



Graphic
Packaging
HOLDING COMPANY

Second Quarter 2024 Earnings

July 30, 2024



Forward-Looking Statements

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Any statements of the Company's expectations in these slides, including, but not limited to, statements regarding 2024 Innovation Sales Growth, third quarter consumer purchasing and consumption trends, plastic use reduction attributable to PaperSeal™ products, full-year packaging volume/mix growth, 2024 Adjusted EBITDA and EBITDA margins, 2024 Adjusted Earnings Per Share, 2024-2027 and 2024-2030 cash flow, as well as 2024 capital spending, interest expense, cash interest, cash taxes, working capital and pension expense, effective tax rate, depreciation and amortization and Net Leverage Ratio constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and its present expectations. These risks and uncertainties include, but are not limited to, inflation of and volatility in raw material and energy costs, changes in consumer buying habits and product preferences, competition with other paperboard manufacturers and product substitution, the Company's ability to implement its business strategies, including strategic acquisitions, productivity initiatives, cost reduction plans and integration activities, as well as the Company's debt level, currency movements and other risks of conducting business internationally, the impact of regulatory and litigation matters, including the continued availability of the Company's U.S. federal income tax attributes to offset U.S. federal income taxes and the timing related to the Company's future U.S. federal income tax payments. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made and the Company undertakes no obligation to update such statements, except as may be required by law. Additional information regarding these and other risks is contained in the Company's periodic filings with the Securities and Exchange Commission.

NON-GAAP FINANCIAL MEASURES & RECONCILIATIONS

This presentation includes certain historic financial measures that exclude or adjust for charges or income associated with business combinations, facility shutdowns, extended mill outages, sales of assets and other special charges or income ("Non-GAAP Financial Measures"). The Company's management believes that the presentation of these Non-GAAP Financial Measures provides useful information to investors because these measures are regularly used by management in assessing the Company's performance. These Non-GAAP Financial Measures are not calculated in accordance with generally accepted accounting principles in the United States ("GAAP") and should be considered in addition to results prepared in accordance with GAAP, but should not be considered substitutes for or superior to GAAP results. In addition, these Non-GAAP Financial Measures may not be comparable to similarly-titled measures utilized by other companies, since such other companies may not calculate such measures in the same manner as we do. A reconciliation of these Non-GAAP Financial Measures to the most relevant GAAP measure can be found in the Company's earnings press releases. Note that a reconciliation of Non-GAAP Financial Measures provided as future performance guidance to the most relevant GAAP measure is not provided, as the Company is unable to reasonably estimate the timing or financial impact of items such as charges associated with business combinations and other special charges. The inability to estimate these future items makes a detailed reconciliation of these forward-looking non-GAAP financial measures impracticable.

Second Quarter 2024 Highlights

Strategic Updates

- Divested Augusta bleached paperboard manufacturing facility
- Approximately 95% of sales from sustainable consumer packaging solutions post-divestiture
- Waco investment project on schedule; will extend cost and quality advantage across North America
- Reinvesting in product and execution capabilities across global packaging network

Diversified Consumer Packaging Portfolio

- Volume flat, mix (1%), price (2%)
- Foodservice and Beverage remain strong, Food improving, Health & Beauty and Household mixed
- Mass retail/superstore channel growth continues
- Innovation Sales Growth¹ of \$51M in the quarter, \$88M YTD; visibility to \$200M for 2024
 - Notable gains in strength packaging in the club channel, as well as food and beverage cups
 - Europe's contribution roughly equal to North America's
- Underlying margins strong; Net Performance² offset price and inflation headwinds

1. Innovation Sales Growth defined as incremental sales of a product that delivers a significant change in materials used, package functionality, or design to a new or existing customer.

2. Net Performance includes cost and productivity initiatives, production efficiencies/disruptions, and other operating impacts.

Graphic Packaging's products are in the hands of tens of millions of consumers multiple times a day

Food 39%



Beverage 22%



Foodservice 22%



Household 13%



Health & Beauty 4%



Consumer Packaging Sales by Market

Foodservice outperforming sector, Beverage strong, Food improving¹

	2022			FY	2023				FY	2024	
	Q2	Q3	Q4	2022	Q1	Q2	Q3	Q4	2023	Q1	Q2
Food	↑	↑	↑	↑	↑	→	↘	↘	→	↓	↘
Beverage	↗	↑	↗	↑	→	↗	→	→	→	↑	→
Foodservice	↑	↑	↑	↑	↑	↑	↑	↑	↑	↑	↗
Household	↑	↑	↑	↑	↑	↘	↓	↓	→	↓	↓
Health & Beauty	↑	↑	↑	↑	↑	↑	↑	↓	↑	↓	↓
Total	↑	↑	↑	↑	↑	↗	→	→	↗	↘	↘

↑ = >5%, ↗ = 2 to 5%, ➡ = -2 to+2%, ↘ = -2 to -5%, ↓ = <-5%

1. YoY unadjusted; excludes Russia.

Seasonality, Experience, and Expectations

Typical Seasonality	Q1	Q2	Q3	Q4
Food				
Beverage				
Foodservice				
Household				
Health & Beauty				
Total				

Total company:

- Relatively weaker Q1, relatively stronger Q3

Stronger months:

- March, August, October

Weaker months:

- February, July, December

Legend:

Weaker		Neutral		Stronger

Second Quarter 2024 Experience

- Volume flat, Europe leading recovery
- Branded promotional plans accelerating
- Private label growth ahead of overall market
- Managing modest price headwinds (2%)

Third Quarter Expectations & Trends

- Consumer focus on value favors:
 - higher branded and QSR promotional activity
 - growth at mass retail/superstores
- Change of season drives at-home consumption
- Decline in remote jobs supports growth in prepared meals and on-the-go consumption

High Engagement with Customers Across Five Innovation Platforms

Addressable Market Opportunity \$15 Billion

\$5.0B



Trays & Bowls

\$4.0B



Cups & Containers

\$1.5B



Multi-Packs

\$2.5B



Paperboard Canisters

\$2.0B



Strength Packaging

Commercializing Innovation: PaperSeal™ Shape



INNOVATION

PaperSeal™ Shape¹ in a wide range of shapes and sizes reduces plastic by 72%+; ensures chilled, prepared food stays fresh and visible; outstanding printability



CUSTOMER LAUNCH

First UK launch: Sainsbury's popular breaded chicken line, across 2,000+ stores, reducing plastic consumption by ~300 metric tonnes/year



ADDRESSABLE OPPORTUNITY

- + \$5.0B global tray and bowl market opportunity
- + Primarily plastic/foam replacement

VALUE PROPOSITION

Streamlined Customer Operations

- ✓ Deeper tray options suitable for a wider range of applications than plastic/foam
- ✓ Superior printability
- ✓ Run on existing equipment

More Circular

- ✓ Plastic reduction of 72%+
- ✓ Liner separates for easy recycling²

More Functional, More Convenient

- ✓ Shapes to fit a wide range of products and product categories
- ✓ Improved print/product information
- ✓ Easy-open
- ✓ Multi-compartment options

1. In collaboration with our partner, G. Mondini
2. Meets U.K. On-Pack Recycling Label scheme guidelines.

Global Leader in Sustainable Consumer Packaging

VISION 2030



Innovation

Build the leading sustainability-focused consumer packaging innovation platform

- 2% annual sales growth from innovation
- Every new product innovation more circular, more functional and more convenient than existing alternatives
- Create multi-generational portfolio of solutions leverageable across products and geographies



Culture

Enable a safe, inclusive, customer-focused culture

- Zero life injuries
- 75th percentile in employee engagement
- Women in leadership positions to 35%; US ethnic diversity to 40%
- Enhance the communities in which we operate



Planet

Steadily and measurably improve the environmental footprint of consumer packaging

- Achieve approved 2032 SBT for Scope 1, 2, and 3 GHG reductions
- 90% renewable fuel use in wood fiber paperboard manufacturing facilities
- 50% purchased renewable electricity
- 100% purchased forest products sustainably sourced



Results

Consistently execute for customers, shareholders and all stakeholders

- Leverage unmatched global capabilities for customers and consumers
- Deliver consistent and strong financial results across all economic conditions
- Invest in team & innovation capabilities to be the global leader in sustainable consumer packaging

With an exceptional team, unmatched capabilities, and a clear and compelling vision, Graphic Packaging is positioned to deliver

Second Quarter 2024 Financials

Sales

- Packaging sales (\$73M), or (3%)
 - Volume flat
 - Price modestly lower (2%)
 - Mix (1%)
- Impact of Augusta divestiture and related bleached paperboard sales (\$83M) YoY, or (3%)
- Other M&A \$16M, F/X¹ (\$15M)

Adjusted EBITDA

- (\$47M) decline due to impact of Augusta divestiture and related bleached paperboard sales, and higher planned maintenance expense
- Excluding the above, Net Performance offset impact of lower sales (mainly price) and modest cost inflation
- Favorable other M&A (excluding Augusta) \$4M, unfavorable F/X (\$8M)

Liquidity

- Augusta proceeds applied to debt reduction and share repurchase
- Issued \$500M of 6.375% Senior Notes due 2032
- Extended bank facility to June 2029

(\$M excl EPS)	Q2'24	Q2'23	Δ YoY
Net Sales	\$2,237	\$2,392	-6%
Net Income	\$190	\$150	+\$40
Adj. EBITDA²	\$402	\$453	-\$51
Adj. EBITDA Margin²	18.0%	18.9%	-90bps
EPS	\$0.62	\$0.49	+\$0.13
Adj. EPS²	\$0.60	\$0.66	-\$0.06
Net Leverage Ratio^{2,3}	2.9x	3.0x	-0.1x

1. Foreign exchange (F/X) impact measured as the increase/decrease in results after applying prior period rates to make a constant currency comparison.

2. Adjusted and Net Leverage figures represent Non-GAAP Financial Measures. Please refer to earnings press release for reconciliations to GAAP measures.

3. Net Leverage Ratio calculated as Net Debt divided by twelve months trailing Adjusted EBITDA.

Operations and Capital Investment Update

Bleached Paperboard Optimization

- Divestiture of Augusta, GA bleached paperboard manufacturing facility completed on May 1st
- Texarkana, TX re-optimized to support internal consumer packaging needs

Waco, TX Recycled Paperboard Investment

- Construction and equipment deliveries on schedule; finished goods warehouse substantially complete; two pulpers installed; boiler and drum pulper on site
- Q2'24 capital spend: ~\$152M; total project spend through June: ~\$650M
- Fiber collection plans progressing
- \$160M incremental EBITDA impact expected across 2026 and 2027
- Extends unmatched competitive position across North America

Packaging Operations and Capabilities

- State-of-the-art printing and warehouse automation installations
- Bell acquisition integration complete, \$10M synergies achieved

Return of Capital

Every use of capital compared against share repurchase

\$ and shares in millions except per share values	Q2 '24
Cash Dividends	\$30
+ Share Repurchase	\$200
= Capital Returned to Stockholders	\$230
Share Repurchase Results:	
# of Shares Repurchased	~7.2
Average Price per Share	\$27.61
Reduction in Shares Outstanding	(~2.4%)

shares in millions	Dec 31, 2023	June 30, 2024
Ending Shares, Diluted ¹	307.6	301.2

1. Includes approximately one million diluted shares.

Full-Year 2024 Outlook & Guidance

Expect positive full-year consumer packaging volume/mix growth

- 1H '24: (~2%)
- 2H '24: 3% - 4%

On track to achieve \$200M Innovation Sales Growth

Expect full-year Adjusted EBITDA margins in the 19% to 20% range

Adjusted EBITDA & Adjusted EPS Guidance unchanged

- 2024 Adjusted EBITDA \$1,730 - \$1,830M¹
- 2024 Adjusted EPS \$2.65 - \$2.85

1. Includes four months of Augusta contribution.

Vision 2030 Base Financial Model and Capital Allocation Priorities

Base Model:

Annual Sales Growth	Annual Adj EBITDA Growth	Annual Adj EPS Growth	Normalized Capex (% of sales)
Low-Single Digits Base ¹ : \$8.8B	Mid-Single Digits Base ¹ : \$1.75B	High-Single Digits Base ¹ : \$2.74	~5% After 2025

Capital Priorities:

- Reinvest to Expand Capabilities
- Grow the Dividend
- Repurchase Shares
- Achieve Investment Grade Ratings
- Pursue Tuck-under M&A



After Waco, Graphic Packaging has the assets, the capabilities, and the team needed to achieve Vision 2030 financial goals, and to generate cash well in excess of reinvestment needs

1. Base represents 2023 proforma for the divestiture of the Augusta, GA bleached paperboard manufacturing facility.



Significant Cash Flow to Deploy for Value Creation

~\$5B+ Cash Flow (~\$17/share)
2024-2030

~\$2.5B Cash Flow (~\$8/share)
2024-2027

**Vision
2030**

● 2024

Peak
CapEx

● 2025

CapEx Cycle
Wind Down
Begins

● 2026

Incremental
\$80M Waco
EBITDA

~\$800M to ~\$1B
Cash Flow

● 2027

2nd incremental
\$80M Waco
EBITDA

~\$900M to ~\$1B
Cash Flow

● 2028

~\$1B Cash Flow

● 2029

~\$1B Cash Flow



Appendix

Supplemental Guidance Information

\$ in millions	2024
Capital Spending	~\$1,000
Interest Expense	\$225 - \$240
Cash Interest	\$210 - \$225
Cash Taxes, Working Capital, Pension	~\$300
Effective Tax Rate	~25%
Depreciation & Amortization	\$445 - \$455 ¹
Estimated Year-end Net Leverage	~2.7x



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