# 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): December 12, 2017 (December 6, 2017)**

GREIF
PACKAGING SUCCESS TOGETHER™

# GREIF, INC.
**(Exact name of registrant as specified in its charter)**

| Delaware | 001-00566 | 31-4388903 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| 425 Winter Road, Delaware, Ohio | 43015 |
|---|---|
| (Address of principal executive offices) | (Zip Code) |

**Registrant's telephone number, including area code: (740) 549-6000**

**Not Applicable**
**(Former name or former address, if changed since last report.)**

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. ☐

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 (see General Instruction A.2. below):

☐ 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))

**Section 2 – Financial Information**

**Item 2.02. Results of Operations and Financial Condition.**

On December 6, 2017, Greif, Inc. (the "Company") issued a press release (the "Earnings Release") announcing the financial results for its fiscal year and fourth quarter ended October 31, 2017. The full text of the Earnings Release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The Earnings Release included the following non-GAAP financial measures (the "non-GAAP Measures"):

(i) the Company's consolidated operating profit, before special items, for the fiscal year 2017, the fiscal year 2016, the fourth quarter of 2017 and the fourth quarter of 2016, which is equal to the Company's consolidated operating profit for the applicable period plus restructuring charges, plus acquisition-related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus losses on disposal of properties, plants, equipment and businesses, net, each on a consolidated basis for the applicable period;

(ii) the Company's net income, excluding the impact of special items, for the fiscal year 2017, the fiscal year 2016, the fourth quarter of 2017 and the fourth quarter of 2016, which is equal to the Company's consolidated net income for the applicable period plus restructuring charges, plus acquisition-related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus losses on disposal of properties, plants, equipment and businesses, net, each net of tax, noncontrolling interest and equity earnings of unconsolidated affiliates and on a consolidated basis for the applicable period;

(iii) earnings per diluted class A share of the Company, excluding the impact of special items, for the fiscal year 2017, the fiscal year 2016, the fourth quarter of 2017 and the fourth quarter of 2016, which is equal to earnings per diluted class A share of the Company for the applicable period plus restructuring charges, plus non-cash asset impairment charges, plus acquisition-related costs, plus non-cash pension settlement charges, plus losses on disposal of properties, plants, equipment and businesses, net, each net of tax, noncontrolling interest and equity earnings of unconsolidated affiliates and on a consolidated basis for the applicable period;

(iv) the Company's consolidated free cash flow for the fiscal year 2017, the fiscal year 2016, the fourth quarter of 2017 and the fourth quarter of 2016, which is equal to the Company's consolidated net cash provided by operating activities for the applicable period less cash paid for purchases of properties, plants and equipment for the applicable period;

(v) net sales excluding divestitures and foreign currency translation for the Company's Rigid Industrial Packaging & Services business segment for the fourth quarter of 2017 and the fourth quarter of 2016, which is equal to that business segment's net sales for the applicable quarter, after adjusting for divestitures occurring during fiscal years 2017 and 2016 as applicable to that business segment, and after adjusting the fourth quarter of 2017 for currency translation;

(vi) operating profit before special items for the Company's Rigid Industrial Packaging & Services business segment for the fourth quarter of 2017 and the fourth quarter of 2016, which is equal to that business segment's operating profit plus restructuring charges, plus acquisition-related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus losses on disposal of properties, plants, equipment and businesses, net, each for the applicable period; and

(vii) operating profit before special items for the Company's Flexible Products & Services business segment for the fourth quarter of 2017 and the fourth quarter of 2016, which is equal to that business segment's operating profit or loss, as applicable, plus restructuring charges, plus non-cash asset impairment charges, plus non-cash pension settlement charges, less gains on disposal of properties, plants, equipment and businesses, net, each for the applicable period.

(viii) operating profit before special items for the Company's Land Management business segment for the fourth quarter of 2017 and the fourth quarter of 2016, which is equal to that business segment's operating profit, plus restructuring charges, less gains on disposal of properties, plants, equipment and businesses, net, each for the applicable period.

The Earnings Release also included the following forward-looking non-GAAP measures:

(i) The Company's 2018 Class A earnings per share before special items, which is equal to earnings per diluted class A share of the Company for the applicable period plus restructuring charges, plus acquisition-related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, less gains on disposal of properties, plants, equipment and businesses, net, each net of tax, other income tax related events, noncontrolling interest and equity earnings of unconsolidated affiliates and on a consolidated basis for the applicable period; and

(ii) 2018 projected free cash flow which is equal to the Company's consolidated net cash provided by operating activities for the applicable period and scenario less cash paid for capital expenditures for the applicable period and scenario. A reconciliation of this forward-looking non-GAAP financial measure was included in the Earnings Release;

No reconciliation of the forward-looking non-GAAP financial measures were included in the Earnings Release for item (i) because, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable efforts.

Management of the Company uses the non-GAAP Measures to evaluate ongoing operations and believes that these non-GAAP Measures are useful to investors. The exclusion of the impact of the identified special items (restructuring charges, acquisition related costs, non-cash asset impairment charges, non-cash pension settlement charges and disposals of properties, plants, equipment and businesses, net), divestitures and currency translation enable management and investors to perform meaningful comparisons of current and historical performance of the Company. Management of the Company also believes that the exclusion of the impact of the identified special items, divestitures and currency translation provide a stable platform on which to compare the historical performance of the Company and that investors desire this information. Management believes that the use of consolidated free cash flow, which excludes cash paid for capital expenditures from the Company's consolidated net cash provided by operating activities, provides additional information on which to evaluate the cash flow generated by the Company and believes that this is information that investors find valuable. The non-GAAP Measures are intended to supplement and should be read together with our financial results. The non-GAAP Measures should not be considered an alternative or substitute for, and should not be considered superior to, our reported financial results. Accordingly, users of this financial information should not place undue reliance on the non-GAAP Measures.

**Section 7 – Regulation FD**

**Item 7.01. Regulation FD Disclosure.**

On December 7, 2017, management of the Company held a conference call with interested investors and financial analysts (the "Conference Call") to discuss the Company's financial results for its fourth quarter ended October 31, 2017. The file transcript of the Conference Call is attached as Exhibit 99.2 to this Current Report on Form 8-K.

**Section 9 – Financial Statements and Exhibits**

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

| Exhibit No. | Description |
|---|---|
| 99.1 | Press release issued by Greif, Inc. on December 6, 2017 announcing the financial results for its fiscal year and fourth quarter ended October 31, 2017. |
| 99.2 | File transcript of conference call with interested investors and financial analysts held by management of Greif, Inc. on December 7, 2017. |

SIGNATURES

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 hereunto duly authorized.

| | |
|---|---|
| | GREIF, INC. |
| Date: December 12, 2017 | By /s/ Lawrence A. Hilsheimer |
| | Lawrence A. Hilsheimer,<br>Executive Vice President and Chief Financial Officer |

EXHIBIT INDEX

| Exhibit No. | Description |
|---|---|
| 99.1 | Press release issued by Greif, Inc. on December 6, 2017 announcing the financial results for its fiscal year and fourth quarter ended October 31, 2017. |
| 99.2 | File transcript of conference call with interested investors and financial analysts held by management of Greif, Inc. on December 7, 2017. |

GREIF
PACKAGING SUCCESS TOGETHER™

# Greif Reports Fiscal 2017 and Fourth Quarter Results

DELAWARE, Ohio (December 6, 2017) – Greif, Inc. (NYSE: GEF, GEF.B), a world leader in industrial packaging products and services, today announced fiscal 2017 and fourth quarter results.

**Fiscal Year Highlights Include** (all results compared to the fiscal year 2016 unless otherwise noted) **:**

- Net sales increased by $314.6 million to $3,638.2 million .
- Gross profit increased by $29.8 million to $714.7 million .
- Operating profit increased by $46.8 million to $272.4 million , and operating profit before special items [1] increased by $26.7 million to $335.0 million . Operating profit before special items was negatively impacted by $5.3 million associated with adverse weather events and $4.6 million of professional advisory fees related to planning and execution of tax strategies not contemplated in our original guidance, which resulted in significant tax risk mitigation and tax savings.
- Income tax expense increased by $0.7 million to $67.2 million , but our effective tax rate decreased from 47.1 percent to 33.5 percent despite the fiscal 2016 one time tax benefit.
- Net income of $118.6 million or $2.02 per diluted Class A share compared to net income of $74.9 million or $1.28 per diluted Class A share. Net income, excluding the impact of special items, of $173.1 million or $2.95 per diluted Class A share compared to net income, excluding the impact of special items, of $143.5 million or $2.44 per diluted Class A share.
- Cash provided by operating activities increased by $4.0 million to $305.0 million . Free cash flow [2] increased by $7.3 to $208.2 million .

"We continued to make Greif a stronger and more profitable business in 2017, with solid earnings and cash generation" said Pete Watson, Greif's President and Chief Executive Officer. "Fiscal Year 2017 Class A earnings per share before special items rose by roughly 21 percent year over year; we generated more than $200 million in Free Cash Flow and returned nearly $100 million to shareholders. Our focus on customer service excellence continues to strengthen and we are driving a continuous improvement mindset to create stronger sustainable performance. Our plans for Fiscal 2018 and beyond remain focused on our teams being accountable to execute on our commitments and to deliver superior value to our customers and shareholders."

**Fourth Quarter Highlights Include** (all results compared to the fourth quarter 2016 unless otherwise noted) **:**

- Net sales increased by $100.5 million to $968.1 million .
- Gross profit decreased by $1.0 million to $182.4 million primarily related to adverse weather events.
- Operating profit increased by $6.8 million to $60.4 million and operating profit before special items increased by $1.9 million to $88.9 million .
- Income tax expense decreased by $23.1 million to $5.2 million .
- Net income of $33.3 million or $0.57 per diluted Class A share compared to net income of $8.5 million or $0.14 per diluted Class A share. Net income, excluding the impact of special items, of $57.8 million or $0.98 per diluted Class A share compared to net income, excluding the impact of special items, of $38.5 million or $0.65 per diluted Class A share.
- Cash provided by operating activities increased by $56.9 million to $199.9 million . Free cash flow increased by $53.9 million to $168.2 million .

1 A summary of all special items that are excluded from operating profit before special items, from net income before special items, and from earnings per diluted Class A share before special items is set forth in the Selected Financial Highlights table following the Dividend Summary in this release.

2 Free cash flow is defined as net cash provided by operating activities less cash paid for purchases of properties, plants and equipment.

Note: A reconciliation of the differences between all non-GAAP financial measures used in this release with the most directly comparable GAAP financial measures is included in the financial schedules that are a part of this release. These non-GAAP financial measures are intended to supplement and should be read together with our financial results. They should not be considered an alternative or substitute for, and should not be considered superior to, our reported financial results. Accordingly, users of this financial information should not place undue reliance on these non-GAAP financial measures.

**Notable Business Highlights**

Our three strategic priorities are:

1. Invest in our people and teams to foster a strong culture of employee engagement and accountability.
2. Deliver industry leading customer service excellence to achieve superior customer satisfaction and loyalty.
3. Strive for and realize performance excellence, leading to enhanced free cash flow and value creation.

Our goal is to be the best performing customer service company in industrial packaging in the world. We measure and track our customer performance through two metrics: the customer satisfaction index (CSI); and Net Promoter Score (NPS). NPS measures how likely a customer is to recommend Greif as a business partner.

Our consolidated CSI tracks a variety of internal metrics designed to enhance the customer experience in dealing with Greif. Our CSI improved by roughly 2% versus the prior year quarter, with the biggest improvement recorded in the Flexible Products & Services (FPS) segment, which generated a 17% improvement versus the prior year quarter. Our expectation is that each business segment deliver CSI at a 95 score or better. Our Paper Packaging & Services (PPS) segment has consistently performed at that level for many years. Our Rigid Industrial Packaging and Services (RIPS) and FPS segments are nearing that threshold.

We are finalizing the most recent NPS survey results, which will be shared as part of our first quarter 2018 earnings release. The NPS survey being finalized will be our fifth conducted since the beginning of the Transformation initiative.

From an operational standpoint, the business delivered a solid quarter despite weather related headwinds. Our third quarter earnings call was several days after Hurricane Harvey made landfall and at that time, we had estimated a $2.5 million adverse weather impact; in actuality, the impact was $5.3 million. RIPS - our largest business segment by revenue and operating profit - bore the brunt of these headwinds, but still generated higher year-over-year sales. RIPS gross profit margin was impacted by roughly $4 million related to Hurricane Harvey, rising raw material prices and the timing of contractual pass through mechanisms that will recover in the coming quarters. PPS - which consists of two paper mills and one of the newest corrugator networks in the containerboard industry - delivered strong volumes, higher specialty sales and realized previous containerboard price increases, which all helped to offset the impact of year-over-year old corrugated container inflation. FPS - the world’s largest producer of industrial flexible intermediate bulk containers - continues to demonstrate improvement, but was impacted by a $2.7 million expense during the quarter related to legacy claims.

Fourth quarter Class A earnings per share before special items was $0.98 per share versus $0.65 per share in the prior year quarter. Earnings benefited from higher year over year sales, lower SG&A expense, lower interest expense and a significantly reduced tax rate versus the prior year quarter. For fiscal 2017, we delivered Class A earnings per share before special items of $2.95 per share, which is at the high end our guidance range. Fiscal 2017 earnings benefited from a significant reduction in the company’s anticipated annual tax expense in the fourth quarter as a result of a reduction in anticipated pretax income, the realization of tax benefits from global tax initiatives in fiscal 2017, and certain one-time tax benefits realized in the fourth quarter of 2017. Fiscal 2017 Free Cash Flow totaled $208.2 million which exceeded our guidance. Fiscal 2018 guidance is included in this press release.

The end of Fiscal 2017 concludes our three year Transformation initiative. That initiative helped to refocus Greif on the importance of customer service excellence and re-oriented our business strategy towards delivering value improvements over purely volume gains. We have emerged from the Transformation with a stronger portfolio, one that is optimized for future growth if opportunities arise that generate appropriate returns. While the Transformation may have officially concluded, optimization activities identified during the initiative will continue into 2018. Furthermore, the financial discipline underlying our Transformation will continue and full year benefits of fiscal 2017 initiatives will be realized in 2018.

**Company Outlook**

Highlights of fiscal 2018 guidance are set forth below.

| | |
|---|---|
| Class A Earnings Per Share before Special Items | $3.25- $3.55 |
| Free Cash Flow | $200.0 million- $220.0 million |

Note: 2018 Class A Earnings per Share guidance is not provided in this release due to the potential for one or more of the following, the timing and magnitude of which we are unable to reliably forecast: gains or losses on the disposal of businesses, timberland or properties, plants and equipment, net, non-cash asset impairment charges due to unanticipated changes in the business, restructuring-related activities, non-cash pension settlement charges or acquisition costs, and the income tax effects of these items and other income tax-related events. No reconciliation of the fiscal year 2018 Class A earnings per share guidance, a non-GAAP financial measure which excludes gains and losses on the disposal of businesses, timberland and properties, plants and equipment, non-cash pension settlement charges, acquisition costs and restructuring and impairment charges is included in this release because, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible, we are unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts. A reconciliation of 2018 free cash flow guidance to forecasted net cash provided by operating activities, the most directly comparable GAAP financial measure, is included in this release.

**Segment Results** (all results compared to the fourth quarter of 2017 unless otherwise noted)

Net sales are impacted mainly by the volume of primary products [3] sold, selling prices, product mix and the impact of changes in foreign currencies against the U.S. Dollar. The tables below show the percentage impact of each of these items on net sales for our primary products, both including and excluding the impact of divestitures, for the fourth quarter of 2017 as compared to the fourth quarter of 2016 for the business segments with manufacturing operations:

| Net Sales Impact - Primary Products | Rigid Industrial Packaging & Services | Paper Packaging & Services | Flexible Products & Services |
|---|---|---|---|
| | % | % | % |
| **Currency Translation** | 1.8% | — | 3.7 % |
| **Volume** | 1.5% | 6.0% | (4.7)% |
| **Selling Prices and Product Mix** | 11.0% | 12.0% | 2.7 % |
| **Total Impact of Primary Products** | 14.3% | 18.0% | 1.7 % |

| Net Sales Impact - Primary Products, Excluding Divestitures: | Rigid Industrial Packaging & Services | Paper Packaging & Services | Flexible Products & Services |
|---|---|---|---|
| | % | % | % |
| **Currency Translation** | 1.8% | — | 3.7 % |
| **Volume** | 1.5% | 6.0% | (4.7)% |
| **Selling Prices and Product Mix** | 11.1% | 12.0% | 2.7 % |
| **Total Impact of Primary Products** | 14.4% | 18.0% | 1.7 % |

(3) Primary products are manufactured steel, plastic and fibre drums; intermediate bulk containers; linerboard, medium, corrugated sheets and corrugated containers; and 1&2 loop and 4 loop flexible intermediate bulk containers.

**Rigid Industrial Packaging & Services**

Net sales increased by $59.6 million to $662.5 million. Divestitures negatively impacted net sales by $2.5 million and foreign currency translation benefited net sales by $9.8 million. Net sales excluding divestitures and foreign currency translation increased by $52.3 million due primarily to a 11.1 percent increase in selling prices and product mix on our primary products stemming from strategic pricing decisions and increases in index prices.

Gross profit decreased by $12.0 million to $118.9 million due to raw material price increases and a $4.4 million impact from adverse weather events.

Operating profit decreased by $6.0 million to $24.5 million. Operating profit before special items decreased by $7.9 million to $52.5 million, due primarily to the same factors that impacted gross profit, offset by a reduction in this segment's selling, general and administrative expenses.

**Paper Packaging & Services**

Net sales increased by $34.0 million to $223.0 million. The increase was due primarily to an increase in volumes in our mills and CorrChoice sheet feeder network and increased sales of specialty products.

Gross profit increased by $10.0 million to $49.0 million primarily due to the same factors that impacted net sales, partially offset by a $0.5 million impact from adverse weather events and higher year over year raw material costs.

Operating profit increased by $9.0 million to $33.7 million primarily due to the same factors that impacted gross profit.

**Flexible Products & Services**

Net sales increased by $7.1 million to $76.2 million due primarily to strategic pricing decisions.

Gross profit increased by $0.3 million to $12.0 million due primarily to the same factors that impacted net sales above, offset by increased reserves for legacy claims.

Operating profit increased by $3.9 million to $0.3 million. Operating profit before special items increased by $0.5 million to $0.6 million primarily due to the same factors that impacted gross profit.

**Land Management**

Net sales decreased by $0.2 million to $6.4 million primarily due to a decrease in timber sales and a $0.4 million impact from adverse weather events.

Operating profit decreased by $0.1 million to $1.9 million. Operating profit before special items increased by $0.4 million to $1.8 million primarily due to the same factors that impacted net sales offset by a reduction in transportation costs.

**Dividend Summary**

On December 5, 2017, the Board of Directors declared quarterly cash dividends of $0.42 per share of Class A Common Stock and $0.62 per share of Class B Common Stock. Dividends are payable on January 1, 2018, to stockholders of record at the close of business on December 18, 2017.

Investor Relations Contact: Matt Eichmann
740-549-6067
matt.eichmann@greif.com

**Exhibit 99.1**

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**SELECTED FINANCIAL HIGHLIGHTS**
UNAUDITED

| *(in millions, except for per share amounts)* | Three months ended October 31, 2017 | Three months ended October 31, 2016 | Twelve months ended October 31, 2017 | Twelve months ended October 31, 2016 |
|---|---|---|---|---|
| Selected Financial Highlights | | | | |
| Net sales | $ 968.1 | $ 867.6 | $ 3,638.2 | $ 3,323.6 |
| Gross profit | 182.4 | 183.4 | 714.7 | 684.9 |
| Gross profit margin | 18.8% | 21.1% | 19.6% | 20.6% |
| Operating profit | 60.4 | 53.6 | 272.4 | 225.6 |
| Operating profit before special items | 88.9 | 87.0 | 335.0 | 308.3 |
| EBITDA | 89.4 | 83.9 | 382.9 | 345.1 |
| EBITDA before special items | 117.9 | 117.3 | 445.5 | 427.8 |
| Cash provided by operating activities | 199.9 | 143.0 | 305.0 | 301.0 |
| Free cash flow | 168.2 | 114.3 | 208.2 | 200.9 |
| Net income attributable to Greif, Inc. | 33.3 | 8.5 | 118.6 | 74.9 |
| Diluted Class A earnings per share attributable to Greif, Inc. | $ 0.57 | $ 0.14 | $ 2.02 | $ 1.28 |
| Diluted Class A earnings per share attributable to Greif, Inc. before special items | $ 0.98 | $ 0.65 | $ 2.95 | $ 2.44 |
| Special items | | | | |
| Restructuring charges | $ 4.0 | $ 9.0 | $ 12.7 | $ 26.9 |
| Acquisition-related costs | 0.7 | 0.1 | 0.7 | 0.2 |
| Non-cash asset impairment charges | 14.9 | 6.5 | 20.8 | 51.4 |
| Non-cash pension settlement charge | 1.5 | — | 27.1 | — |
| Loss on disposal of properties, plants and equipment and businesses, net | 7.4 | 17.8 | 1.3 | 4.2 |
| Total special items | $ 28.5 | $ 33.4 | $ 62.6 | $ 82.7 |
| Total special items, net of tax and noncontrolling interest | 24.5 | 30.0 | 54.5 | 68.6 |
| Impact of total special items, net of tax, on diluted Class A earnings per share attributable to Greif, Inc. | $ 0.41 | $ 0.51 | $ 0.93 | $ 1.16 |

| | October 31, 2017 | October 31, 2016 |
|---|---|---|
| Operating working capital [4] | $ 327.3 | $ 304.6 |

[4] Operating working capital is defined as trade accounts receivable plus inventories less accounts payable.

**Conference Call**

The Company will host a conference call to discuss the fourth quarter of 2017 results on December 7, 2017, at 8:30 a.m. Eastern Time (ET). To participate, domestic callers should call (833) 231-8265. The Greif ID is 9388796. The number for international callers is +1-(647) 689-4110. Phone lines will open at 8:00 a.m. ET. The conference call will also be available through a live webcast, including slides, which can be accessed at http://investor.greif.com by clicking on the Events and Presentations tab and searching under the events calendar. A replay of the conference call will be available on the Company's website approximately two hours following the call.

**About Greif**

Greif is a global leader in industrial packaging products and services and is pursuing its vision to become the world's best performing customer service company in industrial packaging. The Company produces steel, plastic, fibre, flexible, corrugated, and reconditioned containers, intermediate bulk containers, containerboard and packaging accessories, and provides filling, packaging and industrial packaging reconditioning services for a wide range of industries. Greif also manages timber properties in the southeastern United States. The Company is strategically positioned with production facilities in over 45 countries to serve global as well as regional customers. Additional information is on the Company's website at www.greif.com.

**Forward-Looking Statements**

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "may," "will," "expect," "intend," "estimate," "anticipate," "aspiration," "objective," "project," "believe," "continue," "on track" or "target" or the negative thereof and similar expressions, among others, identify forward-looking statements. All forward-looking statements are based on assumptions, expectations and other information currently available to management. Such forward-looking statements are subject to certain risks and uncertainties that could cause the Company's actual results to differ materially from those forecasted, projected or anticipated, whether expressed or implied. The most significant of these risks and uncertainties are described in Part I of the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2017. The Company undertakes no obligation to update or revise any forward-looking statements.

Although the Company believes that the expectations reflected in forward-looking statements have a reasonable basis, the Company can give no assurance that these expectations will prove to be correct. Forward-looking statements are subject to risks and uncertainties that could cause the Company's actual results to differ materially from those forecasted, projected or anticipated, whether expressed in or implied by the statements. Such risks and uncertainties that might cause a difference include, but are not limited to, the following: (i) historically, our business has been sensitive to changes in general economic or business conditions, (ii) we may not successfully implement our business strategies, including achieving our transformation and growth objectives, (iii) our operations subject us to currency exchange and political risks that could adversely affect our results of operations, (iv) the current and future challenging global economy and disruption and volatility of the financial and credit markets may adversely affect our business, (v) the continuing consolidation of our customer base and suppliers may intensify pricing pressure, (vi) we operate in highly competitive industries, (vii) our business is sensitive to changes in industry demands, (viii) raw material and energy price fluctuations and shortages may adversely impact our manufacturing operations and costs, (ix) geopolitical conditions, including direct or indirect acts of war or terrorism, could have a material adverse effect on our operations and financial results, (x) we may encounter difficulties arising from acquisitions, (xi) in connection with acquisitions or divestitures, we may become subject to liabilities, (xii) we may incur additional restructuring costs and there is no guarantee that our efforts to reduce costs will be successful, (xiii) tax legislation initiatives or challenges to our tax positions may adversely impact our results or condition, (xiv) full realization of our deferred tax assets may be affected by a number of factors, (xv) several operations are conducted by joint ventures that we cannot operate solely for our benefit, (xvi) certain of the agreements that govern our joint ventures provide our partners with put or call options, (xvii) our ability to attract, develop and retain talented and qualified employees, managers and executives is critical to our success, (xviii) our business may be adversely impacted by work stoppages and other labor relations matters, (xix) we may not successfully identify illegal immigrants in our workforce, (xx) our pension and postretirement plans are underfunded and will require future cash contributions and our required future cash contributions could be higher than we expect, each of which could have a material adverse effect on our financial condition and liquidity, (xxi) we may be subject to losses that might not be covered in whole or in part by existing insurance reserves or insurance coverage, (xxii) our business depends on the uninterrupted operations of our facilities, systems and business functions, including our information technology (IT) and other business systems, (xxiii) a security breach of customer, employee, supplier or Company information may have a material adverse effect on our business, financial condition and results of operations, (xxiv) legislation/regulation related to environmental and health and safety matters and corporate social responsibility could negatively impact our operations and financial performance, (xxv) product liability claims and other legal proceedings could adversely affect our operations and financial performance, (xxvi) we may incur fines or penalties, damage to our reputation or other adverse consequences if our employees, agents or business partners violate, or are alleged to have violated, anti-bribery, competition or other laws, (xxvii) changing climate,

climate change regulations and greenhouse gas effects may adversely affect our operations and financial performance, (xxviii) the frequency and volume of our timber and timberland sales will impact our financial performance, (xxix) changes in U.S. generally accepted accounting principles (U.S. GAAP) and SEC rules and regulations could materially impact our reported results, (xxx) if the Company fails to maintain an effective system of internal control, the Company may not be able to accurately report financial results or prevent fraud, and (xxxi) the Company has a significant amount of goodwill and long-lived assets which, if impaired in the future, would adversely impact our results of operations. The risks described above are not all-inclusive, and given these and other possible risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. For a detailed discussion of the most significant risks and uncertainties that could cause our actual results to differ materially from those forecasted, projected or anticipated, see “Risk Factors” in Part I, Item 1A of our most recently filed Form 10-K and our other filings with the Securities and Exchange Commission. All forward-looking statements made in this news release are expressly qualified in their entirety by reference to such risk factors. Except to the limited extent required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**
UNAUDITED

| *(in millions, except per share amounts)* | Three months ended October 31, 2017 | Three months ended October 31, 2016 | Twelve months ended October 31, 2017 | Twelve months ended October 31, 2016 |
|---|---|---|---|---|
| Net sales | $ 968.1 | $ 867.6 | $ 3,638.2 | $ 3,323.6 |
| Cost of products sold | 785.7 | 684.2 | 2,923.5 | 2,638.7 |
| Gross profit | 182.4 | 183.4 | 714.7 | 684.9 |
| Selling, general and administrative expenses | 94.2 | 96.5 | 380.4 | 376.8 |
| Restructuring charges | 4.0 | 9.0 | 12.7 | 26.9 |
| Non-cash asset impairment charges | 14.9 | 6.5 | 20.8 | 51.4 |
| Non-cash pension settlement charge | 1.5 | — | 27.1 | — |
| (Gain) loss on disposal of properties, plants and equipment, net | 3.5 | (0.8) | (0.4) | (10.3) |
| Loss on disposal of businesses, net | 3.9 | 18.6 | 1.7 | 14.5 |
| Operating profit | 60.4 | 53.6 | 272.4 | 225.6 |
| Interest expense, net | 13.4 | 17.2 | 60.1 | 75.4 |
| Other expense, net | 3.8 | 1.6 | 12.0 | 9.0 |
| Income before income tax expense and equity earnings of unconsolidated affiliates, net | 43.2 | 34.8 | 200.3 | 141.2 |
| Income tax expense | 5.2 | 28.3 | 67.2 | 66.5 |
| Equity earnings of unconsolidated affiliates, net of tax | (1.7) | — | (2.0) | (0.8) |
| Net income | 39.7 | 6.5 | 135.1 | 75.5 |
| Net (income) loss attributable to noncontrolling interests | (6.4) | 2.0 | (16.5) | (0.6) |
| Net income attributable to Greif, Inc. | $ 33.3 | $ 8.5 | $ 118.6 | $ 74.9 |
| **Basic earnings per share attributable to Greif, Inc. common shareholders:** | | | | |
| Class A Common Stock | $ 0.57 | $ 0.14 | $ 2.02 | $ 1.28 |
| Class B Common Stock | $ 0.85 | $ 0.22 | $ 3.02 | $ 1.90 |
| **Diluted earnings per share attributable to Greif, Inc. common shareholders:** | | | | |
| Class A Common Stock | $ 0.57 | $ 0.14 | $ 2.02 | $ 1.28 |
| Class B Common Stock | $ 0.85 | $ 0.22 | $ 3.02 | $ 1.90 |
| **Shares used to calculate basic earnings per share attributable to Greif, Inc. common shareholders:** | | | | |
| Class A Common Stock | 25.8 | 25.8 | 25.8 | 25.8 |
| Class B Common Stock | 22.0 | 22.0 | 22.0 | 22.1 |
| **Shares used to calculate diluted earnings per share attributable to Greif, Inc. common shareholders:** | | | | |
| Class A Common Stock | 25.8 | 25.8 | 25.8 | 25.8 |
| Class B Common Stock | 22.0 | 22.0 | 22.0 | 22.1 |

Exhibit 99.1

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
UNAUDITED

| *(in millions)* | October 31, 2017 | October 31, 2016 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 142.3 | $ 103.7 |
| Trade accounts receivable | 447.0 | 399.2 |
| Inventories | 279.5 | 277.4 |
| Other current assets | 125.7 | 132.0 |
| | 994.5 | 912.3 |
| LONG-TERM ASSETS | | |
| Goodwill | 785.4 | 786.4 |
| Intangible assets | 98.0 | 110.6 |
| Assets held by special purpose entities | 50.9 | 50.9 |
| Other long-term assets | 115.1 | 120.9 |
| | 1,049.4 | 1,068.8 |
| PROPERTIES, PLANTS AND EQUIPMENT | 1,188.4 | 1,171.9 |
| | $ 3,232.3 | $ 3,153.0 |
| **LIABILITIES AND EQUITY** | | |
| CURRENT LIABILITIES | | |
| Accounts payable | $ 399.2 | $ 372.0 |
| Short-term borrowings | 14.5 | 51.6 |
| Current portion of long-term debt | 15.0 | — |
| Other current liabilities | 259.2 | 235.6 |
| | 687.9 | 659.2 |
| LONG-TERM LIABILITIES | | |
| Long-term debt | 937.8 | 974.6 |
| Liabilities held by special purpose entities | 43.3 | 43.3 |
| Other long-term liabilities | 484.3 | 486.2 |
| | 1,465.4 | 1,504.1 |
| REDEEMABLE NONCONTROLLING INTERESTS | 31.5 | 31.8 |
| EQUITY | | |
| Total Greif, Inc. equity | 1,010.9 | 947.4 |
| Noncontrolling interests | 36.6 | 10.5 |
| | 1,047.5 | 957.9 |
| | $ 3,232.3 | $ 3,153.0 |

Exhibit 99.1

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**
UNAUDITED

| *(in millions)* | Three months ended October 31, 2017 | Three months ended October 31, 2016 | Twelve months ended October 31, 2017 | Twelve months ended October 31, 2016 |
|---|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net income | $ 39.7 | $ 6.5 | $ 135.1 | $ 75.5 |
| Depreciation, depletion and amortization | 31.1 | 31.9 | 120.5 | 127.7 |
| Asset impairments | 14.9 | 6.5 | 20.8 | 51.4 |
| Pension settlement loss | 1.5 | — | 27.1 | — |
| Other non-cash adjustments to net income | 16.1 | 30.7 | 6.2 | 9.8 |
| Operating working capital changes | 65.5 | 50.0 | (30.6) | 24.2 |
| Deferred purchase price on sold receivables | 35.9 | 25.4 | 5.1 | 5.2 |
| Increase (decrease) in cash from changes in other assets and liabilities | (4.8) | (8.0) | 20.8 | 7.2 |
| Net cash provided by operating activities | 199.9 | 143.0 | 305.0 | 301.0 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Acquisitions of businesses, net of cash acquired | — | — | — | (0.4) |
| Collection of subordinated note receivable | — | — | — | 44.2 |
| Purchases of properties, plants and equipment | (31.7) | (28.7) | (96.8) | (100.1) |
| Purchases of and investments in timber properties | (2.2) | (2.4) | (9.5) | (7.1) |
| Purchases of properties, plants and equipment with insurance proceeds | — | — | — | (4.4) |
| Proceeds from the sale of properties, plants and equipment, businesses, timberland and other assets | 1.7 | 1.4 | 15.5 | 36.1 |
| Proceeds on insurance recoveries | — | — | 0.4 | 6.6 |
| Net cash used in investing activities | (32.2) | (29.7) | (90.4) | (25.1) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Payments on debt, net | (100.1) | (77.8) | (72.8) | (159.8) |
| Dividends paid to Greif, Inc. shareholders | (24.7) | (24.7) | (98.6) | (98.7) |
| Other | (0.1) | 0.9 | (4.2) | (14.3) |
| Net cash used in financing activities | (124.9) | (101.6) | (175.6) | (272.8) |
| Reclassification of cash to assets held for sale | 5.5 | — | — | — |
| Effects of exchange rates on cash | (0.6) | (2.3) | (0.4) | (5.6) |
| **Net increase (decrease) in cash and cash equivalents** | 47.7 | 9.4 | 38.6 | (2.5) |
| Cash and cash equivalents, beginning of period | 94.6 | 94.3 | 103.7 | 106.2 |
| Cash and cash equivalents, end of period | $ 142.3 | $ 103.7 | $ 142.3 | $ 103.7 |

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**FINANCIAL HIGHLIGHTS BY SEGMENT**
UNAUDITED

| | Three months ended October 31, | | Twelve months ended October 31, | |
|---|---|---|---|---|
| *(in millions)* | 2017 | 2016 | 2017 | 2016 |
| **Net sales:** | | | | |
| Rigid Industrial Packaging & Services | $ 662.5 | $ 602.9 | $ 2,522.7 | $ 2,324.2 |
| Paper Packaging & Services | 223.0 | 189.0 | 800.9 | 687.1 |
| Flexible Products & Services | 76.2 | 69.1 | 286.4 | 288.1 |
| Land Management | 6.4 | 6.6 | 28.2 | 24.2 |
| Total net sales | $ 968.1 | $ 867.6 | $ 3,638.2 | $ 3,323.6 |
| **Operating profit (loss):** | | | | |
| Rigid Industrial Packaging & Services | $ 24.5 | $ 30.5 | $ 173.4 | $ 143.9 |
| Paper Packaging & Services | 33.7 | 24.7 | 83.3 | 89.1 |
| Flexible Products & Services | 0.3 | (3.6) | 5.7 | (15.5) |
| Land Management | 1.9 | 2.0 | 10.0 | 8.1 |
| Total operating profit | $ 60.4 | $ 53.6 | $ 272.4 | $ 225.6 |
| **EBITDA [(5)] :** | | | | |
| Rigid Industrial Packaging & Services | $ 43.4 | $ 50.3 | $ 241.9 | $ 223.8 |
| Paper Packaging & Services | 41.9 | 32.7 | 115.3 | 120.7 |
| Flexible Products & Services | 1.4 | (2.3) | 11.1 | (11.3) |
| Land Management | 2.7 | 3.2 | 14.6 | 11.9 |
| Total EBITDA | $ 89.4 | $ 83.9 | $ 382.9 | $ 345.1 |
| **EBITDA before special items:** | | | | |
| Rigid Industrial Packaging & Services | $ 71.4 | $ 80.2 | $ 294.9 | $ 293.6 |
| Paper Packaging & Services | 42.2 | 33.1 | 126.1 | 123.3 |
| Flexible Products & Services | 1.7 | 1.4 | 12.3 | 0.6 |
| Land Management | 2.6 | 2.6 | 12.2 | 10.3 |
| Total EBITDA before special items | $ 117.9 | $ 117.3 | $ 445.5 | $ 427.8 |

(5) EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization. However, because the Company does not calculate net income by segment, this table calculates EBITDA by segment with reference to operating profit (loss) by segment, which, as demonstrated in the table of Consolidated EBITDA, is another method to achieve the same result. See the reconciliations in the table of Segment EBITDA.

Exhibit 99.1

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**FINANCIAL HIGHLIGHTS BY GEOGRAPHIC REGION**
UNAUDITED

| *(in millions)* | Three months ended October 31, 2017 | Three months ended October 31, 2016 | Twelve months ended October 31, 2017 | Twelve months ended October 31, 2016 |
|---|---|---|---|---|
| **Net sales:** | | | | |
| United States | $ 473.1 | $ 431.8 | $ 1,779.3 | $ 1,610.8 |
| Europe, Middle East and Africa | 351.6 | 302.5 | 1,322.4 | 1,208.4 |
| Asia Pacific and other Americas | 143.4 | 133.3 | 536.5 | 504.4 |
| Total net sales | $ 968.1 | $ 867.6 | $ 3,638.2 | $ 3,323.6 |
| **Gross profit:** | | | | |
| United States | $ 103.7 | $ 100.0 | $ 380.8 | $ 360.1 |
| Europe, Middle East and Africa | 56.3 | 57.9 | 245.8 | 227.3 |
| Asia Pacific and other Americas | 22.4 | 25.5 | 88.1 | 97.5 |
| Total gross profit | $ 182.4 | $ 183.4 | $ 714.7 | $ 684.9 |

**Exhibit 99.1**

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**GAAP TO NON-GAAP RECONCILIATION**
**OPERATING WORKING CAPITAL**
UNAUDITED

| *(in millions)* | October 31, 2017 | October 31, 2016 |
|---|---|---|
| Trade accounts receivable | $ 447.0 | $ 399.2 |
| Plus: inventories | 279.5 | 277.4 |
| Less: accounts payable | 399.2 | 372.0 |
| Operating working capital | $ 327.3 | $ 304.6 |

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**GAAP TO NON-GAAP RECONCILIATION**
**CONSOLIDATED EBITDA [6]**
UNAUDITED

| | Three months ended October 31, | | Twelve months ended October 31, | |
|---|---|---|---|---|
| *(in millions)* | **2017** | **2016** | **2017** | **2016** |
| Net income | $ 39.7 | $ 6.5 | $ 135.1 | $ 75.5 |
| Plus: Interest expense, net | 13.4 | 17.2 | 60.1 | 75.4 |
| Plus: Income tax expense | 5.2 | 28.3 | 67.2 | 66.5 |
| Plus: Depreciation, depletion and amortization expense | 31.1 | 31.9 | 120.5 | 127.7 |
| EBITDA | $ 89.4 | $ 83.9 | $ 382.9 | $ 345.1 |
| Net income | $ 39.7 | $ 6.5 | $ 135.1 | $ 75.5 |
| Plus: Interest expense, net | 13.4 | 17.2 | 60.1 | 75.4 |
| Plus: Income tax expense | 5.2 | 28.3 | 67.2 | 66.5 |
| Plus: Other expense, net | 3.8 | 1.6 | 12.0 | 9.0 |
| Less: equity earnings of unconsolidated affiliates, net of tax | (1.7) | — | (2.0) | (0.8) |
| Operating profit | 60.4 | 53.6 | 272.4 | 225.6 |
| Less: Other expense, net | 3.8 | 1.6 | 12.0 | 9.0 |
| Less: equity earnings of unconsolidated affiliates, net of tax | (1.7) | — | (2.0) | (0.8) |
| Plus: Depreciation, depletion and amortization expense | 31.1 | 31.9 | 120.5 | 127.7 |
| EBITDA | $ 89.4 | $ 83.9 | $ 382.9 | $ 345.1 |

[6] EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization. As demonstrated in this table, EBITDA can also be calculated with reference to operating profit.

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**GAAP TO NON-GAAP RECONCILIATION**
**SEGMENT EBITDA [7]**
UNAUDITED

| | Three months ended October 31, | | Twelve months ended October 31, | |
|---|---|---|---|---|
| *(in millions)* | **2017** | **2016** | **2017** | **2016** |
| **Rigid Industrial Packaging & Services** | | | | |
| Operating profit | $ 24.5 | $ 30.5 | $ 173.4 | $ 143.9 |
| Less: other expense, net | 3.1 | 1.1 | 10.5 | 5.5 |
| Less: equity earnings of unconsolidated affiliates, net of tax | (1.7) | — | (2.0) | (0.8) |
| Plus: depreciation and amortization expense | 20.3 | 20.9 | 77.0 | 84.6 |
| EBITDA | $ 43.4 | $ 50.3 | $ 241.9 | $ 223.8 |
| Restructuring charges | 3.6 | 7.8 | 11.2 | 19.0 |
| Acquisition-related costs | 0.5 | 0.1 | 0.5 | 0.2 |
| Non-cash asset impairment charges | 14.9 | 3.5 | 20.5 | 43.3 |
| Non-cash pension settlement charge | 1.4 | — | 16.7 | — |
| Loss on disposal of properties, plants, equipment, and businesses, net | 7.6 | 18.5 | 4.1 | 7.3 |
| EBITDA before special items | $ 71.4 | $ 80.2 | $ 294.9 | $ 293.6 |
| **Paper Packaging & Services** | | | | |
| Operating profit | $ 33.7 | $ 24.7 | $ 83.3 | $ 89.1 |
| Less: other income, net | — | — | (0.1) | — |
| Plus: depreciation and amortization expense | 8.2 | 8.0 | 31.9 | 31.6 |
| EBITDA | $ 41.9 | $ 32.7 | $ 115.3 | $ 120.7 |
| Restructuring charges | — | 0.4 | 0.3 | 1.5 |
| Acquisition-related costs | 0.2 | — | 0.2 | — |
| Non-cash asset impairment charges | — | — | — | 1.5 |
| Non-cash pension settlement charge | 0.1 | — | 10.2 | — |
| (Gain) loss on disposal of properties, plants, equipment, net | — | — | 0.1 | (0.4) |
| EBITDA before special items | $ 42.2 | $ 33.1 | $ 126.1 | $ 123.3 |
| **Flexible Products & Services** | | | | |
| Operating profit (loss) | $ 0.3 | $ (3.6) | $ 5.7 | $ (15.5) |
| Less: other expense, net | 0.7 | 0.5 | 1.6 | 3.5 |
| Plus: depreciation and amortization expense | 1.8 | 1.8 | 7.0 | 7.7 |
| EBITDA | $ 1.4 | $ (2.3) | $ 11.1 | $ (11.3) |
| Restructuring charges | 0.4 | 0.7 | 1.2 | 6.3 |
| Non-cash asset impairment charges | — | 3.0 | 0.3 | 6.6 |
| Non-cash pension settlement charge | — | — | 0.1 | — |
| Gain on disposal of properties, plants, equipment and businesses, net | (0.1) | — | (0.4) | (1.0) |
| EBITDA before special items | $ 1.7 | $ 1.4 | $ 12.3 | $ 0.6 |
| **Land Management** | | | | |
| Operating profit | $ 1.9 | $ 2.0 | $ 10.0 | $ 8.1 |
| Plus: depreciation, depletion and amortization expense | 0.8 | 1.2 | 4.6 | 3.8 |
| EBITDA | $ 2.7 | $ 3.2 | $ 14.6 | $ 11.9 |
| Restructuring charges | — | 0.1 | — | 0.1 |
| Non-cash pension settlement charge | — | — | 0.1 | — |
| Gain on disposal of properties, plants, equipment, net | (0.1) | (0.7) | (2.5) | (1.7) |
| EBITDA before special items | $ 2.6 | $ 2.6 | $ 12.2 | $ 10.3 |
| Consolidated EBITDA | $ 89.4 | $ 83.9 | $ 382.9 | $ 345.1 |
| Consolidated EBITDA before special items | $ 117.9 | $ 117.3 | $ 445.5 | $ 427.8 |

[7] EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization. However, because the Company does not calculate net income by segment, this table calculates EBITDA by segment with reference to operating profit (loss) by segment, which, as demonstrated in the table of Consolidated EBITDA, is another method to achieve the same result.

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**GAAP TO NON-GAAP RECONCILIATION**
**FREE CASH FLOW [8]**
UNAUDITED

| *(in millions)* | Three months ended October 31, 2017 | Three months ended October 31, 2016 | Twelve months ended October 31, 2017 | Twelve months ended October 31, 2016 |
|---|---|---|---|---|
| **Net cash provided by operating activities** | $ 199.9 | $ 143.0 | $ 305.0 | $ 301.0 |
| Cash paid for purchases of properties, plants and equipment | (31.7) | (28.7) | (96.8) | (100.1) |
| **Free Cash Flow** | $ 168.2 | $ 114.3 | $ 208.2 | $ 200.9 |

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**PROJECTED 2018 GUIDANCE RECONCILIATION**
**FREE CASH FLOW**
UNAUDITED

| *(in millions)* | Fiscal 2018 Forecast Range Scenario 1 | Fiscal 2018 Forecast Range Scenario 2 |
|---|---|---|
| **Net cash provided by operating activities** | $ 300.0 | $ 340.0 |
| Cash paid for purchases of properties, plants and equipment | (100.0) | (120.0) |
| **Free Cash Flow** | $ 200.0 | $ 220.0 |

[8] Free Cash Flow is defined as net cash provided by operating activities less cash paid for purchases of properties, plants and equipment.

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**GAAP TO NON-GAAP RECONCILIATION**
**SEGMENT OPERATING PROFIT (LOSS) BEFORE SPECIAL ITEMS [9]**
UNAUDITED

| *(in millions)* | Three months ended October 31, 2017 | Three months ended October 31, 2016 | Twelve months ended October 31, 2017 | Twelve months ended October 31, 2016 |
|---|---|---|---|---|
| **Operating profit (loss):** | | | | |
| Rigid Industrial Packaging & Services | $ 24.5 | $ 30.5 | $ 173.4 | $ 143.9 |
| Paper Packaging & Services | 33.7 | 24.7 | 83.3 | 89.1 |
| Flexible Products & Services | 0.3 | (3.6) | 5.7 | (15.5) |
| Land Management | 1.9 | 2.0 | 10.0 | 8.1 |
| Total operating profit | $ 60.4 | $ 53.6 | $ 272.4 | $ 225.6 |
| **Restructuring charges:** | | | | |
| Rigid Industrial Packaging & Services | $ 3.6 | $ 7.8 | $ 11.2 | $ 19.0 |
| Paper Packaging & Services | — | 0.4 | 0.3 | 1.5 |
| Flexible Products & Services | 0.4 | 0.7 | 1.2 | 6.3 |
| Land Management | — | 0.1 | — | 0.1 |
| Total restructuring charges | $ 4.0 | $ 9.0 | $ 12.7 | $ 26.9 |
| **Acquisition-related costs:** | | | | |
| Rigid Industrial Packaging & Services | $ 0.5 | $ 0.1 | $ 0.5 | $ 0.2 |
| Paper Packaging & Services | 0.2 | — | 0.2 | — |
| Total acquisition-related costs | $ 0.7 | $ 0.1 | $ 0.7 | $ 0.2 |
| **Non-cash asset impairment charges:** | | | | |
| Rigid Industrial Packaging & Services | $ 14.9 | $ 3.5 | $ 20.5 | $ 43.3 |
| Paper Packaging & Services | — | — | — | 1.5 |
| Flexible Products & Services | — | 3.0 | 0.3 | 6.6 |
| Total non-cash asset impairment charges | $ 14.9 | $ 6.5 | $ 20.8 | $ 51.4 |
| **Non-cash pension settlement charge:** | | | | |
| Rigid Industrial Packaging & Services | $ 1.4 | $ — | $ 16.7 | $ — |
| Paper Packaging & Services | 0.1 | — | 10.2 | — |
| Flexible Products & Services | — | — | 0.1 | — |
| Land Management | — | — | 0.1 | — |
| Total non-cash pension settlement charge | $ 1.5 | $ — | $ 27.1 | $ — |
| **(Gain) loss on disposal of properties, plants, equipment and businesses, net:** | | | | |
| Rigid Industrial Packaging & Services | $ 7.6 | $ 18.5 | $ 4.1 | $ 7.3 |
| Paper Packaging & Services | — | — | 0.1 | (0.4) |
| Flexible Products & Services | (0.1) | — | (0.4) | (1.0) |
| Land Management | (0.1) | (0.7) | (2.5) | (1.7) |
| Total loss on disposal of properties, plants, equipment and businesses, net | $ 7.4 | $ 17.8 | $ 1.3 | $ 4.2 |
| **Operating profit (loss) before special items:** | | | | |
| Rigid Industrial Packaging & Services | $ 52.5 | $ 60.4 | $ 226.4 | $ 213.7 |
| Paper Packaging & Services | 34.0 | 25.1 | 94.1 | 91.7 |
| Flexible Products & Services | 0.6 | 0.1 | 6.9 | (3.6) |
| Land Management | 1.8 | 1.4 | 7.6 | 6.5 |
| Total operating profit before special items | $ 88.9 | $ 87.0 | $ 335.0 | $ 308.3 |

[9] Operating profit (loss) before special items is defined as operating profit (loss), plus restructuring charges, plus acquisition-related costs, plus non-cash pension settlement charge, plus non-cash impairment charges, less gain on disposal of properties, plants, equipment, net.

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**GAAP TO NON-GAAP RECONCILIATION**
**NET INCOME AND CLASS A EARNINGS PER SHARE BEFORE SPECIAL ITEMS**
UNAUDITED
(Dollars in millions, except for per share amounts)

| | Income before Income Tax Expense and Equity Earnings of Unconsolidated Affiliates, net | Income Tax Expense (Benefit) | Equity earnings of unconsolidated affiliates | Non-Controlling Interest | Net Income Attributable to Greif, Inc. | Diluted Class A Earnings Per Share |
|---|---|---|---|---|---|---|
| **Three months ended October 31, 2017** | $ 43.2 | $ 5.2 | $ (1.7) | $ 6.4 | $ 33.3 | $ 0.57 |
| Loss on disposal of properties, plants, equipment and businesses, net | 7.4 | 1.5 | — | (0.1) | 6.0 | 0.10 |
| Restructuring charges | 4.0 | 0.1 | — | 0.2 | 3.7 | 0.06 |
| Non-cash asset impairment charges | 14.9 | 0.1 | — | — | 14.8 | 0.25 |
| Acquisition-related costs | 0.7 | 0.2 | — | — | 0.5 | 0.01 |
| Non-cash pension settlement charge | 1.5 | 2.0 | — | — | (0.5) | (0.01) |
| Excluding Special Items | $ 71.7 | $ 9.1 | $ (1.7) | $ 6.5 | $ 57.8 | $ 0.98 |
| | | | | | | |
| **Three months ended October 31, 2016** | $ 34.8 | $ 28.3 | $ — | $ (2.0) | $ 8.5 | $ 0.14 |
| Loss on disposal of properties, plants, equipment and businesses, net | 17.8 | 0.5 | — | — | 17.3 | 0.29 |
| Restructuring charges | 9.0 | 1.3 | — | 0.3 | 7.4 | 0.13 |
| Non-cash asset impairment charges | 6.5 | (0.7) | — | 1.9 | 5.3 | 0.09 |
| Acquisition-related costs | 0.1 | 0.1 | — | — | — | — |
| Excluding Special Items | $ 68.2 | $ 29.5 | $ — | $ 0.2 | $ 38.5 | $ 0.65 |
| | | | | | | |
| **Twelve months ended October 31, 2017** | $ 200.3 | $ 67.2 | $ (2.0) | $ 16.5 | $ 118.6 | $ 2.02 |
| Loss on disposal of properties, plants, equipment and businesses, net | 1.3 | (0.7) | — | (0.2) | 2.2 | 0.04 |
| Restructuring charges | 12.7 | (2.2) | — | 0.6 | 14.3 | 0.24 |
| Non-cash asset impairment charges | 20.8 | 0.1 | — | 0.1 | 20.6 | 0.35 |
| Acquisition-related costs | 0.7 | 0.2 | — | — | 0.5 | 0.01 |
| Non-cash pension settlement charge | 27.1 | 10.2 | — | — | 16.9 | 0.29 |
| Excluding Special Items | $ 262.9 | $ 74.8 | $ (2.0) | $ 17.0 | $ 173.1 | $ 2.95 |
| | | | | | | |
| **Twelve months ended October 31, 2016** | $ 141.2 | $ 66.5 | $ (0.8) | $ 0.6 | $ 74.9 | $ 1.28 |
| Loss on disposal of properties, plants, equipment and businesses, net | 4.2 | (2.1) | — | (0.7) | 7.0 | 0.12 |
| Restructuring charges | 26.9 | 4.9 | — | 2.9 | 19.1 | 0.33 |
| Non-cash asset impairment charges | 51.4 | 5.2 | — | 3.8 | 42.4 | 0.71 |
| Acquisition-related costs | 0.2 | 0.1 | — | — | 0.1 | — |
| Excluding Special Items | $ 223.9 | $ 74.6 | $ (0.8) | $ 6.6 | $ 143.5 | $ 2.44 |

The impact of income tax expense and non-controlling interest on each special item is calculated based on tax rates and ownership percentages specific to each applicable entity. Included in the year ended October 31, 2017 restructuring charges special item is a $4.4 million income tax charge due to a change in assertions related to unremitted foreign earnings as a result of the restructuring of our intercompany debt portfolio. The tax rate excluding the impact of special items for the fourth quarter of 2017 was 12.7 percent and in fiscal 2017 was 28.5 percent.

Exhibit 99.1

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**GAAP TO NON-GAAP RECONCILIATION**
**SELECTED FINANCIAL INFORMATION**
**EXCLUDING THE IMPACT OF DIVESTITURES**
UNAUDITED

| | Three months ended October 31, | | | Twelve months ended October 31, | | |
|---|---|---|---|---|---|---|
| *(in millions)* | **2017** | **Impact of Divestitures** | **Excluding the Impact of Divestitures** | **2017** | **Impact of Divestitures** | **Excluding the Impact of Divestitures** |
| **Net Sales:** | | | | | | |
| Rigid Industrial Packaging & Services | $ 662.5 | $ — | $ 662.5 | $ 2,522.7 | $ 1.8 | $ 2,520.9 |
| Paper Packaging & Services | 223.0 | — | 223.0 | 800.9 | — | 800.9 |
| Flexible Products & Services | 76.2 | — | 76.2 | 286.4 | — | 286.4 |
| Land Management | 6.4 | — | 6.4 | 28.2 | — | 28.2 |
| Consolidated | $ 968.1 | $ — | $ 968.1 | $ 3,638.2 | $ 1.8 | $ 3,636.4 |
| | | | | | | |
| **Gross Profit:** | | | | | | |
| Rigid Industrial Packaging & Services | $ 118.9 | $ (0.4) | $ 119.3 | $ 502.2 | $ (0.1) | $ 502.3 |
| Paper Packaging & Services | 49.0 | — | 49.0 | 150.9 | — | 150.9 |
| Flexible Products & Services | 12.0 | — | 12.0 | 51.1 | — | 51.1 |
| Land Management | 2.5 | — | 2.5 | 10.5 | — | 10.5 |
| Consolidated | $ 182.4 | $ (0.4) | $ 182.8 | $ 714.7 | $ (0.1) | $ 714.8 |
| | | | | | | |
| **Operating Profit:** | | | | | | |
| Rigid Industrial Packaging & Services | $ 24.5 | $ (0.6) | $ 25.1 | $ 173.4 | $ (0.5) | $ 173.9 |
| Paper Packaging & Services | 33.7 | — | 33.7 | 83.3 | — | 83.3 |
| Flexible Products & Services | 0.3 | — | 0.3 | 5.7 | — | 5.7 |
| Land Management | 1.9 | — | 1.9 | 10.0 | — | 10.0 |
| Consolidated | $ 60.4 | $ (0.6) | $ 61.0 | $ 272.4 | $ (0.5) | $ 272.9 |
| | | | | | | |
| **Operating profit before special items [10] :** | | | | | | |
| Rigid Industrial Packaging & Services | $ 52.5 | $ (0.5) | $ 53.0 | $ 226.4 | $ (0.5) | $ 226.9 |
| Paper Packaging & Services | 34.0 | — | 34.0 | 94.1 | — | 94.1 |
| Flexible Products & Services | 0.6 | — | 0.6 | 6.9 | — | 6.9 |
| Land Management | 1.8 | — | 1.8 | 7.6 | — | 7.6 |
| Consolidated | $ 88.9 | $ (0.5) | $ 89.4 | $ 335.0 | $ (0.5) | $ 335.5 |

(10) See table contained herein entitled GAAP to Non-GAAP Reconciliation Segment Operating Profit (Loss) Before Special Items for a reconciliation of each segment's operating profit (loss) before special items.

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**GAAP TO NON-GAAP RECONCILIATION**
**SELECTED FINANCIAL INFORMATION**
**EXCLUDING THE IMPACT OF DIVESTITURES (CONTINUED)**
UNAUDITED

| | Three months ended October 31, | | | Twelve months ended October 31, | | |
|---|---|---|---|---|---|---|
| *(in millions)* | 2016 | Impact of Divestitures | Excluding the Impact of Divestitures | 2016 | Impact of Divestitures | Excluding the Impact of Divestitures |
| **Net Sales:** | | | | | | |
| Rigid Industrial Packaging & Services | $ 602.9 | $ 2.5 | $ 600.4 | $ 2,324.2 | $ 62.4 | $ 2,261.8 |
| Paper Packaging & Services | 189.0 | — | 189.0 | 687.1 | — | 687.1 |
| Flexible Products & Services | 69.1 | — | 69.1 | 288.1 | 6.5 | 281.6 |
| Land Management | 6.6 | — | 6.6 | 24.2 | — | 24.2 |
| Consolidated | $ 867.6 | $ 2.5 | $ 865.1 | $ 3,323.6 | $ 68.9 | $ 3,254.7 |
| **Gross Profit:** | | | | | | |
| Rigid Industrial Packaging & Services | $ 130.9 | $ 0.3 | $ 130.6 | $ 489.4 | $ 5.3 | $ 484.1 |
| Paper Packaging & Services | 39.0 | — | 39.0 | 144.5 | — | 144.5 |
| Flexible Products & Services | 11.7 | — | 11.7 | 42.0 | 1.1 | 40.9 |
| Land Management | 1.8 | — | 1.8 | 9.0 | — | 9.0 |
| Consolidated | $ 183.4 | $ 0.3 | $ 183.1 | $ 684.9 | $ 6.4 | $ 678.5 |
| **Operating Profit (loss):** | | | | | | |
| Rigid Industrial Packaging & Services | $ 30.5 | $ (0.4) | $ 30.9 | $ 143.9 | $ (19.2) | $ 163.1 |
| Paper Packaging & Services | 24.7 | — | 24.7 | 89.1 | — | 89.1 |
| Flexible Products & Services | (3.6) | — | (3.6) | (15.5) | 0.3 | (15.8) |
| Land Management | 2.0 | — | 2.0 | 8.1 | — | 8.1 |
| Consolidated | $ 53.6 | $ (0.4) | $ 54.0 | $ 225.6 | $ (18.9) | $ 244.5 |
| **Operating profit (loss) before special items [11]:** | | | | | | |
| Rigid Industrial Packaging & Services | $ 60.4 | $ — | $ 60.4 | $ 213.7 | $ (1.3) | $ 215.0 |
| Paper Packaging & Services | 25.1 | — | 25.1 | 91.7 | — | 91.7 |
| Flexible Products & Services | 0.1 | — | 0.1 | (3.6) | 0.3 | (3.9) |
| Land Management | 1.4 | — | 1.4 | 6.5 | — | 6.5 |
| Consolidated | $ 87.0 | $ — | $ 87.0 | $ 308.3 | $ (1.0) | $ 309.3 |

[11] See table contained herein entitled GAAP to Non-GAAP Reconciliation Segment Operating Profit (Loss) Before Special Items for a reconciliation of each segment's operating profit (loss) before special items.

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**GAAP TO NON-GAAP RECONCILIATION**
**NET SALES TO NET SALES EXCLUDING THE IMPACT OF DIVESTITURES AND CURRENCY TRANSLATION**
UNAUDITED

| | Three months ended October 31, | | | |
|---|---|---|---|---|
| *(in millions)* | **2017** | **2016** | **Increase in Net Sales ($)** | **Increase in Net Sales (%)** |
| **Net Sales** | $ 968.1 | $ 867.6 | $ 100.5 | 11.6% |
| Impact of Divestitures | — | 2.5 | | |
| **Net Sales Excluding the Impact of Divestitures** | $ 968.1 | $ 865.1 | | |
| Currency Translation | 12.2 | N/A | | |
| **Net Sales Excluding the Impact of Divestitures and Currency Translation** | $ 955.9 | $ 865.1 | $ 90.8 | 10.5% |

| | Twelve months ended October 31, | | | |
|---|---|---|---|---|
| *(in millions)* | **2017** | **2016** | **Increase in Net Sales ($)** | **Increase in Net Sales (%)** |
| **Net Sales** | $ 3,638.2 | $ 3,323.6 | $ 314.6 | 9.5% |
| Impact of Divestitures | 1.8 | 68.9 | | |
| **Net Sales Excluding the Impact of Divestitures** | $ 3,636.4 | $ 3,254.7 | | |
| Currency Translation | (23.1) | N/A | | |
| **Net Sales Excluding the Impact of Divestitures and Currency Translation** | $ 3,659.5 | $ 3,254.7 | $ 404.8 | 12.4% |

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**GAAP TO NON-GAAP RECONCILIATION**
**RIGID INDUSTRIAL PACKAGING & SERVICES**
**NET SALES TO NET SALES EXCLUDING THE IMPACT OF DIVESTITURES AND CURRENCY TRANSLATION**
UNAUDITED

| *(in millions)* | Three months ended October 31, 2017 | Three months ended October 31, 2016 | Increase in Net Sales ($) | Increase in Net Sales (%) |
|---|---|---|---|---|
| **Net Sales** | $ 662.5 | $ 602.9 | $ 59.6 | 9.9% |
| Impact of Divestitures | — | 2.5 | | |
| **Net Sales Excluding the Impact of Divestitures** | $ 662.5 | $ 600.4 | | |
| Currency Translation | 9.8 | N/A | | |
| **Net Sales Excluding the Impact of Divestitures and Currency Translation** | $ 652.7 | $ 600.4 | $ 52.3 | 8.7% |

| *(in millions)* | Twelve months ended October 31, 2017 | Twelve months ended October 31, 2016 | Increase in Net Sales ($) | Increase in Net Sales (%) |
|---|---|---|---|---|
| **Net Sales** | $ 2,522.7 | $ 2,324.2 | $ 198.5 | 8.5% |
| Impact of Divestitures | 1.8 | 62.4 | | |
| **Net Sales Excluding the Impact of Divestitures** | $ 2,520.9 | $ 2,261.8 | | |
| Currency Translation | (16.6) | N/A | | |
| **Net Sales Excluding the Impact of Divestitures and Currency Translation** | $ 2,537.5 | $ 2,261.8 | $ 275.7 | 12.2% |

**GREIF, INC. AND SUBSIDIARY COMPANIES**
**GAAP TO NON-GAAP RECONCILIATION**
**PRIMARY PRODUCTS [12]**
**NET SALES TO NET SALES EXCLUDING THE IMPACT OF DIVESTITURES**
UNAUDITED

| *(in millions)* | Three months ended October 31, 2017 | Three months ended October 31, 2016 | Increase in Primary Products Net Sales ($) | Increase in Primary Products Net Sales (%) |
|---|---|---|---|---|
| **Rigid Industrial Packaging & Services** | | | | |
| Primary Products Net Sales | $ 590.6 | $ 516.9 | | |
| Impact of Divestitures | — | (0.7) | | |
| Primary Products Net Sales Excluding the Impact of Divestitures | $ 590.6 | $ 516.2 | $ 74.4 | 14.4% |
| **Paper Packaging & Services** | | | | |
| Primary Products Net Sales | $ 222.1 | $ 188.3 | | |
| Impact of Divestitures | — | — | | |
| Primary Products Net Sales Excluding the Impact of Divestitures | $ 222.1 | $ 188.3 | $ 33.8 | 18.0% |
| **Flexible Products & Services** | | | | |
| Primary Products Net Sales | $ 69.2 | $ 68.1 | | |
| Impact of Divestitures | — | — | | |
| Primary Products Net Sales Excluding the Impact of Divestitures | $ 69.2 | $ 68.1 | $ 1.1 | 1.6% |

[12] Primary products are manufactured steel, plastic and fibre drums; intermediate bulk containers; linerboard, medium, corrugated sheets and corrugated containers; and 1&2 loop and 4 loop flexible intermediate bulk containers.

**Greif, Inc.**
**Fourth Quarter 2017 Earnings Results Conference Call**
**December 7, 2017**

## CORPORATE PARTICIPANTS

**Lawrence A. Hilsheimer** *Greif, Inc. - CFO and EVP*

**Matt Eichmann** *Greif, Inc. - VP of IR & Corporate Communications*

**Peter G. Watson** *Greif, Inc. - CEO, President and Director*

## CONFERENCE CALL PARTICIPANTS

**Adam Jesse Josephson** *KeyBanc Capital Markets Inc., Research Division - Director and Senior Equity Research Analyst*

**Christopher David Manuel** *Wells Fargo Securities, LLC, Research Division - MD & Senior Analyst*

**Daniel Andres Jacome** *Sidoti & Company, LLC - Research Analyst*

**George Leon Staphos** *BofA Merrill Lynch, Research Division - MD and Co-Sector Head in Equity Research*

**Ghansham Panjabi** *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

**Justin Laurence Bergner** *G. Research, LLC - VP*

**Ketan Mamtora** *BMO Capital Markets U.S. - Analyst*

## PRESENTATION

**Operator**

Good morning. My name is Kelly, and I will be your conference operator today. At this time, I would like to welcome everyone to the Greif Fourth Quarter and Fiscal 2017 Earnings Conference Call. (Operator Instructions) Thank you. Matt Eichmann, you may begin your conference.

**Matt Eichmann** - *Greif, Inc. - VP of IR & Corporate Communications*

Thank you, Kelly. Good morning, everyone. Welcome to Greif's Fourth Quarter and Fiscal 2017 Earnings Conference Call. Joining us on the call today are Pete Watson, Greif's President and Chief Executive Officer; and Larry Hilsheimer, Greif's Chief Financial Officer. Pete and Larry will be available to answer questions at the end of today's call.

In accordance with regulation fair disclosure, I encourage you to ask questions regarding issues you consider material because we are prohibited from discussing significant nonpublic items with you on an individual basis. (Operator Instructions)

Please turn to Slide 2. As a reminder, during today's call, we will make forward-looking statements involving plans, expectations and beliefs related to future events. Actual results could differ materially from those discussed. Additionally, we will be referencing certain non-GAAP financial measures, and reconciliation to the most directly comparable GAAP metrics is contained in the appendix of today's presentation.

And now I turn the presentation over to Pete on Slide 3.

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

Thank you, Matt, and good morning, everyone. Welcome to our call.

Our fourth quarter and fiscal year 2017 performance reflects sustained improvement across our entire portfolio. Net sales for the fourth quarter and fiscal 2017 were $968 million and $3.6 billion, up 12% and 9%, respectively, versus prior year. Strong quarterly sales benefited from strategic pricing decisions, higher selling prices and stronger volumes in most of our businesses. Fourth quarter and fiscal 2017 operating profit before special items grew to $89 million and $335 million, up 2% and 9%, respectively, versus the prior year. Fourth quarter operating profit before special items benefited from year-over-year reduction in SG&A expense and was negatively impacted by more than $5 million headwind related to Hurricane Harvey and its resulting downstream effects to the supply chain.

Fourth quarter and fiscal 2017 Class A earnings per share before special items grew to $0.98 per share and $2.95 per share, up 51% and 21%, respectively, versus prior year. Earnings grew to the higher year-over-year operating profit, lower interest expense and significant lower tax expense that Larry Hilsheimer will discuss in greater detail in a moment. Finally, fourth quarter and fiscal year 2017 free cash flow grew to $168 million and $208 million, up 47% and 4%, respectively, versus the prior year.

Please turn to Slide 4. We're making steady progress toward achieving our vision of customer service excellence. Each of our businesses reported Customer Satisfaction Index improvements versus the prior year quarter, and we've made notable gains over the last several years.

Going forward, our expectation is that each of our segments operate with a Customer Satisfaction Index level of 95% or greater. We believe unparalleled levels of service will differentiate us in the market.

Please turn to Slide 5. Before I briefly review Greif's performance by segment, I want to highlight our portfolio's improvement over the last 3 years. As you know, we embarked on a transformation initiative in 2006 -- excuse me, 2015. Since then, we've upgraded our team's capabilities, we've embedded a strong foundation of customer service excellence across the global organization, we've optimized our portfolio by closing or divesting 42 noncore or underperforming operations, we've reoriented the enterprise toward achieving value and margin over volume through a reenergized Greif business system, and those changes have resulted in significant improvements in our financial performance.

Please turn to Slide 6. This slide, we've overlaid our improving financial performance with our Customer Satisfaction Index scores. As mentioned earlier, customer service is the foundation of our success, and we're pleased with the emerging relationship linking service to profit.

Please turn to Slide 7, and I'll review Greif's segment performance. In Rigid Packaging and Services segment, we delivered fourth quarter results that were negatively impacted by adverse weather and greater volatility in our raw material prices. Our RIPS fourth quarter sales were $60 million higher year-over-year due to selling prices stemming from index price increases and strategic pricing decisions. Fourth quarter gross profit dollars were lower year-over-year due to raw material inflation and a $4 million headwind relating to adverse weather conditions in North America. RIPS gross profit margin was lower versus the prior year quarter as a result of those rapid increases in raw material prices and the timing of contractual pass-throughs. We expect RIPS gross profit margin to improve sequentially in quarter 1 2018 as the impact of the price adjustment mechanisms are realized. RIPS' fourth quarter operating profit before special items decreased by $8 million year-over-year, primarily due to the same factors that impacted our gross profit, which were partially offset by lower SG&A expenses.

In North America, fourth quarter steel drum volumes were up 1.3%, while fiber drum volumes were flat year-over-year. Intermediate bulk container volumes were up more than 20% versus the prior year quarter. North America was particularly impacted by Hurricane Harvey, which resulted in unplanned customer outages, lower customer demand for steel and plastic drums in the Gulf Coast and lower demand for our filling services business during the quarter.

Latin America delivered solid volume growth in Q4 across all substrates versus the prior year quarter, thanks to a strong Brazilian juice season, customer share increases and much better operating discipline followed by a planned rooftop consolidation in Brazil.

EMEA steel drum volumes were up more than 5% versus the prior year quarter, where much of that growth related to stronger conical drum demand in Southern Europe. We also experienced growth in intermediate bulk container volumes.

Finally, APAC's fourth quarter steel intermediate bulk container and plastic drum volume fell year-over-year due to ongoing competitive marketing conditions and a proactive decisions on margin and value over volume decisions.

Looking into fiscal 2018, we expect steel and plastic drum volumes to grow in the low to mid-single digits. We also anticipate further acceleration of our global IBC strategy.

Please turn to Slide 8. Our Paper Packaging & Services segment delivered solid fourth quarter results despite a challenging 2017 marked by rising input cost. Our fourth quarter revenue of $223 million were the highest quarter this year. Revenue benefited from strong volumes in both our mill system and our CorrChoice sheet feeder network, improving sales mix and the impact of realized container price increases. CorrChoice delivered volume growth of 5%, which outpaced industry growth of 1% for our fiscal quarter.

Specialty sales accelerated 17% versus the prior year quarter. Fourth quarter operating profit before special items grew by $9 million versus the prior year quarter, aided by containerboard price increases implemented throughout the fiscal year, solid unit growth on all businesses and ongoing margin enhancement tied to specialty sales growth. While OCC pressures eased during our fiscal fourth quarter, for the year, they remained a substantial headwind.

Looking into 2018, Paper Packaging will benefit from realized containerboard price increases implemented over the course of fiscal 2017 and higher anticipated specialty sales. In our fiscal 2018 guidance, we assume index prices of $113 a ton in November, December and January before rising throughout the year. Our assumption for a blended OCC cost for the entire year is $152 a ton. Given our current assumptions, we expect PPS' operating profit before special items to increase by $20 million versus fiscal 2017's actual results.

Finally, our triple-wall bulk packaging expansion in Louisville, Kentucky remains on track for a mid-2018 start-up. This project will increase our ability to grow in higher-margin products and increase our overall integration levels.

I ask you to please turn to Slide 9. We continue to be pleased with the pace of change and improved performance displayed by the Flexible Products & Services team. FPS generated sales of $76 million in the fourth quarter, a 10% improvement versus the prior year as a result of more disciplined operational execution and better demand in Western Europe and APAC. On the face of it, FPS' fourth quarter gross profit dollars were flat to a year ago, while margin declined by 120 basis points. However, gross profit was negatively impacted by a $2.7 million reserve for legacy claims. Excluding that expense, our gross profit margin was greater than 19% during the fourth quarter. This headwind obviously impacted FPS' operating profit before special items as well. Despite that occurrence, FPS still increased their operating profit before special item by $0.5 million year-over-year. We continue to grow more and more confident in this business.

In fiscal 2018, FPS will achieve greater benefits from third-party manufacturing initiatives and a more optimized SG&A footprint. This business will be on track towards achieving its run rate commitment of $20 million to $30 million of operating profit before special items exiting 2020, although much of that improvement will be weighted towards the back end of that plan as enhancements are phased in.

I'd like to now turn over the presentation to our Chief Financial Officer, Larry Hilsheimer.

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

Thank you, Pete. Good morning, everyone. Please turn to Slide 10 to review our fourth quarter financial results. Before I get into more detail on the quarter, I would like to take it up a level first. There's clearly some noise in the results in the quarter. However, big picture, we delivered outstanding free cash flow, significantly lowered our tax rate burden and we reduced our financing costs while overcoming a price-cost squeeze in our paper business. We believe we are extremely well positioned for 2018.

On to the quarter's specifics. Net sales, excluding divestitures and foreign exchange, were 10% higher year-over-year due to strategic pricing decisions, index price changes and volume improvements in most parts of the business. Fourth quarter consolidated gross profit was flat to the year-ago quarter as a result of higher raw material prices and the timing of contractual pass-through provisions in rigids, a $3.6 million inventory adjustment in the rigids business discovered during efforts to improve our supply chain efficiency through centralized inventory management with the cost of relocating excess inventory outweighing its benefit, a $2.7 million accrual in flexibles related to legacy claims and a $5.3 million headwind related to adverse weather conditions that impacted multiple parts of the businesses. These items should not repeat.

Recall that we initially estimated a $2.5 million hurricane headwind when we reported Q3 results on August 30. However, that initial estimate was made just days after Harvey hit Houston and was too conservative. Specifically, rigids experienced a $4.4 million headwind related to unplanned customer outages. Paper experienced a $0.5 million headwind related to higher transportation costs related to trucking availability challenges, and our land business was negatively impacted by $400,000 as a result of flooded timber stands. To a lesser extent, our caps and closures business also suffered lost businesses -- our business in the Gulf Coast and Florida. Today, most of our Gulf Coast rigid business has recovered. But in some cases, recovery has been slower, especially in our higher-margin filling business.

Fourth quarter operating profit before special items rose by $2 million versus the prior year quarter. Operating profit before special items was impacted by the same challenges I described to gross profit, but was helped by a lower year-over-year SG&A expense despite $1.3 million of unbudgeted tax planning fees related to our tax reduction efforts. SG&A expense as a percentage of sales for the fourth quarter was 9.7%, well below our targeted threshold.

Below the line, interest expense declined by $4 million year-over-year as a result of debt financing activity completed in February of 2017 and lower debt balances. Also, because we modified some of our internal reporting structures and information, it resulted in our Latin American segment, which is part of our RIPS reporting segment, to be treated separately for goodwill impairment assessment purposes. GAAP rules then require a portion with a goodwill among the previous combined segments on a relative value basis, unrelated to original purchase price goodwill. As a result, despite the fact that our Latin American operations have been improving, a goodwill impairment was required through appropriate application of GAAP rules.

Higher operating profit combined with lower interest and tax expense drove fourth quarter Class A earnings per share before special items to $0.98 per share, a $0.51 improvement versus the prior year quarter. Our fourth quarter GAAP and non-GAAP tax rate were 12% and 12.7%, respectively, both significantly lower than the prior year quarter, largely as a result of accelerated implementation of tax strategy efforts that I previously described at Investor Day. To be clear, those efforts don't involve any leading-edge aggressive maneuvers. Rather, they're the result of working to get the basics rights, such as eliminating or reducing tax inefficiencies outside of the U.S., reducing state and local taxes in the U.S. and increasing our U.S. federal income tax credits.

Clearly, execution of the planning effort is beginning to pay off. In fiscal '18, we expect to spend $5 million of incremental professional fee dollars to further our strategy and also help us address pending tax reform changes. Let me highlight that while we anticipate the proposed lower U.S. corporate tax rates would provide a significant long-term upside benefit for Greif investors, the impact of the foreign earnings repatriation provisions could create short-term effective tax rate volatility. If the legislation is enacted with current provisions, U.S. GAAP would require us to record a deferred tax liability for the taxes related to the repatriation provisions, perhaps as soon as Q1 2018. Currently, the proposed legislation provides for an 8-year pay period for those taxes so the cash impact will be less severe. Offsetting that will be a reassessment of current deferred tax liabilities based upon the new rate structures, dependent upon when the liabilities come due. Thus, the finally determined effective date will be an important and impactful factor as well. All of this translates to long-term benefits for short-term cost of assessment, planning and compliance. Thus, our estimate of an incremental $5 million in professional and advisory fees.

To be clear, we have not adjusted our tax rates for next year's guidance at this point related to tax reform. We are also very pleased that we delivered on our free cash flow commitment. We generated $168 million of free cash flow during the quarter and almost $54 million improvement versus the prior year.

Fourth quarter free cash flow was higher due to higher income and fourth quarter working capital improvement, partially offset by a decrease in cash from other assets and liabilities and increased CapEx spend versus the prior year quarter. I have spoken a lot about working capital in previous calls with you. Consistent working capital management is critical to generating stable cash flow, and we still have room to improve in this key area. Working capital ended up as a $31 million use of cash in fiscal 2017, higher than our previously communicated expectation, largely due to raw material inflation and higher sales. Although challenged in dollar terms, we are making notable working capital efficiency improvements across the portfolio. For example, our cash conversion cycle decreased from 63 to 55 days year-over-year, while our operating working capital as a percentage of sales improved by 50 basis points to 10.4%. To be fair, our free cash flow result was unfortunately improved because of a frustrating delay of equipment delivery on several of our capital investment projects. This amounted to $10 million. It's a disappointment to us because it delays these growth-generating projects. We are also very confident about our fiscal 2018 free cash flow generation prospects.

I'll now provide the highlights of our fiscal 2018 guidance. Please turn to Slide 11. We expect to generate between $3.25 and $3.55 in Class A earnings per share before special items in 2018. At the midpoint, fiscal 2018 represents a 15% improvement over fiscal 2017's actual result.

Key drivers that helped to explain earnings growth include margin product mix management, cost containment and our continued focus on execution discipline, further improvement in underperforming operations, benefits realized -- from realized containerboard price increases, higher anticipated specialty containerboard sales, reduced annual interest expense related to lower overall debt balances and lower-tiered interest as a result of our improved leverage ratio and recurring tax benefits from the execution of our tax planning strategies. We expect our fiscal 2018 free cash flow to be in the range of $200 million to $220 million to include anticipated capital expenditures of between $100 million to $120 million.

I will provide an asterisk of sorts to the CapEx range. While we actively seek accretive M&A opportunities, we are also encouraging our business leaders to explore other growth-oriented CapEx opportunities. If those develop, they are compelling and they meet the stringent requirements of our capital deployment process, we may elect to increase our CapEx spend to the extent warranted given our free cash -- strong free cash flow and leverage position. Finally, we expect our working capital will be cash used in the range of $10 million to $30 million next year.

Lastly, as is generally the case for Greif, our consolidated financial results will be stronger in the second half of fiscal 2018 than the first half due to agricultural customer activities. Finally, updated foreign exchange sensitivities are located in the appendix of today's presentation.

Turning now to capital priorities. Please move to Slide 12. Operational execution, capital discipline and strong and diverse global portfolio give us the platform to execute on our capital priorities, which include investing in profitable growth and returning cash to shareholders. Our capital priorities also include advancing inorganic growth opportunities, provide the -- provided the targeted investment exceeds our minimum return standards. Our balance sheet is in great shape. At year-end, our leverage ratio stood at 1.85, slightly below our targeted leverage ratio of 2 to 2.5x net debt-to-EBITDA. Although we intend to maintain our targeted ratio, we would consider temporarily exceeding it even if a compelling growth opportunity emerged.

With that, I'll turn it back to Pete for his closing comments before our Q&A.

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

Good. Thank you, Larry, and please turn to the final slide to give you a few brief closing comments. Greif possesses leading product shares in a well-diversified global portfolio that is not easily replicated. Our customer-centric philosophy and sharp focus on operating fundamentals will drive stronger financial performance. We are committed to continuous improvement and acknowledge we can always get better as a business. As we move into fiscal 2018, we'll remain focused on executing our strategic priorities that will create greater value for our customers and our shareholders.

Thank you for participating this morning. We appreciate your interest in Greif. Kelly, please open the line for questions.

## QUESTIONS AND ANSWERS

**Operator**

(Operator Instructions) Our first question comes from Ghansham Panjabi from R.W. Baird.

**Ghansham Panjabi** - *Robert W. Baird & Co. Incorporated, Research Division* - *Senior Research Analyst*

So first off, if you adjust for the hurricane impact and also the inventory charge in RIPS, did operating profits of that segment come in where you thought it would for the quarter? Or was price cost or mix worse than you, perhaps, initially thought?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

I would say, Ghansham, that it came in slightly lower, but not very much. I mean, if you combine those 2 items, you end up picking up about 2.2% on -- I'm sorry, you pick up -- between the hurricane and the write-downs, you pick up about 1.1% on just the margin decrement that has to do with the costs rising and the relative price increase from years, another 1.1%. So that makes up 2.2% of the margin percentage gap. The other items that drove it down are just not as many opportunistic -- buy opportunities. And then just the timing of these pass-through provisions are really the drivers. We also had some resin price spike in Europe that was not anticipated that impacted margin slightly. So I'd say slightly lower than we anticipated, Ghansham.

**Ghansham Panjabi** - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Okay, that's helpful, Larry. And then just as my second question, can you give us a better sense of your outlook for volumes for Industrial Packaging for 2018? What's embedded in guidance? And for the company as a whole, can you also sort of help us bridge the EBITDA improvement on a year-over-year basis between the 2 years?

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

Yes, Ghansham. So let me talk about the volume assumptions we see in 2018 and some of the rationale for that, and I'll let Gary -- or Larry address the second question. So if you look at our Rigid Industrial Packaging business globally, we've got assumptions of 3% growth in steel. The big factors is weighted toward a better, more positive environment in our end use segments in North America because of all planned expansions in the chemical industry and their advantaged position as a low-cost chemical producer. We also have capacity expansions in that sector in Russia. And so we see that we'll perform at 3%, which is a little bit higher than what we see global growth in the chemical business. IBCs, we are assuming 15% growth in IBCs. That is predominantly centered around capital expansions we have in North America and EMEA. We've got several build-outs of new IBC structures there. Plastics, we are assuming a 3% to 4% growth in our plastic drums, both large and small plastic drums. The predominant growth, again, is in North America, where I think we have an advantaged macroeconomic market, and then also APAC, where we have broadened our portfolio and running small plastic products. In Paper Packaging, we see a 2% to 3% assumption of growth, larger growth than the second half. That is a little less than what we have traditionally done -- performed, and that relates to -- we have accelerated our volumes to our capacities. And so our challenge, and critical importance, is we have to build out more capacity, more opportunities downstream in our converting operations. We said strategically having greater degrees of vertical integration is important, and that will be a big play for us going forward 2018 and beyond. And in FPS, we see a 4% to 5% growth, both in the 1- and 2-loop products and the 4-loop products. The majority of that growth will be in North America, where, quite frankly, we have commercially underperformed, and we think there's nice opportunity there that we're starting to benefit from. And then we have expanded our operations in APAC, which is our best-performing business in FPS. So that's our volume assumptions we have in 2018. And I'll ask Larry to comment on the bridge from this year to 2018 on our budget.

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

Sure, Pete. So Ghansham, basically, across our rigids business as a whole, we're anticipating gross profit improvement of roughly just shy of 8%. In PPS, our assumption is no further price increases, except maybe discrete things in some of our specialty products. Our -- actually, what's in our budget for PPS relative to OCC is the $113 index in November, December. For our earnings guidance budget, we actually have it at $160 in January through the remainder of the year. It blends to like $152 a ton over the entire year. When we put the budget together, we were sort of thinking that, yes, maybe things spike up in January. It's looking like maybe that will be delayed. But we didn't change it because we also don't know, "Gee, does it spike up more than $160?" So we just left it as it was. So to restate, $113 a ton in November and December, $160 the rest of the year and pricing fairly stable. That amounts to about a $20 million -- or $21 million roughly increase in PPS' gross margin. Got another 6% or so in FPS in the gross margin area, pretty much flat in Land. If you go to SG&A, we're anticipating SG&A is going to go up for a couple of reasons, although on a percentage basis, staying relatively flat because of the increase in sales. But we had a roughly $5 million good guy in above-the-line taxes in Latin America related to some things that went back into the 1990s that finally got settled in some Brazilian courts this year. That $5 million item won't repeat, so that would be equivalent to an increase. We got depreciation beginning at a higher level on some of our enterprise system implementation's going to be another roughly $5 million. And salaries, because we've got our headcount relatively stable to where it's going to be for a short time, so that's a $12 million increase. And then we have some increases anticipated in some of the incentive payouts related to just the longer-term incentive element to reflect some of the improvement we drove through the transformation process. So roughly all in, we're anticipating that our SG&A cost will be up somewhere between $15 million to $25 million roughly. So hopefully, that gives you the elements well enough to do your walk on EBITDA.

**Operator**

Our next question comes from Chris Manuel from Wells Fargo.

**Christopher David Manuel** - *Wells Fargo Securities, LLC, Research Division - MD & Senior Analyst*

A couple questions. First, when I look at -- from where you sit today, having the business in better shape, that kind of sets up where I wanted to start. Your leverage is less than 1.9x. You talk about a target being 2 to 2.5. Help us with where we go from here. So I know you got a slide here that shows -- I think it's Slide 12. How does the acquisition pipeline look? What's the thought process there? And then I really wanted to kind of focus on point 4, where you talked about a capital return to shareholders. So absent that acquisitions as well, it sounds like either more dividends or repurchase. Or how do you think about that over the next 12 months?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

Yes, Chris, I'll -- let me comment just on some numbers first, then I'll turn it over to Pete to maybe talk about where we are on the M&A side. As you know, our first quarter, generally, that debt level will go up as -- relative to this little bit of cyclicality in our business. So we'll watch and see where things go. And one, we're confident we're going to have a good first quarter, and then we'll be re-examining what actions do we take depending on where we are at in both potential M&A transactions, if any, and also, as I mentioned, if we identify other CapEx projects that we believe are highly desirable. So I would say probably more likely to hear something from us in not first quarter call, unless something comes up in the M&A side, but more in the second quarter kind of timeframe about plans.

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

And Chris, just to reiterate, so we've got 2 paths to growing as it relates to capital allocation. As we've said, we have got capital expansion plans in our core businesses. In IBC, production increases and capabilities in strategic markets; and in plastic operations as well; and Paper Packaging, increases in our integration. Those have been communicated, and we're in the process of executing. I think by mid this year, we will start seeing some evidence of that. Going forward, we'll follow the process, so it's going to be a blend of strategic capital expansions that are aligned to the core businesses we talked about, both in Paper Packaging and rigid and also acquisitive opportunities within our core. So we're following the process. We're very active in how we're pursuing that process. And we're excited about the opportunities for the future of Greif and how we're going to write the next chapter of Greif for the next 3 to 5 years.

**Christopher David Manuel** - *Wells Fargo Securities, LLC, Research Division - MD & Senior Analyst*

Okay, that's helpful. My follow-up question, Larry, on the working capital side. I think I heard you say you were about $31 million use this year, and I think I heard you say something in the $10 million to $30 million use again next year. Those sounded like pretty big numbers given we're seeing some relief in some of the raw material stuff. I know you have a little bit of growth in there, but that sounded -- maybe a little bit of color to that. It sounded a bit maybe conservative to us. Or how do you think about that?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

That's probably fair, Chris. I mean, it's maybe a little gun shy because of how rapid the raw material price went up this year. Clearly, if we didn't see any raw material cost increase over the year, we would want to hold ourselves to higher expectations because we will continue to focus on reducing our cycle and our days in receivables relative to sale -- our percentage to sales. So yes, maybe a little conservatism in there. I mean, Pete and I sort of got burned this year on saying we'd be flat, and then the raws increased pretty dramatically. But clearly, with sales going up somewhat, there could be some pressure on working capital. But I think your comment is fair.

**Operator**

(Operator Instructions) Our next question comes from Adam Josephson from KeyBanc.

**Adam Jesse Josephson** - *KeyBanc Capital Markets Inc., Research Division - Director and Senior Equity Research Analyst*

Larry, just a couple tax questions for you. I know -- if we go back to the Analyst Day in June, you were talking about implementing these tax planning strategies, right? So when you gave guidance last quarter, I think you guided to about a 35%, 36% tax rate. You were aware of whatever these tax planning strategies were that you were implementing. And despite that, the tax rate was obviously, call it, 1/3 of what you were expecting. So I guess, just help me understand why -- how the tax rate was so dramatically lower than what you thought it would be just 3 months ago. And also the -- similarly, you incurred these additional tax planning costs that you called out. What was that related to?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

Sure. So just to be clear, we don't give quarterly effective tax rate guidance, so we didn't like say that the fourth quarter would be where it was. We give annual guidance. And so -- but the other part is, at that point in time, given everything that I knew and even at the Q3 call, the prospects of getting all of this executed at that time did not appear very likely. So I did not anticipate us being able to execute and get a lot of these things done. Subsequent to that time, our tax group came to us and told me that they thought that if we got some extra external help and really rallied the troops internally together, all the information and work extremely hard and diligently to get things executed by year-end, that we could potentially accomplish it before year-end. I'm extremely proud of the way our team came together and got these things done because the amount of legal entity, elimination, restructuring, intercompany arrangements, all of the stuff that had to be done on restructuring, internal boards, the massive amount that had to get done was really enormous. So what they got accomplished, I couldn't be more pleased. And my -- was I more than willing to spend $4.6 million this year on planning fees to generate the level of savings that we did, by the way, of which will continue to drive benefits every year from now on? I'm thrilled. And I can't -- I wish I would've had a better crystal ball to be able to tell everybody that in Q3. But at the point in time we had that call, I did not think this could get done, and so we did. I'm pleased we did. And it obviously drove up our SG&A a little bit. I'm more than happy to drive up our SG&A all the time if I can drive more value to the shareholders on the bottom line. So that's the situation.

**Adam Jesse Josephson** - *KeyBanc Capital Markets Inc., Research Division - Director and Senior Equity Research Analyst*

Right, okay. And your booked taxes in fiscal '17 were $67 million. Could you -- I know you haven't filed your K, but can you tell us what your cash taxes were in fiscal '17, perhaps, compared with what you thought they would be and to what extent that boosted your free cash flow? And then what was your cash tax rate for the year?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

Yes. The -- I don't have the cash tax rate. What I can tell you, Adam, is that our cash taxes improved because we decided, obviously, not to pay payments that we didn't think we need to make. So it went down about roughly $20 million.

**Adam Jesse Josephson** - *KeyBanc Capital Markets Inc., Research Division - Director and Senior Equity Research Analyst*

From fiscal '16, you mean?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

From where we anticipated it to be for '17 when we had the guidance for the Q3. And I think it's roughly the same year-over-year improvement.

**Adam Jesse Josephson** - *KeyBanc Capital Markets Inc., Research Division - Director and Senior Equity Research Analyst*

Okay. So that was part of why free cash flow was higher than what you -- so it's a lower CapEx and the lower taxes.

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

Yes. I mean, it's all of the things combined, but we still would have been very close to the bottom end of our range even without that. And so I'm obviously very pleased with our free cash flow generation in any way you look at it.

**Operator**

Our next question comes from George Staphos from Bank of America.

**George Leon Staphos** - *BofA Merrill Lynch, Research Division - MD and Co-Sector Head in Equity Research*

So I want to take a different approach to what you're ultimately getting at with Ghansham's questions. So if I take your guidance on Slide, I guess, 11 on some of those factors and what you've said here today and obviously, the EPS guidance, should we expect EBIT guidance basically to be somewhere in the, I don't know, call it, $3.50 to $3.70 range and EBITDA maybe in the $4.75 range? Anything that we're missing in terms of that calculus we had talked about in our note yesterday?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

I'm sorry. You said $3.50 to $3.70 on -- is that it?

**George Leon Staphos** - *BofA Merrill Lynch, Research Division - MD and Co-Sector Head in Equity Research*

Yes. I'm giving you a range there. But roughly around $3.50 in EBIT and roughly around $4.75 with EBITDA, considering that D&A is going up about $5 million as well.

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

Probably in that range, maybe a little low on EBITDA.

**George Leon Staphos** - *BofA Merrill Lynch, Research Division - MD and Co-Sector Head in Equity Research*

Meaning, the number I presented was a little low, so it would be higher than that?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

Yes. Slightly, yes. I think that's right.

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

That's right.

**George Leon Staphos** - *BofA Merrill Lynch, Research Division - MD and Co-Sector Head in Equity Research*

Okay. And one other sort of nit type of question. I'll turn it over it and come back. Got a couple of things here. The $14-some-odd million impairment, actually closer to $15 million, was that largely Brazil? The $5 million tax good guy that you're mentioning earlier, did that show up in the fourth quarter? Or was that earlier in the year? And in which segment was that? And what was the OCC benefit in the quarter?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

So the goodwill thing was primarily Brazil. That was the vast, vast majority of everything. Most of that SG&A onetime benefit in Latin America came in fourth. Some of it -- a minor amount was in third quarter. And then the OCC benefit in the fourth quarter...

**Matt Eichmann** - *Greif, Inc. - VP of IR & Corporate Communications*

About $2 million.

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

$2 million, yes. Thank you, Matt.

**Operator**

Our next question comes from Justin Bergner from Gabelli & Company.

**Justin Laurence Bergner** - *G. Research, LLC - VP*

I just wanted to make sure I understood 2 quick one-offs. So you're saying that the tax benefit in Latin America that won't repeat next year, that was mostly in the fourth quarter, so that aided this just completed quarter's results?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

Yes. And to be clear, Justin, that's not in the tax line. Primarily, there is an element in the tax line. But what we were talking about was a tax that flowed through SG&A because it was a VAT type of tax.

**Justin Laurence Bergner** - *G. Research, LLC - VP*

Okay. And then the charge that you're referring to in rigid that was not hurricane-related, could you just clarify what that was again and how large?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

So we had a $3.6 million inventory write-down. The majority of it related to inventories that were identified as we've looked to centralize and manage our supply chain more efficiently by centralizing warehousing in some of our businesses. And oftentimes, when you're doing that, you look at, do I -- I've got inventory in all these different places. Is it worth even the transport cost to go move it if I've got more than I need and conclude, no. Okay, write it off. We're not going to be able to use it. But on the long term, we end up benefiting by the efficiencies gained.

**Justin Laurence Bergner** - *G. Research, LLC - VP*

Okay. But that was removed from the adjusted results?

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

No.

**Justin Laurence Bergner** - *G. Research, LLC - VP*

Oh, that was in the adjusted results, okay.

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

Yes.

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

Yes.

**Justin Laurence Bergner** - *G. Research, LLC - VP*

And then just one big picture question. If I look at your volume guide for rigid, I guess, it seems to sort of aggregate to the 3% to 4% range. Given the strategy to pursue value over volume, presumably, you're still sort of walking away from some business which would suggest without -- that walking away that your volume would be any -- be even higher than 3% to 4%. Given sort of the top-down view of sort of global economies, that just seems like a very high volume goal for 2018. I was just wondering if you could sort of maybe help me understand how it gels with sort of a top-down view of the world.

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

Yes. So I'll give you, first, a quick overview of how we see the global economy, and then relate it to our volume assumption. So there's obviously pretty positive global growth. There's very low macroeconomic volatility, and access to credit is very favorable. Our business in Rigid Industrial Packaging is very focused to the chemicals -- specialty chemical and those related end use markets. Some of the big growth macroeconomically are really tied to construction, capital equipment purchases, transformation and infrastructure growth. So as we see the potential for growth in our business, I think we see higher growth potential in the U.S. because of the macroeconomic factors for the chemical industry. They're making significant investments in the Gulf Coast, and that will be in the next 2 to 3 years. It also includes -- we have capital expansion that we have implemented this year and will be implementing next year by midyear, and so the IBC growth and some of the steel drum growth is indicative of that -- those capacity expansions. And plastics growth, again, is layered into North America, which we think is a more favorable economy globally. And in APAC, we have made capital investments in small plastics. So it's driven by North American economy and targeted capital growth initiatives that we have either completed or will complete by mid-2018. But just to remind you, we are not going to chase volume for volume's sake. I also think some of this growth is relating to our customer service initiatives, which we are starting to see evidence of customer share improvement because of our performance in customer service. And I think if you look at some of our business, for example, in FPS, there's a direct relation to their performance in customer service, where they've gone from a 60% rate to a 90% rate. And you can see their improvement in profits track to that trend. So -- but that's -- I hope that answers your questions, Justin. If you have any other further issues you wanted to delve into, please let me know.

**Justin Laurence Bergner** - *G. Research, LLC - VP*

Okay. Yes, just a quick follow-up. I mean, do you know how much volume was impacted in rigids in the fourth quarter by the hurricane? Because the step-up from sort of 1.8% in a strong sort of global IP environment to 3% to 4% still seems a little difficult to bridge.

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

Yes. So if you look in North America and the Gulf Coast, the Gulf Coast is one of our biggest businesses in our rigid business in North America. And so in the quarter, our steel drum volume was up 1.3%, which is a little low, and that was impacted by that hurricane. And that hurricane had impact throughout the supply chain for more than just the downtime of our operations. So if you look outside of APAC, which is a different story, both EMEA, North America and Latin America had fairly good growth strength in all of the substrates. And again, I'll go back to I think we're winning customers through our initiatives in customer service. But we feel very confident in what we're doing in the markets, and we are being very selective in how we target end use segments and customers. And we are -- again, we're going to be very disciplined in how we price and manage our product mix in that business and actually feel very, very comfortable in the capabilities and discipline that we've put in that business in the last 2 years.

**Operator**

Our next question comes from Ketan Mamtora from BMO Capital Markets.

**Ketan Mamtora** - *BMO Capital Markets U.S. - Analyst*

So first question on M&A. What areas of businesses do you find most interesting at this point? And are you more focused on more bolt-on type acquisitions or perhaps larger acquisitions? Or are you size-agnostic at this point?

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

Well, we -- in Investor Day, we really said our concentration on growth is going to be in our rigid core business with a higher emphasis on plastic and IBC and with some steel opportunities in white spaces or regions we currently don't have operations. That would be a combination of capital expansion and acquisitive growth. In Paper Packaging, our focus is entirely on how do we increase the vertical integration of our integrated system. I think that's more increasingly difficult to acquire businesses in that realm since we do not have box plants, and that is not our strategy. Our strategy is corrugated sheet feeding and specialty products that can be put inside one of our sheet feeders. So that might be more heavily weighted to capital expansion with committed customers, but it's a blend acquisitive and capital expansion. We are not afraid of doing a big acquisition. But it will -- if we do, it'll be inside our clearly defined core that we talked about in Investor Day. And we are pursuing those initiatives, and we're pretty active in the process, and we'll let you know as we have things to report. But again, we're in the early stages of this. This is a long-term process. We're going to have great discipline in how we approach it and again, stay within our core.

**Ketan Mamtora** - *BMO Capital Markets U.S. - Analyst*

That's helpful. And then my follow-up question. On the other options that you might have of returning cash to shareholders, Larry, how do you think about just regular dividend versus share repurchases versus, let's say, special dividends? And do you have -- you said perhaps in the second quarter, you might have more to say on this. But do you think about it, let's say, on a leverage basis, say, if you get to 1.5x and absent any M&A you might think about returning cash to shareholders? Just give us, at a high level, how you think about it.

**Lawrence A. Hilsheimer** - *Greif, Inc. - CFO and EVP*

Yes. And we've been talking about this. I'll just sort of repeat what I've said. At the point that we determine that we don't see other uses of our capital that are of higher priority, we will examine the best way to return capital to our shareholders. And that is ultimately something that needs to be approved by our board, which we would review with them our recommendations. I view that as a decision to be made based on the situation at the time you're making the decision to do a distribution. So it could be a combination of something on our regular dividend if we decided to do something that way, but it could well be stock repurchase or special dividend. We don't know at this point, and we'll examine it at the time we decide to make such a return of capital to shareholders.

**Operator**

(Operator Instructions) Our next question comes from Dan Jacome from Sidoti & Company.

**Daniel Andres Jacome** - *Sidoti & Company, LLC - Research Analyst*

Just 2 quick questions. Can you give us a little bit more flavor of the progress you're making with the triple-wall board expansion at Kentucky? What did you learn or do differently this quarter versus 3Q? And then my second question was on just IBC. You're putting a lot of capital to work in there, which I think is encouraging, but it's kind of hard to get industry data on that part of the industry. Just give us a sense, please, of what's demand -- underlying demand is right now and looking to 2018 and how much capacity in the entire marketplace is coming online. I'm just trying to understand supply/demand characteristics a little better there. That's it.

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

Yes. So your first question on the bulk packaging growth in our Louisville, Kentucky operations, as you know, we are doubling the capability of that facility, and that will come online in mid-2018. We feel very, very confident that when that comes up on stream that we will meet our 3- to 4-year growth targets. That's been a very good business for us, and I think we're positioned well based on customer service and speed to market and quality. Very, very positive comments from prospective customers to fill that gap and capacity. In regard to IBCs, because the 2 major other suppliers are privately held companies, you probably don't see a lot of data on growth curves. But if you look at a global perspective, IBC is the highest growth potential for rigid packaging. It shows 8% to 9% global growth rate. The 2 largest markets -- the major markets are EMEA, North America and China. We are making investments in both North America and in EMEA right now, and we feel confident that as we move forward, our broad offering to our chemical and chemical-related customers, this plays into their needs and demands from us that we are able to supply steel, plastic, fiber and IBC products to them. And we feel good about the future in that, but we do have quite a bit of capacity coming online. But it's in disparate regions. And we are in the process -- 2018 will be an execution element to that growth.

**Daniel Andres Jacome** - *Sidoti & Company, LLC - Research Analyst*

Okay. Is that capacity -- is that -- those are greenfield opportunities? Or is that -- do you know what I mean? Is it new machines? Is that what you're saying?

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

Yes, it's all greenfield capacity. It's either expanding in existing facilities or new facilities. And you probably won't see acquisitive growth in IBCs for us because of our technology and our product. It'll be more capital build-outs as it relates to our customers' needs and requirements.

**Operator**

Our next question comes from Adam Josephson from KeyBanc.

**Adam Jesse Josephson** - *KeyBanc Capital Markets Inc., Research Division - Director and Senior Equity Research Analyst*

Just 2 follow-ups, one on OCC and one on the reconditioning business. Just on OCC, obviously, you're still assuming a huge spike in January, which may or may not happen. Obviously, OCC inventories here are quite high, so that may well not happen. If, indeed, OCC stays very low and much lower than what you've guided -- what you've assumed for the year, what impact, if any, do you expect that to have on your containerboard prices? And what do you think is the relationship between containerboard prices and OCC, particularly given that earlier this year, many companies raised prices based on higher OCC costs?

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

Yes, Adam, so a couple things. So when we did our budget and the guidance we have and the timing of the layered-in of inflationary prices in OCC was what Larry stated. So the timing may be different, and I think we all agree. We probably won't see an increase in OCC till maybe February. But irregardless, the blended rate we have of $152 a ton and that step-off versus our 2017, we feel fairly comfortable, as comfortable as you can be in trying to forecast the commodity price 12 months in advance. How that relates to upside for us in Paper Packaging? If it stays low, it's obviously one of the potential upsides to our guidance. How it relates to potential price increases? We just don't comment on future price activity in any of our markets.

**Adam Jesse Josephson** - *KeyBanc Capital Markets Inc., Research Division - Director and Senior Equity Research Analyst*

But just -- but in terms of the relationship between prices and cost in that business, I mean, what do you think it is?

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

I mean, I think it's always a combination. I think it starts with demand. And actually, as you know, there's very healthy demand in the industry. But our system is very, very busy right now. It's projecting on the same path that we've seen for the last 2 quarters, so I think that's the first factor. And then it relates to input costs as a secondary factor. So I don't think you can have a linear equation of what drives market pricing. I think it's a combination of 2. But think demand is the biggest factor, in my opinion.

**Adam Jesse Josephson** - *KeyBanc Capital Markets Inc., Research Division - Director and Senior Equity Research Analyst*

Okay. And just on the Reconditioning business, obviously, the Milwaukee Journal Sentinel has written several articles on the situation with some of your reconditioning facilities. The EPA has issued a notice of violation related to 3 of those facilities. So can you just update us on what's going on with your reconditioning business and what, if any, potential liability you're expecting as a result?

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

No, sure, Adam. So I'll make a first statement, which is obvious, but I'll do it anyway to get on record again. But our highest priority for all of our global operations has to do to ensure the health and safety of all of our colleagues around the world and to ensure we're good stewards of the environment in the communities we operate. On a global basis, we've been recognized by third parties. We have an excellent track record in both safety and environmental compliance. And I think I said a couple quarters ago, with that said, we are not perfect, but we are addressing issues. And I will provide you with the most current update that we know as of this week. So just recently received -- we received notices from the U.S. EPA, and that has been a 9-month process since it originally came out. And during that 9-month time frame, our company representatives have met on a voluntary basis with a number of federal and state environmental regulators to discuss the issues. We got federal, state and local politicians and regulatory agencies, and community residents have been invited to tour our facilities. And some of the visitors have commented that the conditions - in our facilities are very inconsistent with the negative conditions that are portrayed by the media, particularly the one local newspaper. And in our view, I think it's become a situation that's become highly politicized, and I think that's a -- the result is a 9-month delay in when it started to when we got the notices. So in regard to what we are doing with the notices, a significant portion of those notices apply to standards and process requirements that have not been previously applied to reconditioning facilities in the U.S. So what this means is they're changing existing regulations without following formal rulemaking process. On the other points, we are working in conjunction with the appropriate regulatory agencies, and we're addressing those issues. We're making improvements in the operations as we speak. And I'll also state, as we said in our 8-K, that we are very, very confident that our current financial disclosures fully comply with all SEC requirements.

**Operator**

Our last question comes from George Staphos from Bank of America.

**George Leon Staphos** - *BofA Merrill Lynch, Research Division - MD and Co-Sector Head in Equity Research*

My 2 questions. First, Pete, to the extent that you can comment on pricing and the comparisons within RIPS looking forward. I recognize you don't like to get too forward in pricing for obvious reasons. But at some point, we would expect the comparison to get a bit more difficult, given you've been on this value-over-volume pricing initiative for a while. When would you have us think about the comparison of getting maybe a bit more challenging in terms of affecting higher pricing, specifically again within RIPS, at the level of detail that we would see from the financials that you would report? Then I had a follow-on regarding Reconditioning.

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

No, that's good. Thanks, George. So as we've talked about, this price-cost squeeze will recover in Q1. We saw some recovery in the last month of our quarter 4. But unless raw material markets remain as we project them to remain, we see recovery and more normalization of that 20-plus gross margin. And when we look at our margins, not only in rigid but all of our businesses, it's a journey. So if you look at our margins in 2015 to '16 to '17 to our guidance in '18, you see that trajectory of our strategy of value and margin over volume. I think there'll be times when we have higher margins because of market conditions and rates of raw materials. And I think there'll be conditions like we saw in the last 4 months, where we have margin squeeze. And I'll tell you how we view our business, is we don't look quarter-to-quarter because when there is high volatility, especially in inflationary raw materials, you do see uneven margin results. So we look more longer range, and we look more at the leading indicators and the processes we employ and how we are acting and how we are executing in our commercial regions. And so that's how we look at it. It's been challenging the last 4 months. We haven't been happy, but I'm very happy with how our operators are executing in the field. A big part of going forward is the raw material market. What we see on steel is a more gradual inflationary period next year. I think that relates to a lot of reasons what's happened in China and some of the -- more discipline in the steel industry on a global basis. And we think in the resin environment, because of some of the capacity coming on stream in North America and some expected lower feedstock prices in certain regions around the world, we'll see less volatile resin prices for our business. But I think you will see a more normalized margin view if what we project from a raw material standpoint comes true. We also have some operating cost opportunities that will drive margin improvements. So again, I think it's a combination of how we go to market and how we operate our businesses. But I'll tell you, there's not many low-hanging fruit in our business now. So this is a grind-it-out journey, win customers through excellence in customer service and compete in all the markets we face.

**George Leon Staphos** - *BofA Merrill Lynch, Research Division - MD and Co-Sector Head in Equity Research*

Okay, Pete. That last comment more or less answered the question in the way I was going with it initially. The other question I had, just on reconditioning. Is there a way that you could, one, comment on what allegations you think are incorrect? Perhaps you can, perhaps you can't, and I would understand why given the forum. Secondly, to the extent that you stated that the regulators are perhaps coming in with policy or standards that hadn't been used previously, if that was applied to the rest of your Reconditioning business, would you have additional investment or process change that would be required? And in total, I know it's hard to talk about this. But is there a way for us to understand what this might mean from a either expense level? If there are any processes that need to be changed or any sort of capital or liability amount that you would have us sort of think about in the back of our minds as you ultimately wrapped up this process. I know that was a lot.

**Peter G. Watson** - *Greif, Inc. - CEO, President and Director*

No, that's okay. So we can't -- we're not going to disclose or make any comments on any of the allegations by the whistleblower. We released that 8-K, and we stand by what we said. That's public knowledge. Some of the regulations you had indicated that have not been applied previously to reconditioning facilities and what that might mean, so it's important for everybody, the regulators, the politicians and the business professionals that reconditioning industry performs a very, very valuable environmental service. So cleaning, refurbishing empty containers for reuse, keep empty containers out of landfills, and those proposed regulatory changes sought by the U.S. EPA -- and that's not final. But those regulatory changes could compromise the viability of that entire industry and could create some challenging sustainability issues in the supply chain going forward not just for us, but for our customers. So we're at a point in time now where I said we're working together and cooperating with the regulatory agencies, and we have already made some decisions on actions we're doing. But what I will tell you is any capital or costs that may or may not occur would not be significant to our overall company. And again, we are very, very comfortable with the disclosures to SEC requirements.

**Operator**

There are no further questions at this time. I will now turn the call back to Matt Eichmann for closing remarks.

**Matt Eichmann** - *Greif, Inc. - VP of IR & Corporate Communications*

Okay. Thanks a lot, Kelly. Thank you, everyone, for joining us this morning. We appreciate your time, and have a good holiday season ahead.

**Operator**

This concludes today's conference call. You may now disconnect.