waste management	Recover all non-hazardous operational waste	100%	93%	●
Greenhouse gas emissions	Reduce our greenhouse gas emissions in absolute terms ¹	10%	0.8%	●
	Publish a longer-term GHG reduction roadmap aligned with the Science Based Targets initiative (SBTi) by the end of 2023	SBTi commitment	Ongoing	●
INCLUSIVE AND SAFE ENVIRONMENT				
Health and safety	Reduce our Total Incident Rate (TIR) each year as we pursue our goal of "no injuries" ²	3%	23%	✔
Diversity and inclusion	Maintain female representation on the Board of Directors	35%	42%	✔
	Increase the proportion of women at Executive Management Committee level ³	35%	36%	✔
	Increase the proportion of women in management positions	35%	33%	●
	Increase the ethnic diversity of front-line supervisors ⁴	↑	Ongoing	●
	Foster a culture of inclusion through True Colors, our initiative dedicated to the LGBTQ+ community and its allies	↑	Ongoing	●
Talent	Ensure that all critical positions have an identified successor (1-3 years)	100%	Ongoing	●

Pillar		2025 Target	2022 Result	Progress
INNOVATIVE AND SUSTAINABLE PRODUCTS				
Paper procurement	Sourcing paper from third-party certified or recycled sources ⁵	100%	99%	●
Circular economy for plastic	Aim for all our plastic packaging to be reusable, recyclable or compostable ⁶	100%	48%	●
	Achieve an average usage rate of post-consumer recycled content by weight for all plastic packaging in our product portfolio ⁶	10%	1%	●
UNITED WITH OUR COMMUNITIES				
Local commitment	Invest in our communities near our sites through our employee engagement program "\$ for Doers"	↑	Ongoing	●
Donations	Provide a cumulative sum to our communities in the form of donations and sponsorships	\$5M	\$1.3M	●

✔ Achieved
 ● On track
 ● Requires further action



Contact information

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