

Graphic Packaging Announces Tax-Exempt Green Bond Offering

ATLANTA, Sept. 9, 2021 /PRNewswire/ -- Graphic Packaging International, LLC ("Graphic Packaging"), the primary operating subsidiary of Graphic Packaging Holding Company (NYSE: GPK), announced that it has entered into an agreement for \$100 million aggregate principal amount of tax-exempt green bonds due 2061 with a mandatory purchase date of October 1, 2026 (the "Tax-Exempt Green Bonds"). The offering is being executed through the Michigan Strategic Fund ("MSF") Private Activity Bond Program.



The Tax-Exempt Green Bonds will be issued at a price of 110.99 and will bear interest at an annual rate of 4.0%. The equivalent all-in yield will be 1.7%. Interest income received by holders of the bonds will be exempt from federal and Michigan state income taxes but will be subject to alternative minimum tax. Graphic Packaging expects to close the transaction on or about September 29, 2021, subject to customary closing conditions.

The Tax-Exempt Green Bonds will be special, limited obligations of the MSF (as issuer) and will be payable from and secured by a pledge of payments to be made under a Loan Agreement by and between the MSF and Graphic Packaging.

Use of Proceeds

Graphic Packaging estimates that the net proceeds of this offering will be \$109.5 million, after deducting the initial purchasers' discount and other transaction related costs. The net proceeds from the offering will be used to reimburse Graphic Packaging for a portion of its estimated \$600 million coated recycled board (CRB) platform optimization project (the "Project") that includes the construction of a new CRB machine at its Kalamazoo, Michigan mill. When fully ramped up in 2022, the new machine is expected to annually recycle approximately 500,000 tons of secondary fiber into 500,000 tons of new, finished CRB roll-stock. In addition to the solid waste recycling aspect, Graphic Packaging expects the Project to improve the environmental footprint of its CRB mill system by using up to 300 million fewer gallons of water per year, reducing energy consumption by up to 18% and lowering greenhouse gas emissions by up to 20%.

Designation

The bonds have been designated as Green Bonds because: 1) the proceeds will be used to finance a solid waste disposal/recycling facility; and 2) the Project will promote environmental sustainability through expected reductions in water usage, energy consumption and greenhouse gas emissions.

Forward Looking Statements

Any statements of Graphic Packaging International, LLC'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 offering and the use of proceeds therefrom, are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from Graphic Packaging International, LLC's present expectations. These risks and uncertainties include, but are not limited to, market conditions affecting the offering. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date they are made and Graphic Packaging International, LLC undertakes no obligation to update such statements except as required by law. Additional information regarding these and other risks is contained in Graphic Packaging Holding Company's filings with the Securities and Exchange Commission.

About Graphic Packaging International, LLC

Graphic Packaging International, LLC, the primary operating subsidiary of Graphic Packaging Holding Company (the "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 fiber-based, sustainable 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 fiber-based foodservice products in the United States, and holds leading market positions in coated recycled paperboard, coated unbleached kraft paperboard and solid bleached sulfate paperboard. The Company's customers include many of the world's most widely recognized companies and brands.

 View original content to download multimedia <https://www.prnewswire.com/news-releases/graphic-packaging-announces-tax-exempt-green-bond-offering-301372954.html>

SOURCE Graphic Packaging Holding Company