
**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):** October 31, 2023

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 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On October 31, 2023, Graphic Packaging Holding Company issued a press release reporting its third quarter 2023 results. A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

As provided in General Instruction B.2 of Form 8-K, the information in this Item 2.02 and Exhibit 99.1 of this Form 8-K are being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

Exhibits

Exhibit Number Description

| | |
|------|---|
| 99.1 | Press release dated October 31, 2023 reporting third quarter 2023 results |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL 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: October 31, 2023

By: /s/ Lauren S. Tashma

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

Graphic Packaging Holding Company Reports Third Quarter 2023 Financial Results

Highlights

- Net Sales were \$2,349 million, a decrease of 4% versus the prior year quarter.
- Net Income was \$170 million, a decrease of 12% versus the prior year quarter.
- Adjusted EBITDA was \$482 million, an increase of 9% versus the prior year quarter.
- Earnings per Diluted Share were \$0.55, a decrease of 11% versus the prior year quarter.
- Adjusted Earnings per Diluted Share were \$0.74, an increase of 10% versus the prior year quarter.
- Continued progress of multi-year coated recycled paperboard (CRB) system transformation.
- Completed acquisition and commenced integration of Bell Incorporated in September.
- Published 2022 ESG Report demonstrating progress on Vision 2025 ESG goals.

ATLANTA, October 31, 2023 – Graphic Packaging Holding Company (NYSE: GPK), (the “Company”), a leading fiber-based consumer packaging company, today reported results for the third quarter of 2023.

Net Income for third quarter 2023 was \$170 million, or \$0.55 per share, based upon 309.2 million weighted average diluted shares. This compares to third quarter 2022 Net Income of \$193 million, or \$0.62 per share, based upon 309.6 million weighted average diluted shares.

The third quarters of 2023 and 2022 were impacted by a net negative \$42 million and a net positive \$3 million of special charges, respectively. When adjusting for special charges and amortization of purchased intangibles, Adjusted Net Income for the third quarter of 2023 was \$229 million, or \$0.74 per diluted share. This compares to third quarter 2022 Adjusted Net Income of \$207 million, or \$0.67 per diluted share.

Michael Doss, the Company’s President and CEO said, “We made further progress toward achieving Vision 2025 goals in the quarter, operating the business at sustained, higher margin levels supported by our innovation engine and focus on consumer packaging. Our multi-year CRB system transformation continues with the 550,000-ton K2 recycled paperboard machine fully ramped and operating at or above committed efficiency and quality levels. Correspondingly, with the recent decommissioning of our longest-running CRB machine, we have removed approximately 480,000 tons of higher-cost, less-efficient production capacity since beginning the project in 2019. Paperboard quality on our state-of-the-art machine is generating significant interest and we recently sold our first packaging solution utilizing the new Pacesetter Rainier recycled paperboard. Finally, in alignment with our balanced approach to capital allocation and investments for growth, we completed the Bell Incorporated acquisition during the quarter, further expanding our portfolio of solutions into new product categories.

“Despite the continuing modest impact to packaging volume caused by inventory normalization and some fluctuations in consumer purchasing behavior, we delivered Adjusted EBITDA growth and margin expansion in the quarter. We exercised a disciplined approach to production and actively managed our supply to the current demand environment. During the quarter, we reduced paperboard production by 150,000 tons. Importantly, we remain on track to achieve \$1.9 billion in Adjusted EBITDA, the midpoint of guidance for 2023, an increase of \$300 million from 2022. In addition, leverage exiting the year is expected to return to the lower end of our targeted range. We were pleased to publish our 2022 ESG Report in September, and to learn in early October the Science Based Targets initiative approved our 2032 carbon reduction goals. We are focused on driving innovation with customers and advancing the circularity of our products. As we do this, we are fulfilling our purpose to package life’s everyday moments for a renewable future.”

Operating Results

Net Sales

Net Sales decreased 4% to \$2,349 million in the third quarter of 2023, compared to \$2,451 million in the prior year period. The \$102 million decrease was driven by \$223 million of unfavorable volume/mix. This was partially offset by \$92 million of positive pricing and \$29 million of foreign exchange impact.

EBITDA

EBITDA for the third quarter of 2023 was \$448 million, \$16 million higher than the third quarter of 2022. After adjusting both periods for business combinations and other special charges, Adjusted EBITDA was \$482 million in the third quarter of 2023 versus \$441 million in the third quarter of 2022. When comparing against the prior year quarter, Adjusted EBITDA in the third quarter of 2023 was positively impacted by \$92 million in pricing, \$32 million in commodity input cost deflation, \$19 million in favorable net performance, and \$5 million of foreign exchange impact. This was partially offset by \$64 million in unfavorable volume/mix and \$43 million in labor, benefits and other inflation.

Other Results

Total Debt (Long-Term, Short-Term and Current Portion) increased \$73 million during the third quarter of 2023 to \$5,608 million compared to the second quarter of 2023. Total Net Debt (Total Debt less Cash and Cash Equivalents) increased \$52 million during the third quarter of 2023 to \$5,462 million compared to the second quarter of 2023. The Company returned \$39 million in total capital to stockholders, including \$31 million in dividend payments and \$8 million via share repurchases, in the third quarter of 2023. The Company's third quarter 2023 Net Leverage Ratio was 3.0x Adjusted EBITDA compared to 3.0x at the end of the second quarter 2023.

At September 30, 2023, the Company had available liquidity of \$1,185 million, including the undrawn availability under its global revolving credit facilities.

Net Interest Expense was \$62 million in the third quarter of 2023, higher when compared to \$53 million reported in the third quarter of 2022 due to higher interest rates.

Capital expenditures for the third quarter of 2023 were \$207 million, higher when compared to \$84 million in the third quarter of 2022 due to the Waco, Texas CRB mill project.

Third quarter 2023 Income Tax Expense was \$54 million, up from \$49 million in the third quarter of 2022.

Full Year 2023 Guidance

The Company updated its 2023 guidance to reflect current expectations and the acquisition of Bell Incorporated, which closed during the third quarter.

- Net Sales are expected to be \$9.5 billion to \$9.6 billion.
- Adjusted EBITDA is expected to be \$1.875 billion to \$1.925 billion.
- Adjusted Cash Flow is expected to be \$600 million to \$700 million.
- Net Leverage Ratio at year-end is expected to be 2.6x to 2.7x Adjusted EBITDA.
- Adjusted Earnings per Diluted Share (Excluding Amortization of Purchased Intangibles) is expected to be \$2.85 to \$3.00.

Non-GAAP Reconciliation

Please note that a tabular reconciliation of Net Organic Sales Growth, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Adjusted EPS (Excluding Amortization of Purchased Intangibles), Adjusted Net Cash Provided by Operating Activities, Adjusted Cash Flow and Total Net Debt is attached to this release.

Earnings Call

The Company will host a conference call at 10:00 a.m. ET today (October 31, 2023) to discuss the results of third quarter 2023. The conference call will be webcast and can be accessed from the Investors section of the Graphic Packaging website at www.graphicpkg.com. Participants may also listen via telephone by referencing conference ID 856688 and dialing:

- 833-470-1428 from the United States,
- 833-950-0062 from Canada, and
- 929-526-1599 from outside the United States and Canada.

Forward Looking Statements

Any statements of the Company's expectations in this press release, including but not limited to updated 2023 Net Sales, Adjusted EBITDA, Adjusted Cash Flow, Net Leverage Ratio and Adjusted Earning per Diluted Share guidance, 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, 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.

About Graphic Packaging Holding Company

Graphic Packaging Holding Company (NYSE: GPK), headquartered in Atlanta, Georgia, is committed to providing consumer packaging that makes a world of difference. The Company is a leading provider of sustainable fiber-based packaging solutions for a wide variety of products to food, beverage, foodservice, and other consumer products companies. The Company operates on a global basis, is one of the largest producers of folding cartons and paper-based foodservice products in the United States and Europe, and holds leading market positions in coated recycled paperboard, coated unbleached kraft paperboard and solid bleached sulfate paperboard. The Company's customers include many of the world's most widely-recognized companies and brands. Additional information about Graphic Packaging, its business and its products is available on the Company's web site at www.graphicpkg.com.

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| <i>In millions, except per share amounts</i> | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|---------------|------------------------------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| Net Sales | \$ 2,349 | \$ 2,451 | \$ 7,179 | \$ 7,054 |
| Cost of Sales | 1,799 | 1,940 | 5,563 | 5,715 |
| Selling, General and Administrative | 220 | 203 | 622 | 569 |
| Other Expense, Net | 15 | 6 | 48 | 6 |
| Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net | 28 | 9 | 62 | 126 |
| Income from Operations | 287 | 293 | 884 | 638 |
| Nonoperating Pension and Postretirement Benefit Income (Expense) | (1) | 2 | (2) | 5 |
| Interest Expense, Net | (62) | (53) | (180) | (143) |
| Income before Income Taxes | 224 | 242 | 702 | 500 |
| Income Tax Expense | (54) | (49) | (175) | (134) |
| Net Income | \$ 170 | \$ 193 | \$ 527 | \$ 366 |
| | | | | |
| Net Income Per Share — Basic | \$ 0.55 | \$ 0.63 | \$ 1.71 | \$ 1.18 |
| Net Income Per Share — Diluted | \$ 0.55 | \$ 0.62 | \$ 1.70 | \$ 1.18 |
| | | | | |
| Weighted Average Number of Shares Outstanding - Basic | 308.3 | 308.8 | 308.4 | 308.9 |
| Weighted Average Number of Shares Outstanding - Diluted | 309.2 | 309.6 | 309.3 | 309.7 |

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

In millions, except share and per share amounts

| | September 30, 2023 | December 31, 2022 |
|--|--------------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 146 | \$ 150 |
| Receivables, Net | 881 | 879 |
| Inventories, Net | 1,741 | 1,606 |
| Other Current Assets | 90 | 71 |
| Total Current Assets | 2,858 | 2,706 |
| Property, Plant and Equipment, Net | 4,799 | 4,579 |
| Goodwill | 2,072 | 1,979 |
| Intangible Assets, Net | 819 | 717 |
| Other Assets | 357 | 347 |
| Total Assets | \$ 10,905 | \$ 10,328 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Short-Term Debt and Current Portion of Long-Term Debt | \$ 762 | \$ 53 |
| Accounts Payable | 944 | 1,123 |
| Other Accrued Liabilities | 732 | 757 |
| Total Current Liabilities | 2,438 | 1,933 |
| Long-Term Debt | 4,821 | 5,200 |
| Deferred Income Tax Liabilities | 679 | 668 |
| Other Noncurrent Liabilities | 426 | 377 |
| SHAREHOLDERS' EQUITY | | |
| Preferred Stock, par value \$0.01 per share; 100,000,000 shares authorized; no shares issued or outstanding | — | — |
| Common Stock, par value \$0.01 per share; 1,000,000,000 shares authorized; 306,869,053 and 307,116,089 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively | 3 | 3 |
| Capital in Excess of Par Value | 2,059 | 2,054 |
| Retained Earnings | 876 | 469 |
| Accumulated Other Comprehensive Loss | (399) | (377) |
| Total Graphic Packaging Holding Company Shareholders' Equity | 2,539 | 2,149 |
| Noncontrolling Interest | 2 | 1 |
| Total Equity | 2,541 | 2,150 |
| Total Liabilities and Shareholders' Equity | \$ 10,905 | \$ 10,328 |

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| <i>In millions</i> | Nine Months Ended September 30, | |
|--|------------------------------------|---------|
| | 2023 | 2022 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net Income | \$ 527 | \$ 366 |
| Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities: | | |
| Depreciation and Amortization | 465 | 415 |
| Deferred Income Taxes | 18 | 67 |
| Amount of Postretirement Expense Less Than Funding | (6) | (17) |
| Other Asset Impairment Adjustments | 23 | 93 |
| Other, Net | 61 | 43 |
| Changes in Operating Assets and Liabilities | (386) | (347) |
| Net Cash Provided by Operating Activities | 702 | 620 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Capital Spending | (575) | (429) |
| Packaging Machinery Spending | (17) | (16) |
| Acquisition of Businesses, Net of Cash Acquired | (361) | — |
| Beneficial Interest on Sold Receivables | 110 | 83 |
| Beneficial Interest Obtained in Exchange for Proceeds | (27) | (2) |
| Other, Net | (5) | (3) |
| Net Cash Used in Investing Activities | (875) | (367) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repurchase of Common Stock | (37) | (22) |
| Payments on Debt | (18) | (10) |
| Borrowings under Revolving Credit Facilities | 3,631 | 3,166 |
| Payments on Revolving Credit Facilities | (3,266) | (3,387) |
| Repurchase of Common Stock related to Share-Based Payments | (22) | (18) |
| Dividends Paid | (92) | (69) |
| Other, Net | (8) | 9 |
| Net Cash Provided by (Used In) Financing Activities | 188 | (331) |
| Effect of Exchange Rate Changes on Cash | (8) | (11) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 7 | (89) |
| Cash and Cash Equivalents at Beginning of Period (includes \$5 million classified as held for sale as of December 31, 2022) | 155 | 172 |
| Cash and Cash Equivalents at End of Period (includes \$16 million and \$1 million as classified as held for sale as of September 30, 2023 and 2022 respectively) | \$ 162 | \$ 83 |

GRAPHIC PACKAGING HOLDING COMPANY
Reconciliation of Non-GAAP Financial Measures

The tables below set forth the calculation of the Company's earnings before interest expense, income tax expense, depreciation and amortization, including pension amortization ("EBITDA"), Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Earnings Per Share, Adjusted Net Cash Provided by Operating Activities, Adjusted Cash Flow, Net Leverage Ratio, Total Net Debt and Net Organic Sales Growth. Adjusted EBITDA and Adjusted Net Income exclude charges (income) associated with: the Company's business combinations, facility shutdowns, and other special charges. The Company's management believes that the presentation of EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted Earnings Per Share, Adjusted Net Cash Provided by Operating Activities, Adjusted Cash Flow, Net Leverage Ratio and Net Organic Sales Growth provides useful information to investors because these measures are regularly used by management in assessing the Company's performance. EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted Earnings Per Share, Adjusted Net Cash Provided by Operating Activities, Adjusted Cash Flow, Net Leverage Ratio, and Net Organic Sales Growth are financial measures not calculated in accordance with generally accepted accounting principles in the United States ("GAAP"), and are not measures of net income, operating income, operating performance, liquidity or net sales presented in accordance with GAAP.

EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted Earnings Per Share, Adjusted Net Cash Provided by Operating Activities, Adjusted Cash Flow, Net Leverage Ratio and Net Organic Sales Growth 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, our EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted Earnings Per Share, Adjusted Net Cash Provided by Operating Activities, Adjusted Cash Flow, Net Leverage Ratio and Net Organic Sales Growth may not be comparable to Adjusted EBITDA or similarly titled measures utilized by other companies since such other companies may not calculate such measures in the same manner as we do.

| <i>In millions, except per share amounts</i> | Three Months Ended | | Nine Months Ended | |
|--|--------------------|---------|-------------------|----------|
| | September 30, | | September 30, | |
| | 2023 | 2022 | 2023 | 2022 |
| Net Income | \$ 170 | \$ 193 | \$ 527 | \$ 366 |
| Add: | | | | |
| Income Tax Expense | 54 | 49 | 175 | 134 |
| Interest Expense, Net | 62 | 53 | 180 | 143 |
| Depreciation and Amortization | 162 | 137 | 469 | 418 |
| EBITDA | \$ 448 | \$ 432 | \$ 1,351 | \$ 1,061 |
| Charges Associated with Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net ^(a) | 34 | 9 | 68 | 126 |
| Adjusted EBITDA | \$ 482 | \$ 441 | \$ 1,419 | \$ 1,187 |
| Adjusted EBITDA Margin (Adjusted EBITDA/Net Sales) | 20.5 % | 18.0 % | 19.8 % | 16.8 % |
| Net Income | \$ 170 | \$ 193 | \$ 527 | \$ 366 |
| Charges Associated with Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net ^(a) | 34 | 9 | 68 | 126 |
| Accelerated Depreciation Related to Shutdown | 21 | — | 53 | 7 |
| Tax Impact of Business Combinations, Shutdown and Other Special Charges and Exit Activities, Net, Accelerated Depreciation and Other Tax Items | (13) | (12) | (28) | (9) |
| Amortization Related to Purchased Intangible Assets, Net of Tax | 17 | 17 | 49 | 51 |
| Adjusted Net Income ^(b) | \$ 229 | \$ 207 | \$ 669 | \$ 541 |
| Adjusted Earnings Per Share - Basic ^(b) | \$ 0.74 | \$ 0.67 | \$ 2.17 | \$ 1.75 |
| Adjusted Earnings Per Share - Diluted ^(b) | \$ 0.74 | \$ 0.67 | \$ 2.16 | \$ 1.75 |

^(a) For the three and nine months ended September 30, 2023, \$6 million is recorded in costs of sales for inventory write-offs related to the CRB machine decommission.

^(b) Excludes amortization related to purchased intangibles.

GRAPHIC PACKAGING HOLDING COMPANY
Reconciliation of Non-GAAP Financial Measures
(Continued)

| <i>In millions</i> | Twelve Months Ended | | |
|---|---------------------|---------------|--------------|
| | September 30, | September 30, | December 31, |
| | 2023 | 2022 | 2022 |
| Net Income | \$ 683 | \$ 405 | \$ 522 |
| Add (Subtract): | | | |
| Income Tax Expense | 235 | 144 | 194 |
| Interest Expense, Net | 234 | 178 | 197 |
| Depreciation and Amortization | 607 | 552 | 556 |
| EBITDA | 1,759 | 1,279 | 1,469 |
| Charges Associated with Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net | 73 | 192 | 131 |
| Adjusted EBITDA | \$ 1,832 | \$ 1,471 | \$ 1,600 |
| | | | |
| | | | |
| | | | |
| Calculation of Net Debt: | September 30, | September 30, | December 31, |
| | 2023 | 2022 | 2022 |
| Short-Term Debt and Current Portion of Long-Term Debt | \$ 762 | \$ 300 | \$ 53 |
| Long-Term Debt ^(a) | 4,846 | 5,227 | 5,230 |
| Less: | | | |
| Cash and Cash Equivalents | (146) | (82) | (150) |
| Total Net Debt | \$ 5,462 | \$ 5,445 | \$ 5,133 |
| | | | |
| Net Leverage Ratio (Total Net Debt/Adjusted EBITDA) | 2.98 | 3.70 | 3.21 |

^(a) Excludes unamortized deferred debt issue costs.

| <i>In millions</i> | Nine Months Ended | |
|---|-------------------|--------|
| | September 30, | |
| | 2023 | 2022 |
| Net Cash Provided by Operating Activities | \$ 702 | \$ 620 |
| Net Cash Receipts from Receivables Sold included in Investing Activities | 83 | 81 |
| Cash Payments Associated with Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net | 16 | 36 |
| Adjusted Net Cash Provided by Operating Activities | \$ 801 | \$ 737 |
| Capital Spending | (592) | (445) |
| Adjusted Cash Flow | \$ 209 | \$ 292 |

Calculation of Net Organic Sales Growth:

| <i>In millions</i> | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|----------|------------------------------------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| Net Sales | \$ 2,349 | \$ 2,451 | \$ 7,179 | \$ 7,054 |
| Open Market Paperboard Sales (Paperboard Mills Segment) | (236) | (345) | (804) | (933) |
| Impact of Purchased Sales from Acquisitions ^(a) | (9) | — | (9) | — |
| Impact of Pricing ^(a) | (98) | — | (454) | — |
| Impact of Foreign Exchange ^(b) | (29) | — | 8 | — |
| Net Organic Sales | \$ 1,977 | \$ 2,106 | \$ 5,920 | \$ 6,121 |
| <i>Net Organic Sales Growth</i> | (6.1)% | | (3.3)% | |

^(a) Represents pricing from converting sales, including price recovery from acquisitions.

^(b) Impact of Foreign Exchange is measured as the increase or decrease in sales for the current period by applying prior period foreign currency exchange rates to present a constant currency comparison to prior periods.