



Graphic  
Packaging  
HOLDING COMPANY

# First Quarter 2025 Earnings

May 1, 2025



# 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 the timing of the completion and startup of the Waco, Texas facility, the timing of the closure of the Middletown, Ohio recycled paperboard manufacturing facility, Innovation Sales Growth in 2025, inflation, decreases in consumer spending and growth in mass retail/superstore and discount retailer channels, as well as 2025 Net Sales, volume, Adjusted EBITDA, Adjusted EPS, and Innovation Sales Growth, capital spending, interest expense, cash interest, cash taxes, working capital and pension expense, effective tax rate, and depreciation and amortization 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.

# First Quarter 2025 Highlights

## Strategic Updates

- Waco, Texas recycled paperboard investment moving toward completion and Q4 2025 startup
- Middletown, Ohio recycled paperboard manufacturing facility closure announcement
- New \$1.5B share repurchase authorization; total available authorization \$1.865B

## Diversified Consumer Packaging Portfolio

- Volume +1% yoy (America's -1%, International +3%), Price -1% yoy
- Food and Health and Beauty improved, Beverage weaker
- Mass retail/superstore and discount grocer share gains continue
- Innovation Sales Growth of \$44M in the quarter
  - Boardio™ continues to gain with brands and private label in the U.S.
  - European regulation driving new growth in beverage packaging
  - Economic uncertainty modestly affecting customer launch plans
  - Solid pipeline visibility to at least 2% Innovation Sales Growth in 2025



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

## Food 38%



## Beverage 25%



## Foodservice 21%



## Household 12%



## Health & Beauty 4%



# Consumer Packaging Sales by Market

Q1: Consumer search for value keeping volumes below expectations

	2023				FY	2024				FY	2025
	Q1	Q2	Q3	Q4	2023	Q1	Q2	Q3	Q4	2024	Q1
Food	↑	➡	↘	↘	➡	↓	↘	➡	↘	↘	➡
Beverage	➡	↗	➡	➡	➡	↑	➡	➡	➡	➡	↘
Foodservice	↑	↑	↑	↑	↑	↑	↗	↗	➡	↗	➡
Household	↑	↘	↓	↓	➡	↓	↓	➡	➡	↘	➡
Health & Beauty	↑	↑	↑	↓	↑	↓	↓	↘	↘	↓	➡
Total	↑	↗	➡	➡	↗	↘	↘	➡	➡	➡	➡

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

# Seasonality, Experience, and Expectations

## Typical Patterns

Seasonality	Q1	Q2	Q3	Q4
Food	3	2	4	3
Beverage	2	5	4	2
Foodservice	1	3	3	5
Household	3	3	3	3
Health & Beauty	5	3	2	3
Total	2	3	4	3

- Total Company: Relatively weaker Q1, relatively stronger Q3
- Stronger Months: March, August, October
- Weaker Months: February, July, December

Legend:

Weaker		Neutral		Stronger
1	2	3	4	5

## Q1 2025 Experience

- Search for value expanding across most consumer demographics
- Promotional activity relatively unchanged; driving mix shifts and brand switching
- Private label share of Innovation Sales Growth continues to rise
- Input cost inflation above expectations

## Q2 2025 Expectations & Trends

- Continued inflation risk
- Consumers pulling back spending
- Further growth in mass retail/superstore and discount retailer channels
- Continued CPG and QSR volume uncertainty



# Customer Focus on Innovation Remains High

*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: EnviroClip™ Beam



## INNOVATION

A paperboard clip-style multi-pack carrier for PET bottles as an alternative to plastic ring carriers and shrink wrap



## CUSTOMER LAUNCH

Get More Vits is the first beverage manufacturer to launch EnviroClip™ Beam as a part of their carbon footprint reduction strategy



## ADDRESSABLE OPPORTUNITY

- + \$1.5B global multi-pack market opportunity
- + Primarily plastic and plastic film replacement

## VALUE PROPOSITION

### More Functional

- ✓ Glue and plastic free
- ✓ Suitable for a wide range of bottle types, sizes, and configurations
- ✓ High-speed AutoClip™ machinery system compatible
- ✓ Bottle orientation to maximize on-shelf brand marketing impact

### More Circular

- ✓ 100% paperboard – no plastic
- ✓ Recyclable in regular household waste streams<sup>1</sup>

### More Convenient

- ✓ Rigid, with easy product separation
- ✓ Comfortable to lift and carry



# 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, engaged, customer-focused culture**

- Zero life injuries
- 75<sup>th</sup> percentile in employee engagement
- Workforce representative of consumers and our communities
- 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***

# First Quarter 2025 Financials

## Sales

- Packaging sales: Q1 -\$2M, or ~0%
  - Volume: Q1 +1%
  - Price: Q1 -1%
- Impact of Augusta divestiture and bleached paperboard sales: Q1 -\$110M, or -5%
- F/X<sup>1</sup>: Q1 -\$27M, or -1%

## Adjusted EBITDA<sup>2</sup>

- Price-volume-mix: Q1 -\$34M
- Net Performance<sup>3</sup>: Q1 +\$33M, more than offset -\$25M labor, benefits, and other inflation
- Input cost inflation: Q1 -\$21M
- Impact of Augusta divestiture and bleached paperboard sales: Q1 -\$25M
- F/X: Q1 -\$6M

(\$M excl EPS)	Q1'25	Q1'24	Δ YoY
<b>Net Sales</b>	\$2,120	\$2,259	-6%
<b>Net Income</b>	\$127	\$165	-\$38
<b>Adj. EBITDA<sup>2</sup></b>	\$365	\$443	-\$78
<b>Adj. EBITDA Margin<sup>2</sup></b>	17.2%	19.6%	-240bps
<b>EPS</b>	\$0.42	\$0.53	-\$0.11
<b>Adj. EPS<sup>2</sup></b>	\$0.51	\$0.66	-\$0.15
<b>Net Leverage Ratio<sup>2,4</sup></b>	3.5x	3.0x	+0.5x

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

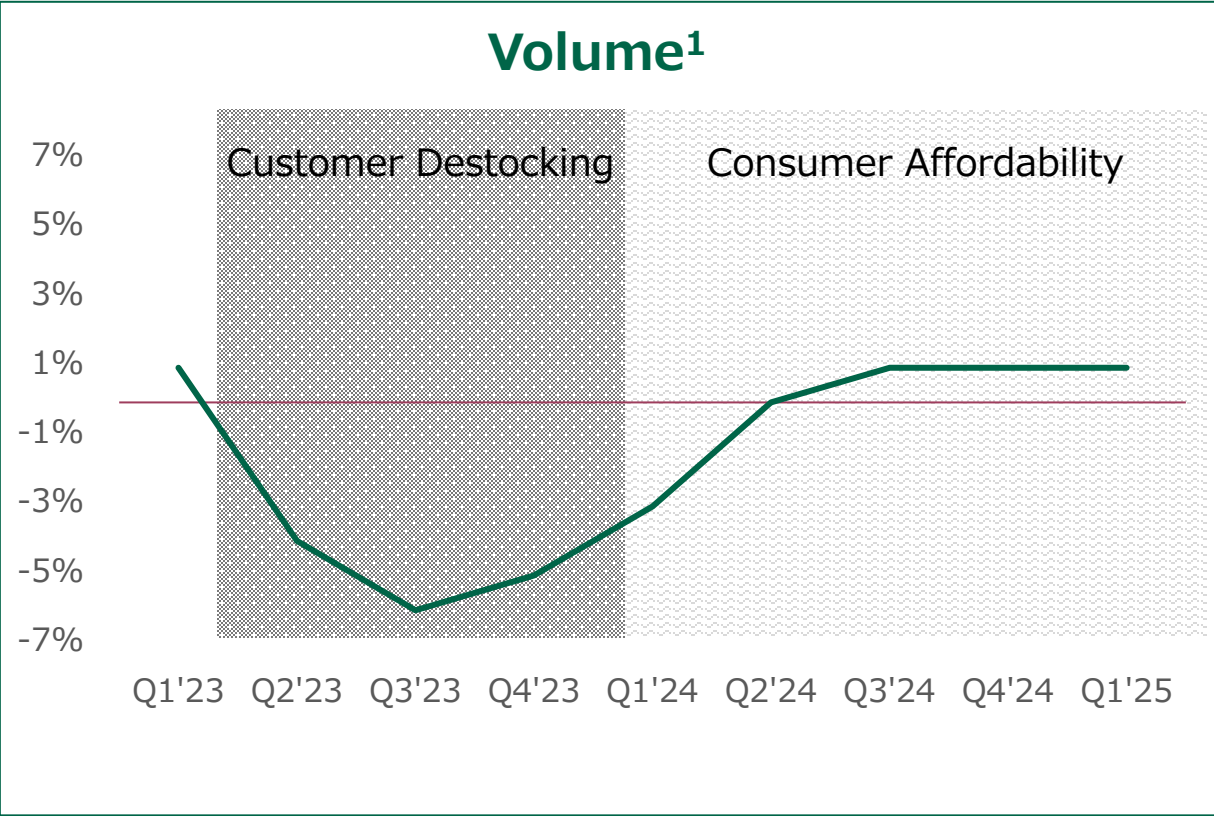
2. Adjusted figures and Net Leverage represent Non-GAAP Financial Measures. Please refer to earnings press release for reconciliations to GAAP measures.

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

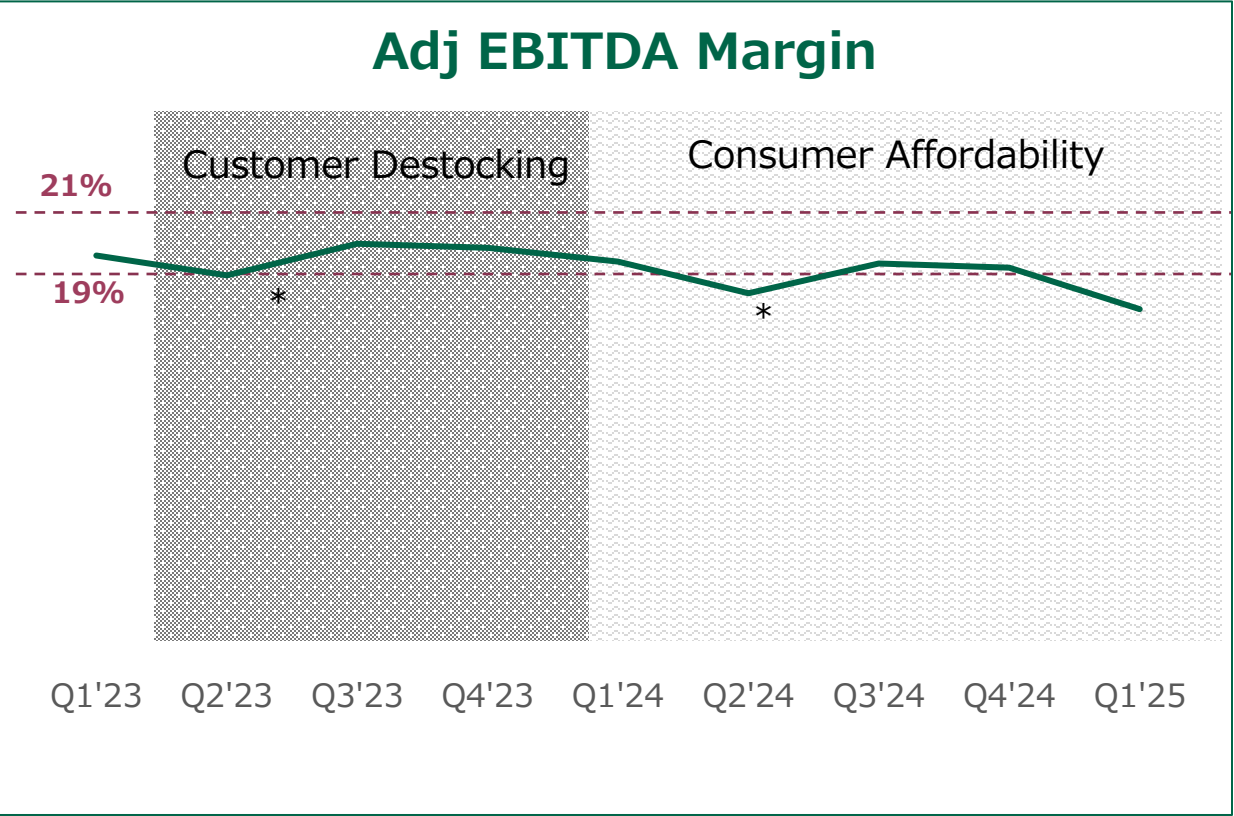
4. Net Leverage Ratio calculated as Net Debt divided by twelve months trailing Adjusted EBITDA.

# Consistent results across a wide range of market conditions

Price increases announced in response to recent input cost inflation



1 YoY



\* Planned maintenance quarters



# 2025 Guidance and Commentary

	Previous <sup>1</sup>	Current <sup>2</sup>
▪ Net Sales	\$8.6B to \$8.8B	\$8.2B to \$8.5B
▪ Assumed Volume	+1% to +3%	-4% to Flat
▪ Adjusted EBITDA	\$1.66B to \$1.76B	\$1.4B to \$1.6B
▪ Adjusted EPS	\$2.48 to \$2.73	\$1.75 to \$2.25
▪ Capital Spending:	~\$700M	
▪ Innovation Sales Growth:	at least 2% of Sales	

1. Previous guidance including F/X based on Bloomberg forward rates as of 1/27/25.

2. Current guidance including F/X based on Bloomberg forward rates as of 4/25/25.

# 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	Mid-Single Digits	High-Single Digits	~5% After 2025

## Capital Priorities:

- Reinvest to Expand Capabilities<sup>1</sup>
- 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

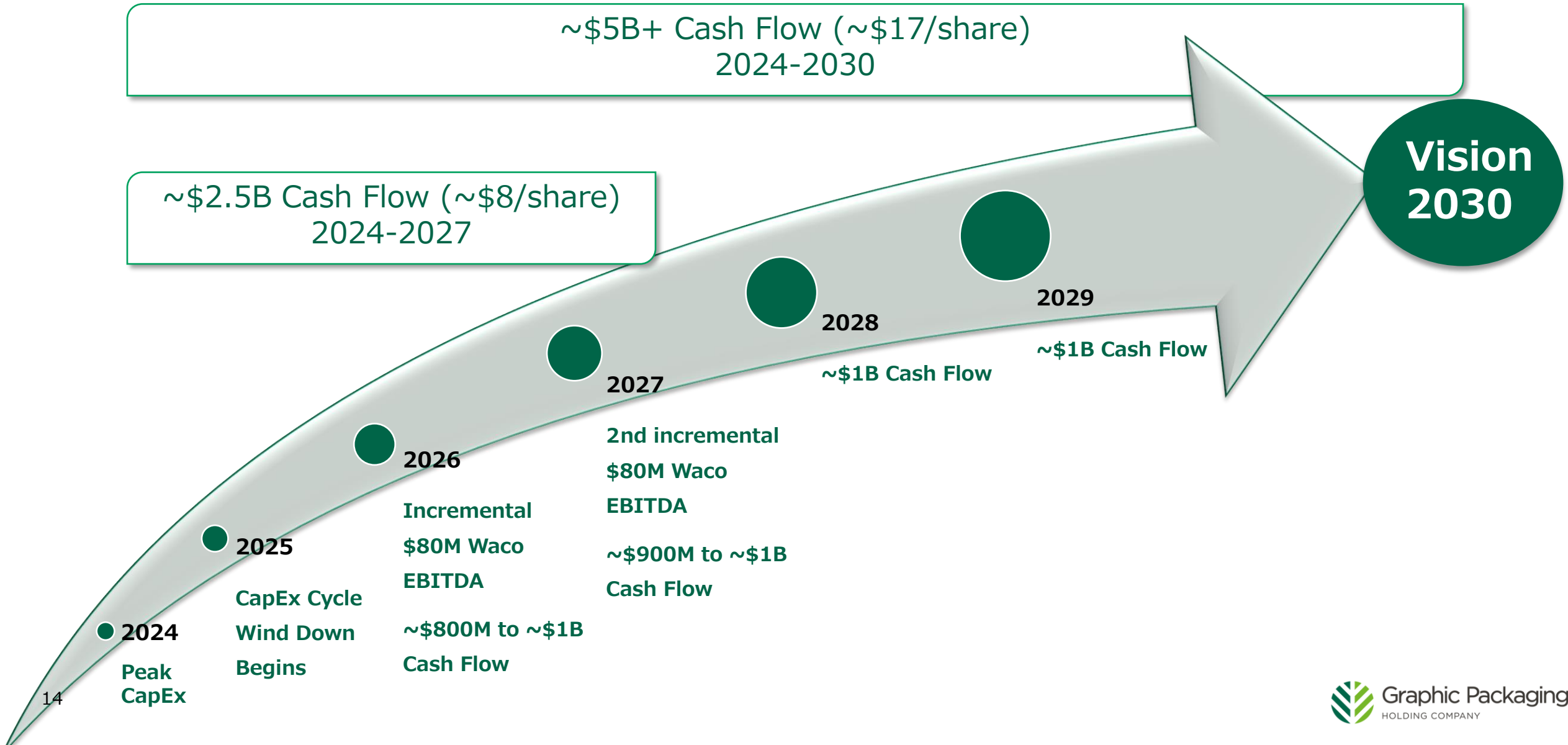


# Significant Cash Flow to Deploy for Value Creation

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

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

**Vision  
2030**







# Appendix

# Supplemental Guidance Information

in millions except tax rate	2025
Capital Spending	~\$700
Interest Expense	\$215-\$235
Cash Taxes, Working Capital, Pension <sup>1</sup>	\$300-\$350
Effective Tax Rate	~25%
Depreciation & Amortization <sup>2</sup>	\$450-\$475
Waco Startup Costs	\$65-\$75
Net Leverage, Year-End 2025 <sup>3</sup>	<3.5x
Ending Q1 2025 Shares, Diluted <sup>4</sup>	303.7

1. Excludes one-time cash payments and receipts for facility closures and sales, and Waco startup costs

2. Excludes accelerated depreciation and amortization related to purchased intangibles.

3. Including the impact of any share repurchase activity or other capital deployment initiatives.

4. Includes approximately 1.0M diluted shares.



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