MANAGEMENT'S DISCUSSION AND ANALYSIS

For the second quarter ended April 26, 2020

The purpose of this *Management's Discussion and Analysis* is to help the reader better understand the business, development strategy and future outlook of Transcontinental Inc., how we manage risk, as well as to analyze the Corporation's results and financial position for the second quarter ended April 26, 2020. It should be read in conjunction with the information in the unaudited condensed interim consolidated financial statements and the accompanying notes included in this report. Additional information relating to the Corporation, including its Annual Report and *Annual Information Form*, may also be obtained on SEDAR at www.sedar.com.

In this document, unless otherwise indicated, all financial data are prepared in accordance with International Financial Reporting Standards (IFRS) and the term "dollar", as well as the symbol "$" designate Canadian dollars.

In addition, in this *Management's Discussion and Analysis*, 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 in Table #3 in the section entitled "Reconciliation of Non-IFRS Financial Measures" and in Note 3 "Segmented Information" to the unaudited condensed interim consolidated financial statements for the second quarter ended April 26, 2020. 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.

Terms Used	Definitions
Adjusted revenues	Revenues before the accelerated recognition of deferred revenues (1)
Adjusted operating earnings before depreciation and amortization	Operating earnings before depreciation and amortization as well as the accelerated recognition of deferred revenues (1), restructuring and other costs (gains), impairment of assets and the reversal of the fair value adjustment of inventory sold arising from business combinations
Adjusted operating earnings margin before depreciation and amortization	Adjusted operating earnings before depreciation and amortization divided by adjusted revenues
Adjusted operating earnings	Operating earnings before the accelerated recognition of deferred revenues (1), restructuring and other costs (gains), impairment of assets, as well as amortization of intangible assets arising from business combinations and reversal of the fair value adjustment of inventory sold arising from business combinations
Adjusted operating earnings margin	Adjusted operating earnings divided by adjusted revenues
Adjusted income taxes	Income taxes before income taxes on the accelerated recognition of deferred revenues (1), restructuring and other costs (gains), impairment of assets, amortization of intangible assets arising from business combinations and reversal of the fair value adjustment of inventory sold arising from business combinations as well as the retroactive application of a new directive as part of the U.S. tax reform
Adjusted net earnings attributable to shareholders of the Corporation	Net earnings attributable to shareholders of the Corporation before the accelerated recognition of deferred revenues (1), restructuring and other costs (gains), impairment of assets, amortization of intangible assets arising from business combinations and reversal of the fair value adjustment of inventory sold arising from business combinations, net of related income taxes as well as the retroactive application of a new directive as part of the U.S. tax reform
Net indebtedness	Total of long-term debt, of current portion of long-term debt, of lease liabilities and of current portion of lease liabilities, less cash
Net indebtedness ratio	Net indebtedness divided by the last 12 months' adjusted operating earnings before depreciation and amortization

(1) Related to the agreements signed with The Hearst Corporation. Please refer to Note 31 to the annual consolidated financial statements for the year ended October 27, 2019.

Finally, to facilitate the reading of this report, the terms "TC Transcontinental", "Transcontinental", "Corporation", "we", "our" and "us" all refer to Transcontinental Inc. together with its subsidiaries and joint ventures.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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. These forward-looking statements include, among others, statements with respect to our medium-term objectives, our outlook, our strategies to achieve these objectives, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. The words "may", "could", "should", "would", "assumptions", "strategy", "outlook", "believe", "plan", "anticipate", "estimate", "expect", "intend", "objective", the use of the future and conditional tenses, and words and expressions of similar nature are intended to identify forward-looking statements. Such forward-looking statements may also include observations concerning the Corporation's anticipated financial results and business outlooks and the economies in which it operates. The Corporation's future performance may also be affected by a number of factors, many of which are beyond its will or control. 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 27, 2019 and in the latest *Annual Information Form* and have been updated in the *Management's Discussion and Analysis* for the second quarter ended April 26, 2020.

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 concluded after the date of June 10, 2020.

These forward-looking statements are made pursuant to the "safe harbour" provisions of applicable Canadian securities legislation.

The forward-looking statements in this *Management's Discussion and Analysis* are based on current expectations and information available as at June 10, 2020. Such forward-looking statements 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.

PROFILE OF TC TRANSCONTINENTAL

TC Transcontinental is a leader in flexible packaging in North America, and Canada's largest printer. The Corporation is also positioned as the leading Canadian French-language educational publishing group. For over 40 years, TC Transcontinental's mission has been to create quality products and services that allow businesses to attract, reach and retain their target customers.

Respect, teamwork, performance and innovation are the strong values held by the Corporation and its employees. TC Transcontinental's commitment to its stakeholders is to pursue its business activities in a responsible manner.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has approximately 8,500 employees, the majority of which are based in Canada, the United States and Latin America. TC Transcontinental had revenues of more than C$3.0 billion for the fiscal year ended October 27, 2019. For more information, visit TC Transcontinental's website at www.tc.tc.

HIGHLIGHTS - SECOND QUARTER

Table #1:

(in millions of dollars, except per share amounts)	**Q2 - 2020**	Q2 - 2019	Variation in $	Variation in %
Revenues	**$625.1**	$767.4	($142.3)	(18.5) %
Operating earnings before depreciation and amortization (2)	**97.3**	93.7	3.6	3.8
Adjusted operating earnings before depreciation and amortization (1) (2)	**104.3**	115.7	(11.4)	(9.9)
Operating earnings (2)	**44.1**	43.1	1.0	2.3
Adjusted operating earnings (1) (2)	**68.5**	83.6	(15.1)	(18.1)
Net earnings attributable to shareholders of the Corporation (2)	**25.7**	22.3	3.4	15.2
Net earnings attributable to shareholders of the Corporation per share (2)	**0.30**	0.26	0.04	15.4
Adjusted net earnings attributable to shareholders of the Corporation (1) (2)	**43.6**	52.6	(9.0)	(17.1)
Adjusted net earnings attributable to shareholders of the Corporation per share (1) (2)	**0.50**	0.60	(0.10)	(16.7)

(1) Please refer to Table #3 in the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Management's Discussion and Analysis for adjusted data presented above.
(2) The results for the current period reflect the impact of the adoption of the new IFRS 16 accounting standard, which applies to the Corporation for its fiscal year beginning October 28, 2019. The Corporation adopted the new standard using the modified retrospective transition method, whereby the cumulative impact of initial application has been reflected in opening retained earnings as at October 28, 2019, without restatement of comparative figures. Consequently, data might not be comparable. Please refer to Note 2 to the unaudited condensed interim consolidated financial statements for more information on the adoption of the new standard and Table #2 of this report.

- Deployed the crisis management plan rapidly and effectively in response to the COVID-19 pandemic, including putting in place strict measures to protect employee health and safety as well as financial support programs for employees who were temporarily laid off or on reduced work schedules.
- Revenues of $625.1 million; operating earnings of $44.1 million; and net earnings attributable to shareholders of the Corporation of $25.7 million ($0.30 per share).
- Adjusted operating earnings before depreciation and amortization of $104.3 million; adjusted operating earnings of $68.5 million; and adjusted net earnings attributable to shareholders of the Corporation of $43.6 million ($0.50 per share).
- Maintained solid financial health with liquidities of $104.6 million and access to unused lines of credit of $435.3 million.
- Repaid Canadian dollar term loans of $300.0 million and U.S. dollar term loans of US$50.0 million ($66.4 million) in February 2020.
- Controlled costs and liquidities by temporarily laying off employees, mainly in the Printing Sector, reducing salaries throughout the sectors, at head office and for members of senior management, and deferring certain investment expenditures.

PREAMBLE - IMPACT OF COVID-19

The COVID-19 pandemic is disrupting many sectors of the global economy. It affects supply chains and consumer behaviour across the world. The Corporation has rapidly implemented many measures to contribute responsibly to the global effort to halt the pandemic, protect the health of our employees and their families, and ensure the continuity of our operations to serve the needs of our customers.

In the Packaging Sector, which represents approximately half of our revenues, the vast majority of our operations support the supply chain for food retailers, a sector considered as essential by governments. While some of our other verticals are experiencing a decrease in volume due to government restrictions or the economic slowdown, the verticals supporting the supply chain for food retailers are experiencing a higher demand.

In the Printing Sector, confinement measures announced by the various governments in Canada with respect to non-essential services resulted in a significant temporary reduction in printing activities and approximately 1,600 temporary layoffs. During this period, TC Transcontinental continued, at the request of the governments, to serve its customers that are operating and delivering services identified as essential. The economic disruptions caused by the COVID-19 pandemic and their impact on some of our customers also contributed to a significant reduction in printing activities.

As early as the beginning of March, the Corporation deployed its company-wide crisis management and communication plan. Since then, senior management has reviewed daily the development of the COVID-19 pandemic, undertaken new preventive actions and updated safety guidelines as needed. The Corporation is monitoring closely the developments of the COVID-19 pandemic and is acting quickly in response to government recommendations by adapting security measures as required.

IMPACT OF NEW ACCOUNTING STANDARD - IFRS 16 "LEASES"

As at October 28, 2019, the Corporation adopted IFRS 16 "Leases" ("IFRS 16"), which replaces IAS 17 "Leases" ("IAS 17") and IFRIC 4 "Determining Whether an Arrangement Contains a Lease" ("IFRIC 4"). This new standard brings most leases in the Statement of Financial Position while eliminating the previous classifications of finance leases and operating leases. Adopting IFRS 16 therefore gave rise to the gross-up of the Statement of Financial Position resulting from the recognition of right-of-use assets and liabilities representing the obligation to make lease payments.

The Corporation elected to adopt IFRS 16 using the modified retrospective transition method, whereby the cumulative impact of initial application is reflected in opening retained earnings as at October 28, 2019, without restatement of comparative figures. Consequently, corresponding figures for fiscal 2019 will continue to be reported under IAS 17 and the related IFRIC 4 interpretations.

Please refer to Note 2 of the unaudited condensed interim consolidated financial statements for more information and to the following tables to quantify the impact of the adoption of this standard.

Table #2:

Application of IFRS 16 - Impact of the transition to IFRS 16 on the Consolidated Statement of Financial Position

(in millions of dollars)	**As at October 27, 2019** [1]	Impact of the transition to IFRS 16	**Opening balance as at October 28, 2019**
	As reported		**Adjusted**
Current assets			
Prepaid expenses and other current assets	$20.0	($0.1)	$19.9
Property, plant and equipment	820.1	(4.8)	815.3
Right-of-use assets	—	113.8	113.8
	$840.1	**$108.9**	**$949.0**
Current liabilities			
Provisions	$14.1	($0.5)	$13.6
Current portion of lease liabilities	—	19.8	19.8
Long-term debt	1,381.9	(4.8)	1,377.1
Lease liabilities	—	115.4	115.4
Deferred taxes	120.2	(4.3)	115.9
Provisions	1.9	(1.3)	0.6
Other liabilities	129.2	(2.2)	127.0
	$1,647.3	**$122.1**	**$1,769.4**
Equity			
Retained earnings	$1,069.9	($13.2)	$1,056.7
	$1,069.9	**($13.2)**	**$1,056.7**

[1] Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

Application of IFRS 16 - Impact of the transition on the Consolidated Statements of Earnings

(in millions of dollars)	Three months ended April 26, 2020	Six months ended April 26, 2020
Increase in adjusted operating earnings before depreciation and amortization		
Printing	$2.7	$5.1
Packaging	2.3	4.4
Other	0.7	1.8
Consolidated	**$5.7**	**$11.3**
Increase in net financial expenses	**$0.9**	**$1.7**
Increase in depreciation	**$5.1**	**$9.8**

RECONCILIATION OF NON-IFRS FINANCIAL MEASURES

(unaudited)

The financial information has been prepared in accordance with IFRS. However, financial measures used, namely adjusted revenues, adjusted operating earnings before depreciation and amortization, adjusted operating earnings margin before depreciation and amortization, adjusted operating earnings, adjusted operating earnings margin, adjusted income taxes, adjusted net earnings attributable to shareholders of the Corporation, adjusted net earnings attributable to shareholders of the Corporation per share, net indebtedness and net indebtedness ratio, for which a reconciliation is presented in the following table, do not have any standardized meaning under IFRS and could be calculated differently by other companies. We believe that many of our readers analyze the financial performance of the Corporation's activities based on these non-IFRS financial measures as such measures may allow for easier comparisons between periods. 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.

We also believe that adjusted revenues, adjusted operating earnings before depreciation and amortization, adjusted operating earnings and adjusted net earnings attributable to shareholders of the Corporation are useful indicators of the performance of our operations. Furthermore, management also uses some of these non-IFRS financial measures to assess the performance of its activities and managers.

Regarding net indebtedness and the net indebtedness ratio, we believe that these indicators are useful to measure the Corporation's financial leverage and ability to meet its financial obligations.

Table #3:

Reconciliation of operating earnings - Second quarter and cumulative

	Three months ended		Six months ended	
(in millions of dollars)	**April 26, 2020**	April 28, 2019	**April 26, 2020**	April 28, 2019
Operating earnings	**$44.1**	$43.1	**$84.9**	$96.7
Restructuring and other costs	**7.0**	21.5	**20.3**	25.9
Amortization of intangible assets arising from business combinations (1)	**17.4**	18.5	**35.4**	37.2
Impairment of assets	**—**	0.5	**—**	0.5
Adjusted operating earnings	**$68.5**	$83.6	**$140.6**	$160.3
Depreciation and amortization (2)	**35.8**	32.1	**72.7**	63.5
Adjusted operating earnings before depreciation and amortization	**$104.3**	$115.7	**$213.3**	$223.8

(1) Intangible assets arising from business combinations include our customer relationships, trademarks and non-compete agreements.
(2) Depreciation and amortization excludes the amortization of intangible assets arising from business combinations.

Reconciliation of net earnings attributable to shareholders of the Corporation - Second quarter

	Three months ended			
	April 26, 2020		April 28, 2019	
(in millions of dollars, except per share amounts)	**Total**	**Per share**	Total	Per share
Net earnings attributable to shareholders of the Corporation	**$25.7**	**$0.30**	$22.3	$0.26
Restructuring and other costs, net of related income taxes	**4.8**	**0.06**	16.0	0.18
Amortization of intangible assets arising from business combinations, net of related income taxes (1)	**13.1**	**0.14**	13.9	0.16
Impairment of assets, net of related income taxes	**—**	**—**	0.4	—
Adjusted net earnings attributable to shareholders of the Corporation	**$43.6**	**$0.50**	$52.6	$0.60

(1) Intangible assets arising from business combinations include our customer relationships, trademarks and non-compete agreements.

Reconciliation of net earnings attributable to shareholders of the Corporation - Cumulative

	Six months ended			
	April 26, 2020		April 28, 2019	
(in millions of dollars, except per share amounts)	**Total**	**Per share**	Total	Per share
Net earnings attributable to shareholders of the Corporation	**$32.1**	**$0.37**	$50.4	$0.58
Restructuring and other costs, net of related income taxes	**27.6**	**0.32**	19.3	0.22
Amortization of intangible assets arising from business combinations, net of related income taxes (1)	**26.7**	**0.30**	28.0	0.32
Impairment of assets, net of related income taxes	**—**	**—**	0.4	—
Adjusted net earnings attributable to shareholders of the Corporation	**$86.4**	**$0.99**	$98.1	$1.12

(1) Intangible assets arising from business combinations include our customer relationships, trademarks and non-compete agreements.

Reconciliation of net indebtedness

(in millions of dollars, except ratios)	**As at April 26, 2020**	As at October 27, 2019
Long-term debt	**$999.1**	$1,381.9
Current portion of long-term debt	**88.8**	1.2
Lease liabilities (1)	**116.4**	—
Current portion of lease liabilities (1)	**21.7**	—
Cash	**(104.6)**	(213.7)
Net indebtedness (1)	**$1,121.4**	$1,169.4
Adjusted operating earnings before depreciation and amortization (last 12 months) (1)	**$465.3**	$475.8
Net indebtedness ratio (1)	**2.4 x**	2.5 x

(1) The results for the current period reflect the impact of the adoption of the new IFRS 16 accounting standard, which applies to the Corporation for its fiscal year beginning October 28, 2019. The Corporation adopted the new standard using the modified retrospective transition method, whereby the cumulative impact of initial application has been reflected in opening retained earnings as at October 28, 2019, without restatement of comparative figures. Consequently, data might not be comparable. Please refer to Note 2 to the unaudited condensed interim consolidated financial statements for more information on the adoption of the new standard and Table #2 of this report.

ANALYSIS OF CONSOLIDATED RESULTS - SECOND QUARTER

Revenues

Revenues decreased by $142.3 million, or 18.5%, from $767.4 million in the second quarter of 2019 to $625.1 million in the corresponding period in 2020. This decline is largely due to a decrease in volume in the Printing Sector, which is mostly caused by the impact of the COVID-19 pandemic in April 2020. The disposal of the paper packaging operations, which occurred at the end of the first quarter of 2020, as well as the sale of the specialty media assets and event planning activities also contributed to this decrease. A more detailed analysis of revenues is presented in the section "Analysis of Sector Results - Second Quarter".

Operating and Other Expenses

Operating expenses decreased by $130.9 million, or 20.1%, in the second quarter of 2020 compared to the corresponding period in 2019. This decline results from the previously explained decrease in revenues combined with the measures taken by the Corporation to reduce costs and improve its operational efficiency. In addition, the adoption of IFRS 16 had a favourable impact of $5.7 million.

Restructuring and other costs decreased by $14.5 million, from an expense of $21.5 million in the second quarter of 2019 to an expense of $7.0 million in the second quarter of 2020. The variation is mainly explained by higher workforce reduction costs in the second quarter of 2019, mostly in the Printing Sector, as a result of the gradual reduction of printing operations at Transcontinental Brampton, in Ontario.

Depreciation and amortization increased by $2.6 million, from $50.6 million in the second quarter of 2019 to $53.2 million in the second quarter of 2020. This increase is mostly due to the adoption of IFRS 16, which had a $5.1 million impact in the second quarter of 2020, partially mitigated by the impact of the disposal of the paper packaging operations.

Operating Earnings

Operating earnings increased by $1.0 million, or 2.3%, from $43.1 million in the second quarter of 2019 to $44.1 million in the second quarter of 2020. The stability of operating earnings results from lower revenues, mitigated by a decrease in operating expenses and restructuring and other costs.

Adjusted operating earnings decreased by $15.1 million, or 18.1%, from $83.6 million to $68.5 million. A more detailed analysis of adjusted operating earnings is presented in the section "Analysis of Sector Results - Second Quarter".

Net Financial Expenses

Net financial expenses decreased by $4.5 million, from $16.2 million in the second quarter of 2019 to $11.7 million in the second quarter of 2020. This decrease is attributable to a reduction in net indebtedness during the year and a lower weighted average interest rate, partially offset by an increase of $0.9 million related to the adoption of IFRS 16.

Income Taxes

Income taxes increased by $2.0 million, from $4.6 million in the second quarter of 2019 to $6.6 million in the second quarter of 2020.

Adjusted income taxes decreased by $1.7 million, from $14.8 million in the second quarter of 2019, for an effective tax rate of 22.0%, to $13.1 million in the second quarter of 2020, for an effective tax rate of 23.1%. This increase in tax rate is mostly attributable to the geographic distribution of earnings before income taxes.

Net Earnings Attributable To Shareholders Of The Corporation

Net earnings attributable to shareholders of the Corporation increased by $3.4 million, or 15.2%, from $22.3 million in the second quarter of 2019 to $25.7 million in the second quarter of 2020. This increase is mainly attributable to the stability of operating earnings combined with the decrease in net financial expenses. On a per share basis, net earnings attributable to shareholders of the Corporation went from $0.26 to $0.30 respectively.

Adjusted net earnings attributable to shareholders of the Corporation decreased by $9.0 million, or 17.1%, from $52.6 million in the second quarter of 2019 to $43.6 million in the second quarter of 2020. This decrease is mostly due to lower adjusted operating earnings, partially mitigated by the decrease in financial expenses and adjusted income taxes. On a per share basis, adjusted net earnings attributable to shareholders of the Corporation went from $0.60 to $0.50 respectively.

ANALYSIS OF CONSOLIDATED RESULTS - CUMULATIVE

Revenues

Revenues decreased by $188.1 million, or 12.4%, from $1,519.0 million in the first six months of 2019 to $1,330.9 million in the corresponding period in 2020. This decline is largely due to a decrease in volume in the Printing Sector, which was severely affected by the COVID-19 pandemic in April 2020. The disposal of our paper packaging operations, which occurred at the end of the first quarter of 2020, as well as the sale of the specialty media assets and event planning activities also contributed to this decrease. A more detailed analysis of revenues is presented in the "Analysis of Sector Results - Cumulative" section.

Operating and Other Expenses

Operating expenses decreased by $177.6 million in the first six months of 2020, or 13.7%, compared to the corresponding period in 2019. This decrease results from the previously explained decrease in revenues combined with the measures taken by the Corporation to reduce costs and improve its operational efficiency. The adoption of IFRS 16 had a favourable impact of $11.3 million.

Restructuring and other costs decreased by $5.6 million, from an expense of $25.9 million in the first six months of 2019 to an expense of $20.3 million in the corresponding period in 2020. The variation is mainly explained by higher workforce reduction costs in the first six months of 2019, mostly in the Printing Sector, as a result of the closure of Transcontinental Brampton, in Ontario, partially mitigated by costs related to the sale of the paper packaging operations in the first quarter of 2020.

Depreciation and amortization increased by $7.4 million, from $100.7 million in the first six months of 2019 to $108.1 million in the corresponding period in 2020. This increase is mostly due to the adoption of IFRS 16, which had a $9.8 million impact in the first six months of 2020, partially mitigated by the impact of the disposal of the paper packaging operations.

Operating Earnings

Operating earnings decreased by $11.8 million, or 12.2%, from $96.7 million in the first six months of 2019 to $84.9 million in the corresponding period in 2020. This decline results from the previously explained decrease in revenues, partially mitigated by the decrease in operating expenses.

Adjusted operating earnings decreased by $19.7 million, or 12.3%, from $160.3 million in the first six months of 2019 to $140.6 million in the corresponding period in 2020. A more detailed analysis of adjusted operating earnings is presented in the "Analysis of Sector Results - Cumulative" section.

Net Financial Expenses

Net financial expenses decreased by $8.2 million, from $33.9 million in the first six months of 2019 to $25.7 million in the corresponding period in 2020. This decrease is attributable to a reduction in net indebtedness during the year and a lower weighted average interest rate, partially offset by an increase of $1.7 million related to the adoption of IFRS 16.

Income Taxes

Income taxes increased by $14.5 million, from $12.4 million in the first six months of 2019 to $26.9 million in the corresponding period in 2020. This increase is mainly due to the income tax expense recorded on the taxable income (on a tax basis) generated by the sale of the paper packaging operations in January 2020 for an amount of $11.7 million.

Adjusted income taxes remained stable at $28.3 million in the first six months of the year, for an effective tax rate of 22.4% in 2019, compared to an effective tax rate of 24.7% in 2020. The increase in tax rate is mostly attributable to the geographic distribution of earnings before taxes.

Net Earnings Attributable To Shareholders Of The Corporation

Net earnings attributable to shareholders of the Corporation decreased by $18.3 million, or 36.3%, from $50.4 million in the first six months of 2019 to $32.1 million in the corresponding period in 2020. This decline is mainly due to the previously explained decrease in operating earnings as well as the increase in income taxes, partially mitigated by a decrease in financial expenses. On a per share basis, net earnings went from $0.58 to $0.37 respectively, due to the above-mentioned items.

Adjusted net earnings attributable to shareholders of the Corporation decreased by $11.7 million, or 11.9%, from $98.1 million in the first six months of 2019 to $86.4 million in the corresponding period in 2020. This decrease is mostly due to lower adjusted operating earnings, partially mitigated by the decrease in financial expenses. On a per share basis, adjusted net earnings attributable to shareholders of the Corporation went from $1.12 to $0.99 respectively.

ANALYSIS OF SECTOR RESULTS - SECOND QUARTER

(unaudited)

Table #4:

(in millions of dollars)	Packaging	Printing	Other	Consolidated results
Revenues - Second quarter of 2019	**$419.1**	**$333.5**	**$14.8**	**$767.4**
Acquisitions/disposals and closures	(65.0)	14.5	(9.4)	(59.9)
Existing operations				
Exchange rate effect	7.2	0.1	—	7.3
Organic growth (decline)	(7.0)	(83.1)	0.4	(89.7)
Revenues - Second quarter of 2020	**$354.3**	**$265.0**	**$5.8**	**$625.1**
Adjusted operating earnings (1) - Second quarter of 2019	**$34.1**	**$55.3**	**($5.8)**	**$83.6**
Acquisitions/disposals and closures	(2.3)	(0.6)	(1.9)	(4.8)
Existing operations				
IFRS 16	0.2	0.3	0.1	0.6
Exchange rate effect	1.2	0.1	—	1.3
Stock-based compensation	—	—	(4.6)	(4.6)
Organic growth (decline)	5.0	(15.7)	3.1	(7.6)
Adjusted operating earnings (1) - Second quarter of 2020	**$38.2**	**$39.4**	**($9.1)**	**$68.5**

(1) Please refer to Table #3 in the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Management's Discussion and Analysis for adjusted data presented above.

Packaging Sector

Packaging Sector revenues decreased by $64.8 million, or 15.5%, from $419.1 million in the second quarter of 2019 to $354.3 million in the second quarter of 2020. This decrease is mostly due to the sale of the paper packaging operations in the first quarter of 2020, which had an unfavourable effect of $70.8 million, while the acquisition of Trilex contributed additional revenues of $5.8 million. The organic decline of $7.0 million, or 1.7%, is mainly due to the decrease in raw material costs, which has little impact on adjusted operating earnings. In addition, as a result of the COVID-19 pandemic, some packaging verticals experienced a decrease in volume, but this decrease was mitigated by the operations supporting the supply chain for food retailers. Lastly, the favourable exchange rate effect had a positive impact on revenues.

Adjusted operating earnings increased by $4.1 million, from $34.1 million in the second quarter of 2019 to $38.2 million in the second quarter of 2020. This increase is attributable to the strong demand of packaging products for food and everyday consumer goods. In addition, the realization of synergies and operational efficiency initiatives in the sector contributed to the growth in the adjusted operating earnings margin. These elements were partially offset by the disposal of the paper packaging segment. As a result of the above-mentioned factors, the Sector's adjusted operating earnings margin went from 8.1% in the second quarter of 2019 to 10.8% in the second quarter of 2020.

Printing Sector

Printing Sector revenues decreased by $68.5 million, or 20.5%, from $333.5 million in the second quarter of 2019 to $265.0 million in the second quarter of 2020. The organic decline of $83.1 million is mostly explained by the decrease in volume caused by the COVID-19 pandemic and the government measures put in place for non-essential services. These measures resulted in a material temporary reduction in printing activities in most of the segments during a month that is historically strong. The acquisitions of Holland & Crosby Limited and Artisan Complete Limited contributed positively to revenues.

Adjusted operating earnings decreased by $15.9 million, or 28.8%, from $55.3 million in the second quarter of 2019 to $39.4 million in the second quarter of 2020. The decline is mostly due to the previously explained decrease in revenues. In addition to the cost reduction measures related to the COVID-19 pandemic, the operational efficiency initiatives undertaken at the beginning of the year mitigated this decline. Furthermore, the Corporation benefited from a government subsidy that contributed in particular to maintaining jobs relating to the production of essential services and implementing financial support programs for employees temporarily laid off or with a reduced work schedule. The Sector's adjusted operating earnings margin went from 16.6% in the second quarter of 2019 to 14.9% in the second quarter of 2020.

Other

Revenues decreased by $9.0 million, from $14.8 million in the second quarter of 2019 to $5.8 million in the second quarter of 2020. This decrease is mostly due to the sale of the specialty media assets and event planning activities.

Adjusted operating earnings decreased by $3.3 million, from $(5.8) million in the second quarter of 2019 to $(9.1) million in the second quarter of 2020, mainly due to the stock-based compensation expense and the sale of the specialty media assets and event planning activities. With respect to the stock-based compensation, in the second quarter of 2020, the Corporation entered into a total return swap to hedge the market risk related to the variation in share price and its impact on stock-based compensation. Consequently, the Corporation did not benefit from the positive impact of the decrease in the share price in the second quarter of 2020, while it had benefited from such impact in the second quarter of 2019. The unfavorable change is therefore due to a gain in the second quarter of 2019 resulting from the decrease in the share price. These elements were partially mitigated by the performance of the educational book publishing segment and cost reduction initiatives at head office.

ANALYSIS OF SECTOR RESULTS - CUMULATIVE

(unaudited)

Table #5:

(in millions of dollars)	Packaging	Printing	Other	Consolidated results
Revenues - Six months ended April 28, 2019	**$814.1**	**$670.3**	**$34.6**	**$1,519.0**
Acquisitions/disposals and closures	(66.6)	20.6	(17.8)	(63.8)
Existing operations				
Exchange rate effect	4.3	0.2	—	4.5
Organic growth (decline)	(26.0)	(100.3)	(2.5)	(128.8)
Revenues - Six months ended April 26, 2020	**$725.8**	**$590.8**	**$14.3**	**$1,330.9**
Adjusted operating earnings (1) - Six months ended April 28, 2019	**$63.3**	**$106.1**	**($9.1)**	**$160.3**
Acquisitions/disposals and closures	(2.1)	(0.5)	(3.2)	(5.8)
Existing operations				
IFRS 16	0.2	0.7	0.6	1.5
Exchange rate effect	0.9	0.2	—	1.1
Stock-based compensation	—	—	(4.1)	(4.1)
Organic growth (decline)	3.5	(15.3)	(0.6)	(12.4)
Adjusted operating earnings (1) - Six months ended April 26, 2020	**$65.8**	**$91.2**	**($16.4)**	**$140.6**

(1) Please refer to Table #3 in the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Management's Discussion and Analysis for adjusted data presented above.

Packaging Sector

Packaging Sector revenues decreased by $88.3 million, from $814.1 million in the first six months of 2019 to $725.8 million in the corresponding period in 2020. This decrease is mostly due to the sale of the paper packaging operations in mid-January 2020, which were partially mitigated by the acquisition of Trilex and the favourable exchange rate effect. The organic decline is explained by the decrease in raw material costs, which has little impact on adjusted operating earnings, and the organic decline of the paper packaging operations before their disposal in January 2020.

Adjusted operating earnings increased by $2.5 million, from $63.3 million in the first six months of 2019 to $65.8 million in the corresponding period in 2020. This increase is attributable to the realization of synergies and operational efficiency initiatives within the Sector. This improvement in adjusted operating earnings was partially offset by the disposal of the paper packaging operations. As a result, the Sector's adjusted operating earnings margin increased from 7.8% in the first six months of 2019 to 9.1% in the corresponding period in 2020.

Printing Sector

Printing Sector revenues decreased by $79.5 million, from $670.3 million in the first six months of 2019 to $590.8 million in the corresponding period in 2020. The organic decline of $100.3 million is mostly explained by a decrease in volume in April 2020 as a result of the COVID-19 pandemic. In April 2020, the government measures, combined with the economic disruptions caused by the COVID-19 pandemic, resulted in a material temporary reduction in printing activities in most of the segments. For the period before April 2020, the segments were experiencing a decrease in volume that was less significant than the trends observed in 2019. The acquisitions of Holland & Crosby Limited and Artisan Complete Limited partially mitigated this significant decrease.

Adjusted operating earnings decreased by $14.9 million, from $106.1 million in the first six months of 2019 to $91.2 million in the corresponding period in 2020. This decline is mostly due to the previously explained decrease in revenues. The operational efficiency initiatives undertaken at the beginning of the fiscal year kept adjusted operating earnings stable for the first five months. However, the decline in adjusted operating earnings was more significant in April 2020, historically one of the strongest months of the year, despite new cost reduction initiatives related to the COVID-19 pandemic and a government subsidy that allowed the sector to maintain certain essential services. The Sector's adjusted operating earnings margin went from 15.8% in first six months of 2019 to 15.4% in the corresponding period in 2020.

Other

Revenues decreased by $20.3 million, from $34.6 million in the first six months of 2019 to $14.3 million in the corresponding period in 2020. This decrease is mostly due to the impact of the sale of the specialty media assets and event planning activities.

Adjusted operating earnings decreased by $7.3 million, from $(9.1) million in the first six months of 2019 to $(16.4) million in the corresponding period in 2020, mainly as a result of the stock-based compensation expense and the sale of the specialty media assets and event planning activities.

SUMMARY OF QUARTERLY RESULTS

(unaudited)

Table #6 summarizes selected consolidated financial information derived from the Corporation's unaudited condensed interim consolidated financial statements and some non-IFRS financial measures for each of the last eight quarters.

Table #6:

	2020		2019				2018	
(in millions of dollars, except per share amounts)	**Q2**	Q1	Q4	Q3	**Q2**	Q1	Q4	Q3
Revenues	**$625.1**	$705.8	$790.9	$728.9	**$767.4**	$751.6	$829.2	$757.9
Adjusted revenues (1)	**625.1**	705.8	779.2	728.9	**767.4**	751.6	829.2	757.9
Operating earnings before depreciation and amortization (2)	**97.3**	95.7	206.9	107.2	**93.7**	103.7	153.6	89.7
Adjusted operating earnings before depreciation and amortization (1) (2)	**104.3**	109.0	139.1	112.9	**115.7**	108.1	162.2	116.4
Adjusted operating earnings margin before depreciation and amortization (1) (2)	**16.7 %**	15.4 %	17.9 %	15.5 %	**15.1 %**	14.4 %	19.6 %	15.4 %
Operating earnings (2)	**$44.1**	$40.8	$156.2	$56.6	**$43.1**	$53.6	$105.5	$39.6
Adjusted operating earnings (1) (2)	**68.5**	72.1	106.8	80.9	**83.6**	76.7	131.6	84.6
Adjusted operating earnings margin (1) (2)	**11.0 %**	10.2 %	13.7 %	11.1 %	**10.9 %**	10.2 %	15.9 %	11.2 %
Net earnings attributable to shareholders of the Corporation (2)	**$25.7**	$6.4	$112.3	$3.4	**$22.3**	$28.1	$67.0	$19.3
Net earnings attributable to shareholders of the Corporation per share (2)	**0.30**	0.07	1.28	0.04	**0.26**	0.32	0.76	0.22
Adjusted net earnings attributable to shareholders of the Corporation (1) (2)	**43.6**	42.8	69.9	52.2	**52.6**	45.5	87.0	52.1
Adjusted net earnings attributable to shareholders of the Corporation per share (1) (2)	**0.50**	0.49	0.80	0.60	**0.60**	0.52	0.99	0.59
% of fiscal year	**— %**	— %	31 %	24 %	**24 %**	21 %	35 %	20 %

(1) Please refer to Table #3 in the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Management's Discussion and Analysis for adjusted data presented above.
(2) The results for the current period reflect the impact of the adoption of the new IFRS 16 accounting standard, which applies to the Corporation for its fiscal year beginning October 28, 2019. The Corporation adopted the new standard using the modified retrospective transition method, whereby the cumulative impact of initial application has been reflected in opening retained earnings as at October 28, 2019, without restatement of comparative figures. Consequently, data might not be comparable. Please refer to Note 2 to the unaudited condensed interim consolidated financial statements for more information on the adoption of the new standard and Table #2 of this report.

The variability of financial information for interim periods is influenced by many factors, such as:

- The impact of acquisitions, disposals and closures completed in line with our transformation;
- The exchange rate effect;
- The interest rates;
- The impact of the change in the share price on the stock-based compensation expense;
- The impact of adjusting items presented in Table #3, "Reconciliation of Non-IFRS Financial Measures".

Excluding the impact of the above-mentioned items, we can note a decrease in revenues, which is mainly due to a decline in volume within the Printing Sector and lower Packaging Sector revenues, mostly caused by the sale of the paper packaging operations.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL STRUCTURE
(unaudited)

Table #7:

	Three months ended	
(in millions of dollars)	**April 26, 2020**	April 28, 2019
Operating activities		
Cash flows generated by operating activities before changes in non-cash operating items and income taxes paid	**$105.9**	$100.9
Changes in non-cash operating items	**20.3**	19.3
Income taxes paid	**(11.5)**	(20.7)
Cash flows from operating activities	**$114.7**	$99.5
Investing activities		
Acquisitions of property, plant and equipment	**($27.1)**	($17.6)
Disposals of property, plant and equipment	**0.1**	—
Increase in intangible assets	**(4.9)**	(6.1)
Cash flows from investing activities	**($31.9)**	($23.7)
Financing activities		
Reimbursement of long-term debt	**($366.9)**	$—
Net decrease in credit facility	**—**	(40.1)
Financial expenses on long-term debt	**(11.0)**	(14.4)
Repayment of principal on lease liabilities	**(5.4)**	—
Interest on lease liabilities	**(0.8)**	—
Dividends	**(19.5)**	(19.3)
Cash flows from financing activities	**($403.6)**	($73.8)
Effect of exchange rate changes on cash denominated in foreign currencies	**$0.8**	($0.3)
Net change in cash	**($320.0)**	$1.7

Financial position	**As at April 26, 2020**	As at October 27, 2019
Net indebtedness (1) (2)	**$1,121.4**	$1,169.4
Net indebtedness ratio (1) (2)	**2.4 x**	2.5 x
Credit rating		
DBRS	**BBB (low)**	BBB (low)
Outlook	**Stable**	Stable
Standard and Poor's	**BBB-**	BBB-
Outlook	**Negative**	Negative

Consolidated Statements of Financial Position	**As at April 26, 2020**	As at October 27, 2019 (3)
Current assets (2)	**$875.2**	$1,068.8
Current liabilities (2)	**529.2**	457.4
Total assets (2)	**3,623.2**	3,781.8
Total liabilities (2)	**1,893.4**	2,090.6

(1) Please refer to Table #3 in the section entitled "Reconciliation of Non-IFRS Financial Measures" in this Management's Discussion and Analysis for adjusted data presented above.
(2) The results for the current period reflect the impact of the adoption of the new IFRS 16 accounting standard, which applies to the Corporation for its fiscal year beginning October 28, 2019. The Corporation adopted the new standard using the modified retrospective transition method, whereby the cumulative impact of initial application has been reflected in opening retained earnings as at October 28, 2019, without restatement of comparative figures. Consequently, data might not be comparable. Please refer to Note 2 to the condensed interim consolidated financial statements for more information on the adoption of the new standard and Table #2 of this report.
(3) Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

Cash Flows from Operating Activities

Cash flows from operating activities increased by $15.2 million, from $99.5 million in the second quarter of 2019 to $114.7 million in the second quarter of 2020. This increase is partially attributable to the deferral of the payment of tax installments in Canada as a result of the COVID-19 pandemic. With respect to the other variations, the decline in adjusted operating earnings was mitigated by a strong performance of receivables.

Cash Flows from Investing Activities

Cash flows from investing activities went from a cash outflow of $23.7 million in the second quarter of 2019 to a cash outflow of $31.9 million in the second quarter of 2020. This variation is mostly explained by the acquisitions of property, plant and equipment in the Packaging Sector.

Cash Flows from Financing Activities

Cash flows from financing activities went from a cash outflow of $73.8 million in the second quarter of 2019 to a cash outflow of $403.6 million in the second quarter of 2020. This variation is mostly explained by the repayment of US$50.0 million ($66.4 million) on the tranche A of the U.S. dollar term loans and the repayment in full of tranches G and H of the Canadian dollar term loans, each amounting to $150.0 million.

Debt Instruments

On February 3, 2020, the Corporation repaid US$50.0 million ($66.4 million) on tranche A of the U.S. dollar term loans. On February 18, 2020, the Corporation repaid in full tranches G and H of Canadian dollar terms loans, each amounting to $150.0 million. As at April 26, 2020, no amount had been drawn on the credit facilities, and the unused amount under the credit facilities was $435.3 million.

Net indebtedness went from $1,169.4 million as at October 27, 2019 to $1,121.4 million as at April 26, 2020. This decrease is mostly explained by cash flows from operating activities and the sale of the paper packaging operations, which were partially offset by lease liabilities of $138.1 million due to the adoption of IFRS 16 and a $74.1 million impact of the revaluation of the U.S. dollar debt. In addition, acquisitions of property, plant and equipment, dividend payments and financial expenses on long-term debt also offset the reduction of net indebtedness. Consequently, our net indebtedness ratio stood at 2.4x as at April 26, 2020 compared to 2.5x as at October 27, 2019. After normalizing for the effect of IFRS 16, the net indebtedness ratio is 2.2x as at April 26, 2020.

Share Capital

Table #8:

Shares Issued and Outstanding	As at April 26, 2020	As at May 29, 2020
Class A (Subordinate Voting Shares)	**73,049,344**	**73,049,344**
Class B (Multiple Voting Shares)	**13,975,826**	**13,975,826**
Total Class A and Class B	**87,025,170**	**87,025,170**

The Corporation had been authorized to repurchase, for cancellation on the open market, or subject to the approval of any securities authority by private agreements, between October 1, 2019 and September 30, 2020, or at an earlier date if the Corporation concludes or cancels the offer, up to 1,000,000 of its Class A Subordinate Voting Shares and up to 190,560 of its Class B Shares. The repurchases are made in the normal course of business at market prices through the Toronto Stock Exchange.

On February 27, 2020, the Corporation was authorized to modify its share repurchase program in order to increase the maximum number of Class A Subordinate Voting Shares it is allowed to repurchase from 1,000,000 Class A Subordinate Shares to 2,000,000 Class A Subordinate Voting Shares. All other terms and conditions of the repurchase program remain unchanged.

During the six-month period ended April 26, 2020, the Corporation redeemed and cancelled 450,450 of its Class A Subordinate Voting Shares at a weighted average price of $15.70, for a total cash consideration of $7.1 million. The Corporation was under no obligation to repurchase its Class A Subordinate Voting Shares and Class B Shares as at April 26, 2020.

CHANGES IN ACCOUNTING STANDARDS

New accounting standards adopted during the period ended January 26, 2020

As at October 28, 2019, the Corporation adopted IFRS 16 "Leases", which replaces IAS 17 "Leases" and IFRIC 4 "Determining Whether an Arrangement Contains a Lease". Adopting this new standard gave rise to a material gross-up of the Statement of Financial Position resulting from the recognition of right-of-use assets and offsetting liabilities representing the obligation to make lease payments.

At the opening of the period, as at October 28, 2019, the Corporation also adopted the amendments to IAS 19 "Employee Benefits" and IFRIC 23 "Uncertainty over Income Tax Treatments", which had no material impact on the unaudited condensed interim consolidated financial statements for the six-month period ended April 26, 2020.

For more information, please refer to Note 2 to the unaudited condensed interim consolidated financial statements and the most recent annual consolidated financial statements.

RISK AND UNCERTAINTIES

Managing the risks to which the Corporation is exposed in the normal course of operations plays an important role in the decisions taken by management with regards to acquisitions, capital investments, asset divestitures, plant consolidation and efforts to create synergies among operating sectors or other operating activities. This also guides decisions regarding cost reduction measures, product diversification, new market penetration and certain cash movements.

In addition to periodically re-examining current risks and the effectiveness of control and preventive measures already in place, Management assesses new risk factors. It determines the likelihood that these will occur and their potential effect, and implements strategies and processes to proactively manage these new risks. A report on the risk management program is regularly presented to the Audit Committee and Board of Directors.

As the COVID-19 pandemic is disrupting many sectors of the economy and is having an impact on the normal course of the Corporation's business, the Corporation performed a comprehensive review of the risks to which it is exposed. Except for the update that follows, there were no significant changes in the risks to which the Corporation is exposed. The Corporation's main risks and uncertainties are described in the most recent annual report for the fiscal year ended October 27, 2019.

Strategic Risks

Printed Flyers - Impact of digital product development and adoption on the demand for retailer-related services

Over the past few years, certain Canadian retailers have experimented with interactive flyers, digital campaigns and loyalty programs. A major change in consumer habits or in our customers' marketing strategy, including the use of e-commerce, could result in a significant decrease in the number of pages or frequency for the flyers printed by the Corporation. The COVID-19 pandemic could change the behaviour of customers or the strategy of retailers, which could accelerate the impact of digital product development and adoption. Such decrease could have an adverse impact on our financial results earlier than anticipated. To mitigate this risk, we remain alert to consumer trends and investments in e-commerce platform development planned by retailers. In addition, we continue to develop and enhance our offering to retailers and continuously strive to improve operational efficiency, in particular by maximizing the utilization of our most productive equipment.

Digital Advertising - Impact of digital product development and adoption on the demand for our other printed products

Digital platforms have become an essential means to reach consumers, and advertisers have a more diverse selection of media channels in which to spend their advertising dollars. A decline in the share of printed products in aggregate advertising spending and in the number of readers of printed products towards digital products could result in a decrease in the demand for printed products. The COVID-19 pandemic could change the behaviour of customers, which could accelerate the impact of digital platform development and adoption. This lower demand could have an adverse impact on the financial results of our newspaper, magazine, educational books and commercial product printing activities. To mitigate this risk, we continuously aim to optimize our platform based on the rate of decrease in printing volume. In addition, in the Media Sector, the Corporation continues to invest in digital educational content.

Operational Risks

Operational Disruption - An operational disruption could affect our ability to meet deadlines
The Corporation increasingly concentrates the production of certain products in its most productive plants and, in the event of a disaster at one of these facilities, it could miss production deadlines. Our ability to meet deadlines could also be affected by major equipment failure, human error, labour disputes, transportation problems and supply difficulties. The COVID-19 pandemic adds the risk that a region or plant might be severely affected, which in turn would force its closure for a prolonged period. The magnitude of the impact of these risks on our results will depend on certain factors, including the nature of the disruption, its duration and the plant affected by the disrupting event. However, the Corporation has implemented contingency plans for facilities that deliver products daily and holds insurance policies that could indemnify it against a portion of the costs related to certain disasters.

Financial Risks

Credit - Bad debts from certain customers
Certain factors, such as economic conditions and changes within certain industries, could expose the Corporation to credit risk with respect to receivables from certain of its customers, thereby affecting its ability to collect in accordance with the established terms of payment. The COVID-19 pandemic is disrupting many sectors of the global economy and, consequently, many of our customers. To limit this risk, the Corporation has strengthened its strict controls on credit, including a tighter monitoring the industries that are severely affected by the pandemic. Senior management regularly analyzes and examines the financial position of customers and applies rigorous evaluation procedures to all new customers. The Corporation establishes a specific credit limit for each customer and periodically reviews the limits for major customers or customers that are considered at risk. As well, the Corporation believes that it is protected against any concentration of credit through its products, customer base and geographic diversity. The Corporation also has a credit insurance policy covering certain customers, for a maximum amount of $25.0 million in aggregate losses per year. The policy contains the usual clauses and limits regarding the amounts that can be claimed by event and year of coverage.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control. The purpose of internal control over financial reporting ("ICFR") is to provide reasonable assurance regarding the reliability of the Corporation's financial reporting and the preparation of condensed interim consolidated financial statements in accordance with IFRS. Management certifies disclosures in annual and interim filings under Regulation 52-109 using the internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

As at April 26, 2020, the Corporation's Management excluded Artisan Complete Limited from its evaluation of internal control over financial reporting, this exclusion is accepted by the Autorité des marchés financiers ("AMF") during the first year after the acquisition of a business, to give a corporation time to integrate the acquisition.

Artisan Complete Limited is a company specialized in the creation of engaging retail environments, point-of-purchase displays and large format printing that had 187 employees at the date of acquisition. Acquired on January 13, 2020, Artisan generated revenues of $10.3 million in the first six months of 2020, or 0.77 % of the Corporation's consolidated results.

Additional information about this acquisition is presented in Table #9.

Table #9:
(unaudited)

(in millions of dollars)	Artisan Complete Limited
Statement of financial position	**As at April 26, 2020**
Current assets	11.5
Non-current assets	14.0
Current liabilities	6.8
Non-current liabilities	10.8
Statement of earnings	**Six months ended April 26, 2020**
Revenues	10.3
Operating earnings before depreciation and amortization	0.2
Operating earnings	(0.5)

During the second quarter ended April 26, 2020, except for the information provided above, no change that has materially affected or is reasonably likely to affect the ICFR was brought to the attention of Management, including the President and Chief Executive Officer and the Chief Financial Officer of the Corporation.

OUTLOOK

In the Packaging Sector, the vast majority of our operations support the supply chain for food retailers, who are experiencing an increase in volume due to the COVID-19 pandemic. After normalizing the impact of the sale of our paper packaging operations and the price of resin, we expect a slight organic growth in revenues for the remainder of the fiscal year. We also continue to expect an increase in our profit margins over last fiscal year as a result of our synergies, operational efficiency initiatives and organic growth anticipated in the second half of the fiscal year.

In the Printing Sector, we expect that the organic decline will continue to affect the majority of our verticals, and that it will be amplified by the impact of the COVID-19 pandemic, which continues to impact several of our customers. In recent weeks, we are however seeing a gradual recovery in some of our printing volumes which allowed us to recall approximately 600 of the 1600 temporarily laid-off employees. Operational efficiency and cost reduction initiatives taken since the beginning of the fiscal year will help mitigate the impact of volume declines on our operating earnings. The Company will continue to adjust its capacity to continue generating significant cash flows and solid operating margins.

To conclude, despite the fact that the impacts of the COVID-19 pandemic in the coming months remain unpredictable, we expect to continue generating significant cash flows from all our operating activities. This will enable us to reduce our net indebtedness, while providing us with the desired flexibility to continue our transformation through strategic and targeted acquisitions.

On behalf of Management,

(s) Donald LeCavalier
Chief Financial Officer

June 10, 2020