



Graphic Packaging
INTERNATIONAL

FOURTH QUARTER AND FULL YEAR 2022 FINANCIAL RESULTS

February 7, 2023

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 statements regarding the new CRB mill in Waco, Texas and expected facility closures, value creation, capacity, capital and timing, guidance regarding 2023 Sales, Adjusted EBITDA, Adjusted Cash Flow, Year-End Net Leverage, Adjusted EPS and Return on Invested Capital, progress with respect to Vision 2025 goals, 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 & 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. 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 provided in the Appendix hereto. Note that a reconciliation of non-GAAP 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.

TODAY'S SPEAKERS – FOURTH QUARTER AND FULL YEAR 2022 FINANCIAL 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

2022 HIGHLIGHTS / TODAY'S ANNOUNCEMENTS

2022 Highlights

Increased Net Sales to \$9.4B, up 32% y/y

- Drove 3% Net Organic Sales Growth y/y (3-year CAGR of 3%)
- Improved Pricing \$1.1B to Offset Commodity Input Cost Inflation

Increased EBITDA to \$1.6B, up 52% y/y

- EBITDA Margins Expanded to 16.9%, up 210bps y/y

Profitably Ramped Production of New Coated Recycled Paperboard (CRB) Machine Returning First \$47M of Total \$130M EBITDA Improvement Expected

Successfully Integrated AR Packaging Acquisition, \$40M in Synergies On Track

Reduced Net Debt by \$526M to \$5.1B, Net Leverage Decreased to 3.2x at Year-End

Expanded Total Addressable Market to \$12.5B from Initial \$5B, Packaging Innovation Driving Sustained Organic Sales Growth

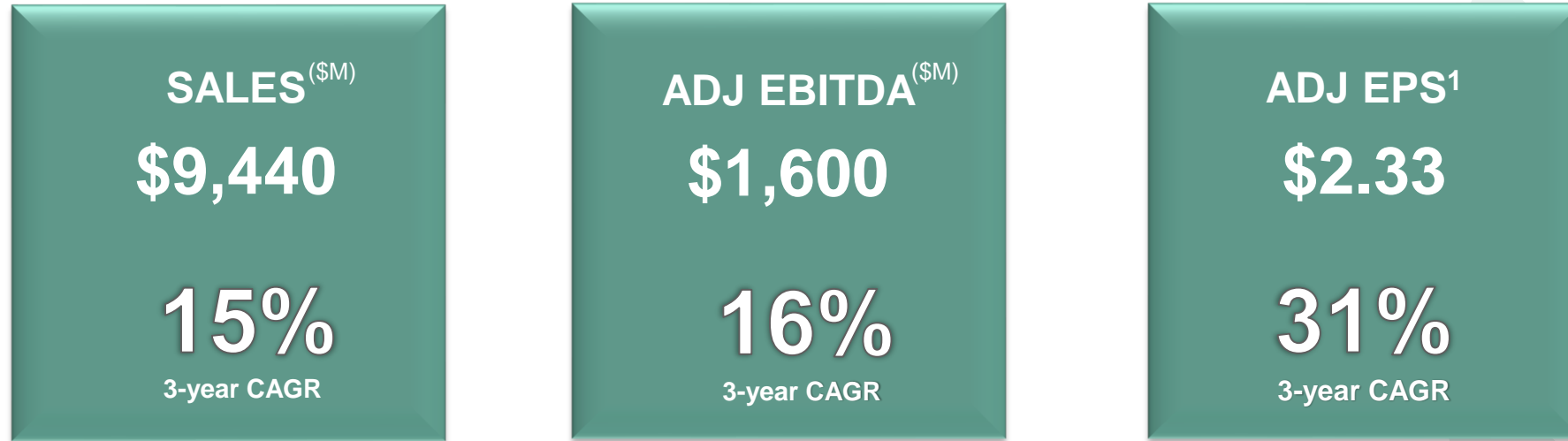
Announcements

Investing to Strengthen Leadership in Fiber-Based Consumer Packaging

- New CRB mill will support growing demand and extend position as the lowest-cost, highest-quality paperboard producer in North America. Investment of ~\$1 billion over 3 years will be internally funded with operating cash flow

Expect Sales, Adjusted EBITDA and Adjusted EPS Growth in 2023; Further Reduction of Net Leverage to ~2.5x by Year-End

SIGNIFICANT PROGRESS TOWARD ACHIEVING VISION 2025 MILESTONES



3-YEAR 41% GPK TOTAL SHAREHOLDER RETURN OUTPERFORMED 25% RETURN OF S&P 500 BY 1,600bps²

RUNNING A DIFFERENT RACE: STRENGTHENING LEADERSHIP IN FIBER-BASED CONSUMER PACKAGING

NEW COATED RECYCLED PAPERBOARD MILL INVESTMENT

- Meets growing demand driven by consumer preferences
- Expands unmatched quality and cost advantage
- Optimizes paperboard network capacity and flexibility
- Enhances circularity, reliability and environmental footprint
- Drives significant EBITDA improvement, internally funded with operating cash flow

CONSUMER PREFERENCES DRIVING DEMAND FOR PACKAGING WITH RECYCLED MATERIALS

THE END USE CONSUMER HAS SPOKEN

70% identify as environmentally aware

An increase of 3% compared to 2021

77% willing to spend more for products in sustainable packaging

Including 86% of younger consumers (age 18-44)

89% do not consider plastic packaging to be eco-friendly

Packaging made from recycled materials is the most appealing sustainability claim

According to consumers when comparing sustainability claim appeal among food and beverage products

CUSTOMERS ARE RESPONDING



In line with consumer trends and preferences



Advances consumer packaging recyclability goals

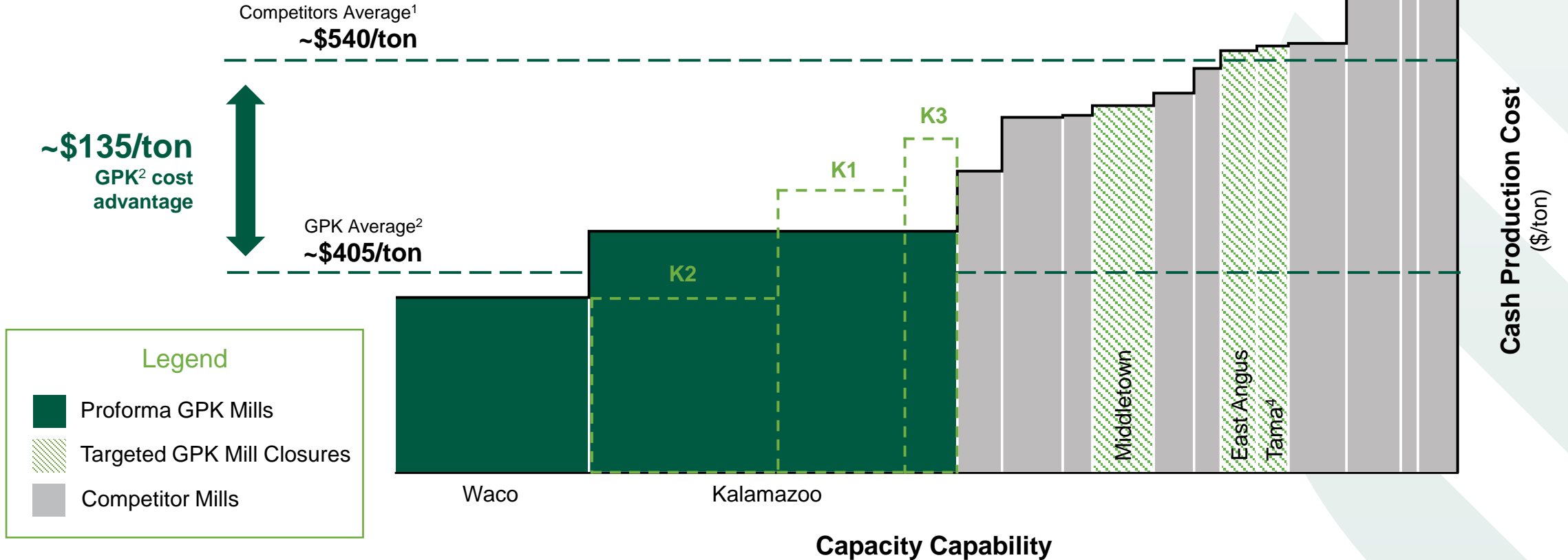


Supports sustainability commitments and move to a circular economy

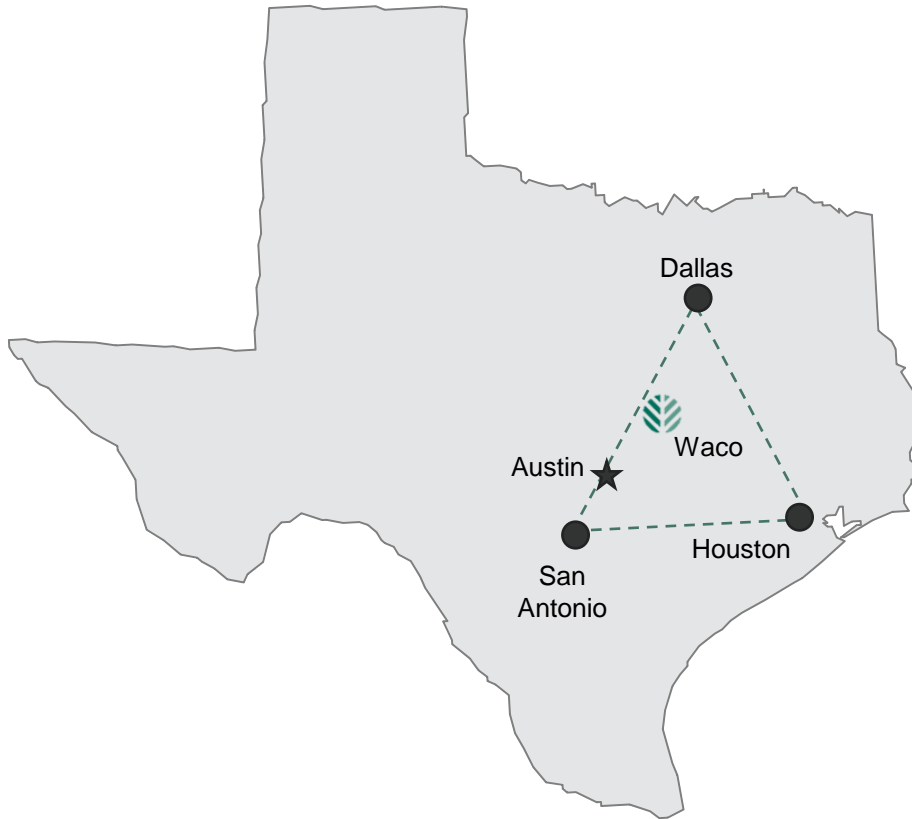
WACO INVESTMENT EXPANDS UNMATCHED PRODUCTION COST ADVANTAGE IN CRB

Proforma U.S. and Canada CRB Capacity & Cash Production Cost

Proforma Capacity = ~2.7MT³



CONSTRUCTING NEW CRB MILL IN WACO, TEXAS WITH START UP EXPECTED IN Q1 2026



LOCATION BENEFITS

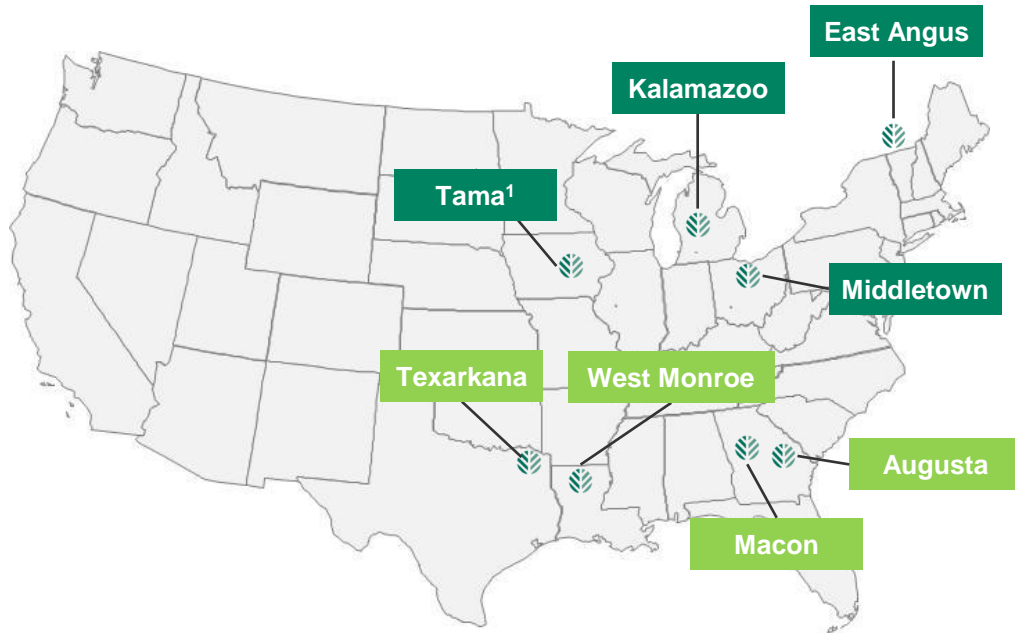
- 80% of Texas population within 200 miles
- One of the fastest growing economic centers in the U.S.
- Strong, existing secondary fiber basket
- Advantaged rail and roadway logistics
- Established water, wastewater and energy infrastructure with long-term viability
- Robust talent pipeline for both hourly and salary personnel
- Strong community and city management support

TIMING

- Leveraging internal and external partner learnings from K2 machine construction and start up
- Construction commencing Q1 2023
- Machine commissioning Q4 2025
- Start up expected Q1 2026

NETWORK OPTIMIZATION SIMPLIFIES AND STRATEGICALLY EXPANDS CAPACITY, WHILE LOWERING COST

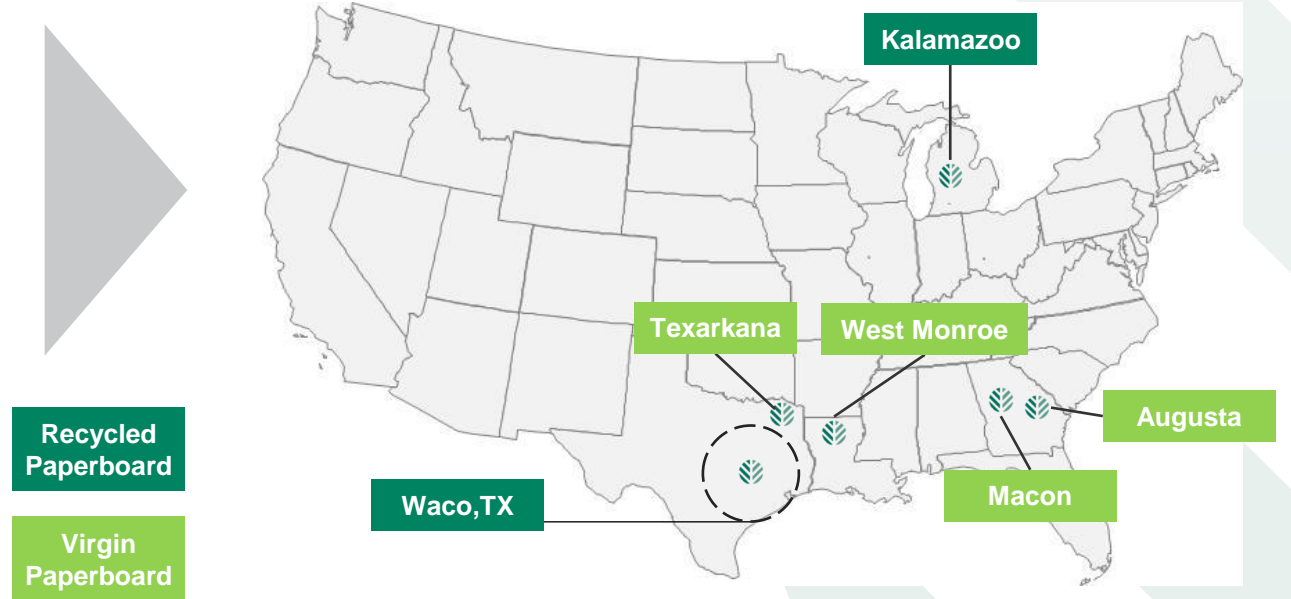
CURRENT NORTH AMERICA MILL NETWORK



~4.2MT

Total Paperboard Capacity

OPTIMIZED NORTH AMERICA MILL NETWORK



~4.4MT²

Total Paperboard Capacity

LOWEST-COST, HIGHEST-QUALITY PAPERBOARD PRODUCER IN NORTH AMERICA FOCUSED ON CONSUMER PACKAGING

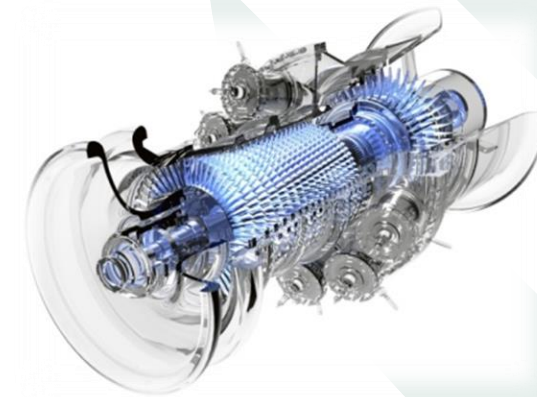
INVESTING TO ENHANCE CIRCULARITY, RELIABILITY AND ENVIRONMENTAL FOOTPRINT

INCREASING SYSTEM CIRCULARITY

- Enhanced drum pulper investment to clean and separate recycled materials
- Capability to recycle 100% of internally generated secondary fiber (incremental ~200K tons)
- Increases paper cup recycling capacity (~15M cups per day)
- Investing with customers and recycling partners to develop paper cup recycling programs



DRUM PULPER



GAS TURBINE

IMPROVING CARBON FOOTPRINT AND RELIABILITY¹

- Estimated 24% reduction in green house gas (GHG) emissions intensity, 12% reduction in absolute GHG
- Gas turbine investment to provide reliable and high efficiency electricity and steam

SIGNIFICANT EBITDA IMPROVEMENT, INTERNALLY FUNDED FROM OPERATING CASH FLOW

MILL INVESTMENT OF ~\$1B

- 3-year investment (2023–2025)
- Internally funded from operating cash flow
- Return on cash ~12%¹
- ROIC ~11%²

EXPECT ~\$160M INCREMENTAL, ANNUAL EBITDA AT FULL RUN RATE

- Expect to achieve ~\$80M improvement in 2026 and an incremental ~\$80M improvement in 2027
- EBITDA improvement driven by cost reduction and optimized mill capacity

Cost Reduction

- Fixed cost reductions (mill closures)
- Reduced variable input consumption
Energy, Chemicals, Fiber, Coatings, Water, Freight

~\$100M

Optimized Mill Capacity

- Organic sales growth (100 – 200 bps)
- Substrate optimization
- Internalization of external board purchase

~\$60M

Q4 AND FULL YEAR 2022 FINANCIAL RESULTS

(\$M excl EPS)	Q4 22	Q4 21	2022	2021	Chg % y/y
Net Sales	\$2,386	\$1,988	\$9,440	\$7,156	32%
Adj. EBITDA	\$413	\$285	\$1,600	\$1,056	52%
Adj. EBITDA Margin	17.3%	14.3%	16.9%	14.8%	+210bps
Adj. EPS (excl. amort.)¹	\$0.59	\$0.36	\$2.33	\$1.31	78%
Global Liquidity	—————>		\$1,538	\$1,288	+\$250
Paperboard Integration Rate²	—————>		73%	72%	+100bps

2022 Net Sales \$9.4B, up 32% y/y; Q4 \$2.4B, up 20% y/y

- Net Organic Sales increased 3% y/y for the full year; increased 1% in Q4

2022 Adj. EBITDA \$1.6B, up 52% y/y; Q4 \$413M, up 45% y/y

- Margin expansion driven by profitable organic sales growth, positive price-cost relationship, acquisitions and performance improvements

2022 Adj EPS \$2.33, up 78% y/y; Q4 \$0.59 up 64% y/y

2022 FINANCIAL PERFORMANCE, MARKETS & OPERATIONS AND CAPITAL ALLOCATION

Financial Performance

- Net sales \$9.4B, up 32% y/y
 - Food, Beverage & Consumer sales up 37% y/y (up 16% before acquisitions)
 - Foodservice sales up 25% y/y
- Pricing favorable \$1.1B, offsetting commodity input cost of \$0.6B
- Net productivity of \$43M offset by incentive accruals and December winter storm impact
- Adj EBITDA \$1.6B, up 52% y/y
- Adj EBITDA margin 16.9%, up 210bps y/y
- Adj EPS \$2.33, up 78% y/y

Markets & Operations

- Net organic sales up 3% y/y, up 1% in Q4
 - Net organic sales growth driven by continued conversions to fiber-based consumer packaging and expansion into new market segments and geographies
- Consumer packaging represents 86%¹ of net sales
- AF&PA industry operating rate 91% for SBS, 95% for CRB; GPK CUK operating rate 95%+
- Company backlogs of 7-8 weeks for SBS, CRB and CUK

Capital Allocation

- Reduced net debt by \$526M to \$5.1B
 - Net leverage decreased to 3.2x from 4.6x proforma at the end of 2021
- Quarterly dividend raised to \$0.10/share
- Invested \$549M in capital projects to support organic growth, lower costs and expand margins
- Stable liquidity, greater than \$1.5B

2023 ANNUAL GUIDANCE

Sales ~\$10B

Adjusted EBITDA \$1.7B - \$1.9B

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

Year-End Net Leverage ~2.5x

Adjusted EPS¹ \$2.50 - \$2.90

ON TRACK TO MEET VISION 2025 FINANCIAL GOALS¹

Path to higher returns

	2019 Actual	2022 Actual	2023 Guidance	Vision 2025
Sales	\$6.2B	\$9.4B	~\$10B	\$10B – \$12B
Adjusted EBITDA (\$M)	\$1,030	\$1,600	\$1,700 - \$1,900	\$2,000 - \$2,400
Adjusted EBITDA Margins	16.7%	16.9%	17 - 19%	~20%
Adjusted EPS ²	\$1.03	\$2.33	\$2.50 - \$2.90	\$3.25+
CapEx (as a % of sales)	6%	6%	7 - 8%	7 - 8% ³
ROIC	8%	9%	10 - 11%	10% - 12%
Paperboard Integration Rate	68%	73%	75 - 80%	90%+
Credit Rating		BB+/Ba1		Investment Grade

NOTE: Adjusted historical figures represent non-GAAP measures. Please refer to fourth quarter 2019 and 2022 earnings press releases for reconciliations to GAAP measures

1. Certain goals were raised in February 2022

2. Excludes amortization related to purchased intangibles

3. Increased to support strategic capital investments

VISION 2025

REDEFINING INDUSTRY LEADERSHIP....RUNNING A DIFFERENT RACE

PURE-PLAY, GLOBAL, FIBER-BASED CONSUMER PACKAGING LEADER

Executing differentiated, strategic, capital investments to operate the lowest-cost, highest-quality, multi-substrate paperboard production network in North America and a global consumer packaging converting network that delivers competitive advantage and supports organic growth

Enhancing long-term partnerships with customers based on breadth of service offering, globally scaled operations, innovative solutions and assurance of supply

Expanding expertise and innovation capabilities across a portfolio of consumer end markets to deliver 100-200bps of sustained net organic sales growth annually through innovative, recyclable, circular packaging solutions preferred by the consumer



Q&A





APPENDIX

2023 ANNUAL GUIDANCE SUPPORT

EBITDA SUPPORT

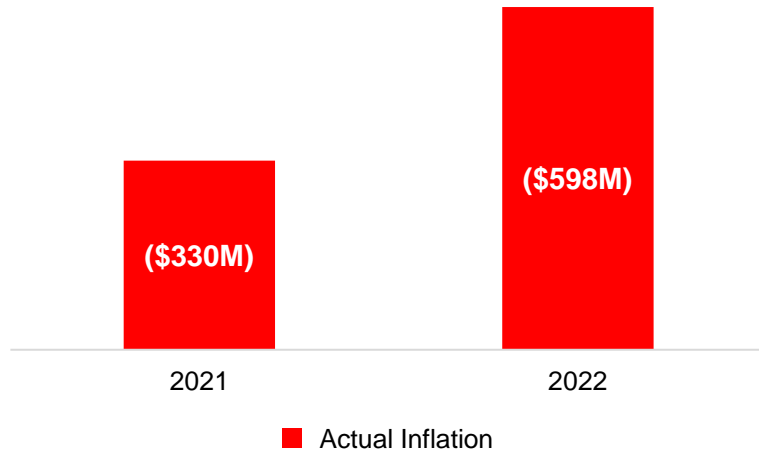
Organic Sales Growth	100 - 200bps
Price-Commodity Input Cost Relationship Price \$400M-\$500M, Commodity Input Cost (\$100-\$400M)	\$100M - \$300M
Net Performance Includes Kalamazoo	\$100M - \$140M
Labor, Benefits, Other Inflation, FX	(\$100M - \$120M)

CASH FLOW SUPPORT

Capital Spending	7 – 8% of sales
Working Capital, Interest, Taxes, Pension	\$300M - \$400M

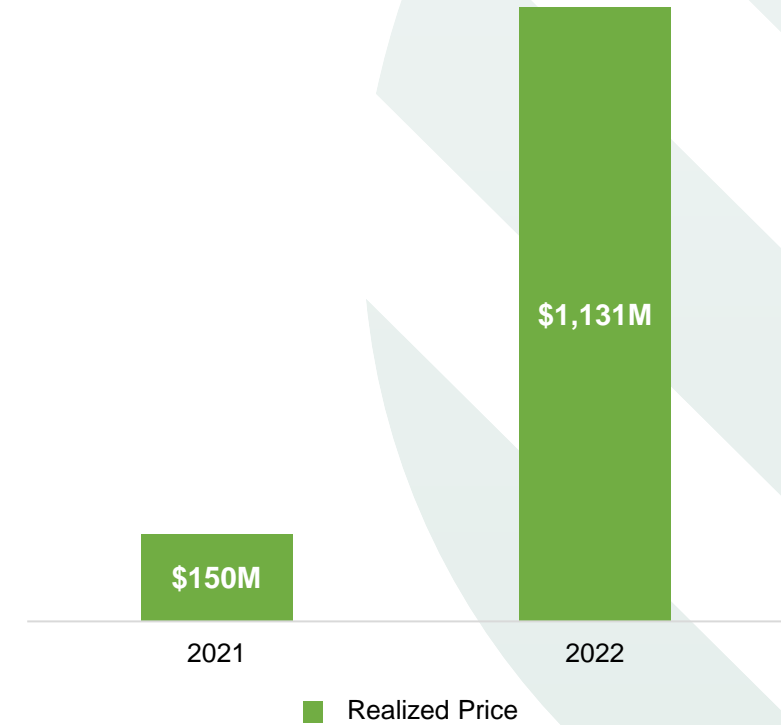
2021-2022 PRICE-COMMODITY INPUT COST RELATIONSHIP

2021-2022 Commodity Input Costs (\$928M)



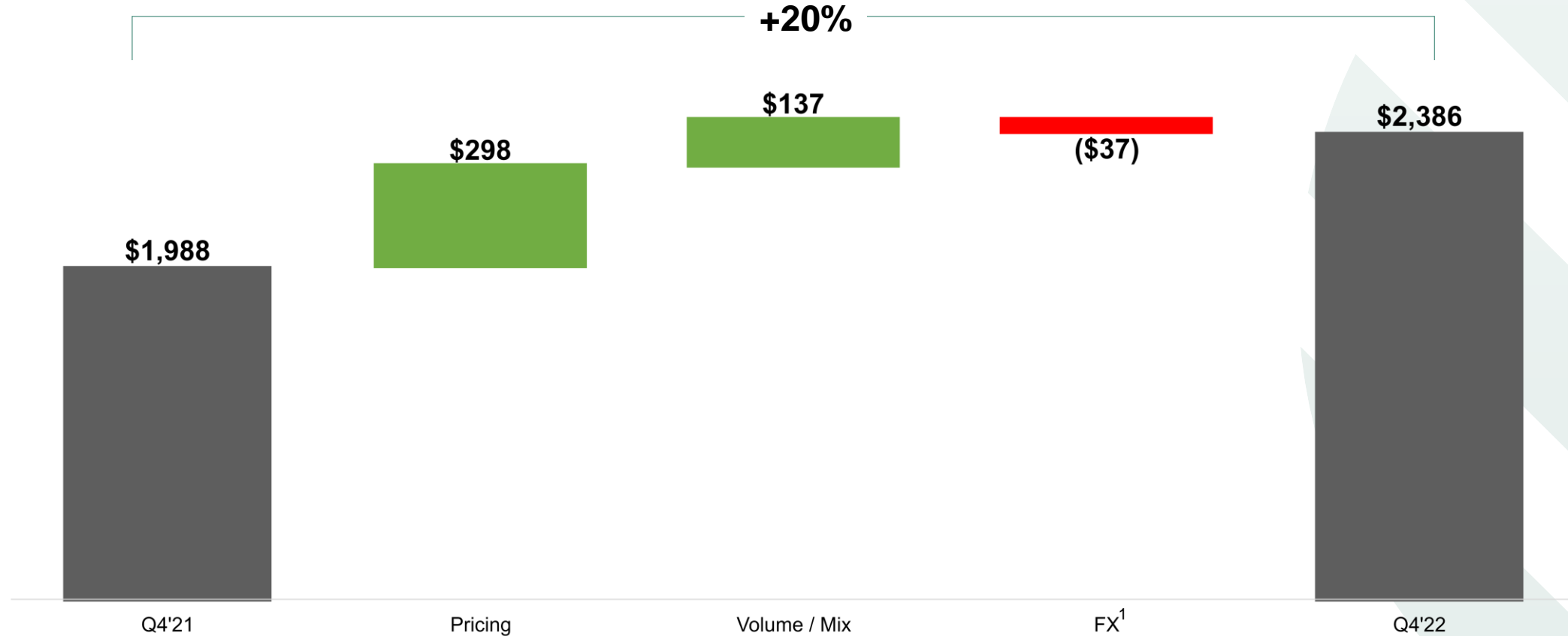
2021-2022 Price-Cost	
2021	(\$180M)
2022	\$533M

2021-2022 Price Actions \$1,281M



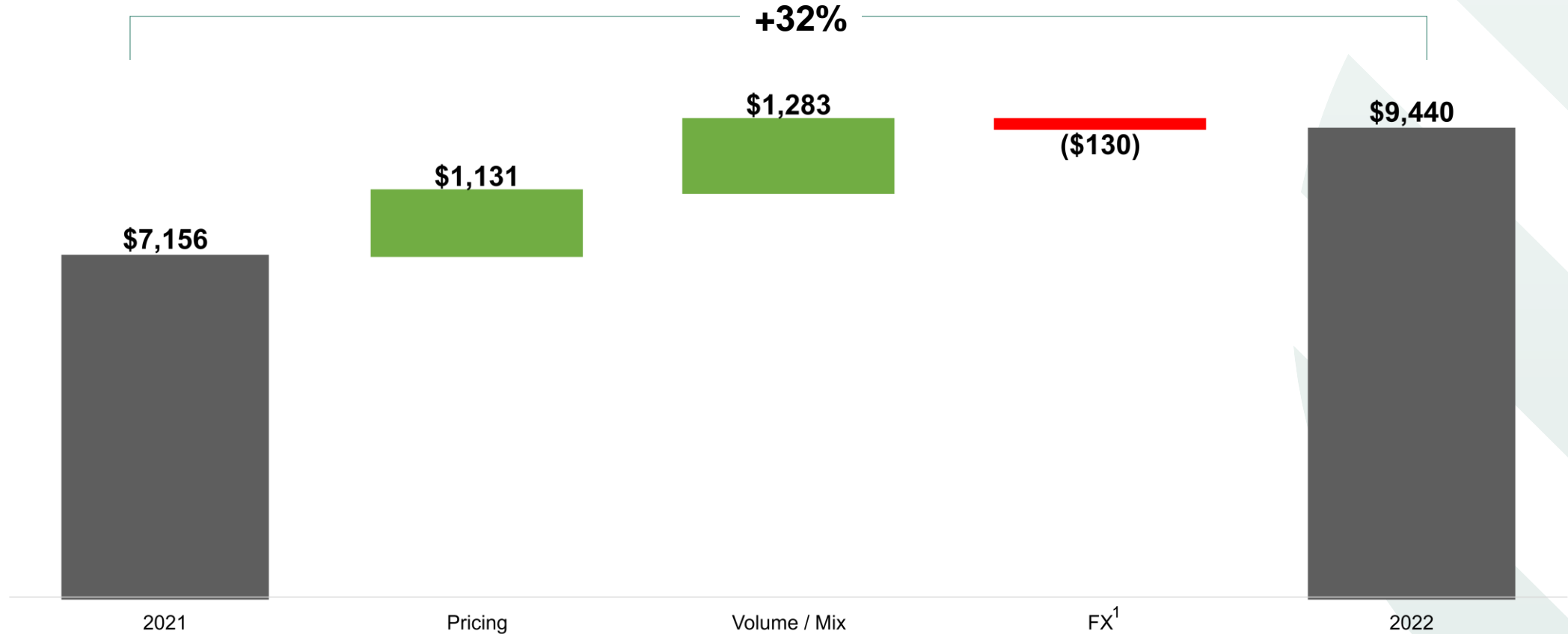
FOURTH QUARTER 2022 NET SALES PERFORMANCE

(\$ in millions)



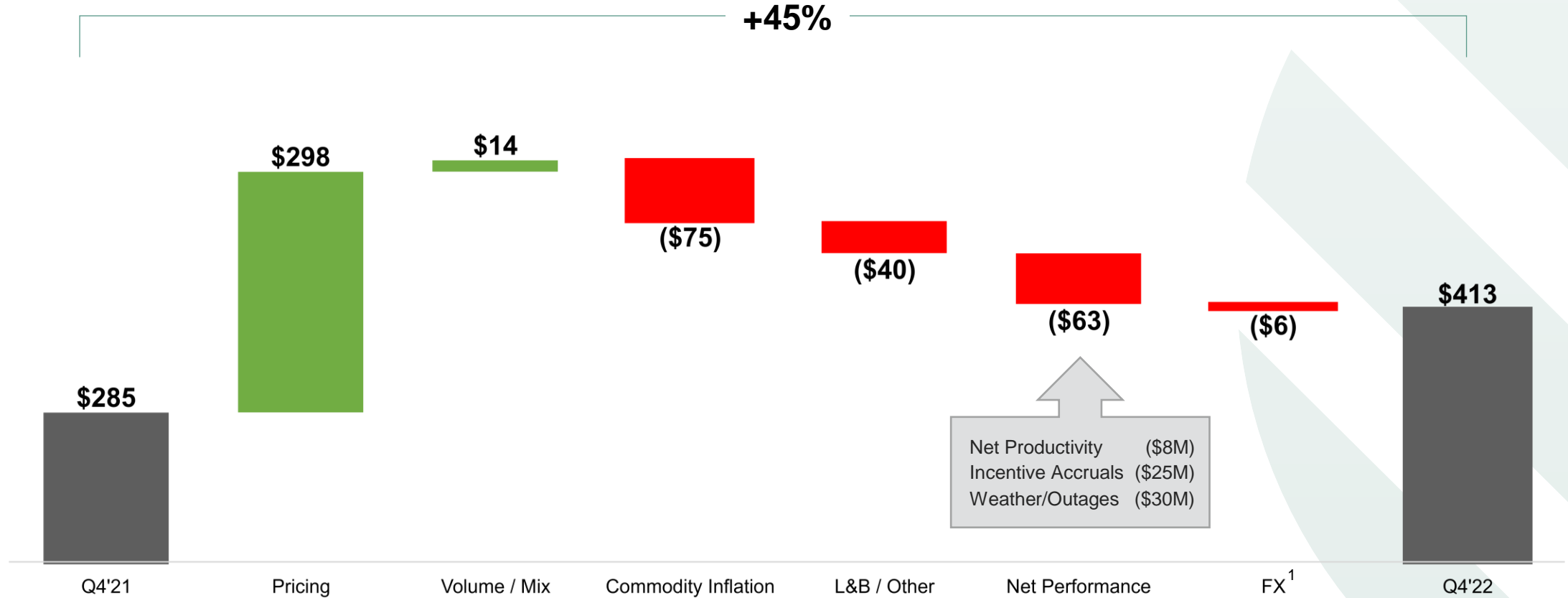
FULL YEAR 2022 NET SALES PERFORMANCE

(\$ in millions)



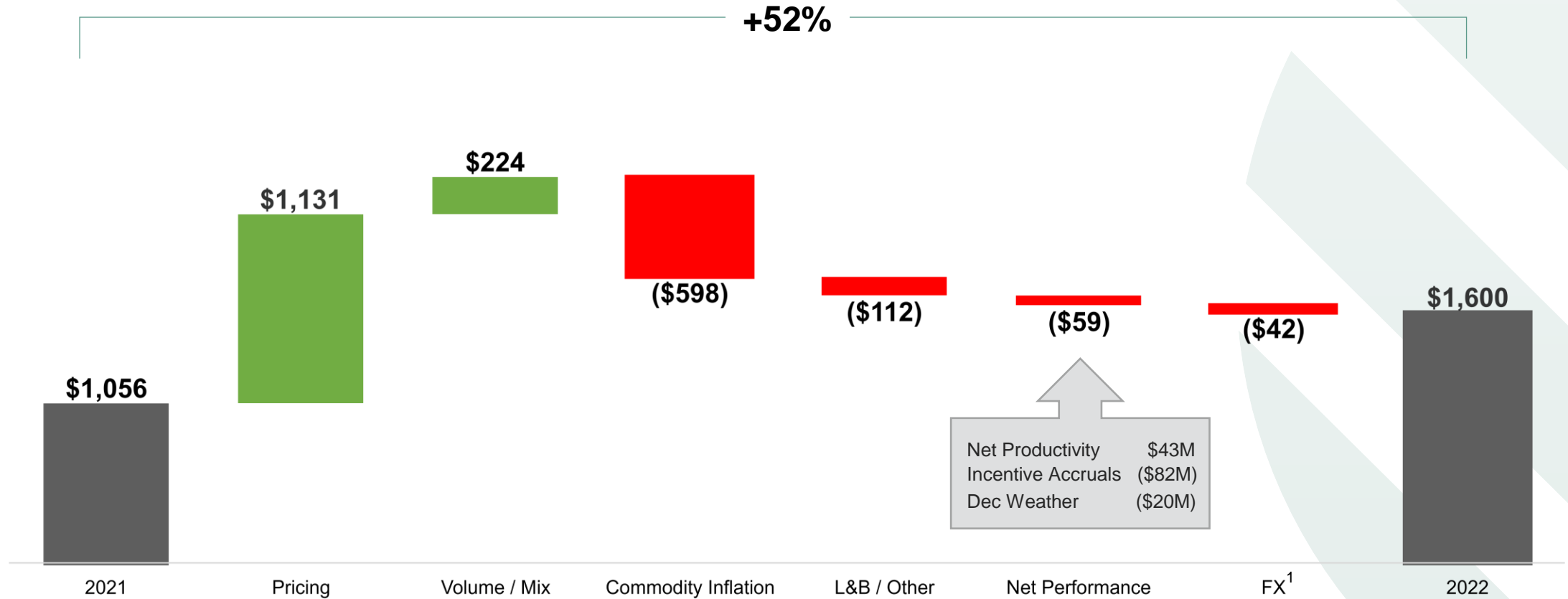
FOURTH QUARTER 2022 ADJUSTED EBITDA PERFORMANCE

(\$ in millions)



FULL YEAR 2022 ADJUSTED EBITDA PERFORMANCE

(\$ in millions)



2023 YEAR-OVER-YEAR OUTAGE IMPACT SCHEDULE AND OTHER GUIDANCE

Price-Commodity Input Cost Relationship & Net Outage Cost Impacts

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

	Q1E	Q2E	Q3E	Q4E
Price-Cost Relationship	↑ \$75-\$100	↑	↑	↑
Net Outage Cost Impact	(\$5)	(\$25)	\$0	\$30

	2021 Actual	2022 Actual	2023 Guidance
Pension Expense (excludes pension amortization)	\$6M	\$5M	\$10M
Depreciation ¹	\$403M	\$456M	\$475M
Amortization ²	\$9M	\$6M	\$9M
Effective Tax Rate (Normalized)	25%	23%	22-24%
Year End Net Leverage Ratio	4.6x ³	3.2x	~2.5x

SUPPLEMENTAL INFORMATION

Commodity Annual Consumption

Categories	Units
Wood (Million tons)	10
Recycled Fiber (Million tons)	1.4
Natural Gas (MMBTU)	27
Caustic Soda (000, tons)	79
Starch (Million lbs.)	143
TiO2 (Million lbs.)	25
Polyethylene (Million lbs.)	90

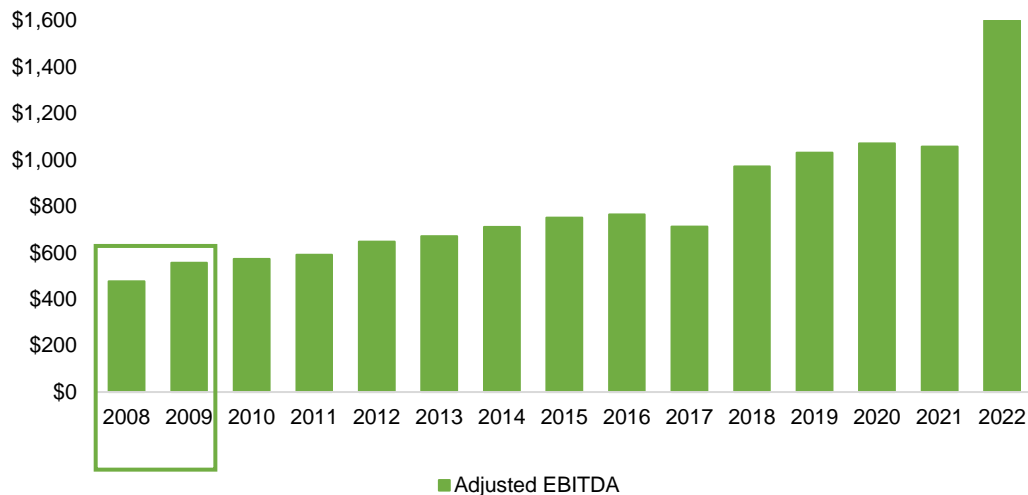
2022 Sales By Currency

Currency	% of Sales
USD	71
EUR	10
GPB	5
CAD	2
MXN	2
PLN	2
SEK	2
Other	6

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 '10¹



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

- End Market Diversification
 - Food & Beverage 56%; Consumer 20%, Foodservice (QSR) 20%, Health & Beauty 4%
- Customer Concentration Significantly Reduced
 - No customer >5% of sales
 - Top 10 Customers 30% vs historical avg ~45%
 - Mix of National and Store Brands
- 2008: Net Leverage Ratio 7x
 - \$413M Adjusted EBITDA
 - Annual Interest Expense \$215M
 - Negative Adj Cash Flow
 - Available Liquidity \$390M
- 2022: Net Leverage Ratio 3.2x
 - \$1,600M Adjusted EBITDA
 - Annual Interest Expense \$197M
 - \$700M Positive Adj Cash Flow
 - Available Liquidity >\$1.5B

NON-GAAP RECONCILIATIONS

<i>In millions, except per share amounts</i>	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
Net Income Attributable to Graphic Packaging Holding Company	\$ 156	\$ 39	\$ 522	\$ 204
Add (Subtract):				
Net Income Attributable to Noncontrolling Interest	—	—	—	12
Income Tax Expense	60	10	194	74
Equity Income of Unconsolidated Entity	—	—	—	(1)
Interest Expense, Net	54	35	197	123
Depreciation and Amortization	138	134	556	494
EBITDA	408	218	1,469	906
Charges Associated with Business Combinations, Shutdown and Other Special Charges ^(a)	5	67	131	150
Adjusted EBITDA	\$ 413	\$ 285	\$ 1,600	\$ 1,056
Adjusted EBITDA Margin (Adjusted EBITDA/Net Sales)	17.3 %	14.3 %	16.9 %	14.8 %
Net Income Attributable to Graphic Packaging Holding Company	\$ 156	\$ 39	\$ 522	\$ 204
Charges Associated with Business Combinations, Shutdown and Other Special Charges ^(a)	5	67	131	150
Accelerated Depreciation Related to Exit Activities	—	3	7	17
Tax Impact of Business Combinations, Shutdown and Other Special Charges, Accelerated Depreciation and Other Tax Items	5	(13)	(4)	(28)
Noncontrolling Interest, Net of Tax	—	—	—	(2)
Amortization Related to Purchased Intangible Assets, Net of Tax	15	15	66	49
Adjusted Net Income Attributable to Graphic Packaging Holding Company	\$ 181	\$ 111	\$ 722	\$ 390
Adjusted Earnings Per Share - Basic ^(b)	\$ 0.59	\$ 0.36	\$ 2.34	\$ 1.31
Adjusted Earnings Per Share - Diluted ^(b)	\$ 0.59	\$ 0.36	\$ 2.33	\$ 1.31

NON-GAAP RECONCILIATIONS

<i>In millions</i>	Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Net Income	\$ 522	\$ 204	\$ 167
Add (Subtract):			
Net Income Attributable to Noncontrolling Interest	—	12	36
Income Tax Expense	194	74	42
Equity Income of Unconsolidated Entity	—	(1)	(1)
Interest Expense, Net	197	123	129
Depreciation and Amortization	556	494	481
EBITDA	1,469	906	854
Charges Associated with Business Combinations and Shutdown, Other Special Charges and Exit Activities	131	150	62
Pension Plan Settlement Charge	—	—	154
Adjusted EBITDA	1,600	1,056	1,070
	December 31, 2022	December 31, 2021	December 31, 2020
Calculation of Net Debt:			
Short-Term Debt and Current Portion of Long-Term Debt	\$ 53	\$ 279	\$ 497
Long-Term Debt ^(a)	5,230	5,552	3,169
Less:			
Cash and Cash Equivalents	(150)	(172)	(179)
Total Net Debt	\$ 5,133	\$ 5,659	\$ 3,487
Net Leverage Ratio (Total Net Debt/Adjusted EBITDA)	3.21	5.36	3.26

NON-GAAP RECONCILIATIONS

<i>In millions</i>	Twelve Months Ended December 31,	
	2022	2021
Net Cash Provided by Operating Activities	\$ 1,090	\$ 609
Net Cash Receipts from Receivables Sold included in Investing Activities	119	119
Cash Payments Associated with Business Combinations, Shutdown and Other Special Charges and Exit Activities	40	155
Adjusted Net Cash Provided by Operating Activities	\$ 1,249	\$ 883
Capital Spending	(549)	(802)
Adjusted Cash Flow	\$ 700	\$ 81

Calculation of Net Organic Sales Growth:

<i>In millions</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Net Sales	\$ 2,386	1,988	\$ 9,440	\$ 7,156
Open Market Paperboard Sales (Paperboard Mills Segment)	(357)	(275)	(1,290)	(1,007)
Impact of Purchased Sales from Acquisitions ^(a)	—	87	—	928
Impact of Pricing ^(b)	(251)	—	(977)	—
Impact of Foreign Exchange ^(c)	37	—	129	—
Net Organic Sales	\$ 1,815	\$ 1,800	\$ 7,302	\$ 7,077
<i>Net Organic Sales Growth</i>	0.8 %		3.2 %	

