



Graphic Packaging
INTERNATIONAL

SECOND QUARTER 2022 EARNINGS RESULTS

July 26, 2022

Michael P. Doss
President and Chief Executive Officer

Stephen R. Scherger
Executive Vice President and Chief Financial Officer

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, guidance regarding synergies, net sales and European sales, EBITDA and cash flow (and the components thereof), adjusted earnings per share, capital expenditures, interest expense, effective tax rate, working capital changes, year-end leverage and pension expense, contributions, effects of price actions in 2022 and 2023, and pension expense, depreciation and amortization, interest expense and available liquidity at year end 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

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 can be found in the Company's earnings press releases.

Q2 2022 HIGHLIGHTS AND FULL YEAR OUTLOOK

Q2 Net Organic Sales Growth up 3% y/y

- 1H'22 Net Organic Sales Growth up 3% y/y; 1H'22 Integration Rate Increased to 74%, up 300bps from 1H'21

Q2 Adjusted EBITDA \$396 Million, up 60% y/y

- Growth Driven by \$93 Million of Positive Price-Cost Relationship, \$81 Million of Volume/Mix and \$16 Million of Net Performance

Q2 Adjusted EPS (excluding amortization of purchased intangibles) \$0.60, up 107% y/y

K2 Coated Recycled Board Production Ramp Up on Track

- Expect \$50 Million of Incremental EBITDA in 2022

Successfully Executing Price Actions to Fully Offset Commodity Input Cost Inflation

- Expect \$300 Million - \$400 Million of Positive Price-Cost Relationship in 2022

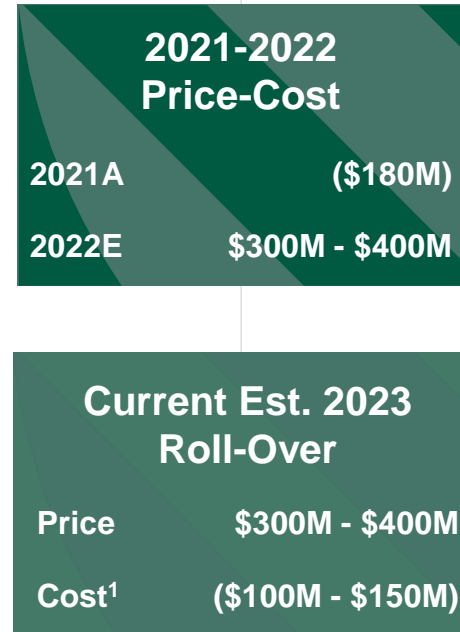
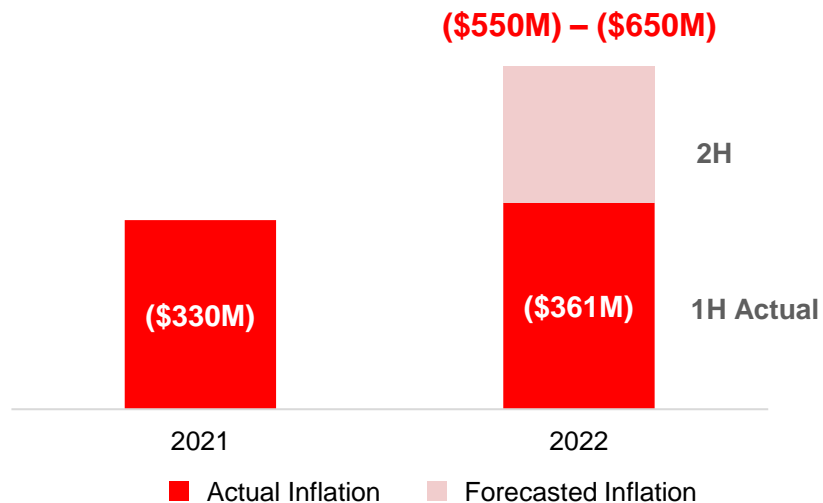
Upwardly Revising 2022 Adjusted EBITDA Guidance Range; Midpoint Now \$1.55 Billion, up 47% y/y

Significant Step-up in Full Year Adjusted EBITDA Driving Strong Cash Flow in 2022

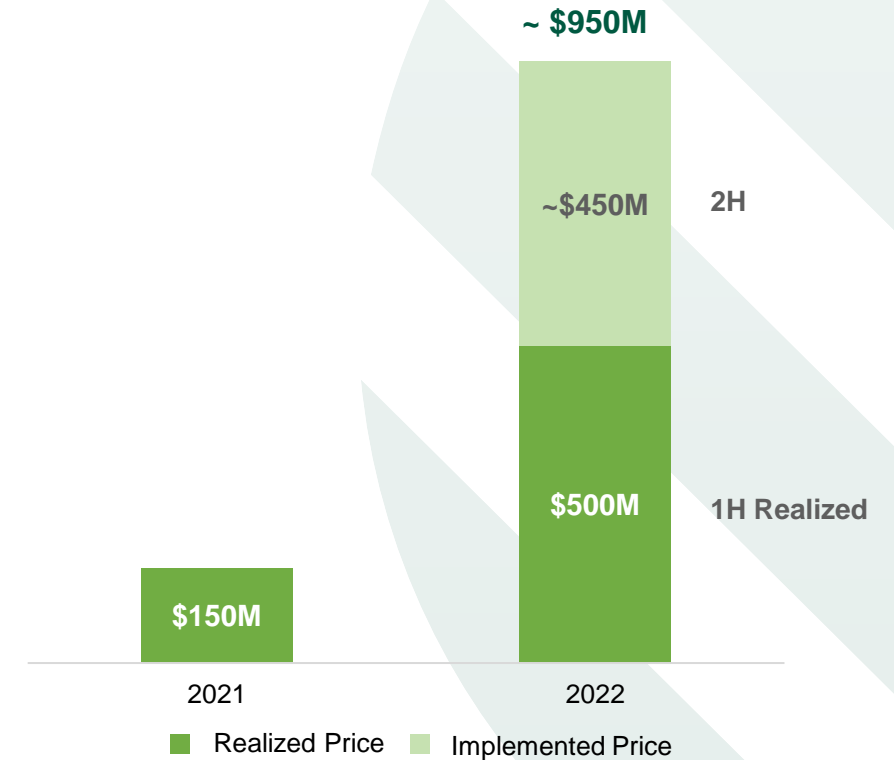
- Expect Year-End Leverage in the 3.0 - 3.5x Range

\$1.1B IN PRICING REALIZED AND BEING IMPLEMENTED DURING 2021-2022 TIMEFRAME; INFLATION RANGE TIGHTENED, PRICE-COST RELATIONSHIP IMPROVED \$50M AT MIDPOINT

2021-2022 Commodity Input Costs (\$880M) – (\$980M)



2021-2022 Price Actions \$1.1B Realized & Implemented



EUROPEAN FIBER-BASED NEW PRODUCT DEVELOPMENT INITIATIVES EXPANDING GLOBAL MARKET GROWTH OPPORTUNITIES



Beverage



LOCKON

Healthcare



Gillette
Venus

Beauty



Foodservice



PERFETTI
van Melle

Food



Boardio®

Beiersdorf

Healthcare



REDEFINING INDUSTRY LEADERSHIP...RUNNING A DIFFERENT RACE

- Capturing strong global demand for fiber-based packaging with innovation and packaging solutions that scale; driving **sustained Net Organic Sales Growth**
- Differentiated by investments in infrastructure; well-capitalized mills and converting facilities globally are **competitively advantaged delivering packaging solutions with industry-leading quality at the lowest cost to produce**
- **Significant cash flow generation and strong balance sheet** provide capital to continue to invest in the business and execute strategic M&A; supporting growth and return goals
- **Vertically integrated model drives operating efficiencies, flexibility, paperboard supply assurance and optimization**; incorporates sustainability mindset into all steps of the manufacturing process; development of unique solutions that consider overall impact on the environment
- **Pricing actions and modification to certain business terms successfully being executed**; commodity input cost inflation fully recovered

RUSSIA BUSINESS UPDATE

~\$100M Revenue

~\$10M EBITDA

Business Classified as Held for Sale

Recorded a \$92M Charge in Q2'22

Targeting Sale by Year-end

ST. PETERSBURG

**TWO FOLDING
CARTON PLANTS**

TIMASHEVSK

SECOND QUARTER 2022 FINANCIAL RESULTS

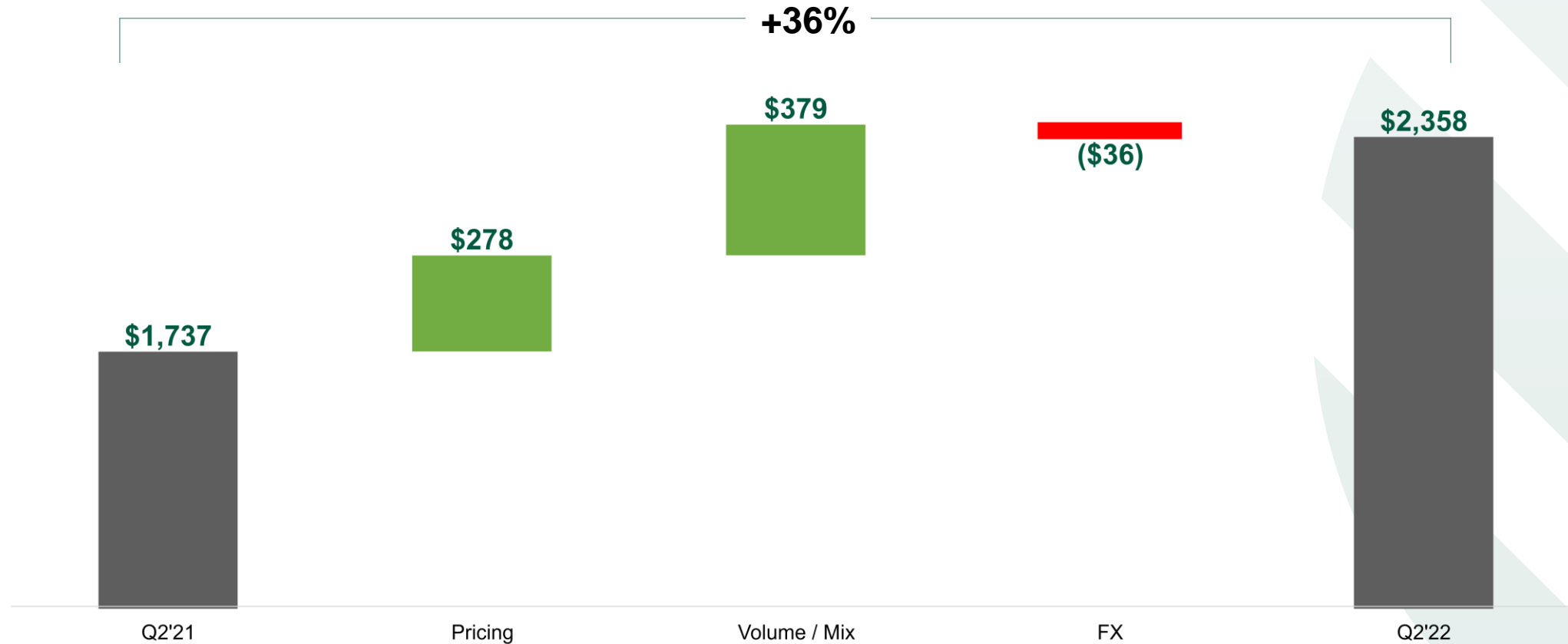
| (US\$ M) | Q2 2022 | Q2 2021 | % Chg y/y |
|--------------------------------------|---------|---------|-----------|
| Net Sales | \$2,358 | \$1,737 | +36% |
| Adj. EBITDA | \$396 | \$248 | +60% |
| Adj. EBITDA Margin | 16.8% | 14.3% | +250bps |
| Adj. EPS (excl. amort.) ¹ | \$0.60 | \$0.29 | +107% |
| Global Liquidity | \$1,194 | \$1,883 | |
| YTD Integration Rate ² | 74% | 71% | +300bps |

Organic Sales Growth, Margin Expansion & Significant EBITDA Improvement

- Net Sales \$2.4B, up 36% y/y
 - Net Organic Sales increased 3% y/y
- Adj. EBITDA \$396M, up 60% y/y
 - Margin expansion driven by positive price-cost relationship, organic sales growth, acquisitions and net performance improvements
- Adj. EPS (excl. amort.)¹ \$0.60, up 107% y/y
- \$1.2B in Global Liquidity
- 1H'22 integration rate improved to 74%, up 300 bps from 1H'21

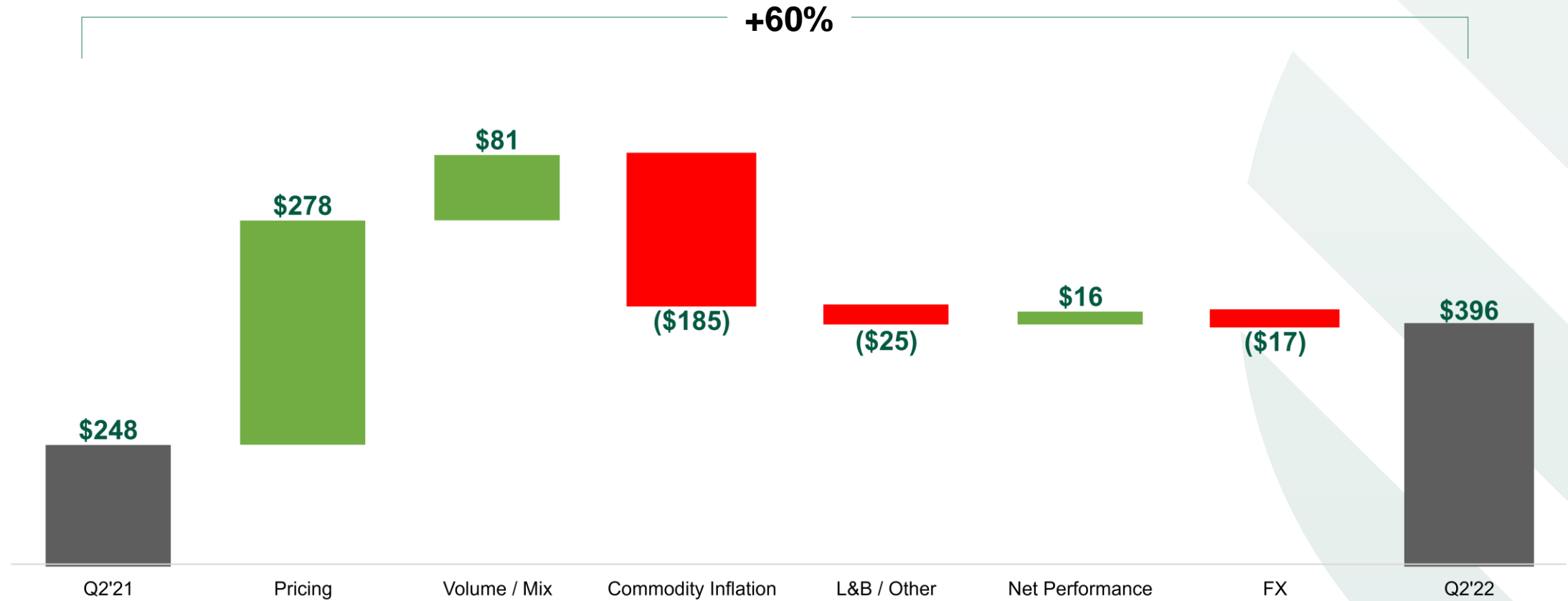
SECOND QUARTER 2022 NET SALES PERFORMANCE

(\$ in millions)



SECOND QUARTER 2022 ADJUSTED EBITDA PERFORMANCE

(\$ in millions)



Q2 2022 SUMMARY

Financial Performance

- Q2 net sales \$2,358M, up 36% y/y
 - Food, Beverage & Consumer sales up 37% y/y (up 14% before acquisitions)
 - Foodservice sales up 28% y/y
- Q2 pricing favorable \$278M; offsetting commodity input cost inflation of \$185M
- Q2 net productivity of \$16M driven by cost efficiencies
- Q2 Adj. EBITDA \$396M, up 60% y/y
- Q2 Adj. EPS (excl. amort.)¹ \$0.60, up 107% y/y

Markets & Operations

- Q2 net organic sales up 3% y/y
 - Q2 net organic sales growth driven by continued conversions to fiber-based packaging and expansion into new markets segments and geographies
 - AF&PA Q1 industry operating rate 96% for SBS, 95% for CRB; GPK Q1 CUK operating rate 95%+
- Backlogs remain elevated, 10+ weeks for SBS, CRB and CUK in Q2

Capital Allocation

- Returned \$23M to stockholders in dividends
- Repurchased \$7M of common stock at an average price of \$20.46
- Invested \$138M in capital projects
- Significant liquidity of \$1.2B; ample balance sheet flexibility
- Net leverage ratio 4.36x, pro-forma net leverage ratio of 4.17x²

2022 ADJUSTED EBITDA INCREASED BY \$50M AT MIDPOINT OF GUIDANCE

Adjusted EBITDA \$1,500M - \$1,600M

| EBITDA Components | |
|------------------------------------|------------------|
| Volume/Mix ¹ | \$190M - \$210M |
| Net Performance ² | \$80M - \$100M |
| L&B / Other Inflation ³ | (\$100M - \$90M) |
| FX | (\$50M - \$30M) |
| Price-Commodity Input Cost Spread | \$300M - \$400M |

Adjusted Cash Flow \$600M - \$800M

| Cash Flow Components | |
|----------------------------|---------------------|
| Adjusted EBITDA | \$1,500M - \$1,600M |
| Cap Ex | (\$500M - \$450M) |
| Cash Interest ⁴ | (\$180M - \$160M) |
| Taxes | (\$80M - \$60M) |
| Working Capital | (\$150M - \$120M) |
| Pension | (\$20M - \$10M) |

Sales: ~\$9.3B

Year-End Leverage:

$$\frac{\text{Net Debt}}{\text{Adj EBITDA}} = \frac{\sim\$5\text{B}}{\$1.5\text{B} - \$1.6\text{B}} = 3.0x - 3.5x$$

2022 ADJUSTED EPS EXCLUDING AMORTIZATION OF PURCHASED INTANGIBLES GUIDANCE INCREASED TO \$2.00-\$2.25

| (\$s in Millions excl. EPS) | Est. 2022 Adjusted EPS (excl. amort) |
|--|--------------------------------------|
| Adjusted EBITDA | \$1,500 - \$1,600 |
| Depreciation | (460) |
| Est. Amortization ¹ | (15) |
| Adjusted EBIT | \$1,025 - \$1,125 |
| Interest Expense | (200) |
| Adjusted EBT | \$825 - \$925 |
| Taxes | (200 - 220) |
| Adjusted Net Income | \$625 - \$705 |
| Adjusted EPS Excluding Amortization² | \$2.00 - \$2.25 |

SIGNIFICANT PROGRESS TOWARD ACHIEVING ENHANCED AND STRONGER VISION 2025 GOALS

Path to superior returns

| | 2019 Actual | 2020 Actual | 2021 Actual | 2022 Updated Guidance | Enhanced Vision 2025 |
|---|----------------|----------------|----------------|--------------------------|-------------------------|
| Paperboard Integration | 68% | 70% | 72% | ~75% | 90%+ |
| Sales | \$6.2B | \$6.6B | \$7.2B | ~\$9.3B | \$10B – \$12B |
| Adjusted EBITDA Margins | 16.7% | 16.3% | 14.8% | 16% – 17% | ~20% |
| ROIC | 8% | 8% | 7% | 8% – 9% | 10% – 12% |
| Adjusted EPS | \$0.87 | \$1.12 | \$1.14 | \$1.80 - \$2.05 | \$3.00+ |
| Adjusted EPS (excluding amortization) ¹ | - | - | - | \$2.00 - \$2.25 | \$3.25+ |
| Capex (% of sales) | 6% | 10% | 11% | 5% | 5% – 7% |



APPENDIX

2022 YEAR-OVER-YEAR OUTAGE IMPACT SCHEDULE AND OTHER GUIDANCE

Price-Commodity Input Cost Relationship & Net Outage Cost Impacts

Year-over-Year Change (\$s in Millions)

| | Q1 | Q2 | Q3 | Q4 |
|-------------------------|-----------|-----------|---------------|--------|
| Price-Cost Relationship | ↑ \$46 | ↑ \$93 | ↑ \$90-110 | ↑ |
| Net Outage Cost Impact | - | \$10 | \$10 | (\$20) |

| | 2020 Actual | 2021 Actual | 2022 Guidance |
|---|-------------|-------------------|---------------|
| Pension Expense ¹ (excludes pension amortization) | \$9M | \$6M | \$6M |
| Depreciation ² | \$388M | \$403M | \$460M |
| Amortization (includes pension amortization) | \$67M | \$74M | \$100M |
| Effective Tax Rate (Normalized) | 19% | 25% | 23 - 25% |
| Year End Net Leverage Ratio | 3.3x | 4.6x ³ | 3.0 - 3.5x |

SUPPLEMENTAL INFORMATION

Commodity Annual Consumption

| Categories | Units |
|-------------------------------|-------|
| Wood (Million tons) | 10 |
| Recycled Fiber (Million tons) | 1 |
| Natural Gas (MMBTU) | 25 |
| Caustic Soda (000, tons) | 78 |
| Starch (Million lbs.) | 180 |
| TiO2 (Million lbs.) | 25 |
| Polyethylene (Million lbs.) | 92 |

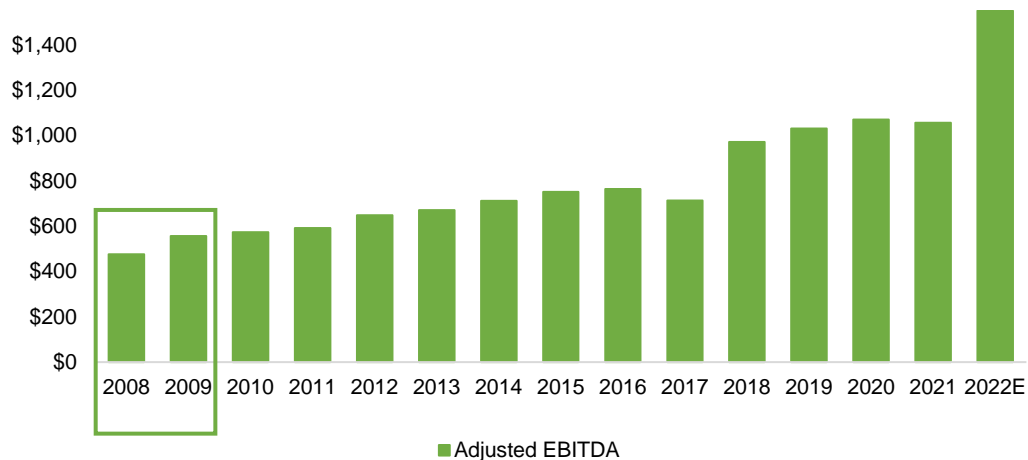
2021 Sales By Currency

| Currency | % of Sales |
|-----------|------------|
| USD | 78 |
| EUR | 7 |
| GPB | 6 |
| CAD | 3 |
| MXN | 2 |
| AUD | 2 |
| JPY / BRL | 2 |

RECESSION RESISTANT MODEL

Last Recession - What happened in 2009?

- Core folding carton volume declined 3.6% y/y
- Adj. EBITDA improved \$81M y/y to \$556 million or 14% y/y
- \$54M increase in Adj. EBITDA y/y driven by positive price/cost relationship, productivity, synergy realization
- \$27M increase in acquired Adj. EBITDA
- SBS demand down single digits in '09, with recovery in '10



2022: Diversified Revenue & Customer Profile; Significantly Stronger Financial Position With Material Cash Flow Generation

- End Market Diversification
 - Food & Beverage 56%; Consumer 20%, Foodservice (QSR) 20%, Health & Beauty 4%
 - No customer >5% of sales
- Customer Concentration Significantly Reduced
 - Top 10 Customers 30% vs historical avg ~45%
 - Mix of National and Store Brands
- 2008: Net Leverage Ratio 7x
 - \$413M in Adjusted EBITDA
 - Annual Interest Expense \$215M
 - Negative Adj Cash Flow
 - Available Liquidity \$390M
- 2022E: Net Leverage Ratio 3.0 - 3.5x
 - \$1,500 - \$1,600 in Adjusted EBITDA
 - Annual Interest Expense \$200M
 - \$600 - \$800M Positive Adj Cash Flow
 - Available Liquidity >\$1B

