

WESTROCK | Q1 FY2021 RESULTS

JANUARY 28, 2021

 WestRock
CanCollar® Eco

FORWARD LOOKING STATEMENTS; NON-GAAP FINANCIAL MEASURES

FORWARD LOOKING STATEMENTS:

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to the statements on the slides entitled “Productivity Improvements”, “Update on WestRock Pandemic Action Plan”, “Capital Allocation Priorities”, “Financial Strength Supported by Strong Cash Flow Generation”, “WestRock: Creating Value”, “Key Commodity Annual Consumption Volumes”, and “Mill Maintenance Schedule” that give guidance or estimates for future periods as well as statements regarding, among other things, (i) our expectation that (A) the Florence, SC mill capital project will generate \$30 million in EBITDA improvement in FY21 with a run rate of \$55 million at full ramp up, (B) our expectation that the Porto Feliz project will generate \$10 million in EBITDA improvement in FY21 with a run rate of \$30 million at full ramp up, (C) that, with respect to Tres Barras, production will increase to approximately 750,000 tons a year, fiber mix will improve to 100% virgin fiber and we expect annual EBITDA benefit of \$70 million when fully ramped up in FY22 and (D) our expectation that run rate synergies from the KapStone acquisition will grow to more than \$240 million by the end of FY21 and (E) that annual EBITDA at the North Charleston, SC mill will increase by \$40 million; (ii) that we expect to add \$125 million of EBITDA in FY21 as a result of the productivity improvement projects listed on slide 20; (iv) that the Pandemic Action Plan is on track to achieve approximately \$1 billion of savings through calendar 2021 and is expected to lead to meaningful debt reduction as set forth on slide 10; (v) that we expect to invest \$800 to \$900 million in capital investments in FY21; (vi) that we intend to invest to further enhance our cost position while pursuing growth opportunities; that we have an annual capex target of \$900 million to \$1 billion; (vii) that we have near-term priorities of reducing debt levels and returning to a net leverage ratio of 2.25x to 2.5x and returning capital to stockholders through a competitive annual dividend; (viii) that we have medium-term priorities of maintaining a net leverage ratio of 2.25x to 2.5x, paying a competitive and growing dividend supplemented with opportunistic share repurchases and targeted M&A opportunities focused on improving vertical integration; (ix) that the WestRock Pandemic Action Plan is expected to provide approximately \$1 billion of cash available for debt reduction through the end of calendar 2021 in addition to ongoing cash generation; (x) that we have a road map to return to our targeted leverage ratio range of 2.25x to 2.5x; and (xi) the key commodity annual consumption volumes on slide 22.

Forward-looking statements are based on our current expectations, beliefs, plans or forecasts and are typically identified by words or phrases such as “may,” “will,” “could,” “should,” “would,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “prospects,” “potential” and “forecast,” and other words, terms and phrases of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. WestRock cautions readers that a forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. WestRock’s businesses are subject to a number of risks that would affect any such forward-looking statements, including, among others, developments related to the COVID-19 pandemic, including the severity, magnitude and duration of the pandemic, negative global economic conditions arising from the pandemic, impacts of governments’ responses to the pandemic on our operations, impacts of the pandemic on commercial activity, our customers and consumer preferences and demand, supply chain disruptions, and disruptions in the credit or financial markets; decreases in demand for their products; increases in energy, raw materials, shipping and capital equipment costs; reduced supply of raw materials; our ongoing assessment of the recent ransomware incident, adverse legal, reputational and financial effects on us resulting from the incident or additional cyber incidents and the effectiveness of our business continuity plans during the ransomware incident; fluctuations in selling prices and volumes; intense competition; the potential loss of certain customers; the scope, costs, timing and impact of any restructuring of our operations and corporate and tax structure; the occurrence of a natural disaster, such as hurricanes or other unanticipated problems, such as labor difficulties, equipment failure or unscheduled maintenance and repair; risks associated with integrating KapStone’s operations into our operations and our ability to realize anticipated synergies and productivity improvements; risks associated with completing our strategic capital projects on the anticipated timelines and realizing our anticipated EBITDA improvements; benefits that we expect to realize from actions that we are taking and plan to take in response to COVID-19; and adverse changes in general market and industry conditions. Such risks and other factors that may impact management’s assumptions are more particularly described in our filings with the Securities and Exchange Commission, including in Item 1A under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended September 30, 2020. The information contained herein speaks as of the date hereof and WestRock does not have or undertake any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

NON-GAAP FINANCIAL MEASURES:

We report our financial results in accordance with accounting principles generally accepted in the United States (“GAAP”). However, management believes certain non-GAAP financial measures provide users with additional meaningful financial information that should be considered when assessing our ongoing performance. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating our performance. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our GAAP results. The non-GAAP financial measures we present may differ from similarly captioned measures presented by other companies.

We may from time to time be in possession of certain information regarding WestRock that applicable law would not require us to disclose to the public in the ordinary course of business, but would require us to disclose if we were engaged in the purchase or sale of our securities. This presentation shall not be considered to be part of any solicitation of an offer to buy or sell WestRock securities. This presentation also may not include all of the information regarding WestRock that you may need to make an investment decision regarding WestRock securities. Any investment decision should be made on the basis of the total mix of information regarding WestRock that is publicly available as of the date of the investment decision.

UPDATE ON RANSOMWARE INCIDENT

- Ransomware attack was detected on Saturday, January 23rd
- Immediately implemented business continuity processes and response containment protocols
- Most mills and converting locations continue to run and deliver for our customers
 - Some sites have used manual methods to process and ship orders
- Focused on responding to customer needs with transparent communications
- We currently have no evidence that our customers' or teammates' data has been compromised



Q1 FY21 KEY HIGHLIGHTS

- Consumer habits and preferences driving increased demand for sustainable fiber-based packaging
- Packaging volumes increased 5% over last year
- Progress on strategic capital projects at Florence, SC and Tres Barras, Brazil
- Adjusted Free Cash Flow of \$562 million; \$1.6 billion in last 12 months⁽¹⁾
- Adjusted Net Debt reduction of \$489 million; Net Leverage Ratio of 2.86x⁽¹⁾

Q1 FY21 WESTROCK RESULTS

\$ IN MILLIONS	FIRST QUARTER	
	FY21	FY20
Net Sales	\$4,402	\$4,424
Adjusted Segment Income ⁽¹⁾	\$306	\$308
Adjusted Segment EBITDA ⁽¹⁾	\$670	\$675
% Margin ⁽¹⁾	15.2%	15.3%
Capital Expenditures	\$171	\$375
Adjusted Free Cash Flow ⁽¹⁾	\$562	\$79
Adjusted Earnings Per Diluted Share ⁽¹⁾	\$0.61	\$0.58

OPERATIONS⁽²⁾

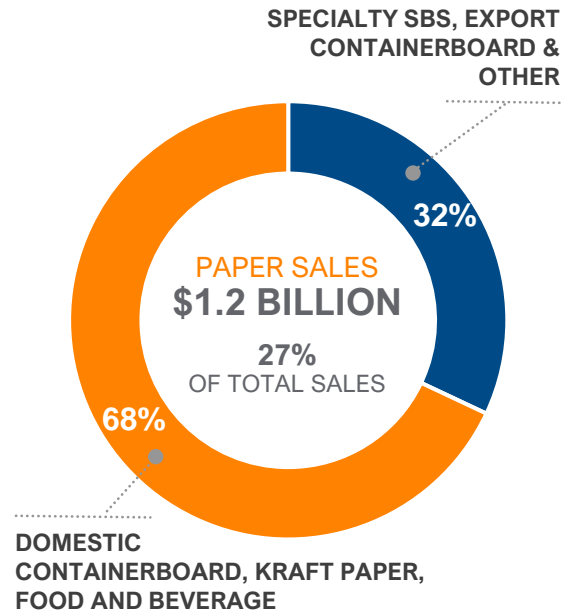
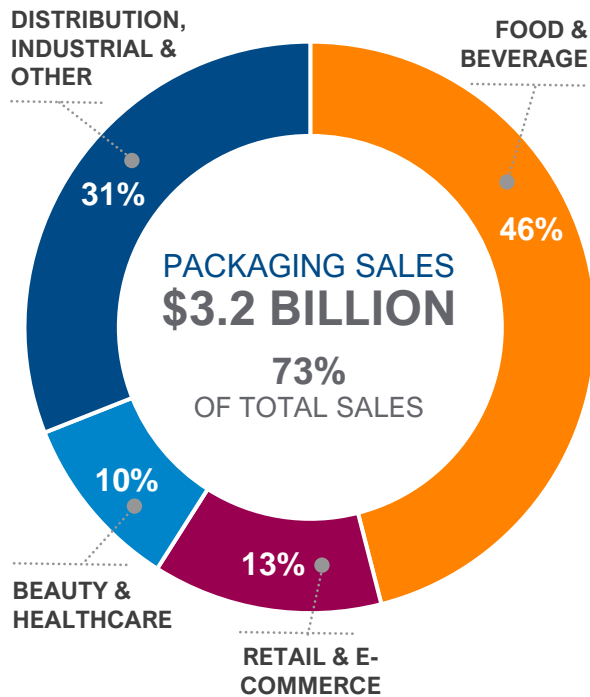


Q1 HIGHLIGHTS

- Packaging volumes increased 5% offset by lower paper shipments
- Earnings exceeded the top end of our guidance range
- Strong cash flow generation and debt reduction
- Strong supply/demand conditions and pricing momentum heading into Q2 FY21

WESTROCK OVERVIEW

Q1 FY21 SALES BY END MARKET⁽¹⁾

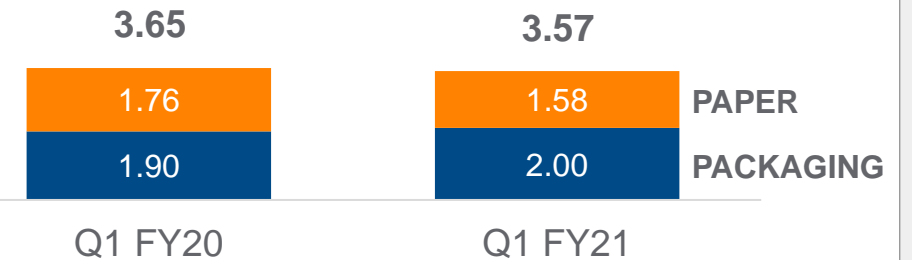


KEY TAKEAWAYS

- ➔ Resilient and growing packaging volumes during pandemic
- ➔ Reduced shipments to lower margin export containerboard and specialty SBS markets
- ➔ Improving price environment with recently published increases across most major paper grades

TOTAL VOLUME BY QUARTER⁽²⁾

(MILLIONS OF TONS)



PACKAGING DELIVERING MORE FOR CUSTOMERS AND CONSUMERS

E-COMMERCE SOLUTIONS

THE HOME DEPOT

Safety transports horticulture products to consumers



SUSTAINABLE PACKAGING

HEINZ ECO-FRIENDLY SLEEVE MULTIPACK

Fiber-based collar replaces plastic



SAFETY PACKAGING

TITAN FARMS

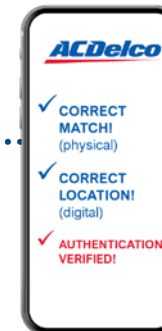
Fiber-based, auto-bottom style offers ventilation and product protection



DIGITAL PACKAGING

GENERAL MOTORS

Consumer counterfeit protection throughout supply chain



AUTOMATION SOLUTIONS

CLUSTER-PAK® ULTIMA AND EVOTECH™

High-speed, flexible packaging machines



Q1 FY21 CORRUGATED PACKAGING RESULTS

\$ IN MILLIONS	FIRST QUARTER	
	FY21	FY20
Net Sales	\$2,865	\$2,910
Adjusted Segment Income⁽¹⁾	\$226	\$277
Adjusted Segment EBITDA⁽¹⁾	\$458	\$508
% Margin⁽¹⁾	16.5%	18.1%
North American Adjusted Segment EBITDA Margin⁽¹⁾	18.2%	19.3%
Brazil Adjusted Segment EBITDA Margin⁽¹⁾	9.1%	20.4%

Q1 HIGHLIGHTS

- Record N.A. Corrugated box shipments with 8% year-over-year increase on a per day basis
- Lower N.A. margins driven by higher OCC costs and the impact of previously published price declines partially offset by strong productivity gains
- Implementing published price increases
- Tres Barras planned maintenance outage to support mill upgrade resulted in approximately \$15 million of lower earnings

Q1 FY21 CONSUMER PACKAGING RESULTS

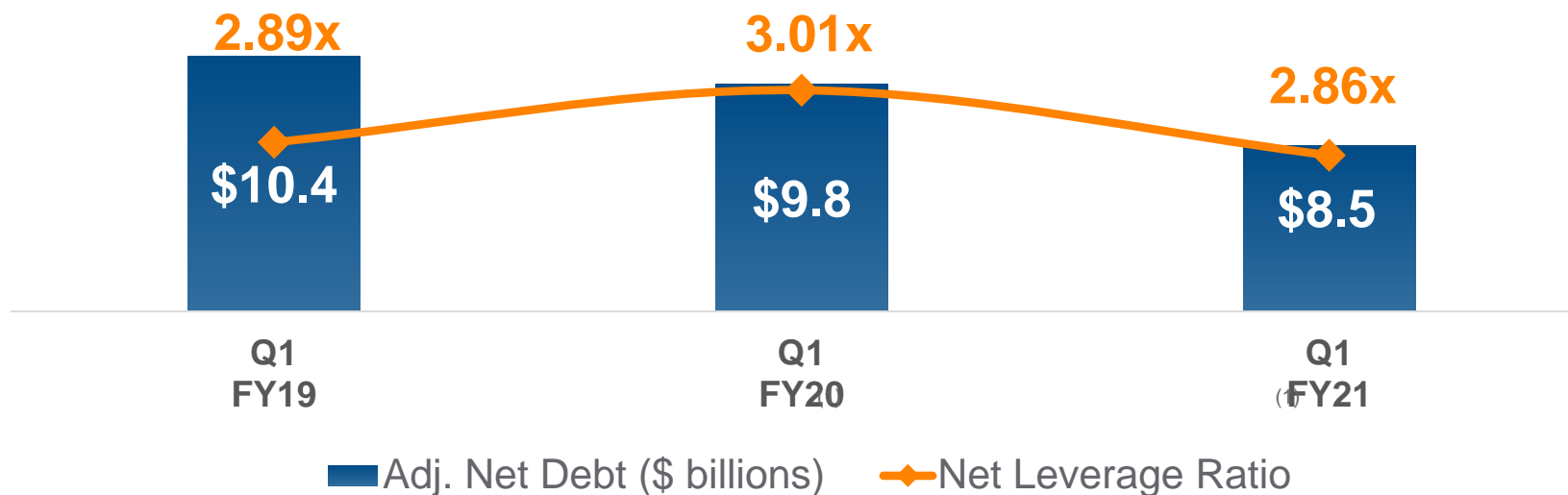
\$ IN MILLIONS	FIRST QUARTER	
	FY21	FY20
Net Sales	\$1,595	\$1,537
Adjusted Segment Income ⁽¹⁾	\$103	\$49
Adjusted Segment EBITDA ⁽¹⁾	\$234	\$184
% Margin ⁽¹⁾	14.7%	12.0%

Q1 HIGHLIGHTS

- Sales growth of 3.8% driven by strength in paper and packaging shipments to food and beverage as well as continued strength in healthcare
- Supply/demand conditions improving – backlogs increasing, published PPW price increases
- Sales mix improved with strong packaging shipments and lower mix of SBS and pulp shipments
- Productivity efforts across mill and converting system contributed to improved results

UPDATE ON WESTROCK PANDEMIC ACTION PLAN

STRONG CASH GENERATION WITH MEANINGFUL DEBT REDUCTION



- Reduced Adjusted Net Debt by more than \$1.3 billion over past twelve months⁽¹⁾
- Pandemic Action Plan has generated over **\$600 million** in additional cash used for debt repayment; on track to achieve approximately **\$1 billion** through end of calendar 2021

FY21 UPDATE

- Growing packaging demand
- Implementing published price increases
- Strategic capital investments nearly complete and benefits ramping up
- Strong cash flow generation
 - Five consecutive years of greater than \$1 billion in Adjusted Free Cash Flow⁽¹⁾
 - Over **\$1.6 billion** in Adjusted Free Cash Flow during the trailing twelve months as of Q1 FY21⁽¹⁾
- Road map to return Net Leverage Ratio to **targeted range of 2.25x to 2.50x⁽¹⁾**

CAPITAL ALLOCATION PRIORITIES

NEAR-TERM FOCUS ON DEBT REDUCTION AND ORGANIC INVESTMENTS



CAPITAL INVESTMENT

NEAR TERM – 1 TO 2 YEARS

- Completing Florence and Tres Barras mill upgrades
- \$800 - \$900 million of capital investment projected in FY21

MEDIUM TERM – 2 YEARS+

- Invest to further enhance cost position while pursuing growth opportunities
- Annual CAPEX target of \$900 million to \$1 billion



PRIORITIES

NEAR TERM – 1 TO 2 YEARS

- Reduce debt levels and return Net Leverage Ratio to target of 2.25x to 2.5x⁽¹⁾
- Return capital to stockholders through competitive dividend

MEDIUM TERM – 2 YEARS+

- Maintain targeted Net Leverage Ratio⁽¹⁾
- Pay a competitive and growing dividend supplemented with opportunistic share repurchases
- Targeted M&A opportunities focused on improving vertical integration

FINANCIAL STRENGTH SUPPORTED BY STRONG CASH FLOW GENERATION

STRONG CASH FLOW GENERATION

ADJUSTED FREE CASH FLOW HAS EXCEEDED \$1 BILLION EACH YEAR SINCE FY16⁽¹⁾

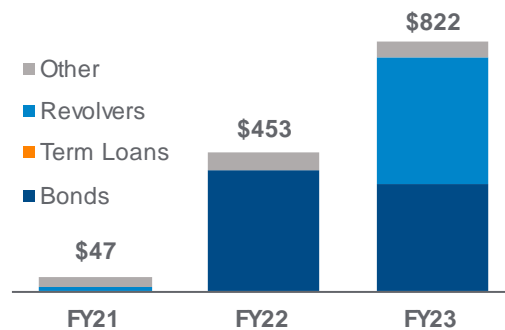
ADJUSTED FREE CASH FLOW⁽¹⁾
(\$ IN BILLIONS)



LIMITED NEAR-TERM FUNDING NEEDS

MINIMAL NEAR-TERM DEBT MATURITIES

DEBT MATURITY PROFILE⁽²⁾
(\$ IN MILLIONS)



MAINTAINING SIGNIFICANT LIQUIDITY

APPROXIMATELY \$3.4 BILLION OF AVAILABLE LONG-TERM COMMITTED LIQUIDITY AND CASH⁽²⁾

- Strong access to both public debt and bank debt markets
- Moody's and S&P maintaining investment grade rating

FOCUS ON DEBT REDUCTION

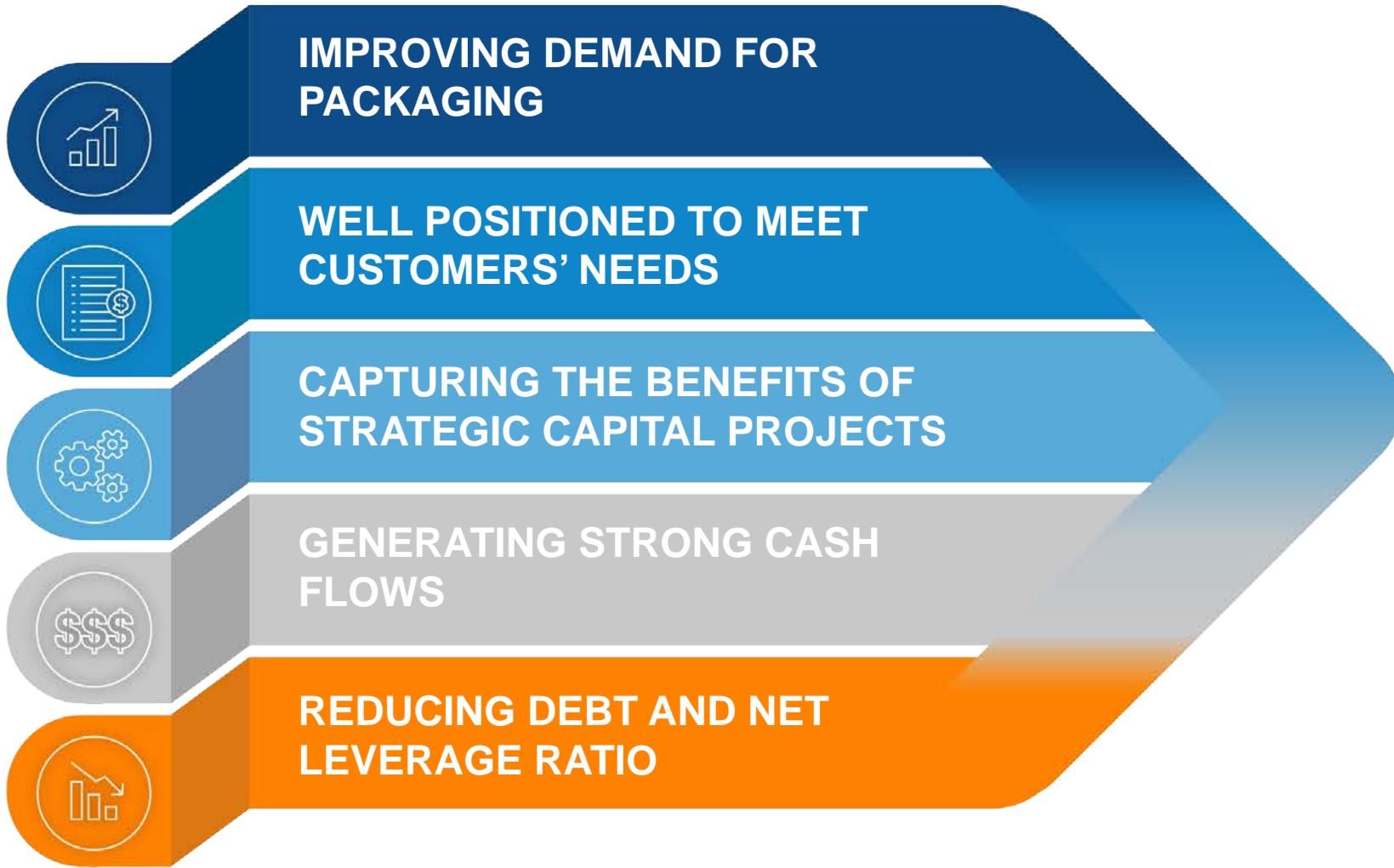
ROAD MAP TO RETURNING TO TARGETED LEVERAGE RATIO RANGE OF 2.25x TO 2.5x⁽³⁾

- Reduced Adjusted Net Debt by more than \$1.3 Billion in last twelve months⁽³⁾
- Pandemic Action Plan expected to provide approx. \$1 billion of cash available for debt reduction through end of calendar 2021 in addition to ongoing cash generation

1) Non-GAAP Financial Measure. See Non-GAAP Financial Measures in the Appendix.

2) As of December 31, 2020.

3) Non-GAAP Financial Measure. See Non-GAAP Financial Measures and Reconciliations in the Appendix.



WESTROCK:
**CREATING
VALUE**

APPENDIX

NON-GAAP FINANCIAL MEASURES

Adjusted Earnings Per Diluted Share

We use the non-GAAP financial measure “adjusted earnings per diluted share,” also referred to as “adjusted earnings per share” or “Adjusted EPS”, because we believe this measure provides our board of directors, investors, potential investors, securities analysts and others with useful information to evaluate our performance since it excludes restructuring and other costs, net, and other specific items that we believe are not indicative of our ongoing operating results. Our management and board of directors use this information to evaluate our performance relative to other periods. We believe the most directly comparable GAAP measure is Earnings per diluted share.

Adjusted Operating Cash Flow and Adjusted Free Cash Flow

We use the non-GAAP financial measures “adjusted operating cash flow” and “adjusted free cash flow” because we believe these measures provide our board of directors, investors, potential investors, securities analysts and others with useful information to evaluate our performance relative to other periods because they exclude restructuring and other costs, net of tax, that we believe are not indicative of our ongoing operating results. While these measures are similar to adjusted free cash flow, we believe they provide greater comparability across periods when capital expenditures are changing since they exclude an adjustment for capital expenditures. We believe adjusted free cash flow is also a useful measure as it reflects our cash flow inclusive of capital expenditures. We believe the most directly comparable GAAP measure is net cash provided by operating activities.

Adjusted Segment Income, Adjusted Segment EBITDA and Adjusted Segment EBITDA Margins

We use the non-GAAP financial measures “adjusted segment income”, “adjusted segment EBITDA” and “adjusted segment EBITDA margins”, along with other factors, to evaluate our segment performance against our peers. We believe that investors use these measures to evaluate our performance relative to our peers. We calculate adjusted segment income for each segment by adding segment income to certain adjustments and calculate “adjusted segment EBITDA” by further adding depreciation, depletion and amortization. We calculate adjusted segment EBITDA margin for each segment by dividing that segment’s adjusted segment EBITDA by its adjusted segment sales.

Leverage Ratio, Net Leverage Ratio, Total Funded Debt and Adjusted Total Funded Debt

We use the non-GAAP financial measures “leverage ratio” and “net leverage ratio” as measurements of our operating performance and to compare to our publicly disclosed target leverage ratio. We believe investors use each measure to evaluate our available borrowing capacity – in the case of “net leverage ratio”, adjusted for cash and cash equivalents. We define leverage ratio as our Total Funded Debt divided by our Credit Agreement EBITDA, each of which term is defined in our credit agreement, dated July 1, 2015. Borrowing capacity under our credit agreement depends on, in addition to other measures, the Credit Agreement Debt/EBITDA ratio or the leverage ratio. As of December 31, 2020, our leverage ratio was 2.95 times. While the leverage ratio under our credit agreement determines the credit spread on our debt, we are not subject to a leverage ratio cap. Our credit agreement is subject to a Debt to Capitalization and Consolidated Interest Coverage Ratio, as defined therein. We define “Adjusted Total Funded Debt” as our Total Funded Debt less cash and cash equivalents. Net Leverage Ratio is the product of Adjusted Total Funded Debt divided by our Credit Agreement EBITDA. As of December 31, 2020, our net leverage ratio was 2.86 times.

Adjusted Net Debt

We use the non-GAAP financial measure “adjusted net debt” to measure our level of debt across periods. We define adjusted net debt as total debt as reduced by items such as cash and cash equivalents, the fair value of debt step-up, and adjusted for the impact of the October 1, 2019 lease standard adoption, to reflect comparability across periods.

Forward-looking Guidance

We are not providing a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP measure because we are unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort. These items include, but are not limited to, merger and acquisition-related expenses, restructuring expenses, asset impairments, litigation settlements, changes to contingent consideration and certain other gains or losses. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP reported results for the guidance period.

Q1 YEAR OVER YEAR BRIDGES

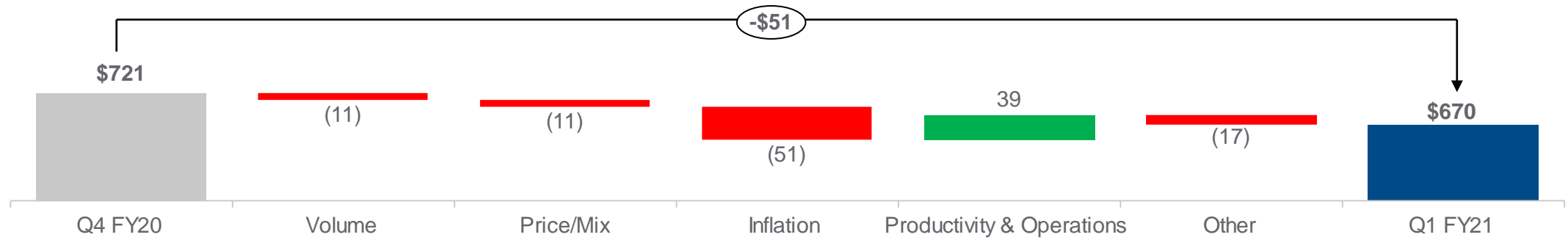
ADJUSTED SEGMENT EBITDA⁽¹⁾ (\$ IN MILLIONS)



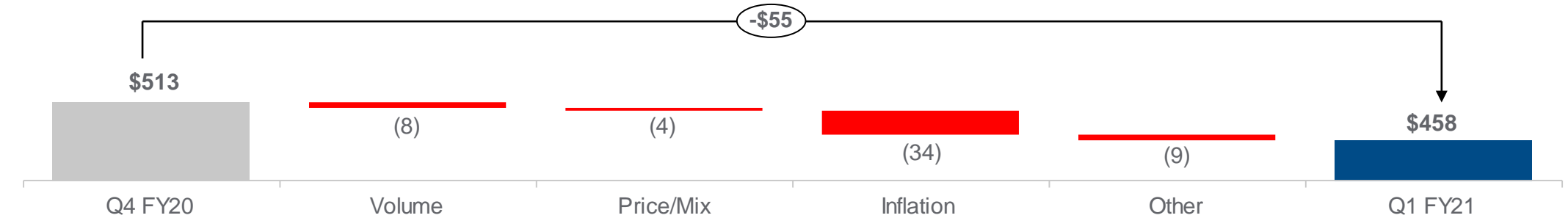
Q1 SEQUENTIAL BRIDGES

ADJUSTED SEGMENT EBITDA⁽¹⁾ (\$ IN MILLIONS)

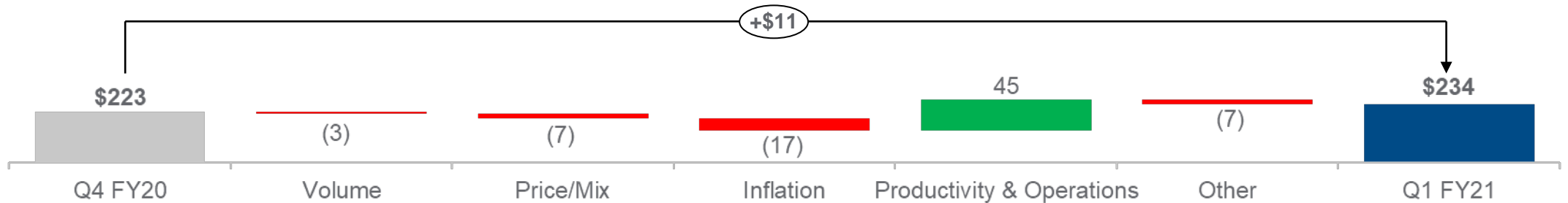
WESTROCK



CORRUGATED

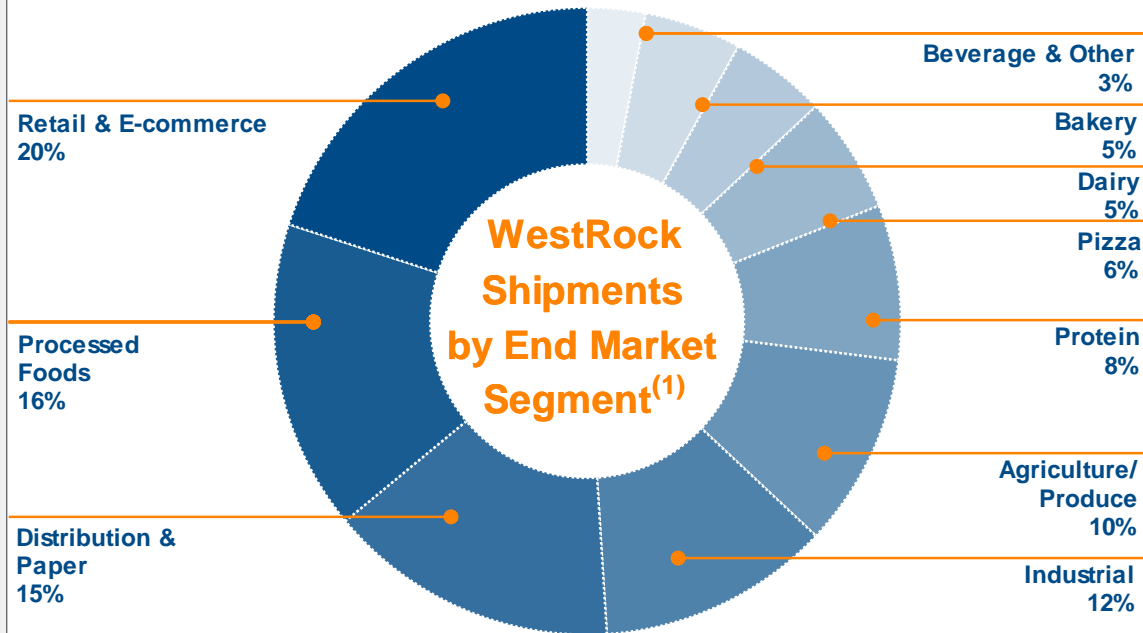


CONSUMER



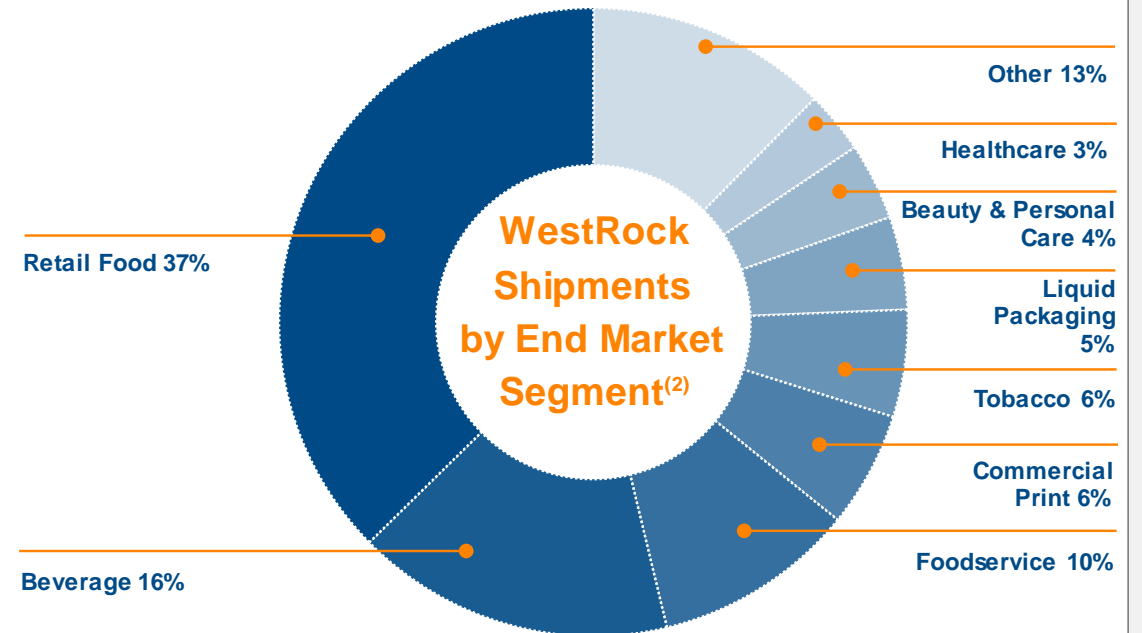
WESTROCK SERVES DIVERSE END MARKET SEGMENTS

N.A. CORRUGATED PACKAGING



1) Represents WestRock trailing twelve-month Q1 FY21 sales of North American corrugated boxes, excluding sheets

CONSUMER PACKAGING SEGMENT



2) Represents WestRock trailing twelve-month Q1 FY21 sales of converted shipments and paperboard shipped to end markets.



FLORENCE, SOUTH CAROLINA, PAPER MACHINE

PRODUCTIVITY IMPROVEMENTS

FLORENCE

- Replacement of three paper machines with one 710,000-ton machine
- Successful start-up of machine in Q1 FY21
- Expect to generate \$30 million in EBITDA improvement in FY21 with run rate of \$55 million at full ramp up

PORTO FELIZ

- One of the largest box plants in the Americas
- Current run-rate of approximately 250 MMSF per month, over 60% of design capacity
- Expect to generate \$10 million in EBITDA improvement in FY21 with run rate of \$30 million at full ramp up

TRES BARRAS

- Successful completion of major outage in Q1 FY21
- Production will increase to approximately 750,000 tons a year
- Fiber mix will improve to 100% virgin fiber (mix of eucalyptus and pine) from approx. 80% virgin / 20% recycled
- Expect annual EBITDA benefit of \$70 million when fully ramped up in FY22

KAPSTONE

- Current synergy run rate of \$200 million, including North Charleston, with expected run-rate synergies to grow to \$240+ million by end of FY21, including North Charleston
- North Charleston, SC mill reconfiguration reduced capacity by 288,000 tons and will increase annual EBITDA by \$40 million

**EXPECT TO ADD
\$125 MILLION OF EBITDA IN FY21**

MILL MAINTENANCE SCHEDULE

(tons in thousands)

North American Corrugated Packaging

	Q1	Q2	Q3	Q4	Full Year
FY21 Maintenance	79	55	118	2	254
FY20 Maintenance	110	87	21	88	306

Consumer Packaging

	Q1	Q2	Q3	Q4	Full Year
FY21 Maintenance	26	16	21	2	65
FY20 Maintenance	36	18	0	14	68

Note: North American Corrugated Packaging FY21 maintenance downtime excludes 48,000 tons of mill downtime in Brazil during Q1 FY21 from the Tres Barras mill upgrade

KEY COMMODITY ANNUAL CONSUMPTION VOLUMES

Approx. FY21 Annual Consumption Volumes

Commodity Category	Volume
Recycled Fiber (tons millions)	5.5
Wood (tons millions)	43
Natural Gas (MMBTU)	90
Electricity (kwh billions)	5.8
Polyethylene (lbs millions)	39
Caustic Soda (tons thousands)	245
Starch (lbs millions)	586

Sensitivity Analysis

Category	Increase in Spot Price	Approx. Annual EPS Impact
Recycled Fiber (tons millions)	+\$10.00 / ton	(\$0.15)
Natural Gas (MMBTU)	+\$0.25 / MMBTU	(\$0.06)
FX Translation Impact	+10% USD Appreciation	(\$0.05)

SHIPMENT DATA

	Unit	FY20				FY21
		Q1	Q2	Q3	Q4	Q1
Consolidated Packaging Volumes	Thousands of tons	1,898.8	1,914.4	1,871.9	2,001.2	1,995.8
Consolidated Paper Volumes	Thousands of tons	1,755.3	1,832.4	1,763.1	1,627.0	1,575.2
Consolidated Paper & Packaging Volumes	Thousands of tons	3,654.1	3,746.8	3,635.0	3,628.2	3,571.0
<u>Corrugated Packaging</u>						
External Box, Containerboard & Kraft Paper Shipments	Thousands of tons	2,509.8	2,538.3	2,407.6	2,416.4	2,447.1
Pulp Shipments	Thousands of tons	81.4	80.5	96.8	88.0	72.2
Total North American Corrugated Packaging Shipments	Thousands of tons	2,591.2	2,618.8	2,504.4	2,504.4	2,519.3
Brazil and India Corrugated Packaging Shipments	Thousands of tons	168.1	182.5	176.4	185.1	156.8
Total Corrugated Packaging Segment Shipments⁽¹⁾	Thousands of tons	2,759.3	2,801.3	2,680.8	2,689.5	2,676.1
N.A. Corrugated Container Shipments	Billions of square feet	23.9	23.8	23.2	24.9	25.4
N.A. Corrugated Container Shipments per Shipping Day	Millions of square feet	385.9	371.2	369.3	388.0	416.7
N.A. Corrugated Packaging Converting Shipments	Thousands of tons	1,423.8	1,427.6	1,380.3	1,477.4	1,505.4
Brazil and India Corrugated Packaging Converting Shipments	Thousands of tons	109.0	102.8	100.5	122.1	115.5
<u>Consumer Packaging</u>						
Consumer Packaging Paperboard and Converting Shipments	Thousands of tons	876.1	942.3	911.1	910.7	903.8
Pulp Shipments	Thousands of tons	46.3	45.4	73.4	66.1	36.6
Total Consumer Packaging Segment Shipments	Thousands of tons	922.4	987.7	984.5	976.8	940.4
Consumer Packaging Converting Shipments	Thousands of tons	366.0	384.0	391.1	401.7	374.9
<u>Downtime</u>						
Corrugated Packaging Maintenance Downtime	Thousands of tons	110.3	86.5	21.2	88.5	78.7
Corrugated Packaging Economic Downtime	Thousands of tons	2.1	1.2	123.7	20.4	0.3
Consumer Packaging Maintenance Downtime	Thousands of tons	35.9	18.2	0.4	13.6	26.1
Consumer Packaging Economic Downtime	Thousands of tons	16.0	22.4	30.7	86.8	39.2

1) Combined North America, Brazil and India shipments.

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER DILUTED SHARE RECONCILIATION

(\$ in millions, except per share data)

	Q1 FY21						
	Adjustments to Segment EBITDA			Consolidated Results			
	Corrugated Packaging	Consumer Packaging	Other	Pre-Tax	Tax	Net of Tax	EPS
GAAP Results⁽¹⁾				\$ 202.8	\$ (50.3)	\$ 152.5	\$ 0.57
COVID-19 relief payments	11.3	9.9	0.8	22.0	(5.4)	16.6	0.06
Restructuring and other items	n/a	n/a	n/a	7.7	(1.9)	5.8	0.02
Loss on extinguishment of debt	n/a	n/a	n/a	1.1	(0.3)	0.8	0.01
Losses at closed plants, transition and start-up costs ⁽²⁾	(0.1)	0.3	-	0.4	(0.1)	0.3	-
Accelerated depreciation on major capital projects and certain plant closures ⁽²⁾	n/a	n/a	n/a	0.2	-	0.2	-
Gain on sale of investment	n/a	n/a	n/a	(14.7)	2.1	(12.6)	(0.05)
Gain on sale of certain closed facilities	n/a	n/a	n/a	(0.9)	0.2	(0.7)	-
Brazil indirect tax ⁽³⁾	(0.6)	-	-	(0.9)	0.3	(0.6)	-
Adjustments / Adjusted Results	\$ 10.6	\$ 10.2	\$ 0.8	\$ 217.7	\$ (55.4)	\$ 162.3	\$ 0.61
Noncontrolling interests						(0.5)	
Adjusted Net Income						\$ 161.8	

1) The GAAP results for Pre-Tax, Tax, Net of Tax and EPS are equivalent to the line items "Income before income taxes", "Income tax expense", "Consolidated net income" and "Earnings per diluted share", respectively, as reported on the statements of income.

2) The variance between the Pre-Tax column and the sum of the Adjustments to Segment EBITDA is depreciation and amortization.

3) The variance between the Pre-Tax column and the sum of the Adjustments to Segment EBITDA is primarily interest income.

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER DILUTED SHARE RECONCILIATION

(\$ in millions, except per share data)

	Q1 FY20						
	Adjustments to Segment EBITDA			Consolidated Results			
	Corrugated Packaging	Consumer Packaging	L&D and Other	Pre-Tax	Tax	Net of Tax	EPS
GAAP Results⁽¹⁾				\$ 186.0	\$ (46.5)	\$ 139.5	\$ 0.53
Restructuring and other items	n/a	n/a	n/a	30.1	(7.7)	22.4	0.09
Hurricane Michael recovery of direct costs, net	(16.0)	-	-	(16.0)	3.9	(12.1)	(0.05)
Accelerated depreciation on major capital projects and certain plant closures ⁽²⁾	n/a	n/a	n/a	11.6	(2.9)	8.7	0.03
North Charleston and Florence transition and reconfiguration costs ⁽²⁾	13.2	-	-	15.3	(3.7)	11.6	0.04
Losses at closed plants, transition and start-up costs ⁽²⁾	3.8	0.4	-	4.4	(1.1)	3.3	0.01
Interest Accretion and other	n/a	n/a	n/a	0.9	(0.2)	0.7	-
Gain on sale of certain closed facilities	n/a	n/a	n/a	(0.5)	0.1	(0.4)	-
Land and Development operating results	n/a	n/a	(1.4)	(1.3)	0.3	(1.0)	-
Brazil indirect tax ⁽³⁾	(21.1)	(2.0)	-	(33.8)	10.6	(23.2)	(0.09)
Other ⁽³⁾	-	4.4	-	4.4	(1.1)	3.3	0.02
Adjustments / Adjusted Results	\$ (20.1)	\$ 2.8	\$ (1.4)	\$ 201.1	\$ (48.3)	\$ 152.8	\$ 0.58
Noncontrolling interests						(1.0)	
Adjusted Net Income						\$ 151.8	

1) The GAAP results for Pre-Tax, Tax, Net of Tax and EPS are equivalent to the line items "Income before income taxes", "Income tax expense", "Consolidated net income" and "Earnings per diluted share", respectively, as reported on the statements of income.

2) The variance between the Pre-Tax column and the sum of the Adjustments to Segment EBITDA is depreciation and amortization.

3) The variance between the Pre-Tax column and the sum of the Adjustments to Segment EBITDA is primarily interest income.

ADJUSTED OPERATING CASH FLOW AND FREE CASH FLOW RECONCILIATION

(\$ in millions)	<u>Q1 FY21</u>	<u>Q4 FY20</u>	<u>Q3 FY20</u>	<u>Q2 FY20</u>	<u>Last Twelve Months</u>
Net cash provided by operating activities					
Plus: Cash Restructuring and other costs, net of income tax benefit of \$4.2, \$5.4, \$3.9 and \$2.9	\$ 719.4	\$ 731.7	\$ 740.2	\$ 167.6	\$ 2,358.9
Adjusted Operating Cash Flow	<u>12.8</u>	<u>16.7</u>	<u>11.8</u>	<u>9.1</u>	<u>50.4</u>
Less: Capital expenditures	732.2	748.4	752.0	176.7	2,409.3
Adjusted Free Cash Flow	<u>(170.7)</u>	<u>(117.9)</u>	<u>(244.0)</u>	<u>(241.4)</u>	<u>(774.0)</u>
	<u>\$ 561.5</u>	<u>\$ 630.5</u>	<u>\$ 508.0</u>	<u>\$ (64.7)</u>	<u>\$ 1,635.3</u>

ADJUSTED SEGMENT SALES, ADJUSTED SEGMENT EBITDA AND ADJUSTED SEGMENT INCOME⁽¹⁾

Q1 FY21

(\$ in millions)	Corrugated Packaging	Consumer Packaging	Corporate / Eliminations	Consolidated
Segment / Net sales	\$ 2,864.5	\$ 1,595.1	\$ (58.1)	\$ 4,401.5
Less: Trade sales	(97.0)	-	-	(97.0)
Adjusted Segment Sales	<u>\$ 2,767.5</u>	<u>\$ 1,595.1</u>	<u>\$ (58.1)</u>	<u>\$ 4,304.5</u>
Segment income ⁽²⁾	\$ 215.0	\$ 92.5	\$ -	\$ 307.5
Non-allocated expenses	-	-	(23.8)	(23.8)
Depreciation and amortization	232.3	131.0	1.2	364.5
Segment EBITDA	447.3	223.5	(22.6)	648.2
Adjustments ⁽³⁾	10.6	10.2	0.8	21.6
Adjusted Segment EBITDA	<u>\$ 457.9</u>	<u>\$ 233.7</u>	<u>\$ (21.8)</u>	<u>\$ 669.8</u>
Segment EBITDA Margins	<u>15.6%</u>	<u>14.0%</u>		<u>14.7%</u>
Adjusted Segment EBITDA Margins	<u>16.5%</u>	<u>14.7%</u>		<u>15.2%</u>
Segment income	\$ 215.0	\$ 92.5	\$ -	\$ 307.5
Non-allocated expenses	-	-	(23.8)	(23.8)
Adjustments, including D&A adjustments	10.9	10.3	0.8	22.0
Adjusted Segment Income	<u>\$ 225.9</u>	<u>\$ 102.8</u>	<u>\$ (23.0)</u>	<u>\$ 305.7</u>

1) Segment EBITDA Margins are calculated using Segment / Net sales, Corrugated Packaging and Consumer Packaging Adjusted Segment EBITDA Margins are calculated using Adjusted Segment Sales; the Consolidated Adjusted Segment EBITDA Margin is calculated using Segment / Net sales.

2) Segment income includes pension and other postretirement income (expense).

3) See the Adjusted Net Income table on slide 24 for adjustments.

CORRUGATED PACKAGING ADJUSTED SEGMENT EBITDA⁽¹⁾

(\$ in millions)	Q1 FY21			
	North American Corrugated	Brazil Corrugated	Other ⁽²⁾	Corrugated Packaging
Segment sales	\$ 2,496.2	\$ 81.0	\$ 287.3	\$ 2,864.5
Less: Trade sales	(97.0)	-	-	(97.0)
Adjusted Segment Sales	<u>\$ 2,399.2</u>	<u>\$ 81.0</u>	<u>\$ 287.3</u>	<u>\$ 2,767.5</u>
Segment income ⁽³⁾	\$ 210.7	\$ (2.1)	\$ 6.4	\$ 215.0
Depreciation and amortization	216.3	9.9	6.1	232.3
Segment EBITDA	427.0	7.8	12.5	447.3
Adjustments ⁽⁴⁾	10.4	(0.4)	0.6	10.6
Adjusted Segment EBITDA	<u>\$ 437.4</u>	<u>\$ 7.4</u>	<u>\$ 13.1</u>	<u>\$ 457.9</u>
Segment EBITDA Margins	<u>17.1%</u>	<u>9.6%</u>		<u>15.6%</u>
Adjusted Segment EBITDA Margins	<u>18.2%</u>	<u>9.1%</u>		<u>16.5%</u>

1) Segment EBITDA Margins are calculated using Segment sales and Adjusted Segment EBITDA Margins are calculated using Adjusted Segment Sales.

2) The "Other" column includes our Victory Packaging and India corrugated operations.

3) Segment income includes pension and other postretirement income (expense).

4) See the Adjusted Net income table on slide 24 for adjustments.

ADJUSTED SEGMENT SALES, ADJUSTED SEGMENT EBITDA AND ADJUSTED SEGMENT INCOME⁽¹⁾

Q1 FY20

(\$ in millions)	Corrugated Packaging	Consumer Packaging	Land and Development	Corporate / Eliminations	Consolidated
Segment / Net Sales	\$ 2,909.5	\$ 1,536.9	\$ 18.9	\$ (41.6)	\$ 4,423.7
Less: Trade Sales	(99.2)	-	-	-	(99.2)
Adjusted Segment Sales	<u>\$ 2,810.3</u>	<u>\$ 1,536.9</u>	<u>\$ 18.9</u>	<u>\$ (41.6)</u>	<u>\$ 4,324.5</u>
Segment Income ⁽²⁾	\$ 283.4	\$ 46.2	\$ 1.4	\$ -	\$ 331.0
Non-allocated Expenses	-	-	-	(18.2)	(18.2)
Depreciation and Amortization	244.3	135.3	-	1.6	381.2
Segment EBITDA	527.7	181.5	1.4	(16.6)	694.0
Adjustments ⁽³⁾	(20.1)	2.8	(1.4)	-	(18.7)
Adjusted Segment EBITDA	<u>\$ 507.6</u>	<u>\$ 184.3</u>	<u>\$ -</u>	<u>\$ (16.6)</u>	<u>\$ 675.3</u>
Segment EBITDA Margins	<u>18.1%</u>	<u>11.8%</u>			<u>15.7%</u>
Adjusted Segment EBITDA Margins	<u>18.1%</u>	<u>12.0%</u>			<u>15.3%</u>
Segment Income	\$ 283.4	\$ 46.2	\$ 1.4	\$ -	\$ 331.0
Non-allocated Expenses	-	-	-	(18.2)	(18.2)
Adjustments, including D&A Adjustments	(6.2)	2.8	(1.4)	-	(4.8)
Adjusted Segment Income	<u>\$ 277.2</u>	<u>\$ 49.0</u>	<u>\$ -</u>	<u>\$ (18.2)</u>	<u>\$ 308.0</u>

1) Segment EBITDA Margins are calculated using Segment / Net sales. Corrugated Packaging and Consumer Packaging Adjusted Segment EBITDA Margins are calculated using Adjusted Segment Sales; the Consolidated Adjusted Segment EBITDA Margin is calculated using Segment / Net sales.

2) Segment income includes pension and other postretirement income (expense).

3) See the Adjusted Net Income table on slide 25 for adjustments.

CORRUGATED PACKAGING ADJUSTED SEGMENT EBITDA⁽¹⁾

(\$ in millions)	Q1 FY20			
	North American Corrugated	Brazil Corrugated	Other ⁽²⁾	Corrugated Packaging
Segment sales	\$ 2,553.1	\$ 107.6	\$ 248.8	\$ 2,909.5
Less: Trade sales	(99.2)	-	-	(99.2)
Adjusted Segment Sales	<u>\$ 2,453.9</u>	<u>\$ 107.6</u>	<u>\$ 248.8</u>	<u>\$ 2,810.3</u>
Segment income ⁽³⁾	\$ 249.3	\$ 29.0	\$ 5.1	\$ 283.4
Depreciation and amortization	<u>225.1</u>	<u>13.3</u>	<u>5.9</u>	<u>244.3</u>
Segment EBITDA	474.4	42.3	11.0	527.7
Adjustments ⁽⁴⁾	<u>0.2</u>	<u>(20.3)</u>	<u>-</u>	<u>(20.1)</u>
Adjusted Segment EBITDA	<u>\$ 474.6</u>	<u>\$ 22.0</u>	<u>\$ 11.0</u>	<u>\$ 507.6</u>
Segment EBITDA Margins	<u>18.6%</u>	<u>39.3%</u>		<u>18.1%</u>
Adj. Segment EBITDA Margins	<u>19.3%</u>	<u>20.4%</u>		<u>18.1%</u>

1) Segment EBITDA Margins are calculated using Segment sales and Adjusted Segment EBITDA Margins are calculated using Adjusted Segment Sales.

2) The "Other" column includes our Victory Packaging and India corrugated operations.

3) Segment income includes pension and other postretirement income (expense).

4) See the Adjusted Net income table on slide 25 for adjustments.

RECONCILIATION OF NET INCOME TO ADJUSTED SEGMENT EBITDA

(\$ in millions)	<u>Q1 FY21</u>	<u>Q1 FY20</u>
Net income attributable to common stockholders	\$ 152.0	\$ 138.5
<u>Adjustments:</u> ⁽¹⁾		
Less: Net Income attributable to noncontrolling interests	0.5	1.0
Income tax expense	50.3	46.5
Other (income) expense, net	(20.8)	3.7
Loss on extinguishment of debt	1.1	-
Interest expense, net	93.8	93.5
Restructuring and other costs	7.7	30.1
Gain on sale of certain closed facilities	(0.9)	(0.5)
Non-allocated expenses	23.8	18.2
Segment Income ⁽²⁾	<u>307.5</u>	<u>331.0</u>
Non-allocated expenses	(23.8)	(18.2)
Depreciation and amortization	<u>364.5</u>	<u>381.2</u>
Segment EBITDA	648.2	694.0
Adjustments ⁽³⁾	21.6	(18.7)
Adjusted Segment EBITDA	<u>\$ 669.8</u>	<u>\$ 675.3</u>
Net Sales	\$ 4,401.5	\$ 4,423.7
Net income margin	<u>3.5%</u>	<u>3.1%</u>
Segment EBITDA Margin	<u>14.7%</u>	<u>15.7%</u>
Adjusted Segment EBITDA Margin	<u>15.2%</u>	<u>15.3%</u>

1) Schedule adds back expense or subtracts income for certain financial statement and segment footnote items to compute segment income, Segment EBITDA and Adjusted Segment EBITDA.

2) Segment income includes pension and other postretirement income (expense).

3) See the Adjusted Net Income tables on slides 24 and 25 for adjustments.

RECONCILIATION OF Q1 FY21 PACKAGING SOLUTIONS SALES TO CONSOLIDATED NET SALES

(\$ in millions)

	Q1 FY21			
	Packaging Solutions	External Paper	Change in Eliminations	Total
Corrugated Packaging	\$ 2,170.7	\$ 686.2	\$ 7.6	\$ 2,864.5
Consumer Packaging	1,062.7	500.3	32.1	1,595.1
Eliminations	(18.4)	-	(39.7)	(58.1)
Consolidated	\$ 3,215.0	\$ 1,186.5	\$ -	\$ 4,401.5

TTM CREDIT AGREEMENT EBITDA

(\$ in millions)	TTM Dec. 31, 2020	TTM Dec. 31, 2019	TTM Dec. 31, 2018
Net loss attributable to common stockholders	\$ (677.4)	\$ 862.3	\$ 910.1
Interest expense, net	379.8	418.1	317.9
Income tax expense	167.3	260.6	261.4
Depreciation and amortization	1,470.3	1,533.3	1,305.1
Additional permitted charges and acquisition EBITDA ⁽¹⁾	1,569.6	138.7	752.5
Credit Agreement EBITDA	\$ 2,909.6	\$ 3,213.0	\$ 3,547.0

TOTAL DEBT, FUNDED DEBT AND LEVERAGE RATIO

(\$ in millions, except ratios)	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Current portion of debt	\$ 168.7	\$ 565.1	\$ 1,092.8
Long-term debt due after one year	8,771.1	9,649.3	9,728.0
Total debt	8,939.8	10,214.4	10,820.8
Less: FV step up and deferred financing fees	(167.7)	(183.0)	(215.4)
Less: short-term and long-term chip mill obligation	(96.2)	(100.3)	-
Less: other adjustments to funded debt	(104.4)	(104.0)	(80.3)
Total Funded Debt	\$ 8,571.5	\$ 9,827.1	\$ 10,525.1
LTM credit agreement EBITDA	\$ 2,909.6	\$ 3,213.0	\$ 3,547.0
Leverage Ratio	2.95x	3.06x	2.97x
Total funded debt	\$ 8,571.5	\$ 9,827.1	\$ 10,525.1
Less: cash and cash equivalents	(253.8)	(156.4)	(260.7)
Adjusted Total Funded Debt	\$ 8,317.7	\$ 9,670.7	\$ 10,264.4
Net Leverage Ratio	2.86x	3.01x	2.89x

1) Additional Permitted Charges includes among other items, \$1,333 million of non-cash goodwill impairment charges in TTM Dec. 2020, permitted acquisition EBITDA in TTM Dec. 2018, and restructuring and other costs in all periods.

ADJUSTED NET DEBT

(\$ in millions)	<u>Dec. 31, 2020</u>	<u>Sep. 30, 2020</u>	<u>Dec. 31, 2019</u>	<u>Dec. 31, 2018</u>
Current portion of debt	\$ 168.7	\$ 222.9	\$ 565.1	\$ 1,092.8
Long-term debt due after one year	8,771.1	9,207.7	9,649.3	9,728.0
Total debt	\$ 8,939.8	\$ 9,430.6	\$ 10,214.4	\$ 10,820.8
Plus: lease standard adoption ⁽¹⁾	-	-	-	100.3
Adjusted Total Debt	\$ 8,939.8	\$ 9,430.6	\$ 10,214.4	\$ 10,921.1
Less: Cash and cash equivalents	(253.8)	(251.1)	(156.4)	(260.7)
Less: Fair value of debt step-up	(204.8)	(208.9)	(223.2)	(251.5)
Adjusted Net Debt	\$ 8,481.2	\$ 8,970.6	\$ 9,834.8	\$ 10,408.9
Total debt reduction - quarter	\$ 490.8			
Adjusted Net Debt reduction - quarter	\$ 489.4			
Total Debt reduction - LTM	\$ 1,274.6			
Adjusted Net Debt reduction - LTM	\$ 1,353.6			

