



Non-GAAP Reconciliations

Second Quarter 2015
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Appendix: Reconciliation of Non-GAAP Financial Measures



We supplement our financial information prepared in accordance with GAAP with Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, restructuring charges (income), non-restructuring stock-based compensation expense, LIFO (income) expense, non-restructuring severance charges, gain on sale of joint venture, merger and integration expenses, loss from discontinued operations, net of income taxes, fair value adjustments on the contingent liability associated with the Tax Receivable Agreement ("TRA") and certain other adjustments) and Free Cash Flow because we believe investors commonly use Adjusted EBITDA and Free Cash Flow as key financial metrics for valuing companies such as ours. In addition, the credit agreement governing our asset-based lending facility permits us to exclude these and other charges in calculating "Consolidated EBITDA", as defined in the ABL Facility.

Adjusted EBITDA and Free Cash Flow are not alternative measures of financial performance under GAAP. Non-GAAP measures do not have definitions under GAAP and may be defined differently by, and not be comparable to, similarly titled measures used by other companies. As a result, we consider and evaluate non-GAAP measures in connection with a review of the most directly comparable measure calculated in accordance with GAAP. We caution investors not to place undue reliance on such non-GAAP measures, and to consider them with the most directly comparable GAAP measures. Adjusted EBITDA and Free Cash Flow have limitations as analytical tools and should not be considered in isolation or as a substitute for analyzing our results as reported under GAAP. Please see the following tables and related footnotes for reconciliations of non-GAAP measures to the most comparable GAAP measures.

Appendix: Reconciliation of Non-GAAP Financial Measures



Table I
VERITIV CORPORATION
RECONCILIATION OF NON-GAAP MEASURES
(in millions, unaudited)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014		
		Veritiv As Reported	Pro Forma Adjustments*	Veritiv Pro Forma
Net income (loss)	\$ 4.3	\$ 2.9	\$ (12.2)	\$ (9.3)
Interest expense, net	6.4	-	6.1	6.1
Income tax expense	6.5	2.1	7.4	9.5
Depreciation and amortization	15.3	4.3	8.4	12.7
EBITDA	32.5	9.3	9.7	19.0
Restructuring charges (income)	2.2	(0.9)	-	(0.9)
Non-restructuring stock-based compensation	0.9	3.0	-	3.0
LIFO (income) expense	(4.8)	3.4	1.5	4.9
Non-restructuring severance charges	1.0	0.7	0.3	1.0
Merger and integration expenses	10.3	2.1	6.2	8.3
Fair value adjustment on TRA contingent liability	(1.7)	-	-	-
Other	0.3	-	2.6	2.6
Adjusted EBITDA / Pro Forma Adjusted EBITDA	\$ 40.7	\$ 17.6	\$ 20.3	\$ 37.9
Net sales	\$ 2,159.3	\$ 1,329.0	\$ 976.8	\$ 2,305.8
Adjusted EBITDA / Pro Forma Adjusted EBITDA as a % of net sales	1.9%	1.3%		1.6%

* Pro forma adjustments take into account the merger with UWW Holdings, Inc. and the related financing as if they occurred on January 1, 2013, as well as purchase accounting adjustments and adjustments for one-time costs related to the merger.

Appendix: Reconciliation of Non-GAAP Financial Measures



Table II
VERITIV CORPORATION
RECONCILIATION OF NON-GAAP MEASURES
(in millions, unaudited)

	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014		
		Veritiv As Reported	Pro Forma Adjustments*	Veritiv Pro Forma
Net income (loss)	\$ 2.1	\$ 8.4	\$ (16.2)	\$ (7.8)
Interest expense, net	12.8	-	12.4	12.4
Income tax expense	6.6	5.8	6.8	12.6
Depreciation and amortization	28.8	8.9	16.8	25.7
EBITDA	50.3	23.1	19.8	42.9
Restructuring charges (income)	5.6	(1.1)	0.2	(0.9)
Non-restructuring stock-based compensation	1.9	4.0	0.1	4.1
LIFO (income) expense	(10.0)	(0.3)	1.3	1.0
Non-restructuring severance charges	1.4	2.4	0.4	2.8
Gain on sale of joint venture	-	-	(6.6)	(6.6)
Merger and integration expenses	20.3	2.1	14.1	16.2
Fair value adjustment on TRA contingent liability	(0.4)	-	-	-
Other	-	(0.1)	2.2	2.1
Loss from discontinued operations, net of income taxes	-	0.1	-	0.1
Adjusted EBITDA / Pro Forma Adjusted EBITDA	<u>\$ 69.1</u>	<u>\$ 30.2</u>	<u>\$ 31.5</u>	<u>\$ 61.7</u>
Net sales	\$ 4,297.2	\$ 2,636.4	\$ 1,907.5	\$ 4,543.9
Adjusted EBITDA / Pro Forma Adjusted EBITDA as a % of net sales	1.6%	1.1%		1.4%

* Pro forma adjustments take into account the merger with UWW Holdings, Inc. and the related financing as if they occurred on January 1, 2013, as well as purchase accounting adjustments and adjustments for one-time costs related to the merger.

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Table III
VERITIV CORPORATION
RECONCILIATION OF NON-GAAP MEASURES
(in millions, unaudited)

	Six Months Ended June 30, 2015
Net cash flows provided by operating activities	\$ 124.4
Less: Capital expenditures	(22.6)
Free cash flow	101.8
Add back: Cash payments for restructuring, integration-related capex and other items	43.3
Free cash flow excluding cash impact of restructuring, integration-related capex and other items	<u>\$ 145.1</u>