

WESTROCK | STEPHENS 2020 INVESTMENT CONFERENCE

NOVEMBER 17, 2020



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FORWARD LOOKING STATEMENTS; NON-GAAP FINANCIAL MEASURES

FORWARD LOOKING STATEMENTS:

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, 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; 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, 2019 and Form 10-Q for the quarter ended June 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.

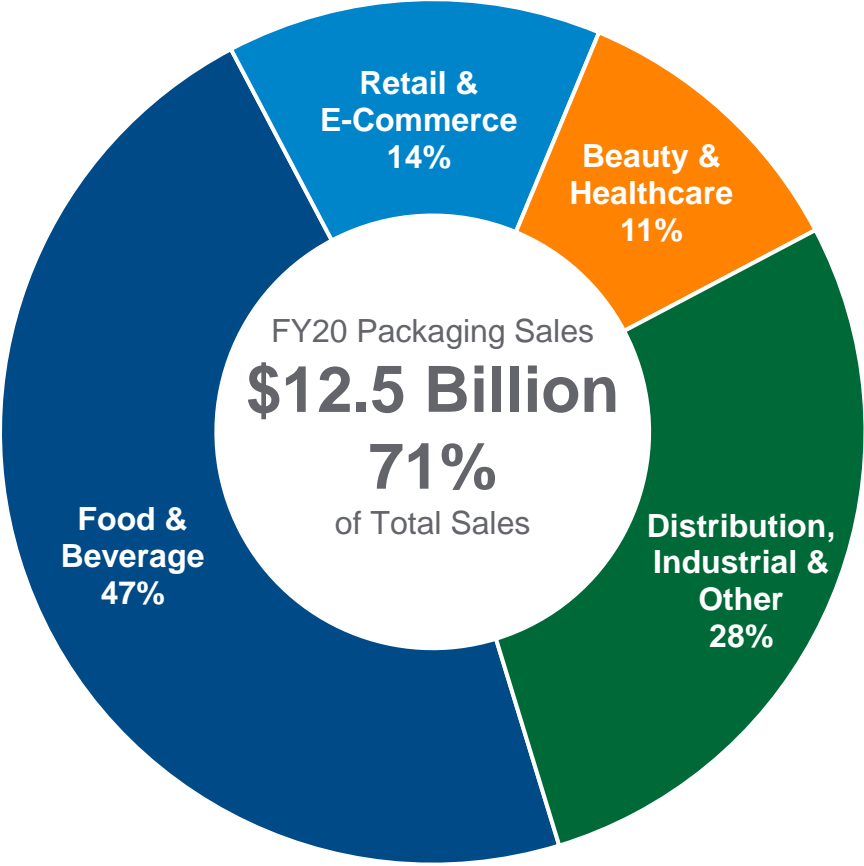
NON-GAAP FINANCIAL MEASURES:

We 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.

WESTROCK OVERVIEW

PACKAGING SALES BY END MARKET SEGMENT⁽¹⁾



OPERATIONS

31

MILLS

230

CONVERTING
FACILITIES

200

PACKAGING DISTRIBUTION
SITES

4,000

MACHINERY SOLUTIONS INSTALLED

50,000

TEAMMATES

DELIVERING BEST-IN-CLASS PARTNERSHIPS TO OUR CUSTOMERS



“WestRock has a deep understanding of my business; they collaborate on short term solutions as well as longer term strategic initiatives. Their SCOPE™ audits have provided opportunities to improve efficiencies, reduce costs, and improve our speed to market. Their ability to manufacture and generate value along multiple product lines is critical for our future success.”

*VP of Packaging Procurement, Leading
Manufacturer of Private Label Food & Beverage*



“WestRock has been our partner in testing, scaling, automating and innovating to support our business challenges. They are flexible, supportive, and have been a strategic partner to help navigate our business needs.”

*Specialty Packaging Planning Manager, Leading
Personal Care Products Manufacturer*

PACKAGING DELIVERING MORE FOR CUSTOMERS AND CONSUMERS

E-COMMERCE SOLUTIONS

SHIPS IN OWN CONTAINER (SIOC)
Safely delivering products to consumers for a premium unboxing experience



SUSTAINABLE PACKAGING

CANCOLLAR® ECO
Fiber-based collar replaces plastic



SAFETY PACKAGING

BIO-PAK PROTECT™
Tamper-resistant packaging



DIGITAL PACKAGING

DIGITAL
Utilizing digital to learn where pizza boxes can be recycled



PIZZA BOXES ARE RECYCLABLE.

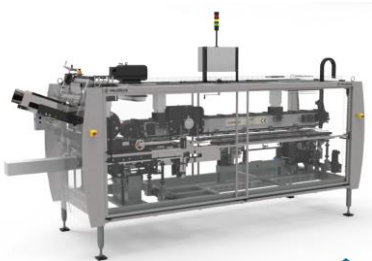
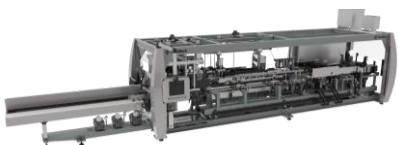
A recent study commissioned by WestRock, our primary box supplier and one of the largest box manufacturers in the U.S., estimated that 72% of the population has access to recycling programs for empty pizza boxes. Domino's is partnering with many of the key players in the paper recycling industry to help increase the recycling of pizza boxes.

JOIN US IN OUR MISSION!

[RECYCLING.DOMINOS.COM](https://www.recycling.dominos.com)

AUTOMATION SOLUTIONS

AUTOMATION
Right-sized packaging for folding and/or corrugated packaging





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 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 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, 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 September 30, 2020, our leverage ratio was 3.12 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 September 30, 2020, our net leverage ratio was 3.03 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.

RECONCILIATION OF FY20 PACKAGING SOLUTIONS SALES TO CONSOLIDATED NET SALES

(\$ in millions)

	Packaging Solutions	External Paper	Change in Eliminations	Other	Total
Corrugated Packaging	\$ 8,274.2	\$3,078.5	\$ 66.5	\$ -	\$ 11,419.2
Consumer Packaging	4,270.2	2,042.2	20.6	-	6,333.0
Land & Development	-	-	-	18.9	18.9
Eliminations	-	-	-	(192.3)	(192.3)
Consolidated	\$12,544.4	\$5,120.7	\$ 87.1	\$ (173.4)	\$ 17,578.8

TTM CREDIT AGREEMENT EBITDA

	TTM September 30, 2020
(\$ in millions)	
Net loss attributable to common stockholders	\$ (690.9)
Interest expense, net	382.2
Income tax expense	163.5
Depreciation and amortization	1,487.0
Additional permitted charges and acquisition EBITDA ⁽¹⁾	1,567.7
Credit Agreement EBITDA	\$ 2,909.5

TOTAL DEBT, FUNDED DEBT AND LEVERAGE RATIO

	September 30, 2020
(\$ in millions, except ratios)	
Current portion of debt	\$ 222.9
Long-term debt due after one year	9,207.7
Total debt	9,430.6
Less: FV step up and deferred financing fees	(169.3)
Less: short-term and long-term chip mill obligation	(97.3)
Less: other adjustments to funded debt	(100.0)
Total Funded Debt	\$ 9,064.0
LTM credit agreement EBITDA	\$ 2,909.5
Leverage Ratio	3.12x
Total funded debt	\$ 9,064.0
Less: cash and cash equivalents	(251.1)
Adjusted Total Funded Debt	\$ 8,812.9
Net Leverage Ratio	3.03x

