



## Q1 FY19 Results

### January 31, 2019

**Steve Voorhees**  
Chief Executive Officer

**Ward Dickson**  
Chief Financial Officer

**Jeff Chalovich**  
President, Corrugated Packaging

**Bob Feeser**  
President, Consumer Packaging



# 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 "Q1 FY19 Key Highlights", "Q1 FY19 Corrugated Packaging Results", "Differentiated Paper-based Packaging Strategy Driving Results", "Guidance – Q2 FY19 Sequential & Full Year", "FY19 Additional Guidance Assumptions", "Key Commodity Annual Consumption Volumes and FX by Currency", and "WestRock Has a Proven Business Model with a Clear Path to Value Creation" that give guidance or estimates for future periods as well as statements regarding, among other things, that we are on track to achieve our \$200 million synergy run rate goal for the KapStone acquisition by the end of fiscal 2021; that we have significant opportunity to expand our business with our 15,000+ customers; that Q2 FY19 earnings drivers and estimates will be as presented on slide 8; that FY19 additional guidance assumptions and mill maintenance schedule will be as presented on slide 12; and that key commodity annual consumption volumes will be as presented on slide 13.

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 general risks that would affect any such forward-looking statements, including, among others, decreases in demand for their products; increases in energy, raw materials, shipping and capital equipment costs; reduced supply of raw materials; 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, which could result in operational disruptions of varied duration; our desire or ability to continue to repurchase company stock; risks associated with integrating KapStone's operations into our operations and our ability to realize anticipated synergies and productivity improvements; 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, 2018. 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 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.

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.

# Q1 FY19 Key Highlights

## Financial Performance

- ✓ Net Sales<sup>(1)</sup> increased \$549 million, or 14.5%, year-over-year to \$4,327 million
- ✓ Earned \$0.83 of Adjusted Earnings Per Diluted Share<sup>(2)</sup>
- ✓ Adjusted Segment EBITDA growth of 10% for a margin of 16.9%<sup>(3)</sup>
- ✓ Corrugated Packaging Adjusted Segment EBITDA margin of 20.3%<sup>(3)</sup>
  - North American Corrugated Adjusted Segment EBITDA margin of 21.0%<sup>(3)</sup>
  - Brazil Adjusted Segment EBITDA margin of 27.7%<sup>(3)</sup>
- ✓ Consumer Packaging segment favorable price/mix of \$34 million year-over-year
- ✓ Closed the KapStone acquisition on November 2<sup>nd</sup>; acquisition was \$0.04 accretive to Adjusted Earnings Per Diluted Share<sup>(2)</sup>

## Markets & Operations

- ✓ Continued strong demand in North American Corrugated container business
  - 3.1% year-over-year increase in per day North American corrugated box shipments, excluding KapStone
- ✓ Consumer segment sales up 1.1% year-over-year
- ✓ Strong backlogs and operating rates across Consumer grades
- ✓ Restarted Panama City, FL mill following damage from Hurricane Michael
- ✓ Strong start to KapStone integration efforts; synergy capture on track
- ✓ More than 130 customers buying significant volumes from both segments, accounting for approximately one third of total sales

## Capital Allocation

- ✓ \$322 million of capital investment
- ✓ Implementing strategic investments at Florence, SC containerboard mill, Mahrt, AL CNK<sup>®</sup> mill, Covington, VA SBS mill, Tres Barras, Brazil containerboard mill and Porto Feliz, Brazil box plant
- ✓ Announced 5.8% dividend increase in October 2018 to annualized rate of \$1.82 per share; paid \$116 million in cash dividends
- ✓ Repurchased \$44 million of stock
- ✓ Leverage ratio of 2.97x at end of quarter<sup>(3)</sup>; net leverage ratio of 2.89x<sup>(3)</sup>

1) Excluding Recycling sales in Q1 FY18. See Reconciliations in the Appendix.

2) Non-GAAP Financial Measure. On a GAAP basis, earnings per diluted share were \$0.54 in Q1 FY19 and \$4.38 in Q1 FY18. See Non-GAAP Financial Measures and Reconciliations in the Appendix.

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

# Q1 FY19 WestRock Consolidated Results

## Financial Performance

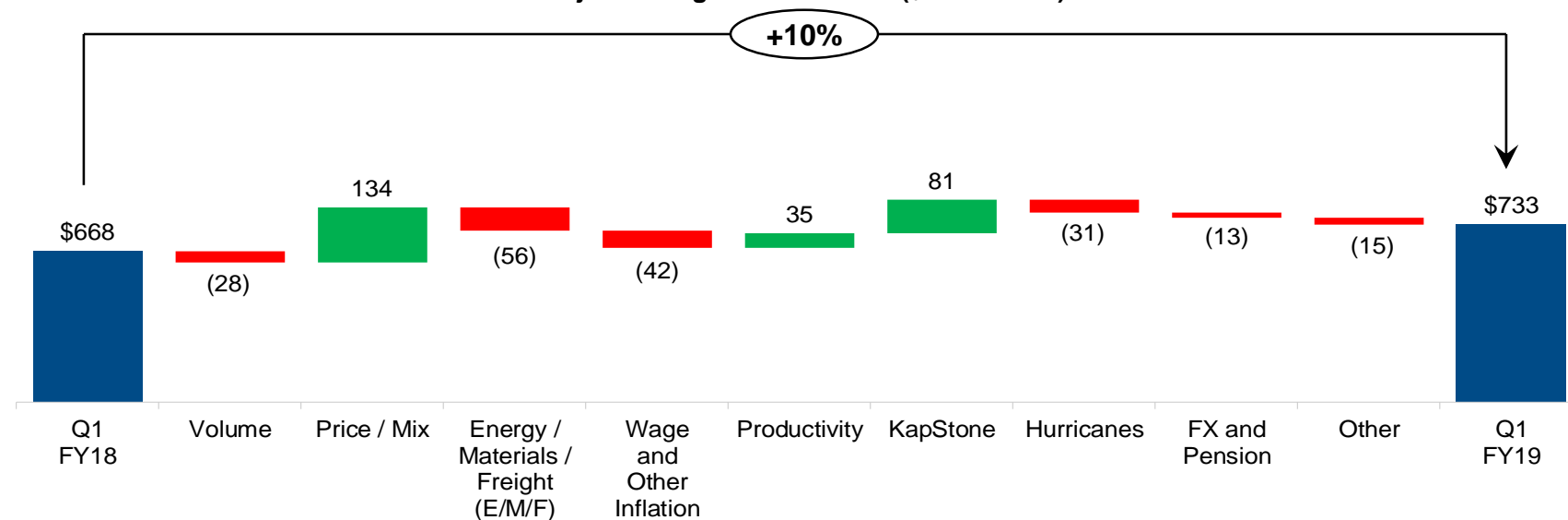
(\$ in millions, except percentages and per share items)

	Q1 FY19	Q1 FY18
Net Sales <sup>(1)</sup>	\$4,327	\$3,778
Adjusted Segment Income <sup>(2)</sup>	\$384	\$368
Adjusted Segment EBITDA <sup>(2)</sup>	\$733	\$668
% Margin <sup>(2)</sup>	16.9%	17.7%
Adjusted Earnings Per Diluted Share <sup>(3)</sup>	\$0.83	\$0.87
Adjusted Operating Cash Flow <sup>(2)</sup>	\$348	\$374

## Highlights:

- Adjusted Segment EBITDA up 10% year-over-year<sup>(2)</sup>
- Adjusted Segment EBITDA increased due to improved price / mix, productivity and KapStone acquisition<sup>(2)</sup>
- Hurricanes Michael and Florence negatively impacted Adjusted Segment EBITDA by \$31 million<sup>(2)</sup>
- Net leverage ratio of 2.89x at end of quarter<sup>(2)</sup>

## Adjusted Segment EBITDA<sup>(2)</sup> (\$ in millions)



1) Excluding Recycling sales in Q1 FY18. See Reconciliations in the Appendix.

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

3) Non-GAAP Financial Measure. On a GAAP basis, earnings per diluted share were \$0.54 in Q1 FY19 and \$4.38 in Q1 FY18. See Non-GAAP Financial Measures and Reconciliations in the Appendix.

# Q1 FY19 Corrugated Packaging Results

## Financial Performance

(\$ in millions, except percentages)

	Q1 FY19	Q1 FY18
Segment Sales <sup>(1)</sup>	\$2,734	\$2,199
Adjusted Segment Income <sup>(2)</sup>	\$325	\$284
Adjusted Segment EBITDA <sup>(2)</sup>	\$533	\$448
% Margin <sup>(2)</sup>	20.3%	21.2%
North American Adjusted Segment EBITDA Margin <sup>(2)</sup>	21.0%	20.9%
Brazil Adjusted Segment EBITDA Margin <sup>(2)</sup>	27.7%	25.0%

## Segment Highlights:

- Adjusted Segment EBITDA up 19% year-over-year<sup>(2)</sup>

## North America:

- Improvement in Adjusted Segment EBITDA margins<sup>(2)</sup>
- Total North American box shipments up 13.5% year-over-year, including KapStone
- Box shipments (excluding KapStone) up 3.1% per day year-over-year due to gains across various end markets
- Jan. 2019 MTD organic container shipments up over 4%

## Brazil:

- Strong operating performance; Adjusted Segment EBITDA margin of 27.7%<sup>(2)</sup>

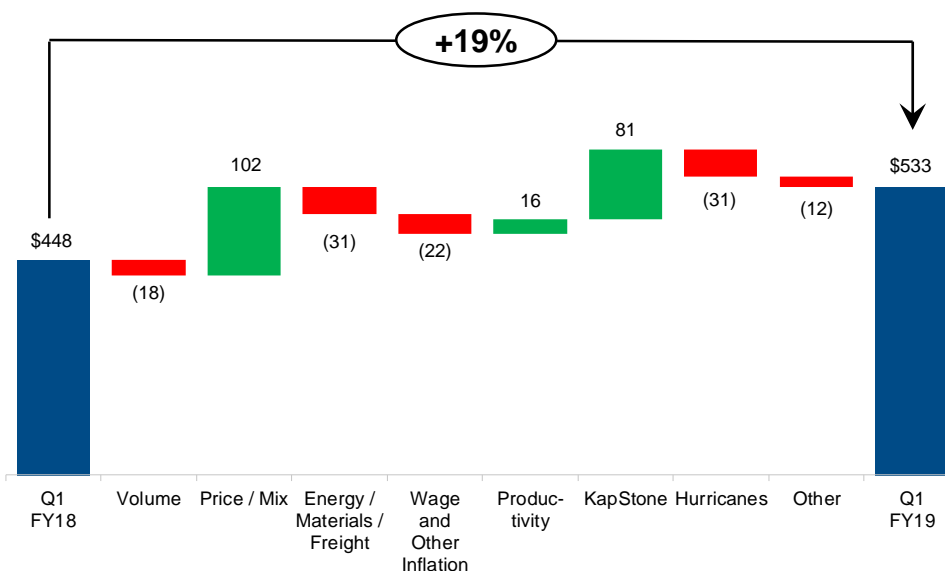
## Key Bridge Variances:

- Volume: Excluding the hurricane, Segment volume down 48k tons driven by lower export and domestic sales
- Price / Mix: Flow through of previously published PPW price increases
- E/M/F: Higher costs in freight, virgin fiber and energy, partially offset by favorable OCC pricing
- Productivity: Driven by capital investments, supply chain optimization, procurement savings and acquisition integration
- Hurricanes: Hurricane-related lost production and business interruption related impacts
- Other: Negative foreign exchange and other items

## KapStone Integration Update:

- Integration and synergy capture on track to achieve \$200 million synergy run-rate goal by the end of fiscal 2021

Adjusted Segment EBITDA<sup>(2)</sup> (\$ in millions)



# Q1 FY19 Consumer Packaging Results

## Financial Performance

(\$ in millions, except percentages)

	Q1 FY19	Q1 FY18
Segment Sales	\$1,619	\$1,601
Adjusted Segment Income <sup>(1)</sup>	\$78	\$99
Adjusted Segment EBITDA <sup>(1)</sup>	\$216	\$235
% Margin <sup>(1)</sup>	13.3%	14.7%

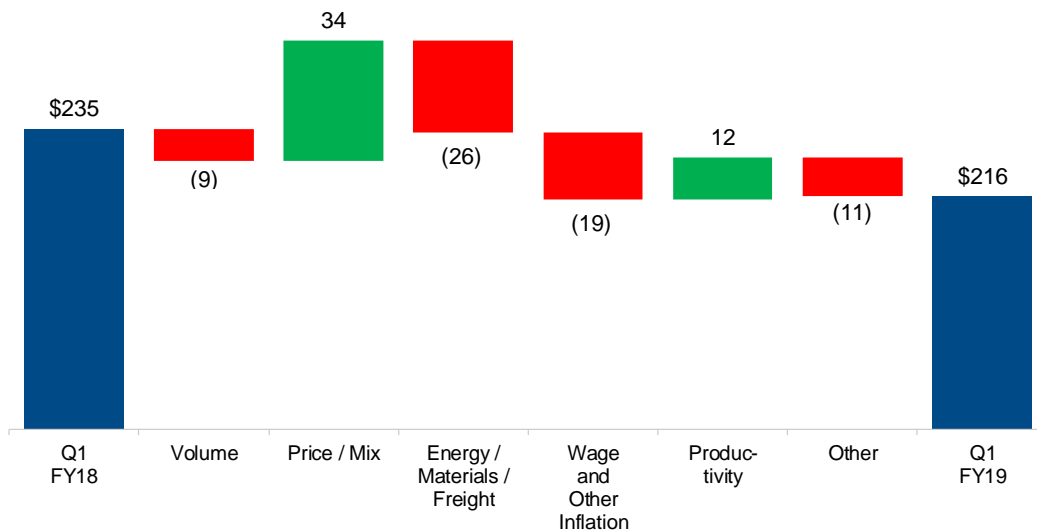
## Segment Highlights:

- Pricing momentum from previously published PPW price increases
- Growth in foodservice, liquid packaging, beverage, commercial print and retail food offset by lower sales in tobacco and media
- WestRock paper machine operating rates above 96% for all substrates
- Strong Consumer backlogs with all grades between 4 and 7 weeks

## Key Bridge Variances:

- Volume: Lower volumes in tobacco and media
- Price / Mix: Realizing flow through of previously published PPW price increases
- E/M/F: Higher costs in freight, virgin fiber and energy, partially offset by favorable recycled fiber
- Productivity: Benefits from capital investments, procurement savings and ongoing productivity programs partially offset by challenges sourcing wood

## Adjusted Segment EBITDA<sup>(1)</sup> (\$ in millions)



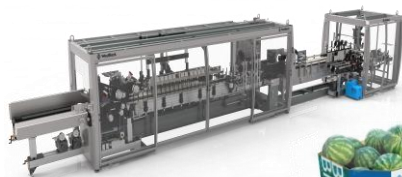
# Differentiated Paper-based Packaging Strategy Driving Results



More than 130 customers  
bought at least \$1 million from  
each segment in annual sales

These customers accounted for  
~\$6 billion of annual sales

Significant opportunity to expand  
business with WestRock's  
15,000+ customers



## BROADEST PORTFOLIO OF DIFFERENTIATED PAPER GRADES AND PACKAGING SOLUTIONS

SBS

CNK®

CRB

URB

Virgin  
Linerboard /  
Medium

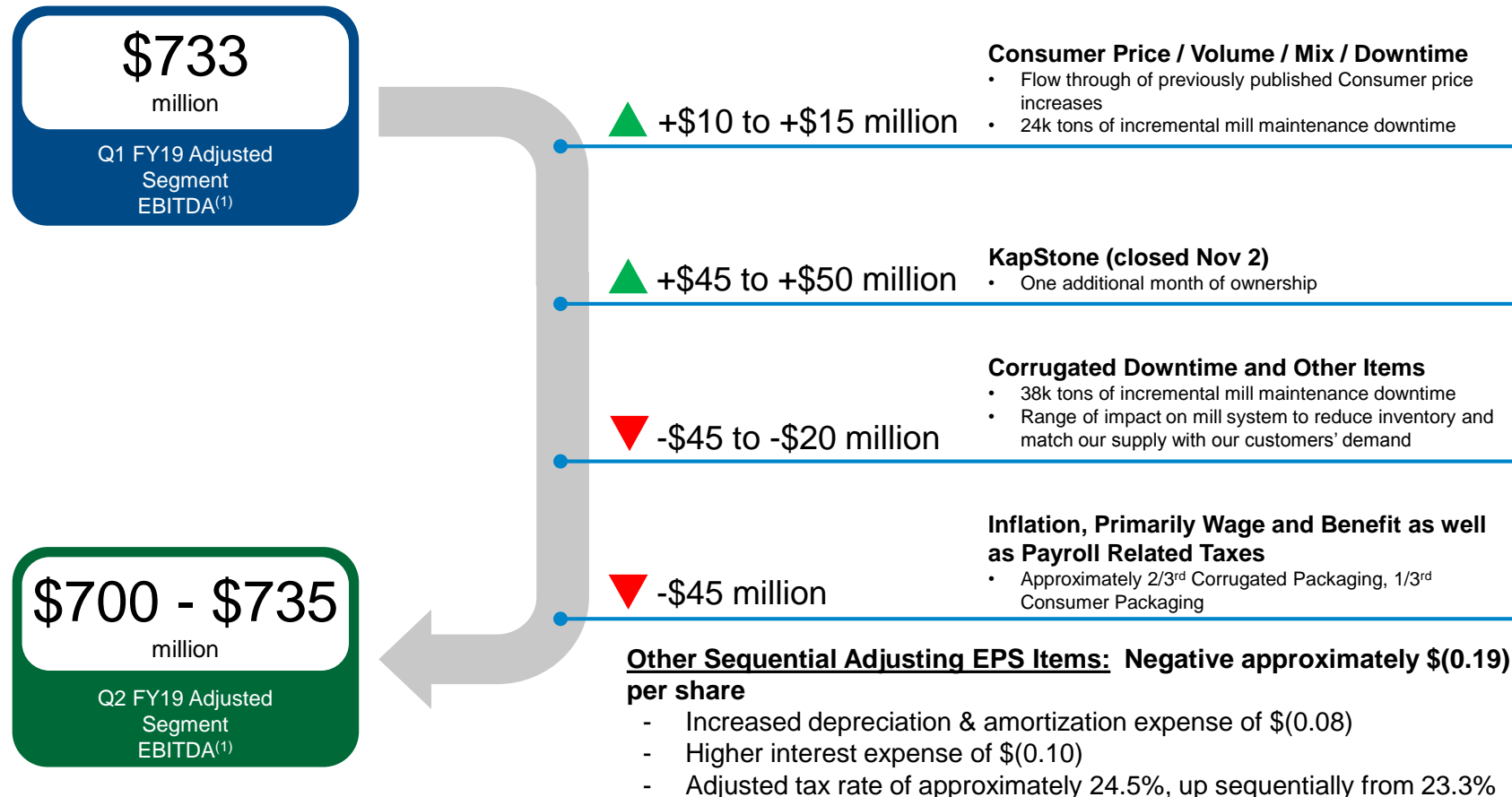
White Top  
Linerboard

Recycled  
Linerboard /  
Medium

Semi-  
Chemical  
Medium

Kraft  
Paper

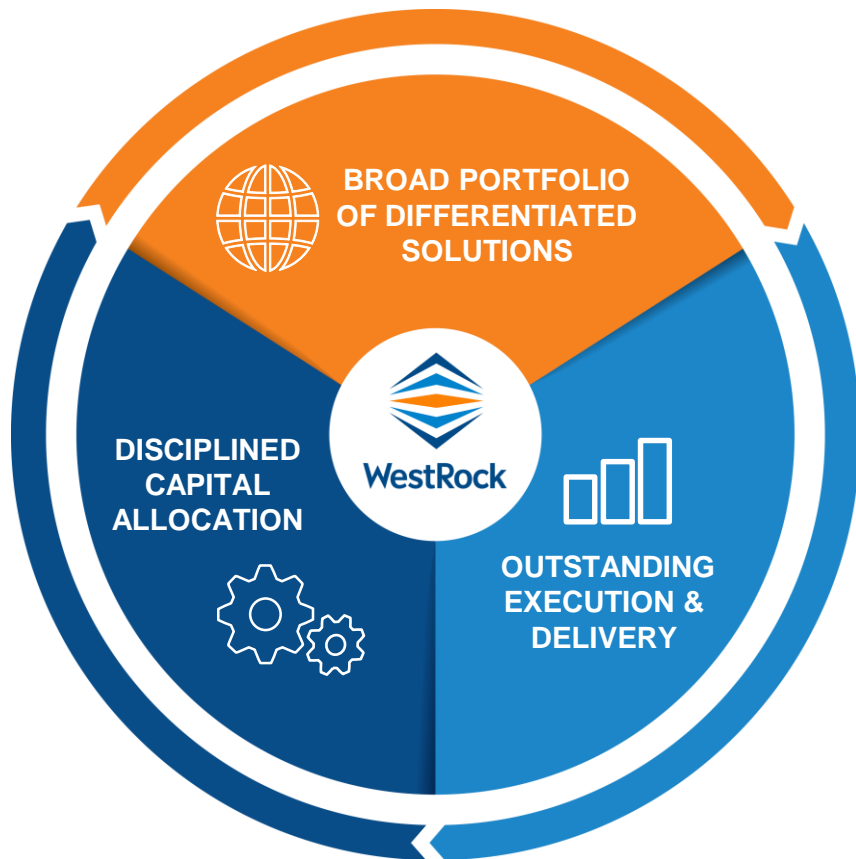
# Guidance - Q2 FY19 Sequential & Full Year



**Full Year FY19 Adjusted Segment EBITDA<sup>(1)</sup> Guidance  
Approximately \$3.5 Billion**



# WestRock Has a Proven Business Model with a Clear Path to Value Creation



We are building a leading paper and packaging company with the strategy and capabilities to generate attractive returns

- ✓ **Delivering** our broad portfolio of differentiated solutions to customers
- ✓ **Executing** on productivity opportunities and generating strong cash flow
- ✓ **Reinvesting** our cash flow back into the business and returning capital to stockholders

# 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**

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

## **Adjusted Segment EBITDA and Adjusted Segment EBITDA Margins**

We use the non-GAAP financial measures “adjusted segment EBITDA” and “adjusted segment EBITDA margins”, along with other factors, to evaluate our segment performance against our peers. We believe that investors also use these measures to evaluate our performance relative to our peers. We calculate adjusted segment EBITDA for each segment by adding that segment’s adjusted segment income to its 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 and Net Leverage Ratio**

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, 2018, our leverage ratio was 2.97 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 net leverage ratio as the product of our Total Funded Debt minus cash and cash equivalents divided by our Credit Agreement EBITDA. As of December 31, 2018, our net leverage ratio was 2.89 times.

## **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.

## **Adjusted Tax Rate**

We use the non-GAAP financial measure “Adjusted Tax Rate”. We believe this non-GAAP financial measure is useful because it adjusts our GAAP effective tax rate to exclude the impact of restructuring and other costs, net, and other specific items that management believes are not indicative of the ongoing operating results of the business. “Adjusted Tax Rate” is calculated as “Adjusted Tax Expense” divided by “Adjusted Pre-Tax Income”. We believe that the most directly comparable GAAP measures to Adjusted Tax Expense and Adjusted Pre-Tax Income are “Income tax (expense) benefit” and “Income before income taxes”, respectively.

# FY19 Additional Guidance Assumptions

## Other Guidance Assumptions

Depreciation & Amortization	Approx. \$1.5 billion
Interest Expense	Approx. \$500 - \$510 million
Interest Income	Approx. \$50 - \$60 million
Effective Adjusted Book Tax Rate <sup>(1)</sup>	24% to 25%
Adjusted Cash Tax Rate <sup>(1)</sup>	Approx. 23%
Share Count	Approx. 260 million
Capital Expenditures	Approx. \$1.4 billion

## Mill Maintenance Schedule<sup>(2)</sup> *(tons in thousands)*

### North American Corrugated Packaging

	Q1	Q2	Q3	Q4	Full Year
FY19	50	88	133	1	272
FY18	73	35	125	0	233

### Consumer Packaging

	Q1	Q2	Q3	Q4	Full Year
FY19	17	41	60	3	121
FY18	28	11	8	0	47

# Key Commodity Annual Consumption Volumes and FX by Currency

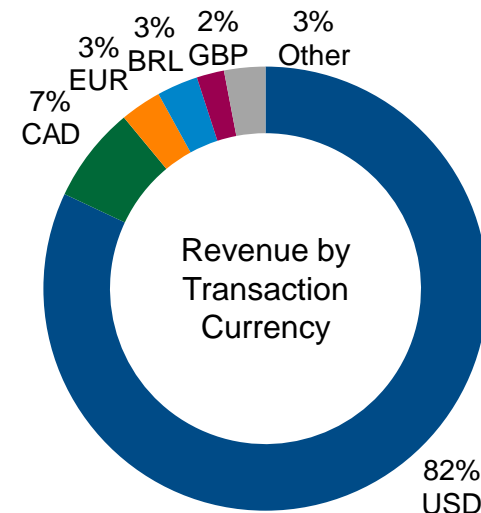
## Annual Consumption Volumes

Commodity Category	Volume
Recycled Fiber (tons millions)	5.9
Wood (tons millions)	44
Natural Gas (cubic feet billions)	83
Electricity (kwh billions)	6.7
Polyethylene (lbs millions)	48
Caustic Soda (tons thousands)	246
Starch (lbs millions)	582

## Sensitivity Analysis

Category	Increase in Spot Price	Annual EPS Impact
Recycled Fiber (tons millions)	+\$10.00 / ton	(\$0.17)
Natural Gas (cubic feet billions)	+\$0.25 / MMBTU	(\$0.06)
FX Translation Impact	+10% USD Appreciation	(\$0.07)

## FX By Currency in Q1 FY19



# Adjusted Net Income and Adjusted Earnings Per Diluted Share Reconciliation

(\$ in millions, except per share data)

	Q1 FY19						
	Adjustments to Segment EBITDA			Consolidated Results			
	Corrugated Packaging	Consumer Packaging	L&D and Other	Pre-Tax	Tax	Net of Tax	EPS
<b>GAAP Results <sup>(1)</sup></b>				<b>\$ 202.5</b>	<b>\$ (62.7)</b>	<b>\$ 139.8</b>	<b>\$ 0.54</b>
Restructuring and other items	n/a	n/a	n/a	54.4	(0.9)	53.5	0.21
Direct expenses from Hurricane Michael	39.8	-	-	39.8	(9.8)	30.0	0.12
Inventory stepped-up in purchase accounting	24.7	-	-	24.7	(6.0)	18.7	0.07
Gain on sale of certain closed facilities	n/a	n/a	n/a	(50.5)	12.4	(38.1)	(0.15)
Accelerated depreciation on major capital projects	n/a	n/a	n/a	8.9	(2.3)	6.6	0.02
Interest accretion and other	n/a	n/a	n/a	(5.5)	1.3	(4.2)	(0.02)
Losses at closed plants	0.5	0.6	-	2.3	(0.6)	1.7	-
Loss on extinguishment of debt	n/a	n/a	n/a	1.9	(0.5)	1.4	0.01
Land and Development operating results	-	-	(0.7)	(0.7)	0.2	(0.5)	-
Impact of Tax Cuts and Jobs Act	n/a	n/a	n/a	-	4.1	4.1	0.02
Other	3.1	-	0.7	3.8	(0.9)	2.9	0.01
Adjustments / Adjusted Results	<b>\$ 68.1</b>	<b>\$ 0.6</b>	<b>\$ -</b>	<b>\$ 281.6</b>	<b>\$ (65.7)</b>	<b>215.9</b>	<b>\$ 0.83</b>
Noncontrolling interests						(0.7)	
<b>Adjusted Net Income</b>						<b>\$ 215.2</b>	

# Adjusted Net Income and Adjusted Earnings Per Diluted Share Reconciliation

(\$ in millions, except per share data)

	Q1 FY18						
	Adjustments to Segment EBITDA			Consolidated Results			
	Corrugated Packaging	Consumer Packaging	L&D and Other	Pre-Tax	Tax	Net of Tax	EPS
<b>GAAP Results <sup>(1)</sup></b>				<b>\$ 60.3</b>	<b>\$ 1,073.2</b>	<b>\$ 1,133.5</b>	<b>\$ 4.38</b>
Impact of Tax Cuts and Jobs Act	n/a	n/a	n/a	-	(1,086.9)	(1,086.9)	(4.19)
Multiemployer pension withdrawal	n/a	n/a	n/a	179.1	(46.6)	132.5	0.51
Restructuring and other items	n/a	n/a	n/a	16.3	(4.0)	12.3	0.05
Acquisition inventory step-up	0.6	-	-	0.6	(0.2)	0.4	-
Land and Development operating results including impairments	-	-	0.6	25.9	(6.5)	19.4	0.07
Losses at closed plants and transition costs	7.8	4.7	n/a	13.2	(3.5)	9.7	0.04
Accelerated depreciation on major capital projects	n/a	n/a	n/a	5.1	(1.3)	3.8	0.01
Loss on extinguishment of debt	n/a	n/a	n/a	1.0	(0.2)	0.8	-
Other	n/a	n/a	0.6	(1.4)	0.3	(1.1)	-
<b>Adjusted Results</b>	<b>\$ 8.4</b>	<b>\$ 4.7</b>	<b>\$ 1.2</b>	<b>\$ 300.1</b>	<b>\$ (75.7)</b>	<b>224.4</b>	<b>\$ 0.87</b>
Noncontrolling interests						1.6	
<b>Adjusted Net Income</b>						<b>\$ 226.0</b>	

# Adjusted Tax Rate Reconciliation

(\$ in millions, except percentages)

	Q1 FY19	Q1 FY18
Adjusted pre-tax income	\$ 281.6	\$ 300.1
Adjusted tax expense	(65.7)	(75.7)
	<u>\$ 215.9</u>	<u>\$ 224.4</u>
<b>Adjusted Tax Rate</b>	<b><u>23.3%</u></b>	<b><u>25.2%</u></b>

## Adjusted Operating Cash Flow

(\$ in millions)

	Q1 FY19	Q1 FY18
Net cash provided by operating activities	\$ 303.1	\$ 245.4
Plus: Retrospective accounting policy adoptions		118.1
Plus: Cash Restructuring and other costs, net of income tax benefit of \$14.5 and \$3.7	44.6	10.3
<b>Adjusted Operating Cash Flow</b>	<b><u>\$ 347.7</u></b>	<b><u>\$ 373.8</u></b>



# Adjusted Segment Sales, Adjusted Segment EBITDA and Adjusted Segment Income

## Q1 FY19

(\$ in millions, except percentages)

	Corrugated Packaging	Consumer Packaging	Land and Development	Corporate / Eliminations	Consolidated
Segment / Net Sales	\$ 2,733.8	\$ 1,618.8	\$ 13.9	\$ (39.1)	\$ 4,327.4
Less: Trade Sales	(100.0)	-	-	-	(100.0)
Adjusted Segment Sales	<u>\$ 2,633.8</u>	<u>\$ 1,618.8</u>	<u>\$ 13.9</u>	<u>\$ (39.1)</u>	<u>\$ 4,227.4</u>
Segment Income	\$ 246.8	\$ 76.9	\$ 0.7	\$ -	\$ 324.4
Non-allocated Expenses	-	-	-	(19.0)	(19.0)
Depreciation and Amortization	218.5	138.6	-	2.0	359.1
Segment EBITDA	465.3	215.5	0.7	(17.0)	664.5
Adjustments	68.1	0.6	(0.7)	0.7	68.7
Adjusted Segment EBITDA	<u>\$ 533.4</u>	<u>\$ 216.1</u>	<u>\$ -</u>	<u>\$ (16.3)</u>	<u>\$ 733.2</u>
Segment EBITDA Margins	<u>17.0%</u>	<u>13.3%</u>			<u>15.4%</u>
Adjusted Segment EBITDA Margins	<u>20.3%</u>	<u>13.3%</u>			<u>16.9%</u>
Segment Income	\$ 246.8	\$ 76.9	\$ 0.7	\$ -	\$ 324.4
Non-allocated Expenses	-	-	-	(19.0)	(19.0)
Adjustments, including D&A Adjustments	77.8	1.0	(0.7)	0.7	78.8
Adjusted Segment Income	<u>\$ 324.6</u>	<u>\$ 77.9</u>	<u>\$ -</u>	<u>\$ (18.3)</u>	<u>\$ 384.2</u>

# Adjusted Segment Sales, Adjusted Segment EBITDA and Adjusted Segment Income

## Full Year FY18

(\$ in millions, except percentages)

	Corrugated Packaging	Consumer Packaging	Land and Development	Corporate / Eliminations	Consolidated
Segment / Net Sales	\$ 9,693.0	\$ 6,617.5	\$ 142.4	\$ (167.8)	\$ 16,285.1
Less: Recycling Sales	(461.6)	-	-	23.9	(437.7)
	9,231.4	6,617.5	142.4	(143.9)	15,847.4
Less: Trade Sales	(385.8)	-	-	-	(385.8)
Adjusted Segment Sales	<u>\$ 8,845.6</u>	<u>\$ 6,617.5</u>	<u>\$ 142.4</u>	<u>\$ (143.9)</u>	<u>\$ 15,461.6</u>
Segment Income	\$ 1,240.0	\$ 445.1	\$ 22.5	\$ -	\$ 1,707.6
Non-allocated Expenses	-	-	-	(70.1)	(70.1)
Depreciation and Amortization	700.5	546.5	0.7	4.5	1,252.2
Segment EBITDA	1,940.5	991.6	23.2	(65.6)	2,889.7
Adjustments	16.6	(14.5)	(23.2)	3.6	(17.5)
Adjusted Segment EBITDA	<u>\$ 1,957.1</u>	<u>\$ 977.1</u>	<u>\$ -</u>	<u>\$ (62.0)</u>	<u>\$ 2,872.2</u>
Segment EBITDA Margins	<u>20.0%</u>	<u>15.0%</u>			<u>17.7%</u>
Adjusted Segment EBITDA Margins	<u>22.1%</u>	<u>14.8%</u>			<u>18.1%</u>
Segment Income	\$ 1,240.0	\$ 445.1	\$ 22.5	\$ -	\$ 1,707.6
Non-allocated Expenses	-	-	-	(70.1)	(70.1)
Adjustments, including D&A Adjustments	43.9	(14.0)	(22.5)	3.6	11.0
Adjusted Segment Income	<u>\$ 1,283.9</u>	<u>\$ 431.1</u>	<u>\$ -</u>	<u>\$ (66.5)</u>	<u>\$ 1,648.5</u>

# Adjusted Segment Sales, Adjusted Segment EBITDA and Adjusted Segment Income

## Q1 FY18

(\$ in millions, except percentages)

	Corrugated Packaging	Consumer Packaging	Land and Development	Corporate / Eliminations	Consolidated
Segment / Net Sales	\$ 2,319.7	\$ 1,601.3	\$ 11.4	\$ (38.4)	\$ 3,894.0
Less: Recycling Sales	(121.2)	-	-	5.2	(116.0)
	2,198.5	1,601.3	11.4	(33.2)	3,778.0
Less: Trade Sales	(86.4)	-	-	-	(86.4)
Adjusted Segment Sales	<u>\$ 2,112.1</u>	<u>\$ 1,601.3</u>	<u>\$ 11.4</u>	<u>\$ (33.2)</u>	<u>\$ 3,691.6</u>
Segment Income (Loss)	\$ 269.9	\$ 94.2	\$ (0.7)	\$ -	\$ 363.4
Non-allocated Expenses	-	-	-	(15.9)	(15.9)
Depreciation and Amortization	169.4	135.9	0.1	0.8	306.2
Segment EBITDA	439.3	230.1	(0.6)	(15.1)	653.7
Adjustments	8.4	4.7	0.6	0.6	14.3
Adjusted Segment EBITDA	<u>\$ 447.7</u>	<u>\$ 234.8</u>	<u>\$ -</u>	<u>\$ (14.5)</u>	<u>\$ 668.0</u>
Segment EBITDA Margins	<u>18.9%</u>	<u>14.4%</u>			<u>16.8%</u>
Adjusted Segment EBITDA Margins	<u>21.2%</u>	<u>14.7%</u>			<u>17.7%</u>
Segment Income (Loss)	\$ 269.9	\$ 94.2	\$ (0.7)	\$ -	\$ 363.4
Non-allocated Expenses	-	-	-	(15.9)	(15.9)
Adjustments, including D&A Adjustments	13.7	5.2	0.7	0.6	20.2
Adjusted Segment Income	<u>\$ 283.6</u>	<u>\$ 99.4</u>	<u>\$ -</u>	<u>\$ (15.3)</u>	<u>\$ 367.7</u>

# Adjusted Segment Sales, Adjusted Segment EBITDA and Adjusted Segment Income

## Q2 FY18

(\$ in millions, except percentages)

	Corrugated Packaging	Consumer Packaging	Land and Development	Corporate / Eliminations	Consolidated
Segment / Net Sales	\$ 2,391.3	\$ 1,637.3	\$ 26.7	\$ (38.3)	\$ 4,017.0
Less: Recycling Sales	(116.3)	-	-	6.4	(109.9)
	2,275.0	1,637.3	26.7	(31.9)	3,907.1
Less: Trade Sales	(83.2)	-	-	-	(83.2)
Adjusted Segment Sales	<u>\$ 2,191.8</u>	<u>\$ 1,637.3</u>	<u>\$ 26.7</u>	<u>\$ (31.9)</u>	<u>\$ 3,823.9</u>
Segment Income	\$ 262.8	\$ 94.6	\$ 16.1	\$ -	\$ 373.5
Non-allocated Expenses	-	-	-	(21.4)	(21.4)
Depreciation and Amortization	177.7	137.6	0.1	0.9	316.3
Segment EBITDA	440.5	232.2	16.2	(20.5)	668.4
Adjustments	4.2	(9.8)	(16.2)	2.6	(19.2)
Adjusted Segment EBITDA	<u>\$ 444.7</u>	<u>\$ 222.4</u>	<u>\$ -</u>	<u>\$ (17.9)</u>	<u>\$ 649.2</u>
Segment EBITDA Margins	<u>18.4%</u>	<u>14.2%</u>			<u>16.6%</u>
Adjusted Segment EBITDA Margins	<u>20.3%</u>	<u>13.6%</u>			<u>16.6%</u>
Segment Income	\$ 262.8	\$ 94.6	\$ 16.1	\$ -	\$ 373.5
Non-allocated Expenses	-	-	-	(21.4)	(21.4)
Adjustments, including D&A Adjustments	11.6	(9.8)	(16.1)	2.6	(11.7)
Adjusted Segment Income	<u>\$ 274.4</u>	<u>\$ 84.8</u>	<u>\$ -</u>	<u>\$ (18.8)</u>	<u>\$ 340.4</u>

# Adjusted Segment Sales, Adjusted Segment EBITDA and Adjusted Segment Income

## Q3 FY18

(\$ in millions, except percentages)

	Corrugated Packaging	Consumer Packaging	Land and Development	Corporate / Eliminations	Consolidated
Segment / Net Sales	\$ 2,444.6	\$ 1,669.6	\$ 64.8	\$ (41.5)	\$ 4,137.5
Less: Recycling Sales	(111.4)	-	-	5.7	(105.7)
	2,333.2	1,669.6	64.8	(35.8)	4,031.8
Less: Trade Sales	(97.9)	-	-	-	(97.9)
Adjusted Segment Sales	<u>\$ 2,235.3</u>	<u>\$ 1,669.6</u>	<u>\$ 64.8</u>	<u>\$ (35.8)</u>	<u>\$ 3,933.9</u>
Segment Income	\$ 321.9	\$ 126.1	\$ 9.9	\$ -	\$ 457.9
Non-allocated Expenses	-	-	-	(13.0)	(13.0)
Depreciation and Amortization	177.6	136.1	0.4	1.3	315.4
Segment EBITDA	499.5	262.2	10.3	(11.7)	760.3
Adjustments	3.3	0.1	(10.3)	0.1	(6.8)
Adjusted Segment EBITDA	<u>\$ 502.8</u>	<u>\$ 262.3</u>	<u>\$ -</u>	<u>\$ (11.6)</u>	<u>\$ 753.5</u>
Segment EBITDA Margins	<u>20.4%</u>	<u>15.7%</u>			<u>18.4%</u>
Adjusted Segment EBITDA Margins	<u>22.5%</u>	<u>15.7%</u>			<u>18.7%</u>
Segment Income	\$ 321.9	\$ 126.1	\$ 9.9	\$ -	\$ 457.9
Non-allocated Expenses	-	-	-	(13.0)	(13.0)
Adjustments, including D&A Adjustments	10.1	0.1	(9.9)	0.1	0.4
Adjusted Segment Income	<u>\$ 332.0</u>	<u>\$ 126.2</u>	<u>\$ -</u>	<u>\$ (12.9)</u>	<u>\$ 445.3</u>

# Adjusted Segment Sales, Adjusted Segment EBITDA and Adjusted Segment Income

## Q4 FY18

(\$ in millions, except percentages)

	Corrugated Packaging	Consumer Packaging	Land and Development	Corporate / Eliminations	Consolidated
Segment / Net Sales	\$ 2,537.4	\$ 1,709.3	\$ 39.5	\$ (49.6)	\$ 4,236.6
Less: Recycling Sales	(112.7)	-	-	6.6	(106.1)
	2,424.7	1,709.3	39.5	(43.0)	4,130.5
Less: Trade Sales	(118.3)	-	-	-	(118.3)
Adjusted Segment Sales	<u>\$ 2,306.4</u>	<u>\$ 1,709.3</u>	<u>\$ 39.5</u>	<u>\$ (43.0)</u>	<u>\$ 4,012.2</u>
Segment Income (Loss)	\$ 385.4	\$ 130.2	\$ (2.8)	\$ -	\$ 512.8
Non-allocated Expenses	-	-	-	(19.8)	(19.8)
Depreciation and Amortization	175.8	136.9	0.1	1.5	314.3
Segment EBITDA	561.2	267.1	(2.7)	(18.3)	807.3
Adjustments	0.7	(9.5)	2.7	0.3	(5.8)
Adjusted Segment EBITDA	<u>\$ 561.9</u>	<u>\$ 257.6</u>	<u>\$ -</u>	<u>\$ (18.0)</u>	<u>\$ 801.5</u>
Segment EBITDA Margins	<u>22.1%</u>	<u>15.6%</u>			<u>19.1%</u>
Adjusted Segment EBITDA Margins	<u>24.4%</u>	<u>15.1%</u>			<u>19.4%</u>
Segment Income (Loss)	\$ 385.4	\$ 130.2	\$ (2.8)	\$ -	\$ 512.8
Non-allocated Expenses	-	-	-	(19.8)	(19.8)
Adjustments, including D&A Adjustments	8.5	(9.5)	2.8	0.3	2.1
Adjusted Segment Income	<u>\$ 393.9</u>	<u>\$ 120.7</u>	<u>\$ -</u>	<u>\$ (19.5)</u>	<u>\$ 495.1</u>

# Corrugated Packaging Adjusted Segment EBITDA

(\$ in millions, except percentages)	Q1 FY19			
	North American Corrugated	Brazil Corrugated	Other <sup>(1)</sup>	Corrugated Packaging
Segment Sales	\$ 2,451.3	\$ 108.8	\$ 173.7	\$ 2,733.8
Less: Trade Sales	(100.0)	-	-	(100.0)
Adjusted Segment Sales	<u>\$ 2,351.3</u>	<u>\$ 108.8</u>	<u>\$ 173.7</u>	<u>\$ 2,633.8</u>
Segment Income (Loss)	\$ 235.1	\$ 14.4	\$ (2.7)	\$ 246.8
Depreciation and Amortization	197.0	15.7	5.8	218.5
Segment EBITDA	432.1	30.1	3.1	465.3
Adjustments	62.0	-	6.1	68.1
Adjusted Segment EBITDA	<u>\$ 494.1</u>	<u>\$ 30.1</u>	<u>\$ 9.2</u>	<u>\$ 533.4</u>
Segment EBITDA Margins	<u>17.6%</u>	<u>27.7%</u>		<u>17.0%</u>
Adj. Segment EBITDA Margins	<u>21.0%</u>	<u>27.7%</u>		<u>20.3%</u>

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

# Corrugated Packaging Adjusted Segment EBITDA

(\$ in millions, except percentages)	Full Year FY18			
	North American Corrugated	Brazil Corrugated	Other <sup>(1)</sup>	Corrugated Packaging
Segment Sales	\$ 8,714.9	\$ 439.5	\$ 538.6	\$ 9,693.0
Less: Recycling Sales	-	-	(461.6)	(461.6)
	8,714.9	439.5	77.0	9,231.4
Less: Trade Sales	(385.8)	-	-	(385.8)
Adjusted Segment Sales	<u>\$ 8,329.1</u>	<u>\$ 439.5</u>	<u>\$ 77.0</u>	<u>\$ 8,845.6</u>
Segment Income	\$ 1,179.5	\$ 54.2	\$ 6.3	\$ 1,240.0
Depreciation and Amortization	625.6	63.5	11.4	700.5
Segment EBITDA	1,805.1	117.7	17.7	1,940.5
Adjustments	14.0	2.7	(0.1)	16.6
Adjusted Segment EBITDA	<u>\$ 1,819.1</u>	<u>\$ 120.4</u>	<u>\$ 17.6</u>	<u>\$ 1,957.1</u>
Segment EBITDA Margins	<u>20.7%</u>	<u>26.8%</u>		<u>20.0%</u>
Adj. Segment EBITDA Margins	<u>21.8%</u>	<u>27.4%</u>		<u>22.1%</u>

1) The "Other" column includes our Recycling and India corrugated operations.



# Corrugated Packaging Adjusted Segment EBITDA

	Q1 FY18			
(\$ in millions, except percentages)	North American Corrugated	Brazil Corrugated	Other <sup>(1)</sup>	Corrugated Packaging
Segment Sales	\$ 2,069.2	\$ 109.9	\$ 140.6	\$ 2,319.7
Less: Recycling Sales	-	-	(121.2)	(121.2)
	2,069.2	109.9	19.4	2,198.5
Less: Trade Sales	(86.4)	-	-	(86.4)
Adjusted Segment Sales	<u>\$ 1,982.8</u>	<u>\$ 109.9</u>	<u>\$ 19.4</u>	<u>\$ 2,112.1</u>
Segment Income	\$ 254.4	\$ 11.6	\$ 3.9	\$ 269.9
Depreciation and Amortization	151.0	15.9	2.5	169.4
Segment EBITDA	405.4	27.5	6.4	439.3
Adjustments	9.1	-	(0.7)	8.4
Adjusted Segment EBITDA	<u>\$ 414.5</u>	<u>\$ 27.5</u>	<u>\$ 5.7</u>	<u>\$ 447.7</u>
Segment EBITDA Margins	19.6%	25.0%		18.9%
Adj. Segment EBITDA Margins	<u>20.9%</u>	<u>25.0%</u>		<u>21.2%</u>

1) The "Other" column includes our Recycling and India corrugated operations.

# Corrugated Packaging Adjusted Segment EBITDA

	Q2 FY18			
(\$ in millions, except percentages)	North American Corrugated	Brazil Corrugated	Other <sup>(1)</sup>	Corrugated Packaging
Segment Sales	\$ 2,143.3	\$ 112.8	\$ 135.2	\$ 2,391.3
Less: Recycling Sales	-	-	(116.3)	(116.3)
	2,143.3	112.8	18.9	2,275.0
Less: Trade Sales	(83.2)	-	-	(83.2)
Adjusted Segment Sales	<u>\$ 2,060.1</u>	<u>\$ 112.8</u>	<u>\$ 18.9</u>	<u>\$ 2,191.8</u>
Segment Income	\$ 249.5	\$ 13.1	\$ 0.2	\$ 262.8
Depreciation and Amortization	158.1	17.1	2.5	177.7
Segment EBITDA	407.6	30.2	2.7	440.5
Adjustments	4.2	-	-	4.2
Adjusted Segment EBITDA	<u>\$ 411.8</u>	<u>\$ 30.2</u>	<u>\$ 2.7</u>	<u>\$ 444.7</u>
Segment EBITDA Margins	19.0%	26.8%		18.4%
Adj. Segment EBITDA Margins	<u>20.0%</u>	<u>26.8%</u>		<u>20.3%</u>

1) The "Other" column includes our Recycling and India corrugated operations.

# Corrugated Packaging Adjusted Segment EBITDA

	Q3 FY18			
(\$ in millions, except percentages)	North American Corrugated	Brazil Corrugated	Other <sup>(1)</sup>	Corrugated Packaging
Segment Sales	\$ 2,208.5	\$ 104.9	\$ 131.2	\$ 2,444.6
Less: Recycling Sales	-	-	(111.4)	(111.4)
	2,208.5	104.9	19.8	2,333.2
Less: Trade Sales	(97.9)	-	-	(97.9)
Adjusted Segment Sales	<u>\$ 2,110.6</u>	<u>\$ 104.9</u>	<u>\$ 19.8</u>	<u>\$ 2,235.3</u>
Segment Income	\$ 304.6	\$ 14.0	\$ 3.3	\$ 321.9
Depreciation and Amortization	158.9	15.7	3.0	177.6
Segment EBITDA	463.5	29.7	6.3	499.5
Adjustments	0.1	2.7	0.5	3.3
Adjusted Segment EBITDA	<u>\$ 463.6</u>	<u>\$ 32.4</u>	<u>\$ 6.8</u>	<u>\$ 502.8</u>
Segment EBITDA Margins	<u>21.0%</u>	<u>28.3%</u>		<u>20.4%</u>
Adj. Segment EBITDA Margins	<u>22.0%</u>	<u>30.9%</u>		<u>22.5%</u>

1) The "Other" column includes our Recycling and India corrugated operations.

# Corrugated Packaging Adjusted Segment EBITDA

	Q4 FY18			
(\$ in millions, except percentages)	North American Corrugated	Brazil Corrugated	Other <sup>(1)</sup>	Corrugated Packaging
Segment Sales	\$ 2,293.9	\$ 111.9	\$ 131.6	\$ 2,537.4
Less: Recycling Sales	-	-	(112.7)	(112.7)
	2,293.9	111.9	18.9	2,424.7
Less: Trade Sales	(118.3)	-	-	(118.3)
Adjusted Segment Sales	<u>\$ 2,175.6</u>	<u>\$ 111.9</u>	<u>\$ 18.9</u>	<u>\$ 2,306.4</u>
Segment Income (Loss)	\$ 371.0	\$ 15.5	\$ (1.1)	\$ 385.4
Depreciation and Amortization	157.6	14.8	3.4	175.8
Segment EBITDA	528.6	30.3	2.3	561.2
Adjustments	0.6	-	0.1	0.7
Adjusted Segment EBITDA	<u>\$ 529.2</u>	<u>\$ 30.3</u>	<u>\$ 2.4</u>	<u>\$ 561.9</u>
Segment EBITDA Margins	<u>23.0%</u>	<u>27.1%</u>		<u>22.1%</u>
Adj. Segment EBITDA Margins	<u>24.3%</u>	<u>27.1%</u>		<u>24.4%</u>

1) The "Other" column includes our Recycling and India corrugated operations.

# Shipment Data

## Corrugated Packaging

North America Corrugated	Unit	FY18				FY19
		Q1	Q2	Q3	Q4	Q1 <sup>(1)</sup>
External Box, Containerboard & Kraft Paper Shipments	Thousands of tons	1,950.4	2,039.9	2,030.0	2,081.3	2,295.7
Pulp Shipments	Thousands of tons	95.2	72.2	66.4	82.5	51.0
Total North American Corrugated Packaging Shipments	Thousands of tons	2,045.6	2,112.1	2,096.4	2,163.8	2,346.7
Corrugated Container Shipments	Billions of square feet	19.8	19.7	20.5	20.3	22.5
Corrugated Container Shipments per Shipping Day	Millions of square feet	325.4	311.7	320.5	321.9	369.4
Corrugated Packaging Maintenance Downtime	Thousands of tons	73.1	35.2	125.2	-	50.1
Corrugated Packaging Economic Downtime	Thousands of tons	-	-	-	-	-
<b>Brazil and India</b>						
Corrugated Packaging Shipments	Thousands of tons	170.5	174.6	178.6	196.7	185.6
Corrugated Container Shipments	Billions of square feet	1.6	1.5	1.6	1.6	1.6
Corrugated Container Shipments per Shipping Day	Millions of square feet	21.7	20.6	20.2	21.0	20.7
Total Corrugated Packaging Segment Shipments <sup>(2)</sup>	Thousands of tons	2,216.1	2,286.7	2,275.0	2,360.5	2,532.3
<b>Consumer Packaging</b>						
<b>WestRock</b>						
Consumer Packaging Paperboard and Converting Shipments	Thousands of tons	942.6	961.9	993.9	1,002.9	932.5
Pulp Shipments	Thousands of tons	40.2	30.5	31.5	28.8	37.1
Total Consumer Packaging Segment Shipments	Thousands of tons	982.8	992.4	1,025.3	1,031.7	969.6
Consumer Packaging Converting Shipments	Billions of square feet	10.8	10.7	11.2	11.2	10.5

1) Includes 59 days of KapStone.

2) Combined North America, Brazil and India shipments.

# LTM Credit Agreement EBITDA

	LTM 12/31/2018
(\$ in millions)	WestRock
Net Income Attributable to Common Stockholders	\$ 910.1
Interest Expense, Net	317.9
Income Tax Expense	261.4
Depreciation and Amortization	1,305.1
Additional Permitted Charges and Acquisition EBITDA <sup>(1)</sup>	752.5
<b>Credit Agreement EBITDA</b>	<b>\$ 3,547.0</b>

## Total Debt, Funded Debt and Leverage Ratio

(\$ in millions, except ratios)	Q1 FY19
Current Portion of Debt	\$ 1,092.8
Long-Term Debt Due After One Year	9,728.0
Total Debt	10,820.8
Less: Unamortized Debt Stepped-up to Fair Value in Purchase and Deferred Financing Costs	(215.4)
Other Adjustments to Funded Debt	(78.0)
<b>Total Funded Debt</b>	<b>\$ 10,527.4</b>
LTM Credit Agreement EBITDA	\$ 3,547.0
<b>Leverage Ratio</b>	<b>2.97x</b>
Total Funded Debt	\$ 10,527.4
Less: Cash and Cash Equivalents	(260.7)
<b>Adjusted Total Funded Debt</b>	<b>\$ 10,266.7</b>
<b>Net Leverage Ratio</b>	<b>2.89x</b>

