
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event
reported): September 26, 2019

GRAPHIC PACKAGING HOLDING COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-33988
(Commission File Number)

26-0405422
(I.R.S. Employer
Identification No.)

1500 Riveredge Parkway, Suite 100
Atlanta, Georgia 30328
(Address of principal executive offices)
(Zip Code)
(770) 240-7200

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 par value per share	GPK	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act:

None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 8.01. OTHER EVENTS.

On September 26, 2019, Graphic Packaging Holding Company (the “Company”) hosted an investor day in New York, New York. A copy of the presentation materials is filed herewith as Exhibit 99.1 and is incorporated herein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

Exhibits

Exhibit Number Description

99.1	Presentation Materials for investor day on September 26, 2019
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GRAPHIC PACKAGING HOLDING COMPANY
(Registrant)

Date: September 25, 2019

By: /s/ Lauren S. Tashma

Lauren S. Tashma
Executive Vice President, General Counsel and Secretary

Investor Day

September 26, 2019



Michael P. Doss
President and
Chief Executive Officer

Stephen R. Scherger
Executive Vice President &
Chief Financial Officer

Joseph P. Yost
Executive Vice President &
President, Americas



Inspired Packaging. A World of Difference.

TODAY'S ATTENDEES



Michael P. Doss
President &
Chief Executive Officer



Stephen R. Scherger
Executive Vice President &
Chief Financial Officer



Joseph P. Yost
Executive Vice President &
President, Americas



Alex Ovshey
Vice President, Financial
Planning and Analysis



Melanie S. Skijus
Vice President,
Investor Relations

FORWARD LOOKING STATEMENTS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Any statements of the Company's expectations in these slides, including, but not limited to, updated 2019 guidance regarding sales, year-end net debt leverage ratio and capital expenditures; 2020 Adjusted EBITDA, Cash Flow and year-end leverage ratio projections; expected capital expenditures for 2020 and 2021; and future levels of paperboard integration, specific product and total sales, Adjusted EBITDA margins, return on Invested capital and capital expenditures as a percentage of sales; as well as targeted reductions in water usage, energy consumption, greenhouse gases and low-density polyethylene usage constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and its present expectations. These risks and uncertainties include, but are not limited to, inflation of and volatility in raw material and energy costs, changes in consumer buying habits and product preferences, competition with other paperboard manufacturers and product substitution, the Company's ability to implement its business strategies, including strategic acquisitions, productivity initiatives, cost reduction plans and integration activities, currency movements and other risks of conducting business internationally, and the impact of regulatory and litigation matters, including those that could impact the Company's ability to utilize its net operating losses to offset taxable income and those that impact the Company's ability to protect and use its intellectual property. 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 may be required by law. Additional information regarding these and other risks is contained in the Company's periodic filings with the Securities and Exchange Commission.

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 provided in the appendix to this presentation.

AGENDA

Graphic Packaging Today

2019–2020 Financial Update

Vision 2025

Sustainability Supported,
Organic Growth

Productivity Driven Margin
Improvement

Financial Flexibility



GRAPHIC PACKAGING: INVESTMENT CASE



- REDEFINING INDUSTRY LEADERSHIP WITH VISION 2025
- CAPTURING SUSTAINABILITY SUPPORTED ORGANIC GROWTH
- CLEAR PATH TO DELIVER PRODUCTIVITY DRIVEN MARGIN IMPROVEMENT
- STRONG FINANCIAL FLEXIBILITY TO ACHIEVE VISION 2025
- BALANCED CAPITAL ALLOCATION MAXIMIZING SHAREHOLDER RETURN

FOOD, BEVERAGE, FOODSERVICE & CONSUMER PRODUCTS PAPERBOARD PACKAGING LEADER

ESTIMATED 2019 SALES

\$6.2B

85%
Americas

12%
Europe

3%
ROW

9
Paperboard Mills

65
Converting
Plants

3.75M
Tons
Produced

MARKETS



Food



Foodservice



Beverage



Consumer

KEY CUSTOMERS ACROSS FOOD, BEVERAGE, FOODSERVICE & CONSUMER PRODUCTS MARKETS

ABInBev

Amy's

Asahi

DUNKIN'

Coca-Cola

CONAGRA
BRANDS

DANONE

Ferrara

General
Mills

Kellogg's

Kimberly-Clark

KraftHeinz

MARS

McDonald's

MillerCoors

Mondelēz
International

Nestlé

pepsi

P&G

PALERMO'S

Pedigree

Playtex

POLAR

Shiner

SIERRA NEVADA

SIMPLE
POUL

Starbucks

SWEET WATER

Tyson

whiskas

SUSTAINED MARKET LEADERSHIP

37%

of all folding cartons
in North America



Source: PPC, RISI, GPI estimates

30%

of all paper cups in the U.S.



#1 CRB Producer

49%

2.1M ton U.S. market



#1 CUK Producer

56%

2.7M ton U.S. market



#2 SBS Producer

21%

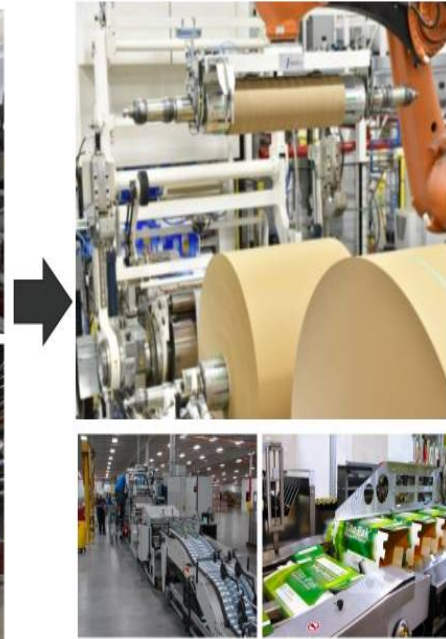
5.7M ton U.S. market

POWERFUL, VERTICALLY INTEGRATED BUSINESS MODEL

LOW COST, HIGH QUALITY
PAPERBOARD MILLS



HIGHLY EFFICIENT CONVERTING &
PACKAGING MACHINERY

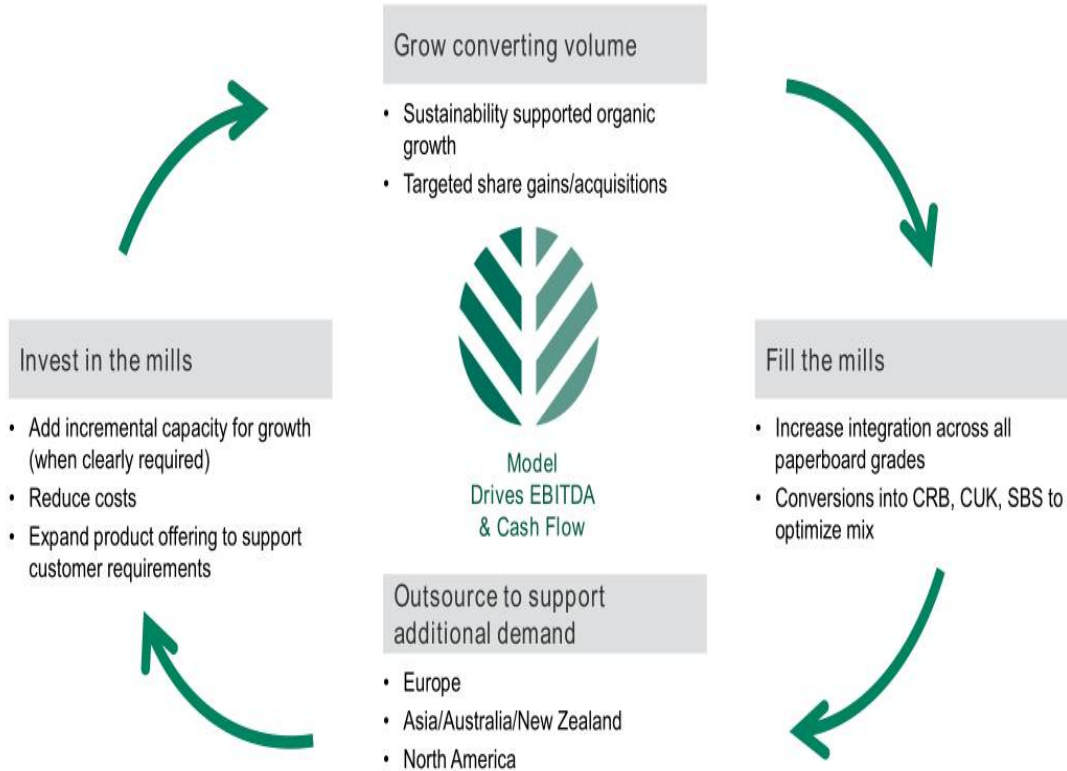


PRODUCTS WE USE EVERYDAY



*68% vertical integration results in best-in-class EBITDA margins;
significant opportunities to drive integration rates higher*

VERTICALLY INTEGRATED BUSINESS MODEL OFFERS TREMENDOUS OPERATING LEVERAGE



CAPITAL ALLOCATION PRIORITIES

INVEST IN THE BUSINESS

- Invest to drive 100-200 basis points of organic growth per year
- Drive productivity in excess of labor & benefits inflation within normalized capital spend (\$325M per year)
- When capital spend exceeds normalized levels, clearly outline project scope and return profile
- Target after-tax IRR's in excess of the cost of capital

PURSUE TARGETED ACQUISITIONS

- Expand geographic reach and participation in growth niches for paperboard packaging
- Increase paperboard vertical integration rates
- Extend runway for organic capital deployment at compelling IRR's
- Purchase assets at post-synergy multiples below the long-term valuation trading multiple

RETURN CAPITAL TO SHAREHOLDERS

- Dividends
 - \$0.30/share
- Share repurchases
 - Repurchase shares opportunistically when share price is below intrinsic value of GPK

BALANCED APPROACH TO CAPITAL ALLOCATION

FROM 2015 TO 2019, AN ESTIMATED ~\$3.4B IN OPERATING CASH FLOW

CAPITAL INVESTMENTS & PRODUCTIVITY⁽¹⁾

Invested \$1.5B in capital

~6% of sales driving \$365M in productivity



(1) 2018 productivity includes \$35m in synergies; 2019 est. productivity excludes \$40M of incentives & pension
 (2) Includes \$25M for CRB consolidation

SHAREHOLDER RETURN

Returned significant value to shareholders



(3) Share repurchases through 9/11/19

TARGETED ACQUISITIONS

Acquired 13 businesses for ~\$900M at compelling post synergy valuations



Combined with IP's Consumer Packaging business in 2018 adding ~\$200M in ADJ EBITDA and ~\$75M synergies

NET DEBT LEVERAGE RATIO

Ratio consistently in desired 2.5x-3.0x range



POISED FOR SALES, VOLUME, MARGIN & CASH GENERATION GROWTH

100-200 BPS / YEAR NET ORGANIC GROWTH MATERIALIZING



PRICE / COST RECOVERY OCCURRING



PRICE LAGS REDUCED



From 9 to 6 months



AGENDA

Graphic Packaging Today

2019–2020 Financial Update

Vision 2025

Sustainability Supported,
Organic Growth

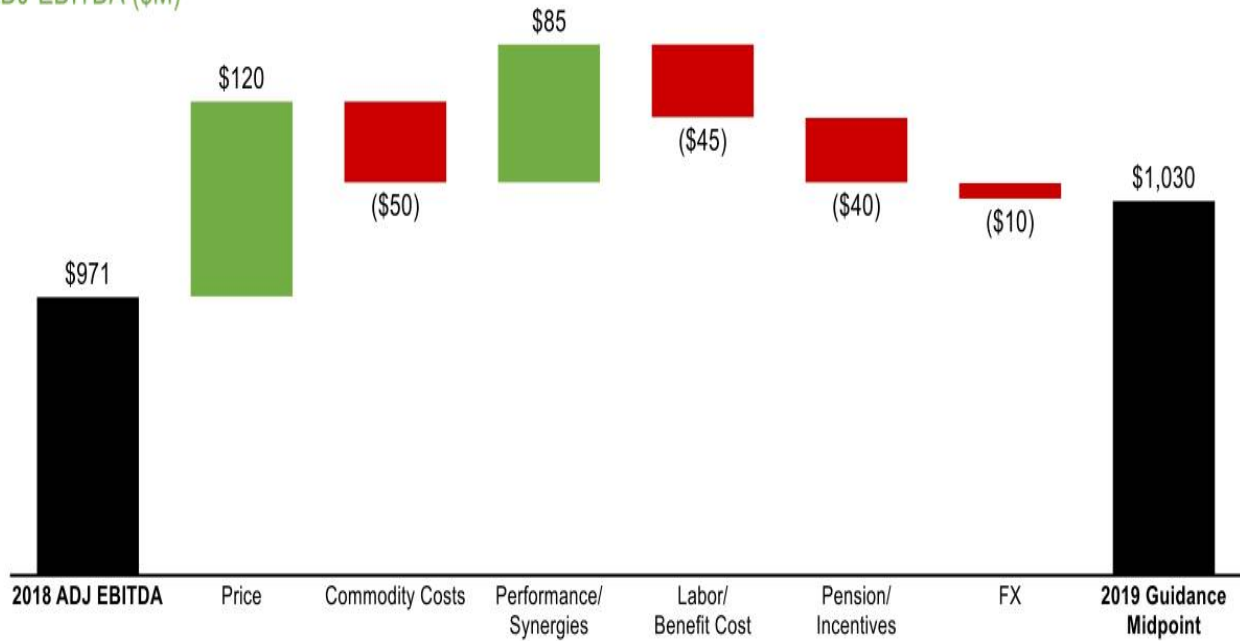
Productivity Driven Margin
Improvement

Financial Flexibility

INCREASING 2019 GUIDANCE

ADJ EBITDA RANGE INCREASED TO \$1.02B - \$1.04B FROM \$1.01B - \$1.03B

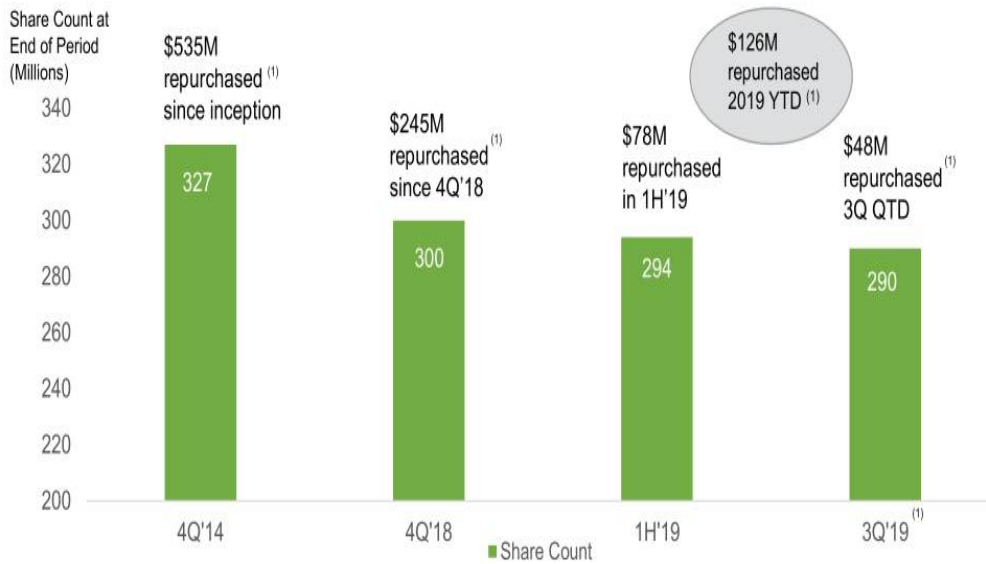
ADJ EBITDA (\$M)



Cash Flow Guidance \$525M > Year-end leverage ratio 2.5-2.6x

NOTE: Guidance assumes no additional acquisitions or share repurchases
 Cash Flow = ADJ EBITDA - Interest Expense - Cash Taxes - Pension Contributions - Cap Ex +/- Working Cap

SHARE REPURCHASE PROGRAM AT VALUES BELOW THE INTRINSIC VALUE OF GPK



	US \$M	\$ Per Share	Number of Shares (M)	% of GPK Shares At Inception
3Q'19 ⁽¹⁾	\$48	\$13.41	4	1%
1H'19	\$78	\$12.04	6	2%
Since 4Q'18 ⁽¹⁾	\$245	\$11.92	21	6%
Since Inception (1Q'15) ⁽¹⁾	\$535	\$12.49	43	13%

(1) Through 9/11/2019

NOTE: Share count totals include shares issued pursuant to incentive compensation

ESTABLISHING INITIAL 2020 GUIDANCE

2019 ADJ EBITDA Guidance	\$ 1,020 – 1,040M
Positive Volume, Price, Commodity Cost	\$ 10 – 30M
Positive Performance, Synergies, Labor Cost, Other	\$ 10 – 30M
2020 Initial ADJ EBITDA Guidance	\$ 1,040 – 1,100M
Cash Flow	\$ 200 – 275M

Maintain significant financial flexibility:



- Share repurchases
- Targeted acquisitions
- IP redemption
- Debt reduction

CAPEX (\$M)



(1) Includes \$25M for CRB consolidation
 Cash Flow = ADJ EBITDA - Interest Expense - Cash Taxes - Pension Contributions - Cap Ex +/- Working Cap



AGENDA

Graphic Packaging Today

2019–2020 Financial Update

Vision 2025

Sustainability Supported,
Organic Growth

Productivity Driven Margin
Improvement

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VISION 2025

VISION 2025



Partners

GROW WITH THE BEST CUSTOMERS IN THE BEST MARKETS



Profit

GENERATE SUPERIOR RETURNS



Planet

LEVERAGE SUSTAINABILITY PROFILE & REDUCE ENVIRONMENTAL IMPACT



People

ENGAGE EMPLOYEES IN A HIGH-PERFORMANCE CULTURE

VISION 2025



VISION 2025

Partners

Grow with the best customers in the best markets



#1 paperboard market share in North America & Europe



100 – 200 bps/year sustainability supported, organic growth



\$400M – \$700M net new product sales 2020-2025 included in organic growth



Strategic, high return M&A



\$400M – \$500M in productivity 2020-2025 to drive margin growth

VISION 2025



VISION 2025

Profit

Generate superior returns

	2019 Est.	Vision 2025
Paperboard Integration	68%	80 – 90%
Sales	~\$6.2B	~\$10B
ADJ EBITDA Margins	~16.6%	18 – 20%
ROIC	~8%	10 – 12%
ADJ EPS	\$0.85	\$2.00+
Normalized Capex (% Sales)	5%	5%

VISION 2025



VISION 2025

Planet

Leverage industry leading sustainability profile, reducing impact on the environment



Reduce water usage by 15%



Reduce energy consumption by 15%



Reduce green house gases by 15%



Reduce LDPE usage by 40%



GPI products 100% recyclable

VISION 2025



VISION 2025

People

Engage employees in a high-performance culture



Top quartile engagement scores



Reduce LTIR from 0.3 to 0.2 (Safety)



Play on a winning team



GPI University
30 hours of training per employee, per year



Attract and retain the right talent



AGENDA

Graphic Packaging Today

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Vision 2025

**Sustainability Supported,
Organic Growth**

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SUSTAINABILITY HAS BECOME A GLOBAL PHENOMENON & MANDATE WHAT BRANDS ARE SAYING....

Starbucks is aiming to double the recycled content in [their] cup by 2022. It's also testing more than 12 greener technologies for paper cup liners.

—CNN, February 2019

Pepsi has committed to using only recyclable, compostable or biodegradable packaging by 2025.

—CNN, July 2019

In Germany, Aldi scrapped single-use bags. Aligned to its pledge to cut down plastic packaging by 25% by 2024, the new compostable bags are made of biodegradable material.

—Forbes, July 2019

Source: Goldman Sachs

The Kellogg Company is expanding its global sustainability commitments to include a goal of working towards 100% reusable, recyclable or compostable packaging by the end of 2025.

—Kellogg Company PR, October 2018

[McDonald's] wants to have 100% of its customer packaging come from renewable, recycled, or certified sources and have recycling available in all its restaurants [by 2025].

—USA Today, January 2018

"Tackling plastic waste is one of my top priorities and I take this challenge personally. We are doing our part to address the issue head on by reducing, recycling and reinventing our packaging."

—Ramon Laguarta, CEO PepsiCo

Soft drink giants Coca-Cola & PepsiCo have announced they are cutting ties with a trade association representing the plastic industry over concerns their memberships contradict a commitment to reducing waste.

—Newsweek, July 2019

GPI SUSTAINABILITY INITIATIVES SUPPORT CUSTOMER ASPIRATIONS



Recyclable Products
100% by 2025

Water Usage	Green house gases
-15%	-15%
Energy	LDPE usage
-15%	-40%



Recyclable Packaging
100% by 2030

Recycled Content
50% by 2030



Renewable / Recyclable Sources
100% by 2025



Reusable / Recyclable / Compostable / Biodegradable
100% by 2025

Recycled Content
30% by 2025



Recyclable / Reusable Materials
100% by 2025

Elimination of 10 Problematic Plastics
100% by 2024



Recyclable / Reusable / Compostable
100% by 2025

Recycled Content
25% by 2025



PBP Recyclable / Reusable / Compostable
100% by 2025

PBP Recycled Content
17% by 2025

Source: Goldman Sachs; Molson Coors Sustainability Report 2019

PAPERBOARD PACKAGING WILL EMERGE AS A WINNER AMONG THE SOLUTIONS PREFERRED BY CONSUMERS



Paperboard Packaging

LARGE \$5 BILLION ADDRESSABLE MARKET ESTIMATED IN NORTH AMERICA AND EUROPE FOR PAPERBOARD CONVERSIONS

CURRENT MARKET OFFERING

Foam Cups

\$1B



Plastic Cups

\$1B



Foam Containers

\$1B



Beverage Packaging

\$1B



CPET Trays, Bowls

\$500M



Stand-up Pouches

\$250M



GPI PAPERBOARD PACKAGING SOLUTIONS ATTRACTIVELY POSITIONED TO CAPTURE MARKET CONVERSION OPPORTUNITIES

GPI SUSTAINABLE SOLUTIONS

Foam Cups
\$ 1B



Plastic Cups
\$1B



Foam Containers
\$1B



Beverage Packaging
\$1B



CPET Trays, Bowls
\$500M



Stand-up Pouches
\$250M



TARGETING 100-200 BASIS POINTS OF NET ORGANIC GROWTH PER YEAR (10-15% OF ADDRESSABLE MARKET FROM 2020 TO 2025)

TARGETED, INNOVATIVE SOLUTIONS

Insulated
paperboard cups
(hot & cold)



Paperboard
bowls



Microwave
cooking
solutions



Packaging
machinery &
beverage
carriers



PE-free
cups



Food
containers



Packaging
machinery &
food can
containers



Compostable
cups



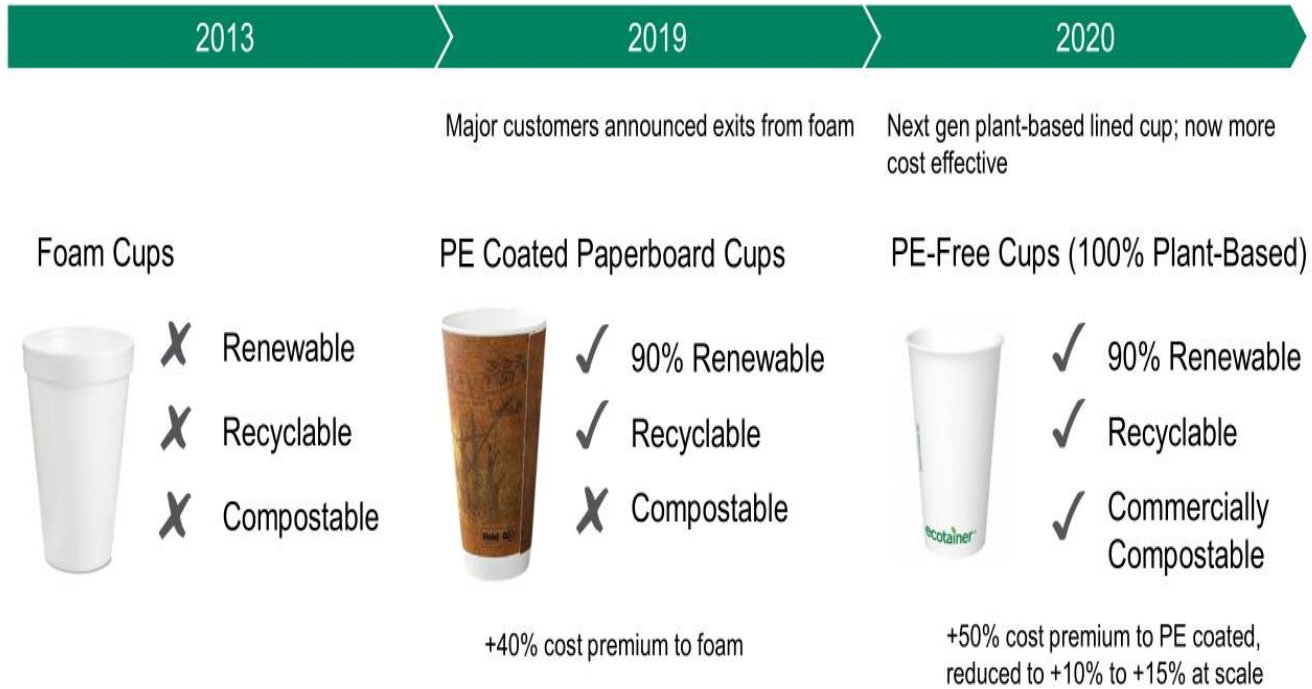
High strength
packaging



Ship in own
container (SIOC)



GPI WILL SELL A PE-FREE CUP IN 2020 THAT IS COMMERCIALY VIABLE FOR THE MARKETPLACE



Cost premium for 100% plant-based cup is currently ~50% more than a PE coated paper cup. Expect to reduce the premium to 10-15% at scale with next gen PLA

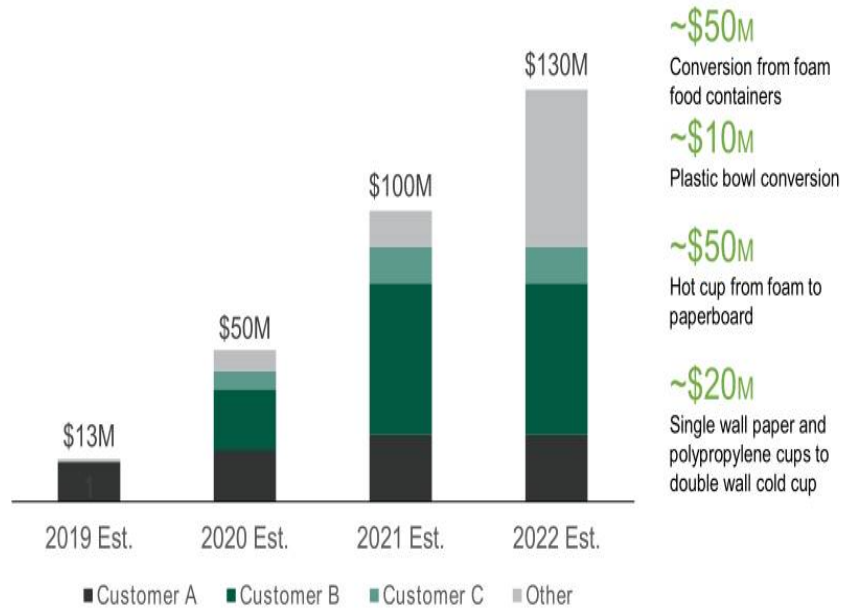
INSULATED PAPERBOARD CUP AND BOWL GROWTH IS ACCELERATING

VALUE DRIVERS

- Consumer's negative perception of foam and plastic
- Lowest cost option with similar functional characteristics



GROWTH PLAN (CUSTOMER COMMITTED)



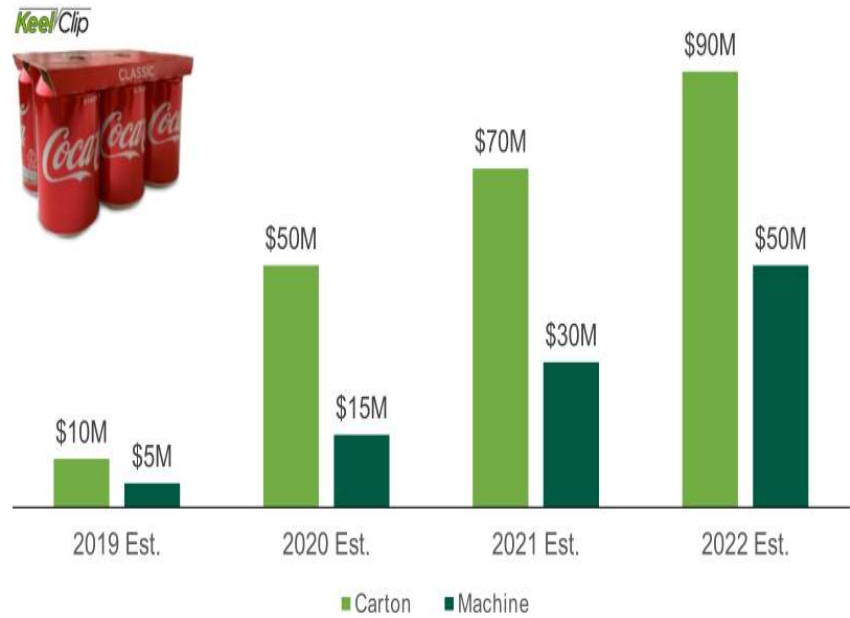
BEVERAGE PACKAGING GROWTH IN EUROPE IS ACCELERATING

VALUE DRIVERS

- Beverage brands focused on eliminating plastic & waste
- Improved sustainability profile
- Enhanced premium impact / brand messaging
- Efficient high-speed machinery solutions



GROWTH PLAN (CUSTOMER COMMITTED)





AGENDA

Graphic Packaging Today

2019–2020 Financial Update

Vision 2025

Sustainability Supported,
Organic Growth

**Productivity Driven Margin
Improvement**

Financial Flexibility

TWO MAJOR SOURCES OF SIGNIFICANT PRODUCTIVITY IMPROVEMENT AND MARGIN GROWTH

TRACK RECORD OF ONGOING PRODUCTIVITY

Mill Curtain Coaters



Automation

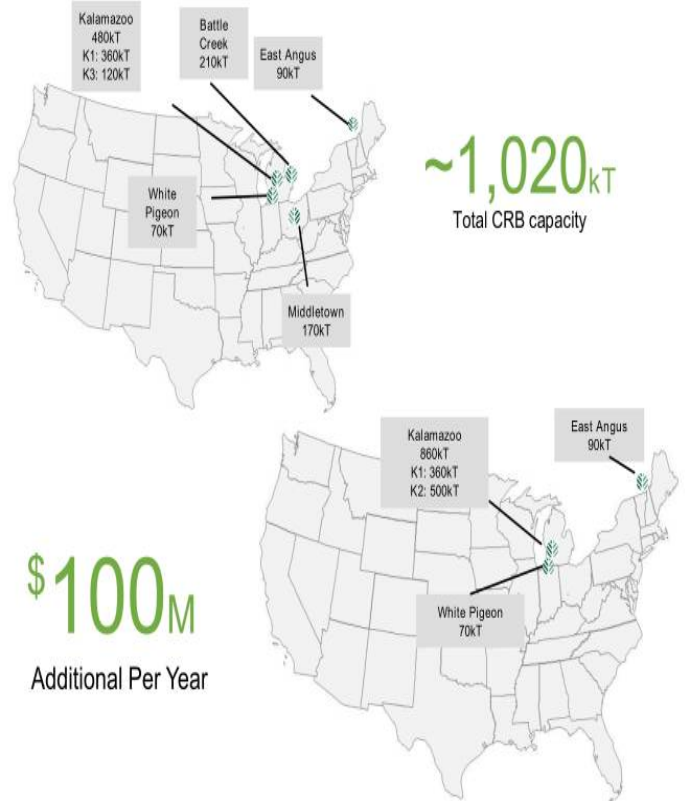


Monroe Facility



\$50-70M
Per Year

CRB MILL CONSOLIDATION



ONGOING COMMITMENT TO GENERATING \$50-70M IN PRODUCTIVITY EVERY YEAR

SNEEK FACILITY



- Invested Capital: \$25M
- Most productive and flexible folding carton manufacturing facility in Europe
- Increase sales capacity by \$40M to support conversions from shrink/plastic to paperboard
- Expect ~\$10M run-rate EBITDA

MONROE FACILITY



- Invested Capital: \$180M
- State Of The Art Fully Automated 1.3M ft² of manufacturing & warehouse space
- Strategically located near West Monroe paperboard mill to reduce logistics costs
- 400K converting tons per year
- Expect ~\$30M run-rate EBITDA

CURTAIN COATERS



- Invested Capital: ~\$115M
- Macon and Kalamazoo investments in place
- West Monroe planned over the next two years
- Significant reduction in Latex and TiO₂ usage
- Expect ~\$40M run-rate EBITDA

CRB MILL CONSOLIDATION

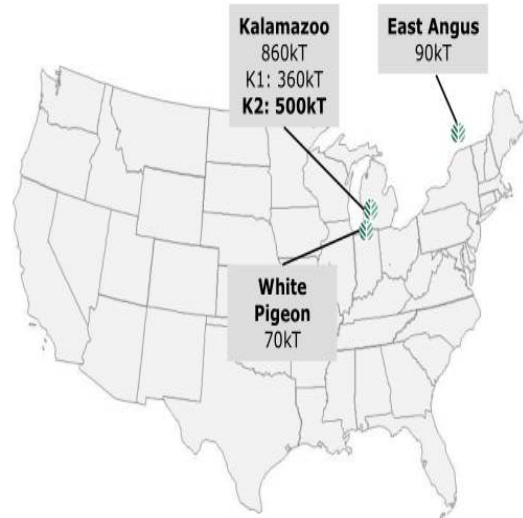
CONSOLIDATE FROM 5 TO 3 CRB MILLS, RETAIN OPTIONALITY FOR FURTHER CONSOLIDATION OR GROWTH

CURRENT CRB MILL SYSTEM



~1,020_{kT}
Total CRB capacity

POST CRB MILL CONSOLIDATED SYSTEM



~1,020_{kT}
Total CRB capacity

Note: Currently purchase ~70kT annually to support existing Mexico converting operations

HIGHLY STRATEGIC AND UNIQUE OPPORTUNITY TO INVEST IN OUR CRB PLATFORM

AN INVESTMENT IN THE CORE

- Rare opportunity for a large, highly differentiating investment
- Fully supports customer mandates for high quality sustainable paperboard
- High return on capital employed with value driven by cost reduction

MORE "FUTURE-PROOF"

- World-class paperboard technology
- Best in class cost structure
- Lowest ongoing maintenance capital
- Leverage digitally native talent pool as population of skilled machinists shrinks

FOCUSED, SIMPLIFIED OPERATIONS

- Operating one large and two small mills focuses and simplifies operations
- One large mill reduces financial impact of ongoing maintenance downtime and mill system complexity

HIGHEST QUALITY PRODUCT

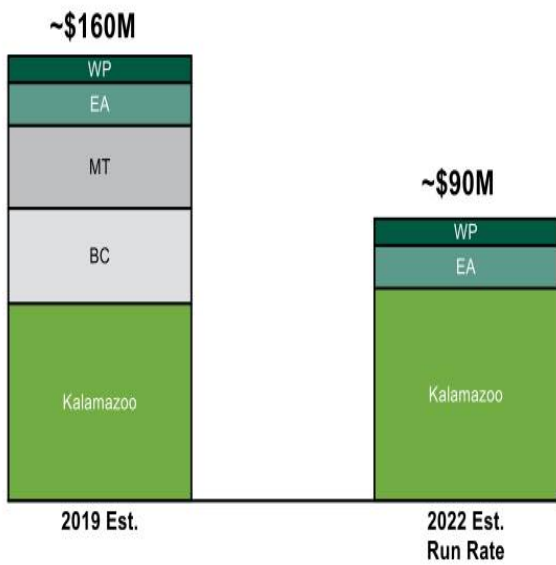
- Lowest basis weight and caliper profile in North America
- Higher quality paperboard enables internal converting improvements and external customer benefits
- Significantly enhances sustainability profile

\$100M REDUCTION IN ANNUAL FIXED AND VARIABLE COSTS

ANNUAL FIXED COSTS

~\$70M

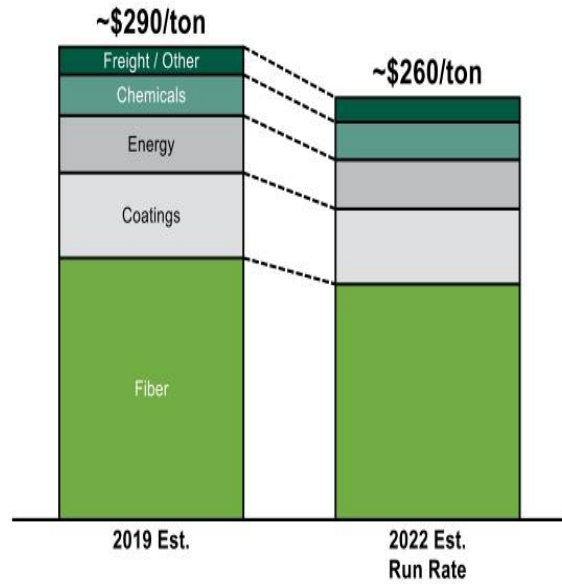
Cost Savings



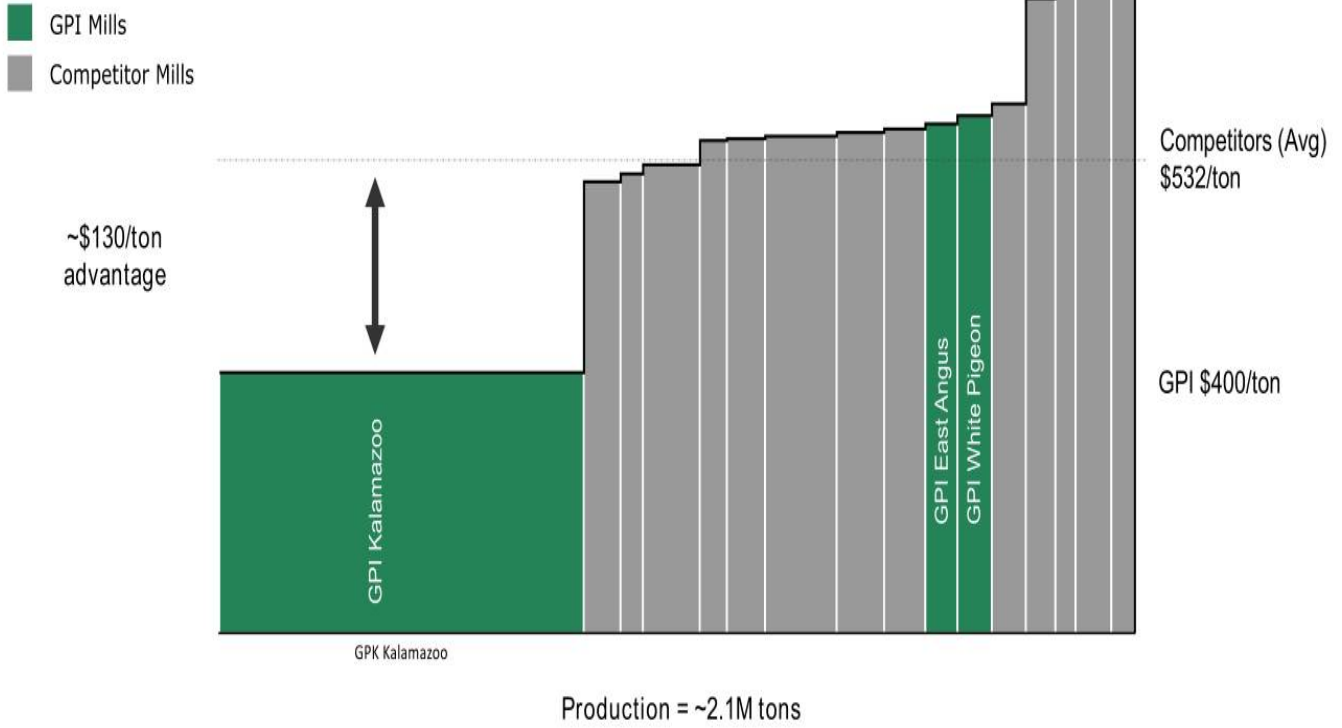
VARIABLE COSTS

~\$30M

Cost Savings



UNMATCHED CRB COST STRUCTURE POST INVESTMENT



Source: RISI

HIGHLY STRATEGIC AND UNIQUE OPPORTUNITY TO INVEST IN OUR CRB PLATFORM

QUANTIFIED BENEFITS

Fixed Cost Reduction

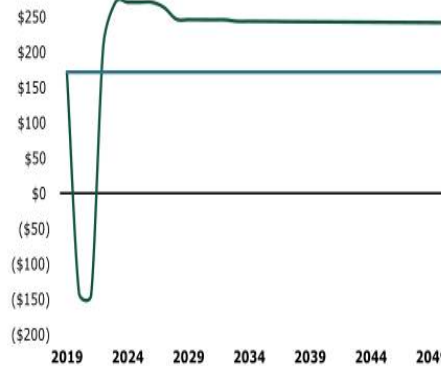
- ~\$70M, versus today's footprint
 - Close Middletown
 - Close Battle Creek
 - Close K3 machine
 - 300+ reduction in workforce

Variable Cost Reduction

- ~\$30M, at today's volumes
 - Reduced commodity input consumption
 - Freight
 - Chemicals
 - Energy
 - Coatings
 - Fiber

FINANCIAL RETURNS

Unlevered Free Cash Flow from CRB Mills



Not a material U.S. cash taxpayer until 2022

\$310M
NPV

12%
IRR (after tax)

Note (1) WACC = 7%

COMPELLING POSITIVE ENVIRONMENTAL IMPACT

ANNUAL CRB PROFILE

	Current	Future	% Change
Green House Gases (Metric Tons)	497 _K	419 _K	- 16%
Water Usage (Gallons/Ton)	916	614	- 33%
Purchased Energy (KWH/Ton)	1,901	1,562	- 18%

*Information based on Legacy GPI / Source: Schneider Electric and GPK Management Estimates



AGENDA

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Vision 2025

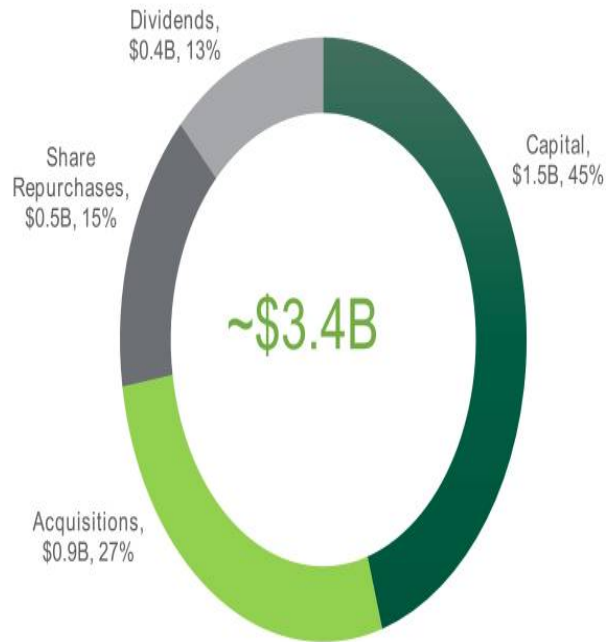
Sustainability Supported,
Organic Growth

Productivity Driven Margin
Improvement

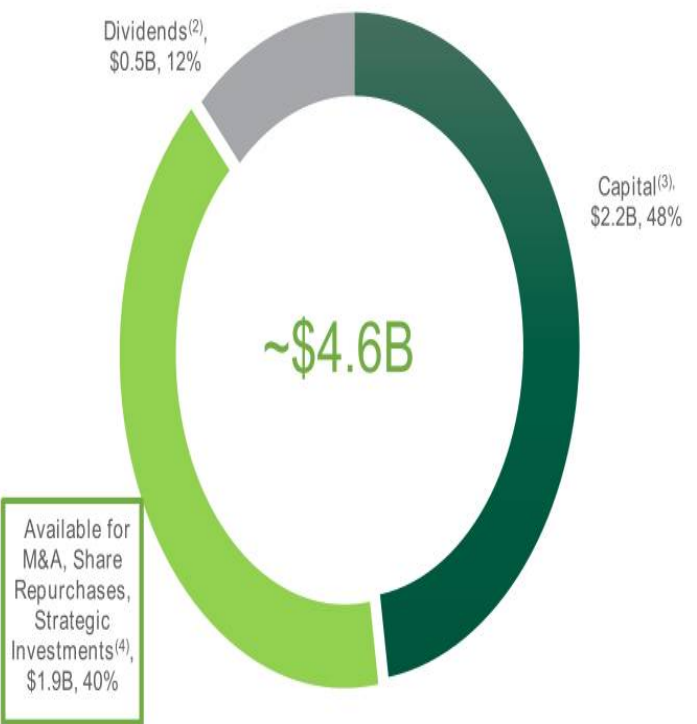
Financial Flexibility

SIGNIFICANT FINANCIAL FLEXIBILITY TO ACHIEVE VISION 2025 EXECUTING A BALANCED APPROACH TO CAPITAL ALLOCATION

2015–2019 EST. OPERATING
CASH FLOW ~\$3.4B



2020–2024 EST. OPERATING
CASH FLOW ~\$4.6B⁽¹⁾



- (1) Assumes no M&A
- (2) Assumes no change in shares, IP partnership units and dividend rate
- (3) Assumes \$600M in 2020/2021 and \$325M in 2023/2024/2025
- (4) Assumes no change to year-end 2019 net leverage ratio

SIGNIFICANT FINANCIAL FLEXIBILITY TO ACHIEVE VISION 2025 EXECUTING A BALANCED APPROACH TO CAPITAL ALLOCATION (VARIOUS SCENARIOS)

	2019 Est. Our business today	2025 Est. Organic volume growth & productivity	2025 Est. Repurchase 80M IP partnership units (\$1.4B) ⁽¹⁾	2025 Est. Repurchase 80M IP partnership units ⁽¹⁾ , acquire \$350M of EBITDA at 8.5x–6.0x post synergy
Sales	~\$6.2B	\$6.8B—\$7.2B	\$6.8B—\$7.2B	\$9.8B—\$10.0B
ADJ EBITDA	~\$1.03B	\$1.2B—\$1.4B	\$1.2B—\$1.4B	\$1.7B—\$1.9B
ADJ EBITDA Margin	~16.6%	18%—20%	18%—20%	17%—19%
Net Debt	\$2.7B	0—\$1B	\$1.4B—\$2.4B	\$4.4B—\$5.4B
Leverage Ratio	2.6x	0—0.75x	1.2x—1.7x	2.6x—2.9x
GPK Shares	290M	290M	290M	290M
IP Partnership Units	80M	80M	0	0
ROIC	~8%	10%—12%	10%—12%	9%—11%

(1) 80M IP partnership units assumed at \$18 per unit for \$1.4B (estimate only)

VISION 2025

GRAPHIC PACKAGING



- REDEFINING INDUSTRY LEADERSHIP WITH VISION 2025
- CAPTURING SUSTAINABILITY SUPPORTED ORGANIC GROWTH
- CLEAR PATH TO DELIVER PRODUCTIVITY DRIVEN MARGIN IMPROVEMENT
- STRONG FINANCIAL FLEXIBILITY TO ACHIEVE VISION 2025
- BALANCED CAPITAL ALLOCATION MAXIMIZING SHAREHOLDER RETURNS



APPENDIX

2019 GUIDANCE

	July 2019 Guidance	Sep 2019 Guidance
Cash Flow available for Net Debt Reduction, Dividends & Share Repurchase (before M&A/Capital Markets activity)	~\$525M	~\$525M
Capital Expenditures	\$325M	\$350M
Cash Pension Contributions	\$10M	\$10M
Pension Expense/(Income) <i>(includes pension amortization)</i>	\$15M	\$15M
Cash Taxes	\$35M	\$35M
Depreciation & Amortization <i>(excluding pension amortization)</i>	\$450M	\$455M
Pension Amortization	\$10M	\$10M
Interest Expense	\$140M	\$140M
Effective Tax Rate (Normalized)	25%	25%
Year End Net Leverage Ratio	2.5x-3.0x	2.5x-2.6x

NOTE: Guidance assumes no additional acquisitions or share repurchases

Cash Flow = ADJ EBITDA - Interest Expense - Cash Taxes - Pension Contributions - Cap Ex +/- Working Cap

VISION 2025



GROW WITH THE BEST CUSTOMERS IN THE BEST MARKETS



#1 paperboard market share in North America and Europe



100 - 200 bps/year sustainability supported, organic growth



\$400M - \$700M net new product sales 2020-2025 included in organic growth



Strategic, high return M&A



\$400M - \$500M in productivity 2020-2025 to drive margin growth



GENERATE SUPERIOR RETURNS

	2019 Est.	Vision 2025
Paperboard Integration	68%	80% - 90%
Sales	~\$6.2B	~\$10B
ADJ EBITDA Margin	~16.6%	18% - 20%
ROIC	~8%	10% - 12%
ADJ EPS	\$0.85	\$2.00+
Normalized Capex (% of Sales)	5%	5%



LEVERAGE INDUSTRY LEADING SUSTAINABILITY PROFILE, REDUCING IMPACT ON THE ENVIRONMENT



Reduce water usage by 15%



Reduce energy consumption by 15%



Reduce green house gases by 15%



Reduce LDPE usage by 40%



GPI products 100% recyclable



ENGAGE EMPLOYEES IN A HIGH-PERFORMANCE CULTURE



Top quartile engagement scores



Reduce LTIR from 0.3 to 0.2 (Safety)



Play on a winning team



GPI University 30 hours of training per employee, per year



Attract and retain the right talent

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

<i>In millions</i>	For the year ended December 31,		
	2018	2017	2016
Consolidated Net Sales	\$ 6,023.0	\$ 4,403.7	\$ 4,298.1
Net Income Attributable to Graphic Packaging Holding Company	\$ 221.1	\$ 300.2	\$ 228.0
Add (Subtract):			
Net (Loss) Income Attributable to Noncontrolling Interests	72.9	-	-
Income Tax Expense (Benefit)	54.7	(45.5)	93.2
Equity Income of Unconsolidated Entities	(1.2)	(1.7)	(1.8)
Interest Expense, Net	123.7	89.7	76.6
Depreciation and Amortization	436.9	337.3	327.4
EBITDA	908.1	680.0	723.4
Loss (Gain) on Sale, Shutdown, or Impairment of Assets	(38.6)	(3.7)	-
Business Combinations and Other Special Charges	70.0	35.9	40.4
Goodwill Impairment Charge	-	-	-
Extended Augusta Mill Outage	29.6	-	-
Alternative Fuel Tax Credits Net of Expenses	-	-	-
Loss on Modification or Extinguishment of Debt	1.9	-	-
Adjusted EBITDA	\$ 971.0	\$ 712.2	\$ 763.8
Adjusted EBITDA Margin %	16.1%	16.2%	17.8%
Net Income Attributable to Graphic Packaging Holding Company	\$ 221.1	\$ 300.2	\$ 228.0
Loss (Gain) on Sale, Shutdown, or Impairment of Assets	(38.6)	(3.7)	-
Business Combinations and Other Special Charges	70.0	35.9	40.4
Accelerated Depreciation Related to Shutdown	-	16.3	-
Extended Augusta Mill Outage	29.6	-	-
Loss on Modification or Extinguishment of Debt	1.9	-	-
Tax Impact on Non-recurring Items	(13.5)	(16.0)	(12.6)
Alternative Fuel Tax Credits Net of Expenses	-	-	-
Goodwill Impairment Charge	-	-	-
Tax Benefit Associated with Release of Tax Valuation Allowance	-	-	-
Impact of U.S. Tax Reform	(10.9)	(136.0)	-
Noncontrolling Interest, Net of Tax	(8.3)	-	-
One-time Discrete Tax Item	-	-	(22.4)
Adjusted Net Income Attributable to Graphic Packaging Holding Company	\$ 251.3	\$ 196.7	\$ 233.4
Adjusted Earnings Per Share - Basic	\$ 0.81	\$ 0.63	\$ 0.73
Adjusted Earnings Per Share - Diluted	\$ 0.81	\$ 0.63	\$ 0.73
Weighted Average Number of shares Outstanding - Basic	309.5	311.1	320.9
Weighted Average Number of shares Outstanding - Diluted	310.1	311.9	321.5
Calculation of Net Debt:			
Short Term Debt and Current Portion of Long-Term Debt	\$ 60.0	\$ 61.3	\$ 63.4
Long-Term Debt(a)	2,915.7	2,225.7	2,104.4
Less:			
Cash and Cash Equivalents	(70.5)	(67.4)	(59.1)
Total Net Debt	\$ 2,895.2	\$ 2,219.6	\$ 2,108.7
Net Leverage Ratio (Net Debt/Adjusted EBITDA)	\$ 2.98	\$ 3.12	\$ 2.76

(a) Excludes unamortized deferred debt issuance costs.



Graphic
Packaging
