



Graphic Packaging
INTERNATIONAL

THIRD QUARTER 2022 EARNINGS RESULTS

October 25, 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 incremental 2022 EBITDA from the K2 paperboard machine and CRB optimization, expected 2022 price-cost relationship, guidance regarding 2022 Adjusted EBITDA and year-end leverage, expected components of Adjusted EBITDA and Adjusted Cash Flow for 2022 (including Capital Expenditures, Cash Interest, Taxes and Pension Costs), as well as expected 2022 Depreciation and Amortization, Interest Expense and Taxes, and 2022 Adjusted Net Income and Adjusted Earnings per Share 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, the effects of the COVID-19 pandemic on the Company's operations and business, 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.

TODAY'S SPEAKERS

THIRD QUARTER 2022 EARNINGS RESULTS



Michael P. Doss

President and
Chief Executive Officer



Stephen R. Scherger

Executive Vice President and
Chief Financial Officer



Melanie S. Skijus

Vice President,
Investor Relations

Q3 2022 HIGHLIGHTS AND FULL YEAR OUTLOOK

Q3 Net Organic Sales Growth up 5% y/y

- YTD Q3'22 Net Organic Sales Growth up 4% y/y; YTD Q3'22 Integration Rate Increased to 74%, up 200bps from YTD Q3'21

Q3 Adjusted EBITDA \$441 Million, up 55% y/y

- Growth Driven by \$172 Million of Positive Price-Cost Relationship and \$61 Million of Volume/Mix

Q3 Adjusted EPS (excluding amortization of purchased intangibles) \$0.67, up 76% y/y

New Coated Recycled Board Machine Production Ramp On Track

- Expect \$50 Million in EBITDA in 2022; \$17 Million in EBITDA Realized in Q3

Price Actions Fully Offsetting Commodity Input Cost Inflation

- Expect \$425 - \$475 Million of Positive Price-Cost Relationship in 2022

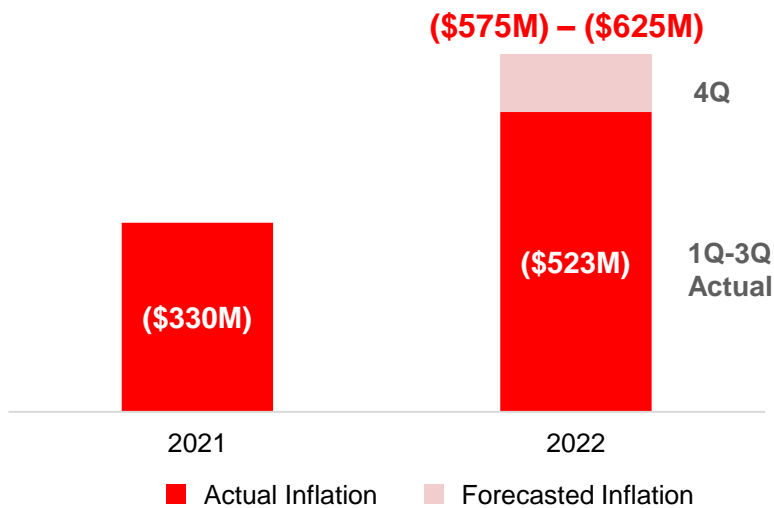
Upwardly Revising 2022 Adjusted EBITDA Guidance Range; Midpoint Now \$1.6 Billion, up 52% y/y

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

- Expect Year-End Leverage in the 3.1 - 3.3x Range

\$1.2B IN PRICING REALIZED AND BEING IMPLEMENTED DURING 2021-2022; INFLATION RANGE TIGHTENED, PRICE-COST RELATIONSHIP IMPROVED +\$100M AT MIDPOINT

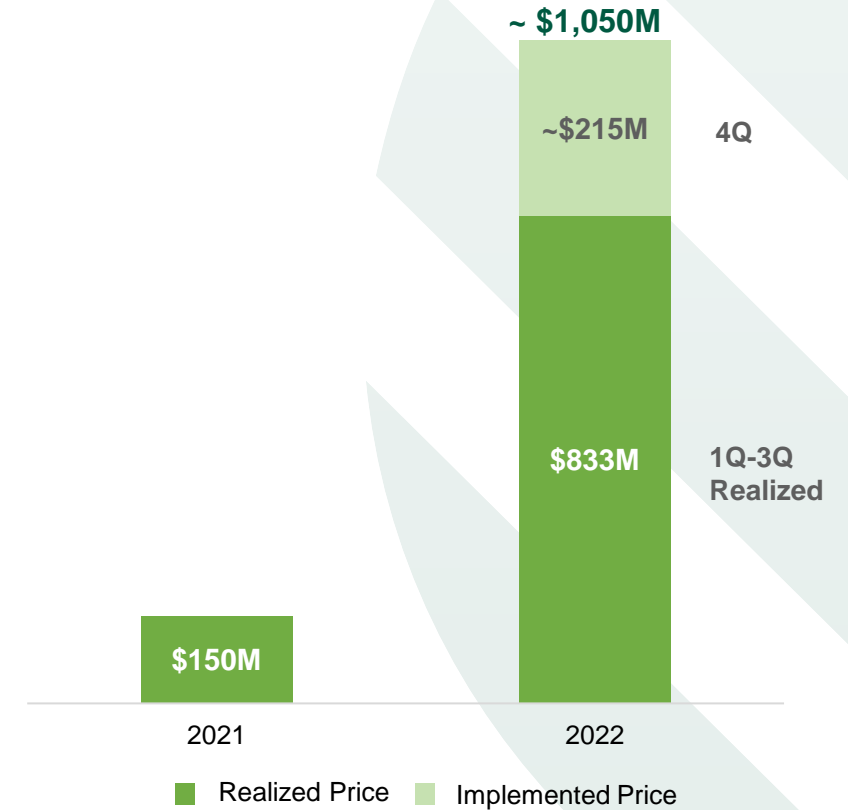
2021-2022 Commodity Input Costs (\$905M) – (\$955M)



2021-2022 Price-Cost	
2021A	(\$180M)
2022E	\$425M - \$475M

Current Est. 2023 Roll-Over ¹	
Price	\$375M - \$475M
Cost	(\$150M - \$250M)

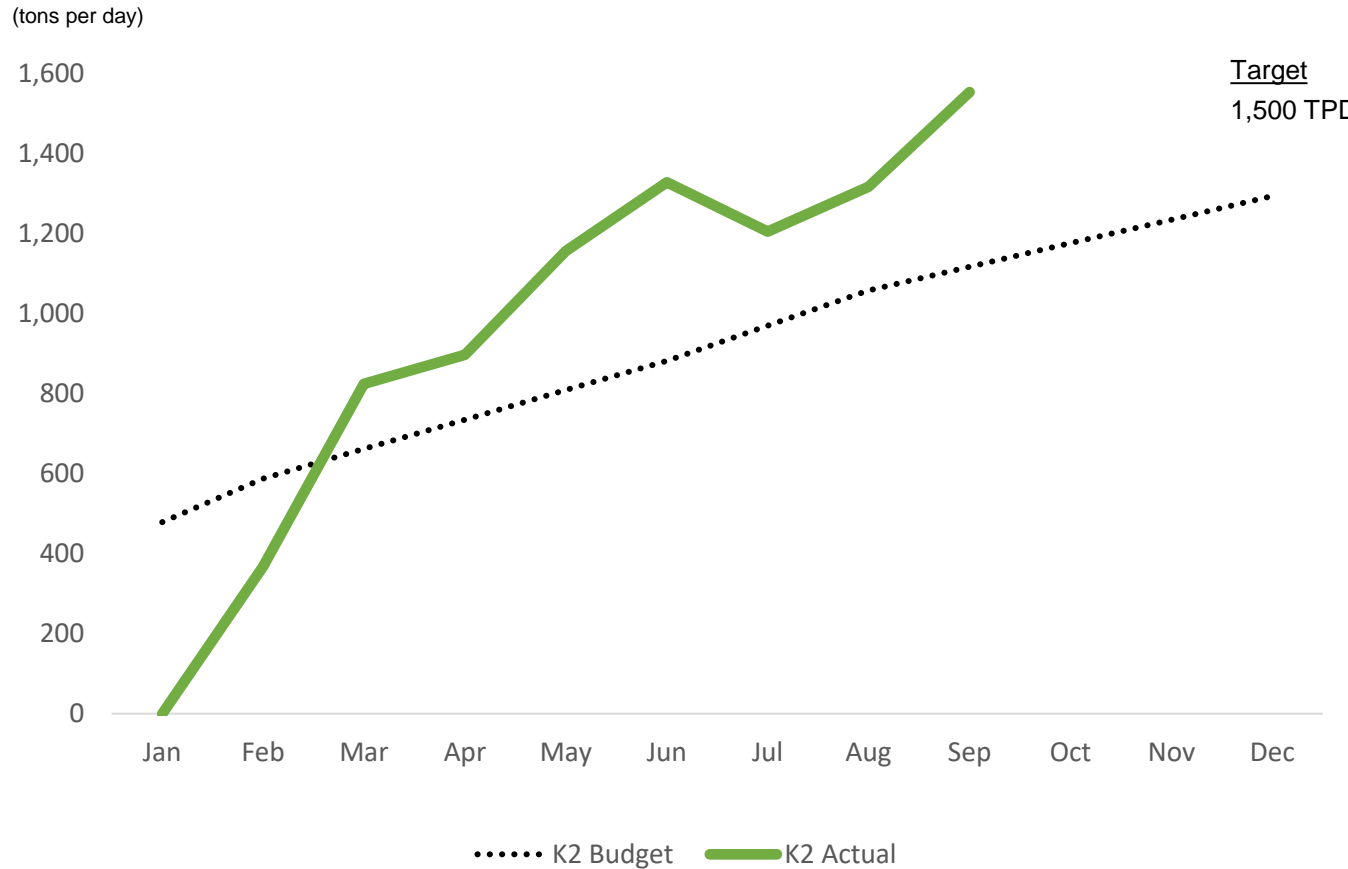
2021-2022 Price Actions \$1.2B Realized & Implemented



(1) Represents a marked-to-market approach and does not represent 2023 guidance; includes AR Packaging
Note: 2021-2022 Price-Cost Excludes AR Packaging

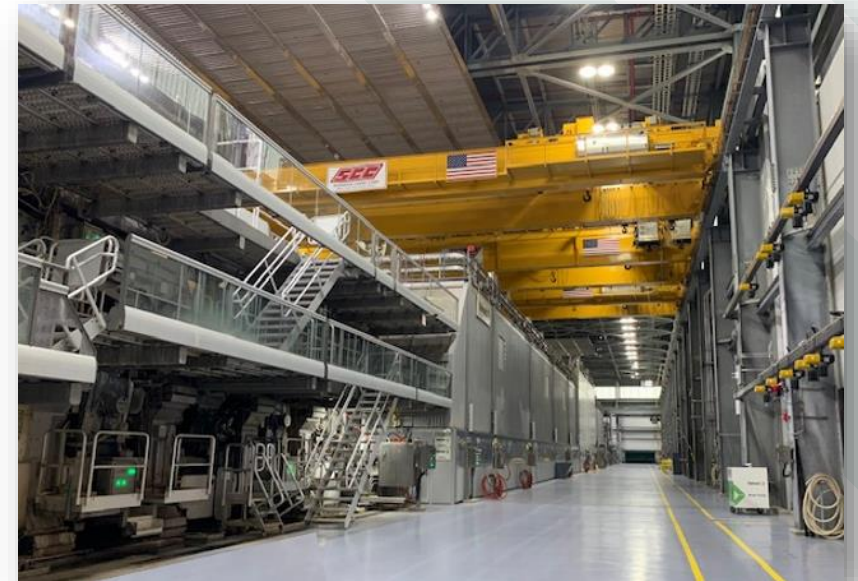
K2 PRODUCTION RAMP-UP ON TRACK; EXPECT \$50 MILLION EBITDA IN 2022, \$17 MILLION REALIZED IN Q3

K2 Coated Recycled Board Start-Up Curve (Monthly Average)



2022 Progress

- Feb 2nd** Machine Commissioning Complete
- Feb 12th** Produced First Commercially Saleable CRB
- 3rd Quarter** Operated at Targeted 1,500 TPD on Many Days



NEW PRODUCT DEVELOPMENT – *Unilever* LAUNDRY CAPSULES AND PACKS



*“For the first time ever, Unilever’s Dirt is Good capsules will be sold in a **plastic-free, fully recyclable** cardboard box, a move set to save around 6,000 tonnes of plastic per year, the equivalent in weight to 500 double-decker buses. *Unilever* press release 7-28-22*



As part of the **Clean Future** strategy at *Unilever*, the company’s largest detergent brand launched its most sustainable laundry capsule yet....

- Recyclable, plastic free solution suited to package new, more sustainable laundry capsules derived of 65% plant sources
- Packaging made up of both recycled fiber and virgin grade that is FSC-certified
- Leakage proof barrier built to lock out moisture and is child resistant
- Commercial in France today through various outlets
- Additional countries and brands interested

INNOVATION DELIVERING SIGNIFICANT OPPORTUNITIES TO CAPTURE ORGANIC GROWTH; ADDRESSABLE MARKET UPDATED TO \$12.5B FROM \$9B DRIVEN BY PLASTIC SUBSTITUTION

\$12.5B Addressable Market

Plastic Substitution \$11B

Cups and Cartons



Multi-Packs



Food Trays
(non-cooking)



Canisters



CEKACAN®, SEALIO®, BOARDIO®

Strength Packaging \$1B

Club Stores, Mass Retailers,
E-Commerce (SIOC)



Cooking Solutions \$0.5B



Microwave



Cooking Containers



Platform Enablers: Design & Premiumization



THIRD QUARTER 2022 FINANCIAL RESULTS

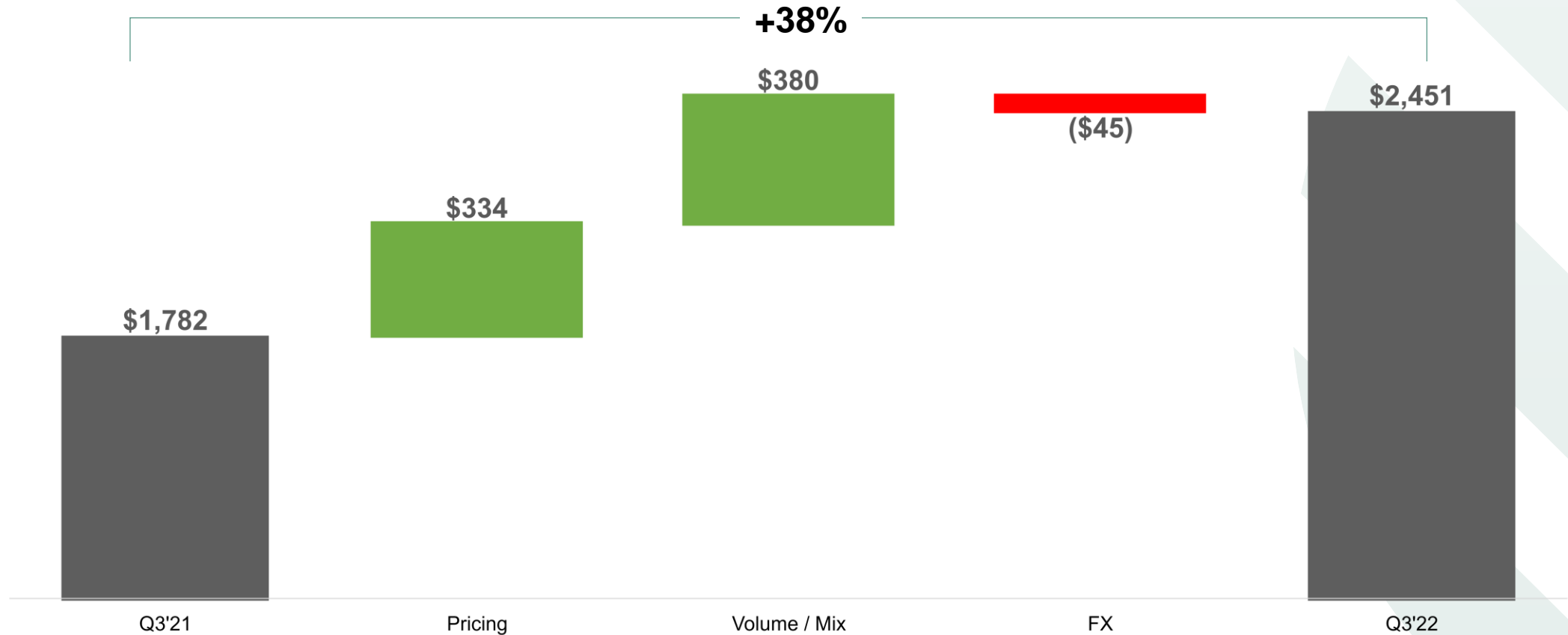
(\$ M)	Q3 2022	Q3 2021	% Chg y/y
Net Sales	\$2,451	\$1,782	+38%
Adj. EBITDA	\$441	\$284	+55%
Adj. EBITDA Margin	18.0%	15.9%	+210bps
Adj. EPS (excl. amort.) ¹	\$0.67	\$0.38	+76%
Global Liquidity	\$1,418	\$1,847	
YTD Integration Rate ²	74%	72%	+200bps

Sales & Margin Expansion; Organic Sales Growth Driven by Innovation; European Acquisition Delivering Expected Returns

- Net Sales \$2.5B, up 38% y/y
 - Net Organic Sales increased 5% y/y
- Adj. EBITDA \$441M, up 55% y/y
 - Margin expansion driven by positive price-cost relationship, organic sales growth, acquisitions and K2 performance improvements
- Adj. EPS (excl. amort.)¹ \$0.67, up 76% y/y
- \$1.4B in Global Liquidity
- YTD Q3'22 integration rate improved to 74%, up 200 bps vs. YTD Q3'21

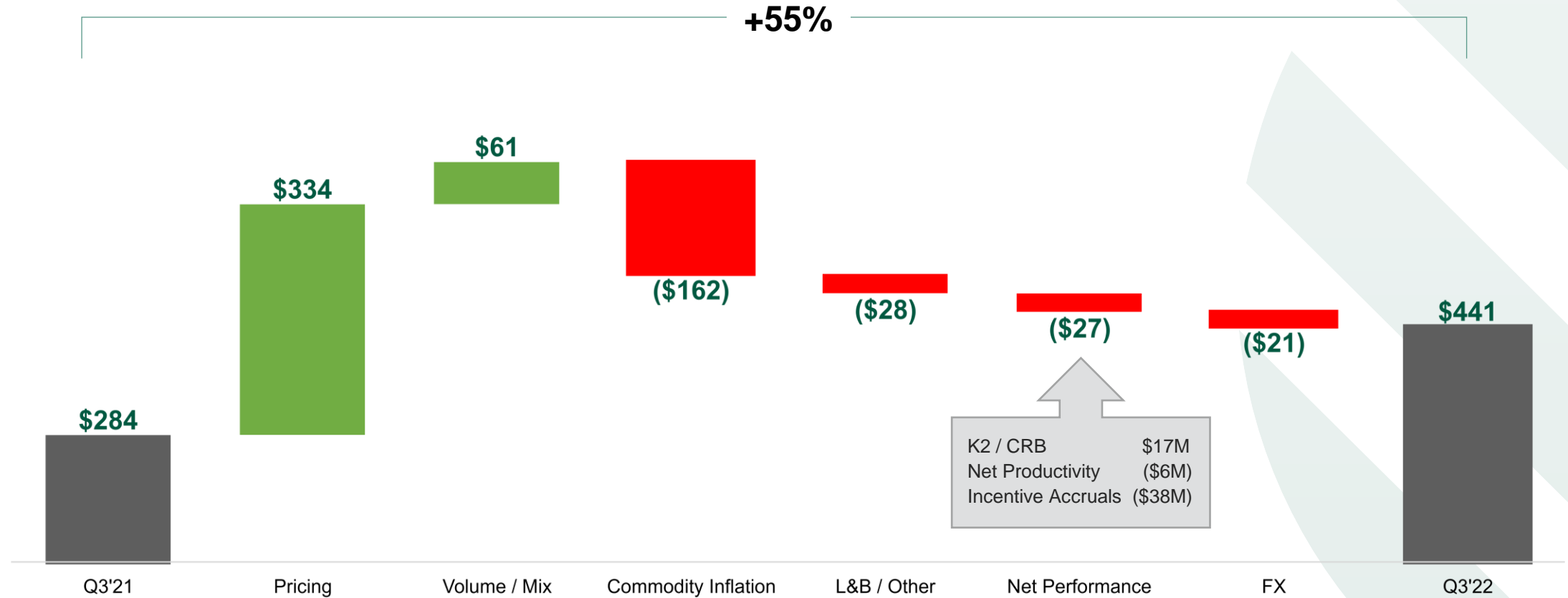
THIRD QUARTER 2022 NET SALES PERFORMANCE

(\$ in millions)



THIRD QUARTER 2022 ADJUSTED EBITDA PERFORMANCE

(\$ in millions)



Q3 2022 SUMMARY

Financial Performance

- Q3 net sales \$2.5B, up 38% y/y
 - Food, Beverage & Consumer sales up 39% y/y (up 20% before acquisitions)
 - Foodservice sales up 29% y/y
- Q3 pricing favorable \$334M; offsetting commodity input cost inflation of \$162M
- Q3 net performance of (\$27M) impacted by \$38M of incentive accruals
- Q3 Adj. EBITDA \$441M, up 55% y/y
- Q3 Adj. EPS (excl. amort.)¹ \$0.67, up 76% y/y

Markets & Operations

- Q3 net organic sales up 5% y/y
 - Q3 net organic sales growth driven by continued conversions to fiber-based packaging and expansion into new markets segments and geographies
 - AF&PA Q2 industry operating rate 94% for SBS, 102% for CRB; GPK Q2 CUK operating rate 95%+
- Backlogs strong at 8+ weeks for SBS, CRB and CUK

Capital Allocation

- Returned \$23M to stockholders in dividends
- Repurchased \$15M of common stock
- Reduced debt – net leverage ratio 3.7x
- Invested \$84M in capital projects
- Significant liquidity of \$1.4B; ample balance sheet flexibility

2022 ADJUSTED EBITDA RANGE INCREASED; +\$50M AT MIDPOINT OF GUIDANCE

Adjusted EBITDA \$1,575M - \$1,625M

EBITDA Components	
Volume/Mix ¹	\$220M - \$240M
*Net Performance ²	\$10M - \$30M
L&B / Other Inflation ³	(\$105M - \$95M)
FX	(\$55M - \$45M)
Price-Commodity Input Cost Spread	\$425M - \$475M

*Net Performance improvements \$90 - \$110M, less year-over-year Incentive Accruals ~(\$80M)

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

Cash Flow Components	
Adjusted EBITDA	\$1,575M - \$1,625M
Cap Ex	(\$525M - \$500M)
Cash Interest ⁴	(\$180M - \$170M)
Taxes	(\$70M - \$50M)
Working Capital	(\$150M - \$120M)
Pension	(\$20M - \$10M)

Sales: ~\$9.5B

Year-End Leverage:

$$\frac{\text{\$ (M) Net Debt}}{\text{Adj EBITDA}} = \frac{\$5,100 - \$5,300}{\$1,575 - \$1,625} = 3.1x - 3.3x$$

2022 ADJUSTED EPS EXCLUDING AMORTIZATION OF PURCHASED INTANGIBLES GUIDANCE INCREASED TO \$2.20 - \$2.40

(\$s in Millions excl. EPS)	Est. 2022 Adjusted EPS (excl. amort)
Adjusted EBITDA	\$1,575 - \$1,625
Depreciation	(460)
Est. Amortization ¹	(15)
Adjusted EBIT	\$1,100 - \$1,150
Interest Expense	(200)
Adjusted EBT	\$900 - \$950
Taxes	(210 - 220)
Adjusted Net Income	\$690 - \$730
Adjusted EPS Excluding Amortization²	\$2.20 - \$2.40

A smiling woman with long dark hair, wearing a light blue button-down shirt, stands in a grocery store aisle. She is holding a black shopping basket filled with groceries, including a loaf of bread, a cucumber, and some leafy greens. The background shows shelves stocked with various food items, including boxes of cereal and bags of snacks. A large, stylized green geometric graphic, resembling a stylized 'S' or a series of overlapping shapes, is positioned on the right side of the image. The word 'APPENDIX' is written in white, bold, uppercase letters in the bottom left corner.

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	Q4E
Price-Cost Relationship	↑ \$46	↑ \$93	↑ \$172	↑ \$115-165
Net Outage Cost Impact	-	\$10	\$0	(\$10)

	2020 Actual	2021 Actual	2022 Guidance
Pension Expense ¹ (excludes pension amortization)	\$9M	\$6M	\$4M
Depreciation ²	\$388M	\$403M	\$460M
Amortization (includes pension amortization)	\$67M	\$74M	\$100M
Effective Tax Rate (Normalized)	19%	25%	22 - 24%
Year End Net Leverage Ratio	3.3x	4.6x ³	3.1 - 3.3x

SUPPLEMENTAL INFORMATION

Commodity Annual Consumption

Categories	Units
Wood (Million tons)	10
Recycled Fiber (Million tons) ¹	1.4
Natural Gas (MMBTU)	25
Caustic Soda (000, tons)	78
Starch (Million lbs.)	180
TiO2 (Million lbs.)	25
Polyethylene (Million lbs.)	92

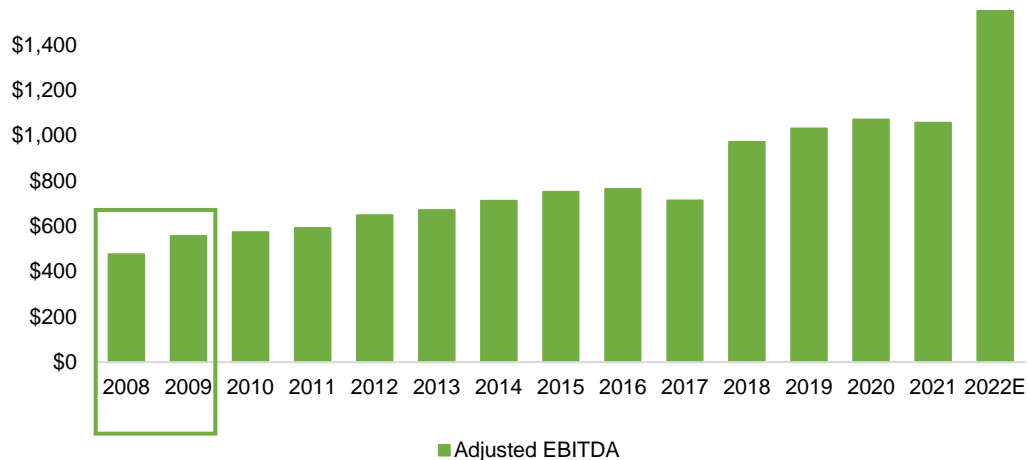
2021 Sales By Currency

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 3.1 - 3.3x
 - \$1,575 - \$1,625 in Adjusted EBITDA
 - Annual Interest Expense \$200M
 - \$600 - \$800M Positive Adj Cash Flow
 - Available Liquidity >\$1B

