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Graphic Packaging Announces Acquisition of Letica Foodservice Assets, Expanding Its Growing Paperboard-Based Foodservice Platform in North America

ATLANTA, Aug. 28, 2018 /PRNewswire/ -- Graphic Packaging Holding Company (NYSE: GPK), today announced that its subsidiary, Graphic Packaging International, LLC, has reached an agreement to acquire substantially all the assets of the foodservice business of Letica Corporation, a subsidiary of RPC Group PLC (LSE: RPC), for \$95 million, subject to standard closing conditions and regulatory review. The transaction is expected to close in the third quarter of 2018.

Letica Foodservice is focused on the production of paperboard-based cold and hot cups and cartons for the growing foodservice market in North America. The company operates two world class foodservice converting facilities in Clarksville, Tennessee and Pittston, Pennsylvania.

The business generated \$110 million in revenue and converted approximately 40 thousand tons of solid bleached sulfate ("SBS") paperboard in the twelve months ended 6/30/2018. Synergies from the acquisition will be driven by the integration of additional SBS paperboard tons, lower logistics costs, and other cost efficiencies. On a post-synergy basis, the EV/EBITDA multiple for this transaction is expected to be approximately 6.0X.

"We are excited to announce the acquisition of the Letica Foodservice assets as it extends our leading position in the growing paperboard-based foodservice market in North America," said President and CEO Michael Doss. "The transaction will further diversify our customer base, enhance our geographic footprint, and provide needed capacity to meet the incremental demand for paper cups resulting from the ongoing shift out of polystyrene foam. The transaction is consistent with the strategy we outlined after the combination with the SBS mill and foodservice assets that closed on January 1, 2018, specifically, our intent to grow our foodservice business organically and through acquisitions and drive higher integration levels for our SBS mills."

Forward Looking Statements

Any statements of the Company's expectations in this press release constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements, including but not limited to those regarding the effect of the acquisition on the Company's integration levels and financial position, are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company's present expectations. These risks and uncertainties

include, but are not limited to, the Company's ability to successfully integrate the acquisition and achieve synergies. 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 required by law. Additional information regarding these and other risks is contained in the Company's periodic filings with the SEC.

About Graphic Packaging Holding Company

Graphic Packaging Holding Company (NYSE: GPK), headquartered in Atlanta, Georgia, is committed to providing consumer packaging that makes a world of difference. The Company is a leading provider of paper-based packaging solutions for a wide variety of products to food, beverage, foodservice, and other consumer products companies. The Company operates on a global basis, is one of the largest producers of folding cartons and paper-based foodservice products in the United States and holds leading market positions in solid bleached sulfate paperboard, coated unbleached kraft paperboard and coated recycled paperboard. The Company's customers include many of the world's most widely-recognized companies and brands. Additional information about Graphic Packaging, its business and its products is available on the Company's web site at www.graphicpkg.com.

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