

Third Quarter 2020 Earnings Call



October 20, 2020

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Inspired Packaging. A World of Difference.

FORWARD LOOKING STATEMENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Any statements of the Company's expectations in these slides, including but not limited to expectations regarding 2020 Adjusted EBITDA and cashflow (including expectations for certain components thereof), timing and commercialization of PaperSeal™, reductions in costs due to CRB mill consolidation, the cost impact of mill market and maintenance downtime, pension expense, depreciation and amortization, pension amortization and effective tax rate constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements 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 effects of the COVID-19 pandemic on the Company's operations and business, inflation of and volatility in raw material and energy costs, cutbacks in consumer spending that reduce demand for the Company's products, continuing pressure for lower cost products, the Company's ability to implement its business strategies, including productivity initiatives, cost reduction plans, and integration activities, as well as currency movements and other risks of conducting business internationally, and the impact of regulatory and litigation matters, including the continued availability of the Company's net operating loss offset to taxable income, and those that impact the Company's ability to protect and use its intellectual property. 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.

NON-GAAP FINANCIAL MEASURES

This presentation includes certain 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. The Company's management believes that the presentation of these financial measures provides useful information to investors because these measures are regularly used by management in assessing the Company's performance. These 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 measure in the same manner as we do. A reconciliation of these measures to the most relevant GAAP measure is available in our latest earnings press release which can be found in the Investors section on the Graphic Packaging website at www.graphicpkg.com.

Q3 2020 HIGHLIGHTS



- Continued Solid Financial Performance Driven by Organic Sales Growth, Exceptional Customer Service and Strong Operational Execution
- Positive Net Organic Sales Growth of 4.2% in Q3 and 3.5% YTD Driven by Customer Conversions to GPK Paperboard Solutions and Increased Food & Beverage At-Home Consumption
- Matching Supply with Demand
 - 100,000 Annualized Tons of CUK Based Packaging Converted to SBS Folding Carton Grades to Meet Increased CUK Demand
 - 30,000 Tons of SBS Cupstock Downtime to Align with Lower Demand for Highly Integrated Cup Volume
- Paperboard Inventory Levels Down 75,000 Tons Across All Substrates Year over Year
- Executing Strategic Initiatives; Numerous Projects Successfully Completed and Operational
- Returned \$367 Million to Stakeholders in Share Repurchases, Dividends, Partnership Distributions and Redemptions; Included \$90 Million in Common Shares Repurchased During the Quarter

Q3 2020 FINANCIAL RESULTS

(US\$ M)	Q3 2020	Q3 2019	% Chg
Net Sales	\$1,698	\$1,582	+7%
Adj. EBITDA	\$250	\$244	+2%
Adj. EBITDA Margin	14.7%	15.4%	-70bps
Adj. EPS	\$0.26	\$0.20	+30%
Global Liquidity	\$1,557	\$1,487	+5%

STRONG FINANCIAL PERFORMANCE

- Net Sales up 7% y/y
 - Net Organic Sales⁽¹⁾ up 4% y/y led by food and beverage at-home consumption
- Adj EBITDA \$250M
- Adj. EPS \$0.26 up 30% y/y, benefitted by continued reduction in GPK shares outstanding and lower income tax expense
- \$1.6B in Global Liquidity

(1) Net organic sales = Net sales – open market sales – sales from acquisitions closed within the last 12 months - pricing – FX impact
Adjusted figures and global liquidity represent non-GAAP measures. Please refer to earnings press release for reconciliations to GAAP measures.

Q3 2020 SUMMARY

FINANCIAL PERFORMANCE

- Q3 net sales \$1.7B, up 7% y/y
 - Food, Beverage & Consumer sales up 15% y/y (up 8% before acquisitions)
 - Foodservice sales down 14% y/y
- Q3 pricing unfavorable \$10M and net commodity input cost deflation of \$3M; \$39M positive price/cost relationship YTD
- Q3 net productivity of \$7M driven by cost efficiencies, benefits from capital projects and synergy capture offset by market downtime costs
- Q3 Adj. EBITDA \$250M
- Q3 Adj. EPS \$0.26, up 30% y/y
- Q3 net leverage ratio of 3.4x

MARKETS & OPERATIONS

- Q3 net organic sales up 4.2% y/y
 - YTD, net organic sales up 3.5% y/y
 - Q3 net organic sales growth driven by continued conversions to GPK paperboard solutions and at-home food and beverage consumption
 - Foodservice showing continued gradual sequential improvement
- AF&PA Q3 operating rate for SBS was 85%, due to market and maintenance downtime, CRB was 93%; GPK Q3 CUK operating rate 95%+
- Backlogs at 5+ weeks for SBS, CRB, and CUK
- YTD Integration rate of 70%, up 200 bps y/y

CAPITAL ALLOCATION

- Returned \$367M to stakeholders
 - \$250M minority interest redemption
 - \$90M common share repurchase
 - \$27M in dividends and distributions
- Invested \$119M in capital expenditures
- Significant liquidity of \$1.6B; borrowing effectively and maintaining ample balance sheet flexibility
- Addressed \$425M bond due April 2021 with delayed draw term loan
 - 7-year fixed rate loan to fund in Jan 2021
 - Net interest rate, after patronage, expected to be less than 2% per year

SUSTAINABLE SOLUTIONS DRIVING NET ORGANIC SALES GROWTH

PLASTIC SUBSTITUTION

Foodservice Cups and Cartons



Beverage Multi-packs



Food Trays (non cooking)



COOKING SOLUTIONS

Microwaveable Technologies



Paperboard Bowls and Trays



STRENGTH PACKAGING

Club Stores and Mass Retailers



E-commerce

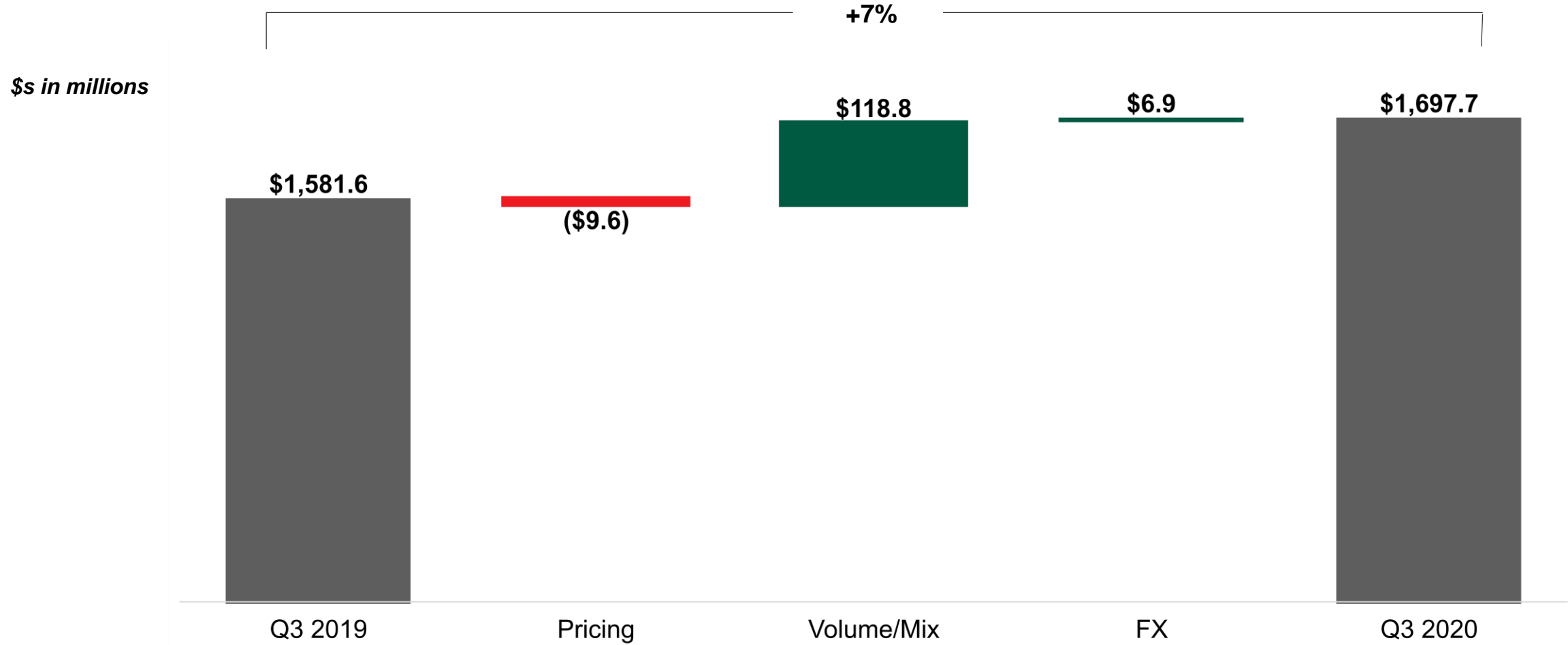


PLATFORM ENABLERS

PACKAGING DESIGN AND PREMIUMIZATION

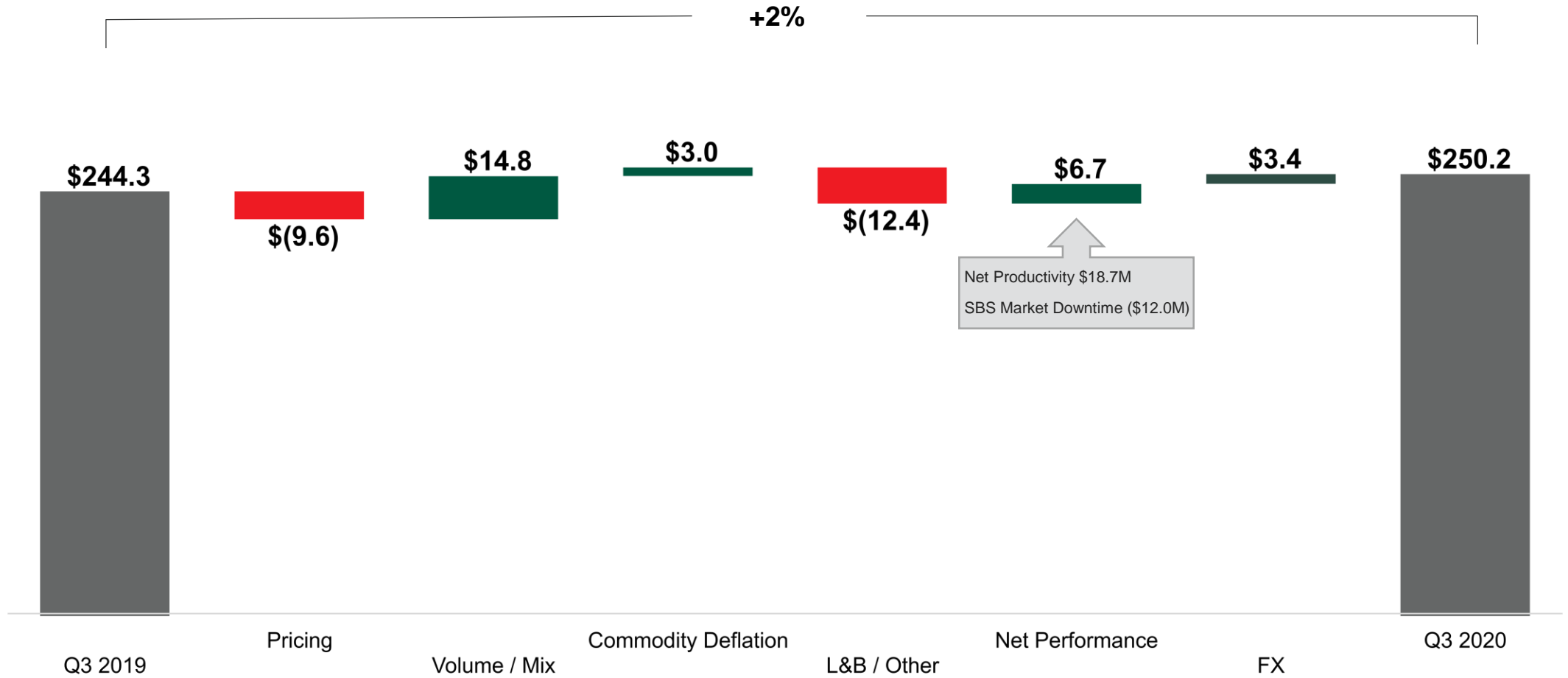


Q3 2020 NET SALES PERFORMANCE



Q3 2020 ADJUSTED EBITDA PERFORMANCE

\$s in millions



SUCCESSFULLY EXECUTING AND COMPLETING MULTIPLE STRATEGIC PROJECTS

Completed

Project	Date
West Monroe #7 Curtain Coater	Q3 2020
West Monroe Recovery Boiler	Q3 2020
Texarkana #3 Headbox	Q3 2020
2 Greif Converting Facilities Closure	Q3 2020
White Pigeon CRB Mill Closure	Q2 2020
Corrugated Machine Closure	Q2 2020
Monroe Converting Facility at Run-Rate	Q1 2020
Macon Curtain Coater #1	Q4 2019
Texarkana Recovery Boiler	Q3 2019
Augusta Recovery Boiler	Q4 2018

In-Process

Project	Date
Sneek, Netherlands Converting Facility	Q4 2020
Kalamazoo CRB K2 Machine	Q1 2022

2020 ADJUSTED EBITDA AND CASH FLOW GUIDANCE

Adjusted EBITDA \$1,060M - \$1,080M

EBITDA Components

Price	\$0M – \$20M
Volume	\$10M – \$30M
Commodity Input Costs ⁽¹⁾	\$10M – \$30M
Net Performance	\$40M – \$60M
L&B / Other ⁽²⁾	(\$50M – \$60M)
FX ⁽³⁾	(\$0M – \$5M)

Cash Flow \$275M - \$300M

Cash Flow Components

Cap Ex	(~\$625M)
Interest	(\$125M – \$135M)
Tax	(\$30M – \$40M)
Working Capital	\$25 – \$50M
Pension	(\$15M – \$20M)

(1) Represents input cost deflation

(2) Other primarily includes inflation associated with insurance and property taxes

(3) FX range at current rates

APPENDIX



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2020 SUPPLEMENTAL INFORMATION

	2019 Actual	2020 Guidance
Pension Expense/(Income) ⁽¹⁾ (includes pension amortization)	\$16M	\$15M
Depreciation & Amortization ⁽²⁾ (excluding pension amortization)	\$447M	\$455M
Pension Amortization	\$10M	\$6M
Effective Tax Rate ⁽³⁾ (Normalized)	25.8%	20%-22%

(1) Pension expense for 2019 excludes \$39.2 million non-cash pension plan settlement charge. Pension expense guidance for 2020 excludes \$152.5M non-cash pension plan settlement charge.

(2) D&A 2019 actual includes \$4.7M of accelerated depreciation related to exit activities. D&A 2020 guidance range excludes approximately \$26M of accelerated depreciation related to exit activities.

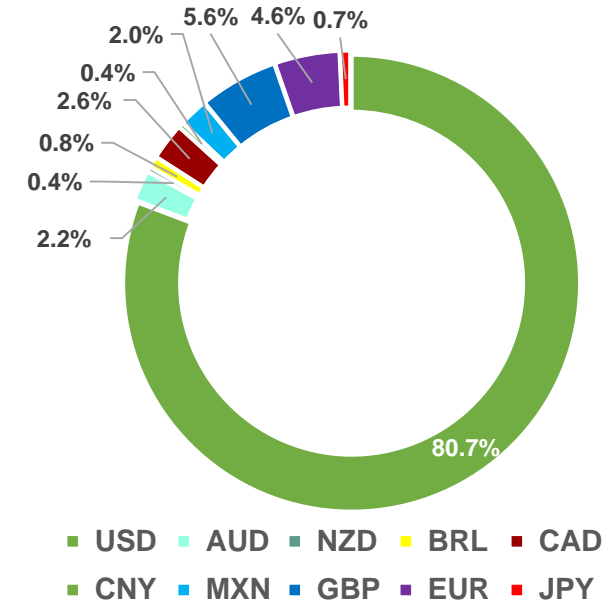
(3) Tax rate applied to GPHC's share of the partnership earnings.

SUPPLEMENTAL INFORMATION

COMMODITY ANNUAL CONSUMPTION

Categories	Units
Wood (Million tons)	10
Recycled Fiber (Million tons)	1
Natural Gas (MMBTU)	22
Caustic Soda (000, tons)	40
Starch (Million lbs.)	150
TiO2 (Million lbs.)	25
Polyethylene (Million lbs.)	105

2019 REVENUE BY CURRENCY





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