

SECOND QUARTER 2021 EARNINGS CALL

July 27, 2021



Graphic Packaging
INTERNATIONAL

Michael P. Doss
President and Chief Executive Officer

Stephen R. Scherger
Executive Vice President and Chief Financial Officer



Inspired Packaging. A World of Difference.

FORWARD LOOKING STATEMENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Any statements of the Company's expectations in these slides, including but not limited to the intent and timing to acquire AR Packaging, projected organic sales, European sales, and second half Adjusted EBITDA growth, 2021 Adjusted EBITDA and Adjusted cash flow (and certain components thereof), expectations regarding recovery of inflation with pricing, capital expenditures, depreciation and amortization, pension expense and amortization, effective tax rate and year-end leverage constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company's present expectations. These risks and uncertainties include, but are not limited to, the effects of the Covid-19 pandemic on the Company's operations and demand for its products, inflation of and volatility in raw material and energy costs, continuing pressure for lower cost products, the Company's ability to implement its business strategies, including productivity initiatives, cost reduction plans, and integration activities, as well as the Company's debt level, currency movements and other risks of conducting business internationally and the impact of regulatory and litigation matters, including the continued availability of the Company's U.S. federal income tax attributes to offset U.S. federal income taxes and the timing related to the Company's future U.S. federal income tax payments. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made and the Company undertakes no obligation to update such statements, except as required by law. Additional information regarding these and other risks is contained in the Company's periodic filings with the SEC.

NON-GAAP FINANCIAL MEASURES

This presentation includes certain financial measures that exclude or adjust for charges or income associated with business combinations, facility shutdowns, extended mill outages, sales of assets and other special charges or income. The Company's management believes that the presentation of these financial measures provides useful information to investors because these measures are regularly used by management in assessing the Company's performance. These financial measures are not calculated in accordance with generally accepted accounting principles in the United States ("GAAP") and should be considered in addition to results prepared in accordance with GAAP, but should not be considered substitutes for or superior to GAAP results. In addition, these non-GAAP financial measures may not be comparable to similarly-titled measures utilized by other companies, since such other companies may not calculate such measure in the same manner as we do. A reconciliation of these measures to the most relevant GAAP measure is available in our latest earnings press release which can be found in the Investors section on the Graphic Packaging website at www.graphicpkg.com.

SECOND QUARTER 2021 HIGHLIGHTS



- Net Organic Sales Growth of 4.8% y/y in Q2 21 and 3.2% y/y in 1H 21 Driven by New Product Introductions, Continued Conversions to Paperboard Solutions, and Strong Consumption Patterns
- Continued Strong Demand as Consumers Increasingly Show Preference for Sustainable Packaging Solutions Made from Recyclable and Renewable Resources
- Adjusted EBITDA of \$248M Positively Impacted by \$15M of Improved Volume/Mix Related to Net Organic Sales Growth and \$36M in Favorable Net Performance; Offset by \$67M of Commodity Input Cost Inflation
- Price Initiatives Successfully Implemented and Recognized
 - \$400M in Total Pricing Projected Over '21/'22 Based on Implemented and Recognized Actions
 - Approximately \$130M Projected in '21, Approximately \$270M Projected in '22
- Driving Toward Vision 2025 and Strengthening Our Global Position in Sustainable Fiber-Based Consumer Packaging
 - Previously Announced AR Packaging Acquisition Regulatory Approval Process Proceeding as Expected; Anticipate Close by Year end '21
 - Americraft Carton transaction completed on July 1st
- Exchanged International Paper's Remaining Partnership Units for Shares; Completion of Transaction Returns Ownership of Partnership Interest Back to 100%
- \$1.9B in Global Liquidity; Raised Approximately \$530 Million in Secured Bank Debt in July to Support Announced M&A

PREVIOUSLY ANNOUNCED AR PACKAGING ACQUISITION EXTENDS PRESENCE IN EUROPE, EXPANDS PARTICIPATION IN GROWING MARKETS AND BOLSTERS INNOVATION ENGINE



Strong pro forma European footprint

- 37 Facilities, 13 Countries

Increases Europe sales, 12% to 22%

- ~\$2B⁽¹⁾ in sales

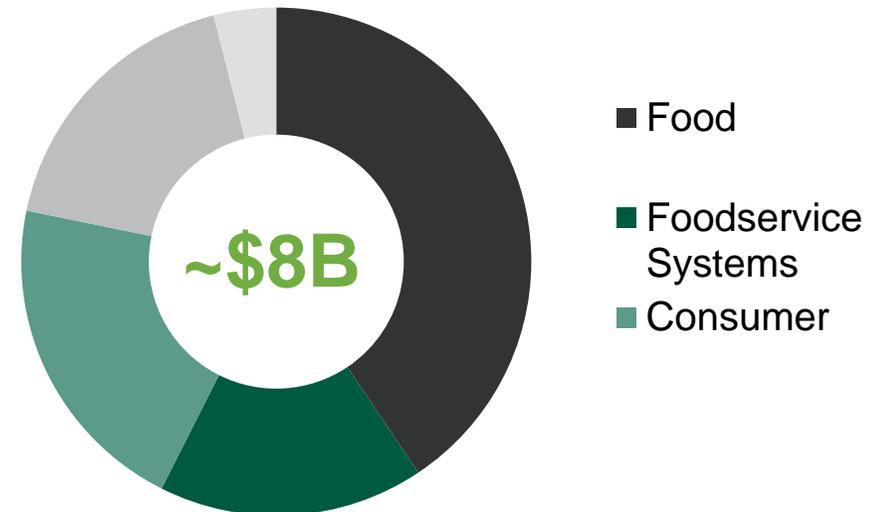
Combined ~780K paperboard tons in Europe

Optionality to optimize converting network

\$40M in identified synergies expected over 36 months

(1) Assumes 1.21 Euro FX Rate

Pro Forma Sales Mix



APPROVAL PROCESS PROCEEDING

- On track to close by year end

INCREASED DEMAND FOR SUSTAINABLE PACKAGING DRIVING 100-200BPS OF ORGANIC SALES GROWTH PER YEAR

\$7.5 BILLION ADDRESSABLE MARKET

PLASTIC SUBSTITUTION

Foodservice Cups and Cartons



Beverage Multi-packs



Food Trays (non cooking)



COOKING SOLUTIONS

Microwave Technologies



Paperboard Bowls and Trays



STRENGTH PACKAGING

Club Stores, Mass Retailers, E-commerce



PLATFORM ENABLERS

PACKAGING DESIGN AND PREMIUMIZATION



INTRODUCING OPTICYCLE™, A NEW NON-PE COATED FOODSERVICE PACKAGING INNOVATION TO BE COMMERCIALIZED IN 2H 2021



- OptiCycle™ innovative, non-PE coated alternative to traditional PE and PLA coated products
- Utilizes a water-based coating and requires less coating material vs. traditional options
- Designed to be more easily recyclable by allowing the liquid barrier coating to be smoothly separated from the paper
- When repulped, 98% of fiber can be recovered and used to make other paper products
- Commercialization in North America anticipated in 2H 21
- Aligned with Vision 2025 environmental goal to decrease LDPE usage by 40%

VISION 2025

REDEFINING INDUSTRY LEADERSHIP...RUNNING A DIFFERENT RACE

- Capturing strong global demand for fiber-based packaging driven by innovation and packaging solutions that scale; driving **sustained net organic sales growth**
 - Differentiated by investments in infrastructure, well-capitalized mills and converting facilities are **competitively advantaged with lowest cost, highest quality fiber-based packaging solutions**
 - **Significant cash flow generation and strong balance sheet** provide capital to continue to invest in the business and execute strategic M&A; supporting growth and return goals
 - **Vertically integrated model drives operating efficiencies and optimization**, incorporates sustainability mindset into all steps of the manufacturing process; development of unique solutions that consider overall impact on the environment
- Pricing model revisions in place and being executed to offset commodity input cost inflation; **expect to fully offset current inflationary environment over the '21-'22 timeframe with successfully implemented and recognized actions**

LOWEST COST, HIGHEST QUALITY PRODUCER OF COATED RECYCLED PAPERBOARD IN NORTH AMERICA; \$100M OF INCREMENTAL EBITDA, \$50M TO BE REALIZED IN 2022



K2 CRB Machine Hall and Campus (rendering) Kalamazoo, Michigan

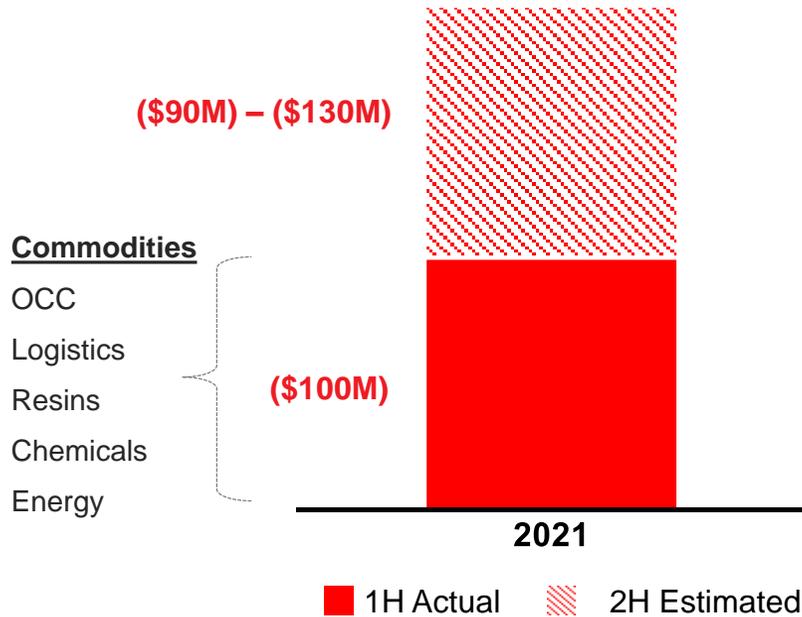
Kalamazoo CRB Mill Project Update

- Start-up paperboard production on new machine **on track for Q4 '21**
- Remain confident in expected \$100M EBITDA benefit
 - **1st \$50M in '22**
 - **2nd \$50M in '23**
- Multiple benefits of optimization project
 - **Highest quality CRB sheet** in the market
 - **Best in class cost structure**
 - Increased CRB integration
 - Lowest basis weight and caliper profile
 - **Reduced environmental impact**

SUCCESSFULLY EXECUTING ~\$400M IN IMPLEMENTED & RECOGNIZED PRICE ACTIONS OVER 2021–2022 TIMEFRAME, OFFSETTING INFLATION

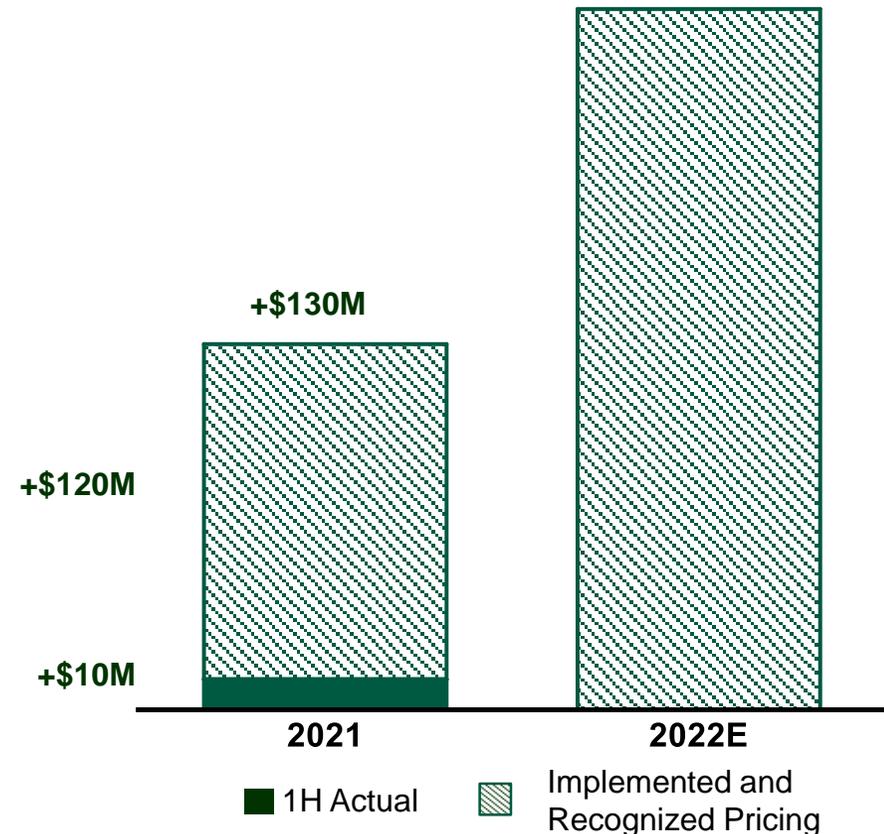
COMMODITY INPUT COSTS

(\$190M) – (\$230M)



PRICE ACTIONS

~\$400M



SECOND QUARTER 2021 FINANCIAL RESULTS

(US\$ M)	Q2 2021	Q2 2020	% Chg
Net Sales	\$1,737	\$1,611	+8%
Adj. EBITDA	\$248	\$260	-5%
Adj. EBITDA Margin	14.3%	16.1%	-180bps
Adj. EPS	\$0.26	\$0.26	flat
Global Liquidity	\$1,883	\$1,413	
Integration Rate ⁽¹⁾	72%	72%	

Q2: STRONG DEMAND & PERFORMANCE; SHORT-TERM MARGIN IMPACT FROM ACCELERATION OF INFLATION

- Net Sales up 8% y/y
 - Net Organic Sales⁽²⁾ up 5% y/y
- Adj. EBITDA \$248M
 - \$15M volume/mix related to organic growth
 - \$36M favorable net performance
 - (\$67M) commodity input cost inflation
- \$1.9B in Global Liquidity

(1) Integration rate is defined as paperboard we produce which is converted in manufacturing facilities we operate.

(2) Net organic sales = Net sales – open market sales – sales from acquisitions closed within the last 12 months - pricing – FX impact.

Adjusted figures and global liquidity represent non-GAAP measures. Please refer to earnings press release for reconciliations to GAAP measures.

SECOND QUARTER 2021 SUMMARY

FINANCIAL PERFORMANCE

- Q2 net sales \$1.74B, up 8% y/y
 - Food, Beverage & Consumer sales up 4% y/y
 - Foodservice sales up 22% y/y
- Q2 pricing \$14M and commodity input cost inflation of \$67M
- Q2 net performance of \$36M driven by cost efficiencies, benefits from capital projects and synergy capture
- Q2 Adj. EBITDA \$248M
- Q2 Adj. EPS \$0.26

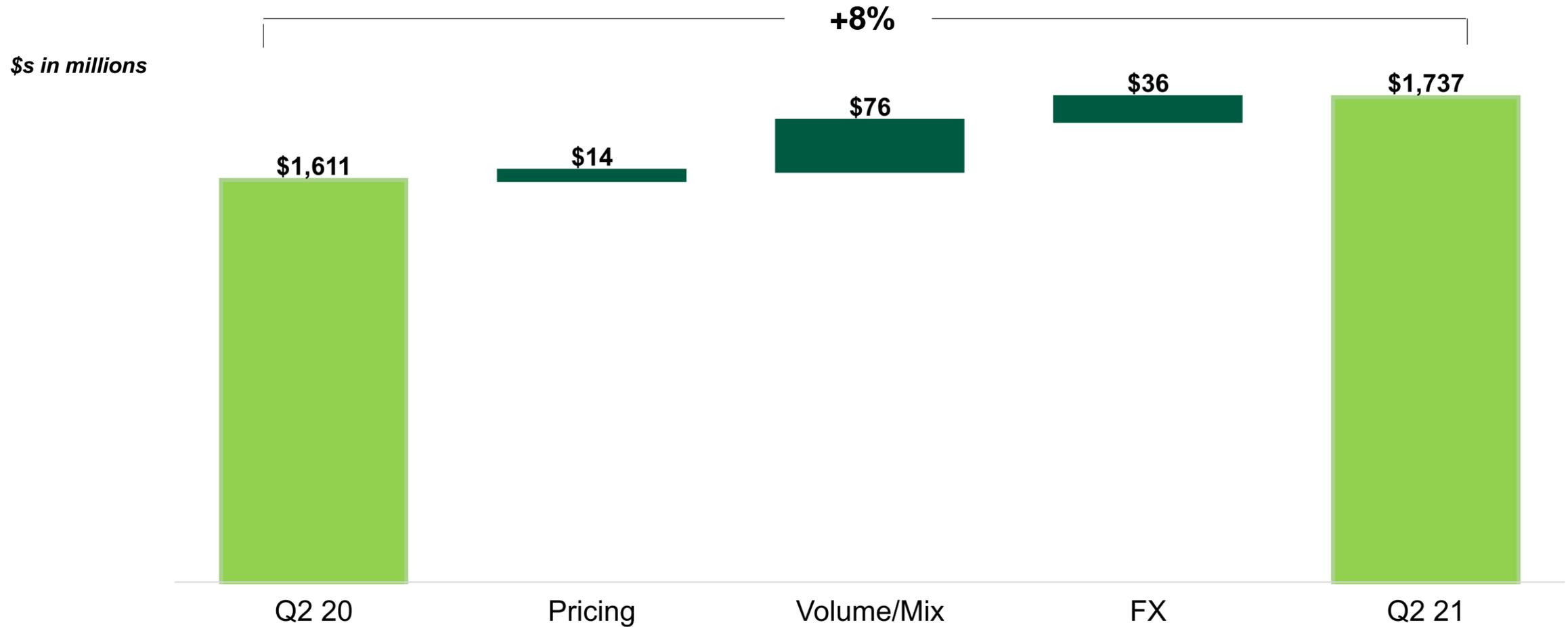
MARKETS & OPERATIONS

- Q2 net organic sales up 5% y/y
 - Growth driven by continued conversions to fiber-based packaging and strong consumption trends
- AF&PA Q2 industry operating rate for SBS was 95%, CRB was 98%; GPK CUK operating rate 95%+
- AF&PA Q2 industry inventories declined in all paperboard substrates compared to historical averages (2015-2019): SBS and CRB both down 27% versus historical averages, GPK CUK down 7%
- Backlogs increased across all substrates from 6+ weeks last quarter to 8+ weeks

CAPITAL ALLOCATION

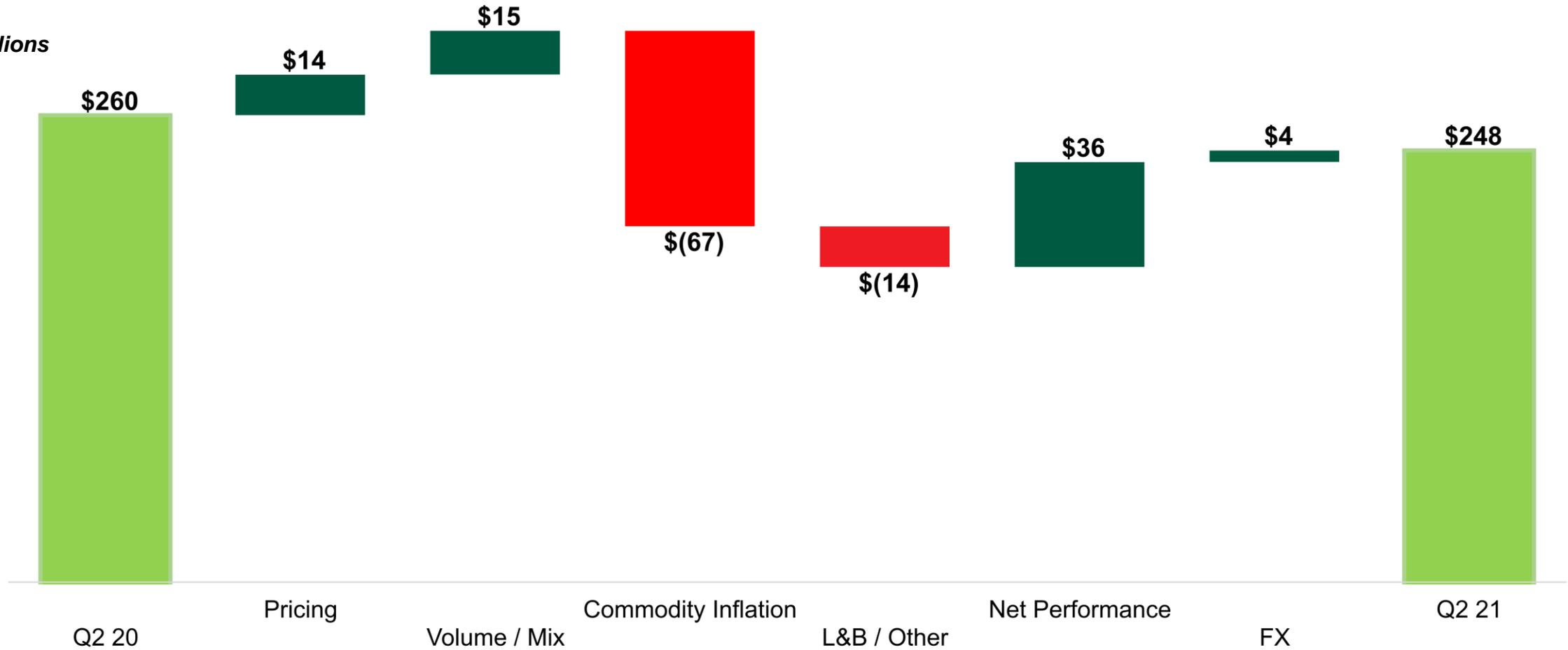
- Returned \$24M to stakeholders in dividends and distributions
- Final ~\$400M of minority ownership interest in the partnership exchanged for GPK shares
- Invested \$200M in capital expenditures to support strategic investments
- Significant liquidity of \$1.9B; borrowing effectively and maintaining ample balance sheet flexibility
- Q2 net leverage ratio of 3.7x

SECOND QUARTER 2021 NET SALES PERFORMANCE



SECOND QUARTER 2021 ADJUSTED EBITDA PERFORMANCE

\$s in millions



2021 ADJUSTED EBITDA & CASH FLOW GUIDANCE

FULL-YEAR GUIDANCE UPDATED TO REFLECT PRICE ACTIONS, EXPECTED COMMODITY INPUT COST INFLATION & AMERICRAFT CARTON ACQUISITION

Adjusted EBITDA \$1,080M - \$1,120M

EBITDA Components

Volume/Mix	\$40M - \$50M
Net Performance	\$80M - \$100M
L&B / Other ⁽¹⁾	(\$60M - \$50M)
FX ⁽²⁾	\$15M - \$25M
Price to Commodity Input Cost Spread	(\$100M - \$60M)

Cash Flow \$175M - \$225M

Cash Flow Components

Cap Ex	(\$750M - \$700M)
Interest	(\$120M - \$110M)
Tax	(\$40M - \$30M)
Working Capital	(\$20M - \$0M)
Pension ⁽³⁾	(\$20M - \$10M)

Capital Investments (\$M) – step down after 2020-2021
Return to Substantial Cash Flow in 2022

\$ 353	\$ 646	\$ ~725	\$ ~450⁽⁴⁾
2019	2020	2021E	2022E

Consistent with Vision 2025, normalized capex target (% of sales) of ~5%

(1) Other inflation is primarily related to property insurance

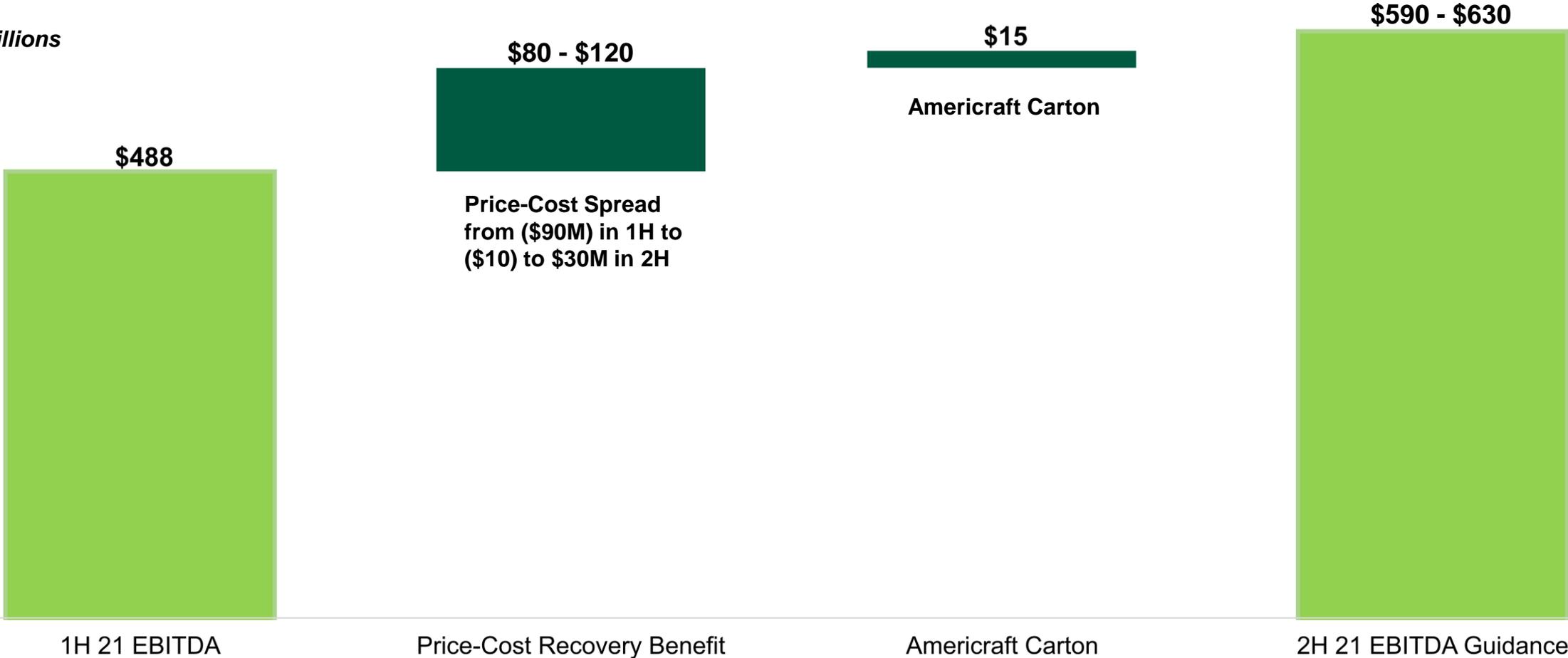
(2) FX range at current rates

(3) Excludes \$13.8M amount reflected as a contribution which effectively transferred a portion of the excess balance in the terminated US DB Plan

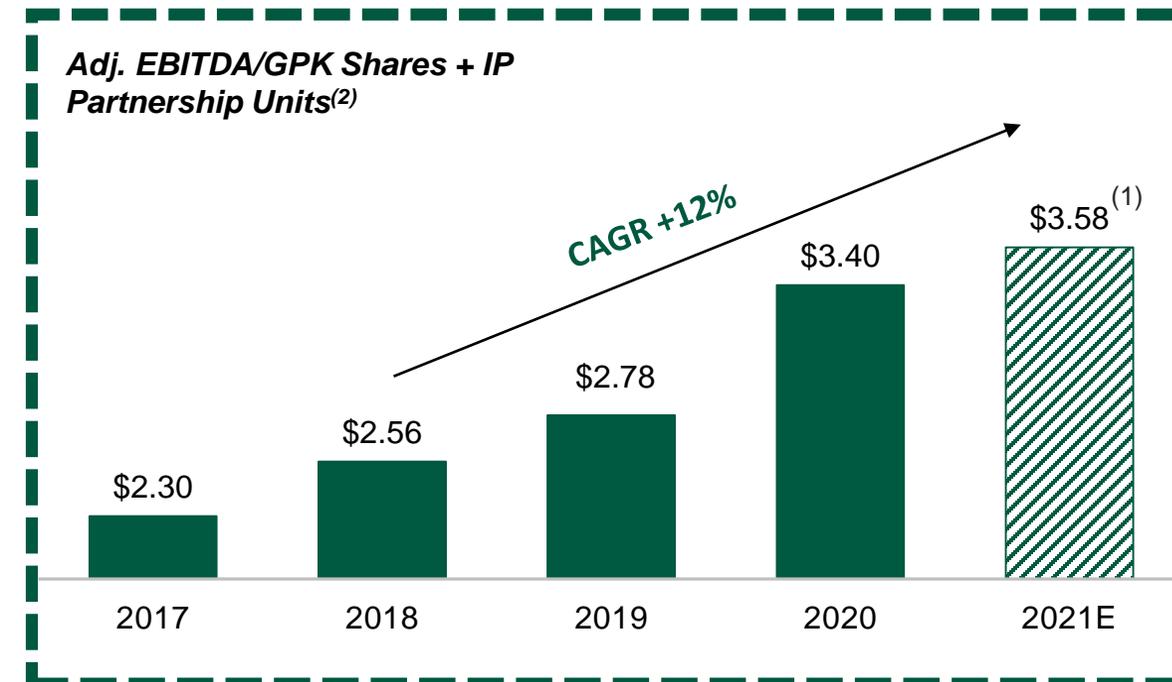
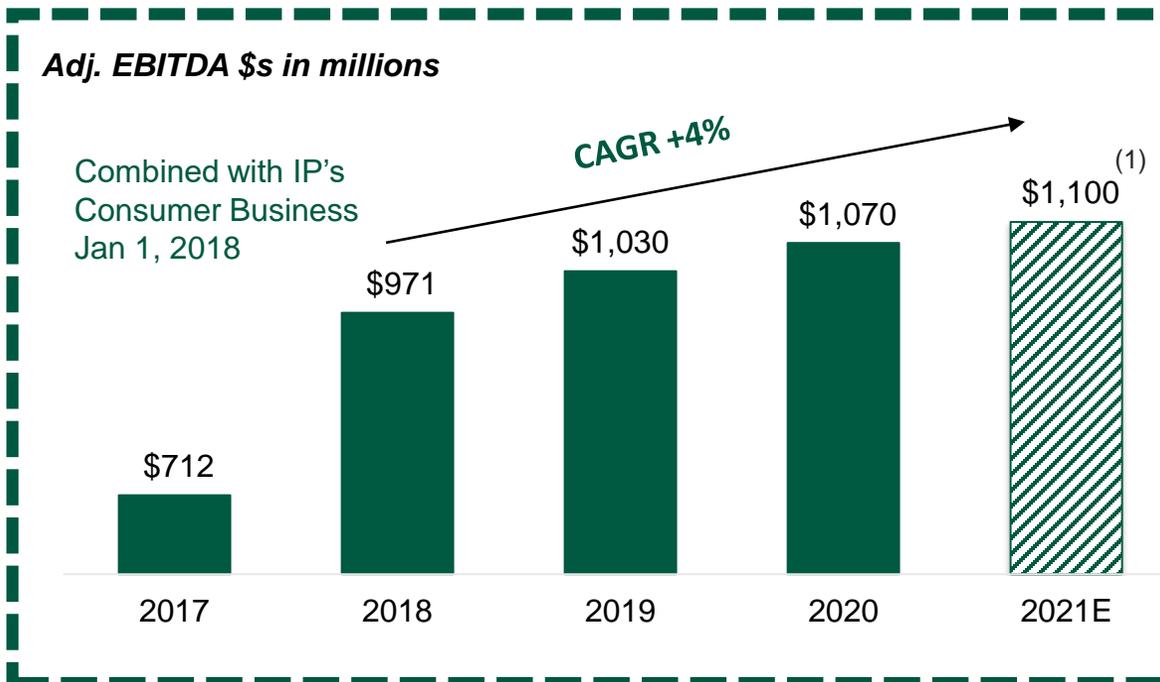
(4) Includes Americraft and AR Packaging capital expenditures

EXPECT SIGNIFICANT 2H 2021 EBITDA GROWTH FROM PRICE-COST RECOVERY BENEFIT & ADDITION OF AMERICRAFT CARTON

\$s in millions



COMPLETION OF IP TRANSACTION RETURNS OWNERSHIP OF PARTNERSHIP INTEREST BACK TO 100%; CONSISTENT EBITDA GROWTH AND SIGNIFICANT RETURNS TO GPK STOCKHOLDERS



MAJOR DRIVERS

- Net organic sales growth, strategic acquisitions
- Neutral price-cost relationship over time
- Productivity greater than labor/benefits inflation
- Acquisition of partnership interest & share repurchases

(in millions)	GPK Shares ⁽²⁾	IP Units ⁽²⁾	Total Shares/Units ⁽²⁾
2017	310	-	310
2018	300	80	380
2019	290	80	370
2020	268	47	315
2Q 2021	307	-	307

2021 YEAR OVER YEAR IMPACT SCHEDULE & OTHER GUIDANCE

NET PRICE / COMMODITY INPUT COST SPREAD, NET OUTAGE COST IMPACT & STORM IMPACT

Change Y/Y (\$M)

	Q1	Q2	Q3	Q4
Net Price/Cost Spread Impact	(\$37M)	(\$53M)	(\$20M) - \$0	\$0 - \$20
Net Outage Cost Impact ⁽¹⁾	(\$10M)	\$0M	\$15M	\$15M
Incremental Uri Storm Impact ⁽¹⁾	(\$29M)			\$10M

	2019 Actual	2020 Actual	2021 Guidance
Pension Expense/(Income) ⁽²⁾ (includes pension amortization)	\$16M	\$14M	\$12M
Depreciation & Amortization ⁽³⁾ (excluding pension amortization)	\$447M	\$450M	\$460M
Pension Amortization	\$10M	\$6M	\$5M
Effective Tax Rate ⁽⁴⁾ (Normalized)	26%	19%	24-26%
Year End Net Leverage Ratio ⁽⁵⁾	2.6x	3.3x	3.5x

(1) Net outage impact and Winter Storm Uri impact reflected in net performance component of ADJ EBITDA; assumes some insurance recovery in Q4.

(2) 2019 and 2020 pension expense exclude \$39 million and \$154 million of non-cash pension plan settlement charges, respectively.

(3) 2019 D&A includes \$5 million of accelerated depreciation. 2020 D&A actual and 2021 D&A guidance excludes \$26 million and \$24 million of accelerated depreciation related to exit activities, respectively.

(4) Tax rate applied to GPHC's share of the partnership earnings.

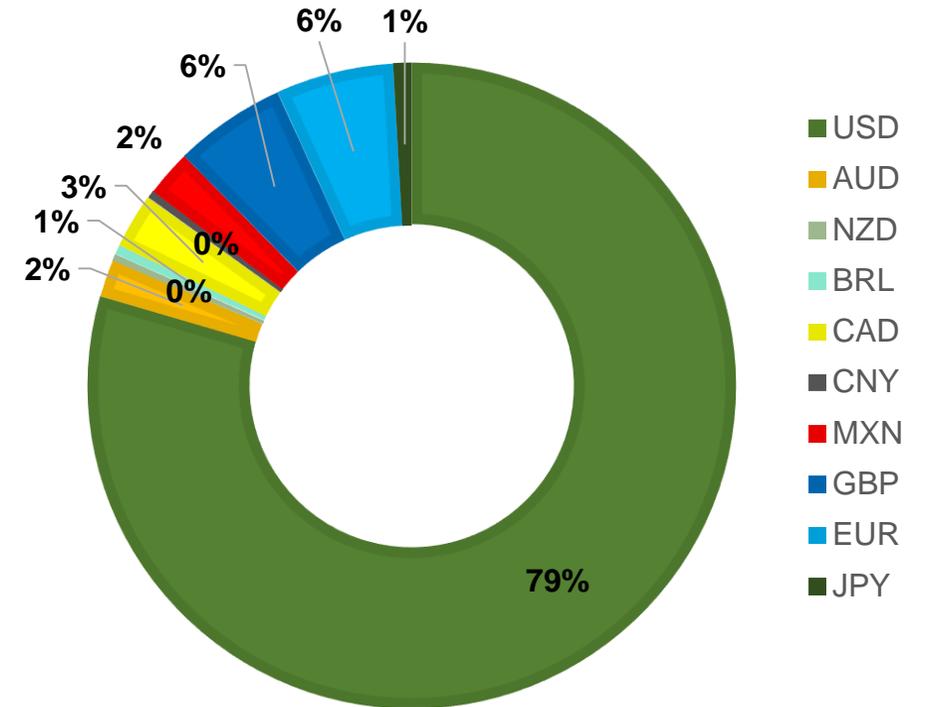
(5) 2021 guidance of 3.5x excludes potential impact of AR Packaging acquisition.

SUPPLEMENTAL INFORMATION

COMMODITY ANNUAL CONSUMPTION

Categories	Units
Wood (Million tons)	10
Recycled Fiber (Million tons)	1
Natural Gas (MMBTU)	22
Caustic Soda (000, tons)	40
Starch (Million lbs.)	150
TiO2 (Million lbs.)	25
Polyethylene (Million lbs.)	105

2020 REVENUE BY CURRENCY





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