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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 10-Q**

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 31, 2021

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number 001-00566

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**GREIF, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**31-4388903**  
(I.R.S. Employer  
Identification No.)

**425 Winter Road**  
**Delaware Ohio**  
(Address of principal executive offices)

**43015**  
(Zip Code)

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

**Not Applicable**  
Former name, former address and former fiscal year, if changed since last report.

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Class A Common Stock	GEF	New York Stock Exchange
Class B Common Stock	GEF-B	New York Stock Exchange

The number of shares outstanding of each of the issuer's classes of common stock as of the close of business on February 22, 2021:

Class A Common Stock	26,525,238 shares
Class B Common Stock	22,007,725 shares

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**PART I. FINANCIAL INFORMATION****ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****GREIF, INC. AND SUBSIDIARY COMPANIES  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

	Three Months Ended January 31,	
	2021	2020
<i>(in millions, except per share amounts)</i>		
Net sales	\$ 1,146.5	\$ 1,112.4
Cost of products sold	934.3	889.8
Gross profit	212.2	222.6
Selling, general and administrative expenses	134.3	135.4
Restructuring charges	3.1	3.3
Acquisition and integration related costs	2.0	5.1
Non-cash asset impairment charges	1.3	0.1
Loss (gain) on disposal of properties, plants and equipment, net	1.6	(0.5)
Gain on disposal of businesses, net	(0.1)	—
Operating profit	70.0	79.2
Interest expense, net	25.2	30.7
Non-cash pension settlement charges (income)	8.5	(0.1)
Other expense, net	—	1.3
Income before income tax expense and equity earnings of unconsolidated affiliates, net	36.3	47.3
Income tax expense	6.1	11.4
Equity earnings of unconsolidated affiliates, net of tax	(0.7)	(0.2)
Net income	30.9	36.1
Net income attributable to noncontrolling interests	(7.5)	(3.8)
Net income attributable to Greif, Inc.	\$ 23.4	\$ 32.3
<b>Basic earnings per share attributable to Greif, Inc. common shareholders:</b>		
Class A common stock	\$ 0.40	\$ 0.55
Class B common stock	\$ 0.59	\$ 0.81
<b>Diluted earnings per share attributable to Greif, Inc. common shareholders:</b>		
Class A common stock	\$ 0.40	\$ 0.55
Class B common stock	\$ 0.59	\$ 0.81
<b>Weighted-average number of Class A common shares outstanding:</b>		
Basic	26.5	26.3
Diluted	26.5	26.4
<b>Weighted-average number of Class B common shares outstanding:</b>		
Basic	22.0	22.0
Diluted	22.0	22.0
<b>Cash dividends declared per common share:</b>		
Class A common stock	\$ 0.44	\$ 0.44
Class B common stock	\$ 0.65	\$ 0.65

See accompanying Notes to Condensed Consolidated Financial Statements

**GREIF, INC. AND SUBSIDIARY COMPANIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)**

<i>(in millions)</i>	Three Months Ended	
	January 31,	
	2021	2020
Net income	\$ 30.9	\$ 36.1
Other comprehensive income (loss), net of tax:		
Foreign currency translation	27.6	(3.1)
Derivative financial instruments	1.9	0.2
Minimum pension liabilities	22.7	21.7
Other comprehensive income, net of tax	52.2	18.8
Comprehensive income	83.1	54.9
Comprehensive income attributable to noncontrolling interests	10.1	1.8
Comprehensive income attributable to Greif, Inc.	\$ 73.0	\$ 53.1

See accompanying Notes to Condensed Consolidated Financial Statements

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

<i>(in millions)</i>	<b>January 31, 2021</b>	<b>October 31, 2020</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 101.4	\$ 105.9
Trade accounts receivable, less allowance of \$8.4 in 2021 and \$9.4 in 2020	679.7	636.6
Inventories:		
Raw materials	243.5	208.4
Work-in-process	2.9	5.4
Finished goods	89.3	79.8
Assets held for sale	57.0	57.0
Assets held by special purpose entities	—	50.9
Prepaid expenses	52.6	43.0
Other current assets	119.9	115.8
	<u>1,346.3</u>	<u>1,302.8</u>
<b>Long-term assets</b>		
Goodwill	1,530.4	1,518.4
Other intangible assets, net of amortization	700.1	715.3
Deferred tax assets	28.4	11.3
Pension asset	32.3	29.5
Operating lease assets	299.8	307.5
Other long-term assets	114.4	99.2
	<u>2,705.4</u>	<u>2,681.2</u>
<b>Properties, plants and equipment</b>		
Timber properties, net of depletion	224.2	224.5
Land	164.8	162.6
Buildings	535.8	524.7
Machinery and equipment	1,976.1	1,930.6
Capital projects in progress	122.6	120.6
	<u>3,023.5</u>	<u>2,963.0</u>
Accumulated depreciation	(1,508.6)	(1,436.1)
	<u>1,514.9</u>	<u>1,526.9</u>
Total assets	<u>\$ 5,566.6</u>	<u>\$ 5,510.9</u>

See accompanying Notes to Condensed Consolidated Financial Statements

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

<i>(in millions)</i>	January 31, 2021	October 31, 2020
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 468.0	\$ 450.7
Accrued payroll and employee benefits	94.6	122.3
Restructuring reserves	19.4	21.6
Current portion of long-term debt	133.6	123.1
Short-term borrowings	46.2	28.4
Liabilities held by special purpose entities	—	43.3
Current portion of operating lease liabilities	51.8	52.3
Other current liabilities	176.9	158.4
	<u>990.5</u>	<u>1,000.1</u>
<b>Long-term liabilities</b>		
Long-term debt	2,359.6	2,335.5
Operating lease liabilities	250.5	257.7
Deferred tax liabilities	364.8	339.2
Pension liabilities	111.1	137.7
Postretirement benefit obligations	11.6	11.6
Contingent liabilities and environmental reserves	19.7	20.2
Mandatorily redeemable noncontrolling interests	8.4	8.4
Long-term income tax payable	27.8	27.8
Other long-term liabilities	140.8	152.0
	<u>3,294.3</u>	<u>3,290.1</u>
<b>Commitments and contingencies (Note 8)</b>		
<b>Redeemable noncontrolling interests</b>	19.2	20.0
<b>Equity</b>		
Common stock, without par value	175.4	170.2
Treasury stock, at cost	(134.2)	(134.4)
Retained earnings	1,542.0	1,543.9
Accumulated other comprehensive loss, net of tax:		
Foreign currency translation	(269.9)	(294.9)
Derivative financial instruments	(22.8)	(24.7)
Minimum pension liabilities	(85.2)	(107.9)
Total Greif, Inc. shareholders' equity	<u>1,205.3</u>	<u>1,152.2</u>
Noncontrolling interests	57.3	48.5
Total shareholders' equity	<u>1,262.6</u>	<u>1,200.7</u>
Total liabilities and shareholders' equity	<u>\$ 5,566.6</u>	<u>\$ 5,510.9</u>

See accompanying Notes to Condensed Consolidated Financial Statements

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

<i>(in millions)</i>	<b>Three Months Ended January 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 30.9	\$ 36.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	59.3	61.3
Non-cash asset impairment charges	1.3	0.1
Non-cash pension settlement charges (income)	8.5	(0.1)
Loss (gain) on disposals of properties, plants and equipment, net	1.6	(0.5)
Gain on disposals of businesses, net	(0.1)	—
Deferred income tax benefit	(1.9)	(7.0)
Non-cash lease expense	14.4	14.9
Other, net	1.9	0.2
Increase (decrease) in cash from changes in certain assets and liabilities:		
Trade accounts receivable	(30.8)	21.5
Inventories	(35.5)	(17.0)
Accounts payable	13.7	(32.2)
Restructuring reserves	(2.4)	(1.5)
Operating leases	(9.9)	—
Pension and post-retirement benefit liabilities	(6.1)	(6.1)
Other, net	(33.4)	(50.2)
Net cash provided by operating activities	11.5	19.5
<b>Cash flows from investing activities:</b>		
Purchases of properties, plants and equipment	(27.4)	(37.5)
Purchases of and investments in timber properties	(1.0)	(1.6)
Collections of receivables held in special purpose entities	50.9	—
Payments for issuance of loans receivable	(15.0)	—
Other	(3.3)	1.5
Net cash provided by (used in) investing activities	4.2	(37.6)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of long-term debt	384.5	429.0
Payments on long-term debt	(353.5)	(311.4)
Proceeds (payments) on short-term borrowings, net	16.8	(3.7)
Proceeds from trade accounts receivable credit facility	11.2	2.5
Payments on trade accounts receivable credit facility	(18.3)	(57.9)
Payments for liabilities held in special purpose entities	(43.3)	—
Dividends paid to Greif, Inc. shareholders	(25.9)	(25.9)
Dividends paid to noncontrolling interests	(1.5)	(0.8)
Net cash provided by (used in) financing activities	(30.0)	31.8
<b>Effects of exchange rates on cash</b>	9.8	(0.2)
<b>Net increase (decrease) in cash and cash equivalents</b>	(4.5)	13.5
<b>Cash and cash equivalents at beginning of period</b>	105.9	77.3
<b>Cash and cash equivalents at end of period</b>	\$ 101.4	\$ 90.8

See accompanying Notes to Condensed Consolidated Financial Statements



**GREIF, INC. AND SUBSIDIARY COMPANIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**

<i>(in millions, except for shares which are in thousands)</i>	Three Months Ended January 31, 2021								
	Capital Stock		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Greif, Inc. Equity	Non controlling interests	Total Equity
	Common Shares	Amount	Treasury Shares	Amount					
<b>As of October 31, 2020</b>	48,450	\$ 170.2	28,392	\$ (134.4)	\$ 1,543.9	\$ (427.5)	\$ 1,152.2	\$ 48.5	\$ 1,200.7
Net income					23.4		23.4	7.5	30.9
Other comprehensive income:									
Foreign currency translation						25.0	25.0	2.6	27.6
Derivative financial instruments, net of \$0.6 million of income tax expense						1.9	1.9		1.9
Minimum pension liability adjustment, net of \$7.4 million income tax expense						22.7	22.7		22.7
Comprehensive income							73.0		83.1
Current period mark to redemption value of redeemable noncontrolling interest					0.6		0.6		0.6
Net income allocated to redeemable noncontrolling interests							—	(0.3)	(0.3)
Dividends paid to Greif, Inc. shareholders (\$0.44 and \$0.65 per Class A share and Class B share, respectively)					(25.9)		(25.9)		(25.9)
Dividends paid to noncontrolling interests and other							—	(1.0)	(1.0)
Long-term Incentive shares issued	80	3.9	(80)	0.2			4.1		4.1
Share based compensation	—	1.2	—	—			1.2		1.2
Restricted stock, executive	3	0.1	(3)	—			0.1		0.1
<b>As of January 31, 2021</b>	<b>48,533</b>	<b>\$ 175.4</b>	<b>28,309</b>	<b>\$ (134.2)</b>	<b>\$ 1,542.0</b>	<b>\$ (377.9)</b>	<b>\$ 1,205.3</b>	<b>\$ 57.3</b>	<b>\$ 1,262.6</b>

<i>(in millions, except for shares which are in thousands)</i>	Three Months Ended January 31, 2020								
	Capital Stock		Treasury Stock		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Greif, Inc. Equity	Non controlling interests	Total Equity
	Common Shares	Amount	Treasury Shares	Amount					
<b>As of October 31, 2019</b>	48,266	\$ 162.6	28,576	\$ (134.8)	\$ 1,539.0	\$ (433.7)	\$ 1,133.1	\$ 58.0	\$ 1,191.1
Net income					32.3		32.3	3.8	36.1
Other comprehensive income (loss):									
Foreign currency translation						(1.1)	(1.1)	(2.0)	(3.1)
Derivative financial instruments, net of immaterial income tax expense						0.2	0.2		0.2
Minimum pension liability adjustment, net of \$7.5 million income tax expense						21.7	21.7		21.7
Comprehensive income							53.1		54.9
Current period mark to redemption value of redeemable noncontrolling interest					3.3		3.3		3.3
Net income allocated to redeemable noncontrolling interests							—	(0.1)	(0.1)
Dividends paid to Greif, Inc. shareholders (\$0.44 and \$0.65 per Class A share and Class B share, respectively)					(25.9)		(25.9)		(25.9)
Dividends paid to noncontrolling interests							—	(0.8)	(0.8)
Restricted stock, directors	3	0.1	(3)	0.1			0.2		0.2
<b>As of January 31, 2020</b>	<b>48,269</b>	<b>\$ 162.7</b>	<b>28,573</b>	<b>\$ (134.7)</b>	<b>\$ 1,548.7</b>	<b>\$ (412.9)</b>	<b>\$ 1,163.8</b>	<b>\$ 58.9</b>	<b>\$ 1,222.7</b>

**GREIF, INC. AND SUBSIDIARY COMPANIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**NOTE 1 — BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The interim condensed consolidated financial statements have been prepared in accordance with the U.S. Securities and Exchange Commission (“SEC”) instructions to Quarterly Reports on Form 10-Q and include all of the information and disclosures required by accounting principles generally accepted in the United States (“GAAP”) for interim financial reporting. The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the interim condensed consolidated financial statements and accompanying notes. Actual amounts could differ from those estimates.

The fiscal year of Greif, Inc. and its subsidiaries (the “Company”) begins on November 1 and ends on October 31 of the following year. Any references to years or to any quarter of those years, relates to the fiscal year or quarter, as the case may be, ended in that year, unless otherwise stated.

The information filed herein reflects all adjustments that are, in the opinion of management, necessary for a fair presentation of the interim condensed consolidated balance sheets as of January 31, 2021 and October 31, 2020, the interim condensed consolidated statements of income and comprehensive income for the three months ended January 31, 2021 and 2020 and the interim condensed consolidated statements of cash flows for the three months ended January 31, 2021 and 2020 of the Company. The interim condensed consolidated financial statements include the accounts of Greif, Inc., all wholly-owned and consolidated subsidiaries and investments in limited liability companies, partnerships and joint ventures in which it has controlling influence or is the primary beneficiary. Non-majority owned entities include investments in limited liability companies, partnerships and joint ventures in which the Company does not have controlling influence and are accounted for using either the equity or cost method, as appropriate.

The unaudited interim condensed consolidated financial statements included in the Quarterly Report on Form 10-Q (this “Form 10-Q”) should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for its fiscal year ended October 31, 2020 (the “2020 Form 10-K”).

Effective the first quarter 2021, the Company adjusted its reportable segments. The presentation of prior periods throughout Part I Item 1 of this Form 10-Q has been modified to reflect the new segment reporting structure. See Note 12 to the Interim Condensed Consolidated Financial Statements for additional information.

***COVID-19***

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in such financial statements. The estimates and assumptions used in the preparation of the financial statements contained in this Form 10-Q do not reflect material changes to the estimates and assumptions disclosed in the 2020 Form 10-K. Nevertheless, the Company’s actual results and outcomes during the three months ended January 31, 2021 have been impacted by the COVID-19 pandemic, which has caused market disruption and volatility. Because the scope, duration and magnitude of the effects of the COVID-19 pandemic continue to evolve, the Company cannot, at this time, predict the impact the pandemic will have on its future consolidated financial position, cash flows or results of operations; however, the impact could be material. The Company’s future financial results and operations depend in part on the duration and severity of the pandemic and what actions are taken to mitigate the outbreak.

***Newly Adopted Accounting Standards***

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, “Financial Instruments – Credit Losses.” This ASU sets forth a current expected credit loss model which requires the Company to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost and applies to some off-balance sheet credit exposures. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, with early adoption permitted. The Company adopted this ASU on November 1, 2020. The adoption of this guidance did not have a material impact on financial position, results of operations, comprehensive income, cash flows or disclosures.

***Recently Issued Accounting Standards***

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes", which is intended to simplify accounting for income taxes. This ASU is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years, with early adoption permitted. The effective date for the Company to adopt this ASU is November 1, 2021. The Company is in the process of determining the potential impact of adopting this guidance on its financial position, results of operations, comprehensive income, cash flow and disclosures.

**NOTE 2 — RESTRUCTURING CHARGES**

The following is a reconciliation of the beginning and ending restructuring reserve balances for the three months ended January 31, 2021:

<i>(in millions)</i>	Employee Separation Costs	Other Costs	Total
Balance at October 31, 2020	\$ 17.9	\$ 3.7	\$ 21.6
Costs incurred and charged to expense	1.5	1.6	3.1
Costs paid or otherwise settled	(3.5)	(1.8)	(5.3)
Balance at January 31, 2021	<u>\$ 15.9</u>	<u>\$ 3.5</u>	<u>\$ 19.4</u>

The focus for restructuring activities in 2021 is to optimize and integrate operations in the Paper Packaging & Services segment and to rationalize operations and close underperforming assets in the Global Industrial Packaging segment.

During the three months ended January 31, 2021, the Company recorded restructuring charges of \$3.1 million, as compared to \$3.3 million of restructuring charges recorded during the three months ended January 31, 2020. The restructuring activity for the three months ended January 31, 2021 consisted of \$1.5 million in employee separation costs and \$1.6 million in other restructuring costs, primarily consisting of professional fees and other fees associated with restructuring activities.

The following is a reconciliation of the total amounts expected to be incurred from open restructuring plans or plans that are being formulated and have not been announced as of the filing date of this Form 10-Q. Remaining amounts expected to be incurred were \$22.5 million as of January 31, 2021:

<i>(in millions)</i>	Total Amounts Expected to be Incurred	Amounts Incurred During the three months ended January 31, 2021	Amounts Remaining to be Incurred
Global Industrial Packaging			
Employee separation costs	\$ 14.8	\$ 1.5	\$ 13.3
Other restructuring costs	5.7	1.3	4.4
	<u>20.5</u>	<u>2.8</u>	<u>17.7</u>
Paper Packaging & Services			
Other restructuring costs	5.1	0.3	4.8
	<u>5.1</u>	<u>0.3</u>	<u>4.8</u>
	<u>\$ 25.6</u>	<u>\$ 3.1</u>	<u>\$ 22.5</u>

**NOTE 3 — LONG-TERM DEBT**

Long-term debt is summarized as follows:

<i>(in millions)</i>	<b>January 31, 2021</b>	<b>October 31, 2020</b>
2019 Credit Agreement - Term Loans	\$ 1,365.8	\$ 1,429.8
Senior Notes due 2027	495.3	495.1
Senior Notes due 2021	242.1	234.8
Accounts receivable credit facilities	305.4	310.0
2019 Credit Agreement - Revolving Credit Facility	96.7	—
	<u>2,505.3</u>	<u>2,469.7</u>
Less: current portion	133.6	123.1
Less: deferred financing costs	12.1	11.1
Long-term debt, net	<u>\$ 2,359.6</u>	<u>\$ 2,335.5</u>

**2019 Credit Agreement**

On February 11, 2019, the Company and certain of its subsidiaries entered into an amended and restated senior secured credit agreement (the "2019 Credit Agreement") with a syndicate of financial institutions. The Company's obligations under the 2019 Credit Agreement are guaranteed by certain of its U.S. and non-U.S. subsidiaries.

The 2019 Credit Agreement provides for (a) an \$800.0 million secured revolving credit facility, consisting of a \$600.0 million multicurrency facility and a \$200.0 million U.S. dollar facility, maturing on February 11, 2024, (b) a \$1,275.0 million secured term loan A-1 facility with quarterly principal installments commencing on April 30, 2019 and continuing through maturity on January 31, 2024, and (c) a \$400.0 million secured term loan A-2 facility with quarterly principal installments commencing on April 30, 2019 and continuing through maturity on January 31, 2026. In addition, the Company has an option to add an aggregate of \$700.0 million to the secured revolving credit facility under the 2019 Credit Agreement with the agreement of the lenders. The revolving credit facility is available to fund ongoing working capital and capital expenditure needs, for general corporate purposes, and to finance acquisitions.

On November 13, 2020 the Company and certain of its U.S. subsidiaries entered into an incremental term loan agreement (the "Incremental Term A-3 Loan Agreement") with a syndicate of farm credit institutions. The Incremental Term A-3 Loan Facility provides for a loan commitment in the aggregate principal amount of \$225.0 million that must be funded in a single draw on a business day occurring on or before July 15, 2021 (the "Incremental Term A-3 Loan"). The Incremental Term A-3 Loan matures on July 15, 2026, with quarterly installments of principal payable on the last day of each fiscal quarter commencing with the first such date to occur after the funding date. The Incremental Term A-3 Loan has, for all material purposes, the identical terms and provisions as the term A-1 and the term A-2 loans under the 2019 Credit Agreement, discussed above. The Company's obligations with respect to the Incremental Term A-3 Loan will constitute obligations under the 2019 Credit Agreement and will be secured and guaranteed with the other obligations as provided in the under the 2019 Credit Facility on a *pari passu* basis. The Company intends to draw upon the Incremental Term A-3 Loan prior to July 15, 2021, and use the loan proceeds to pay all of the outstanding principal of and interest on the Senior Notes due 2021, discussed below.

As of January 31, 2021, \$1,462.5 million was outstanding under the 2019 Credit Agreement. The current portion of such outstanding amount was \$133.6 million, and the long-term portion was \$1,328.9 million. The weighted average interest rate for borrowings under the 2019 Credit Agreement was 1.95% for the three months ended January 31, 2021. The actual interest rate for borrowings under the 2019 Credit Agreement was 1.90% as of January 31, 2021. The deferred financing costs associated with the term loan portion of the 2019 Credit Agreement totaled \$8.0 million as of January 31, 2021 and are recorded as a direct deduction from the balance sheet line Long-Term Debt. The deferred financing costs associated with the revolver portion of the 2019 Credit Agreement totaled \$5.6 million as of January 31, 2021 and are recorded within Other Long-Term Assets.

**Senior Notes due 2027**

On February 11, 2019, the Company issued \$500.0 million of 6.50% Senior Notes due March 1, 2027 (the "Senior Notes due 2027"). Interest on the Senior Notes due 2027 is payable semi-annually commencing on September 1, 2019. The Company's obligations under the Senior Notes due 2027 are guaranteed by its U.S. subsidiaries that guarantee the 2019 Credit Agreement.

The deferred financing cost associated with the Senior Notes due 2027 totaled \$2.2 million as of January 31, 2021 and are recorded as a direct deduction from the balance sheet line Long-Term Debt.

**Senior Notes due 2021**

On July 15, 2011, Greif, Inc.'s wholly-owned subsidiary, Greif Nevada Holdings, Inc., S.C.S., issued €200.0 million of 7.375% Senior Notes due July 15, 2021 (the "Senior Notes due 2021"). The Senior Notes due 2021 are guaranteed on a senior basis by Greif, Inc. Interest on the Senior Notes due 2021 is payable semi-annually. During the first quarter of 2021, the Company entered into the Incremental Term A-3 Loan Agreement, as described above, with the intent to utilize the proceeds from the Incremental Term A-3 Loan to pay down the Company's Senior Notes due 2021 at maturity.

**United States Trade Accounts Receivable Credit Facility**

On September 24, 2020, the Company amended and restated the existing receivable financing facility (the "U.S. Receivables Facility"), which currently matures on September 24, 2021. Greif Receivables Funding LLC, Greif Packaging LLC, for itself and as servicer, and certain other U.S. subsidiaries of the Company entered into a Fourth Amended and Restated Transfer and Administration Agreement, dated as of September 24, 2020 (the "Fourth Amended TAA"), with Bank of America, N.A., as the agent, managing agent, administrator and committed investor, and various investor groups, managing agents, and administrators, from time to time parties thereto. The Fourth Amended TAA provides a \$250.0 million U.S. Receivables Facility that is secured by certain U.S. accounts receivable. The \$224.1 million outstanding balance under the U.S. Receivables Facility as of January 31, 2021 is reported in "Long-term debt" on the interim condensed consolidated balance sheets because the Company intends to refinance this obligation on a long-term basis and has the intent and ability to consummate a long-term refinancing.

**International Trade Accounts Receivable Credit Facility**

On April 17, 2020, Cooperage Receivables Finance B.V. and Greif Coordination Center BVBA, an indirect wholly owned subsidiary of Greif, Inc., amended and restated the Nieuw Amsterdam Receivables Financing Agreement (the "European RFA") with affiliates of a major international bank. The amended and restated European RFA will mature April 17, 2021. The European RFA provides an accounts receivable financing facility of up to €100.0 million (\$121.1 million as of January 31, 2021) secured by certain European accounts receivable. The \$81.3 million outstanding on the European RFA as of January 31, 2021 is reported as "Long-term debt" on the interim condensed consolidated balance sheets because the Company intends to refinance these obligations on a long-term basis and has the intent and ability to consummate a long-term refinancing by exercising the renewal option in the respective agreement or entering into new financing arrangements.

**NOTE 4 — FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS**

**Recurring Fair Value Measurements**

The following table presents the fair value for those assets and (liabilities) measured on a recurring basis as of January 31, 2021 and October 31, 2020:

<i>(in millions)</i>	January 31, 2021				Total	Balance Sheet Location
	Fair Value Measurement					
	Level 1	Level 2	Level 3			
Interest rate derivatives	\$ —	\$ 1.4	\$ —	\$ 1.4	Other current assets	
Interest rate derivatives	—	(32.6)	—	(32.6)	Other current liabilities and other long-term liabilities	
Foreign exchange hedges	—	1.5	—	1.5	Other current assets	
Foreign exchange hedges	—	(2.1)	—	(2.1)	Other current liabilities	
Insurance annuity	—	—	22.0	22.0	Other long-term assets	
Cross currency swap	—	4.6	—	4.6	Other current assets and other long-term assets	
<b>Total</b>	<b>\$ —</b>	<b>\$ (27.2)</b>	<b>\$ 22.0</b>	<b>\$ (5.2)</b>		

<i>(in millions)</i>	October 31, 2020				Total	Balance Sheet Location
	Fair Value Measurement					
	Level 1	Level 2	Level 3			
Interest rate derivatives	\$ —	\$ (37.9)	\$ —	\$ (37.9)	Other long-term liabilities and other current liabilities	
Foreign exchange hedges	—	1.5	—	1.5	Other current assets	
Foreign exchange hedges	—	(1.6)	—	(1.6)	Other current liabilities	
Insurance annuity	—	—	21.4	21.4	Other long-term assets	
Cross currency swap	—	8.9	—	8.9	Other current assets and other long-term assets	
Total	<u>\$ —</u>	<u>\$ (29.1)</u>	<u>\$ 21.4</u>	<u>\$ (7.7)</u>		

The carrying amounts of cash and cash equivalents, trade accounts receivable, accounts payable, current liabilities and short-term borrowings as of January 31, 2021 and October 31, 2020 approximate their fair values because of the short-term nature of these items and are not included in this table.

### ***Interest Rate Derivatives***

The Company has various borrowing facilities which charge interest based on the one-month U.S. dollar LIBOR rate plus a spread.

In 2020, the Company entered into four forward starting interest rate swaps with a total notional amount of \$200.0 million effective July 15, 2021, maturing on July 15, 2029. The Company receives variable rate interest payments based upon one-month U.S. dollar LIBOR, and in return the Company is obligated to pay interest at a weighted-average interest rate of 0.90% plus a spread. This effectively converted the borrowing rate on an amount of debt equal to the outstanding notional amount of the interest rate swap from a variable rate to a fixed rate.

In 2019, the Company entered into six interest rate swaps with a total notional amount of \$1,300.0 million that amortize to \$200.0 million over a five-year term, maturing on March 11, 2024. The outstanding notional amount as of January 31, 2021 is \$600.0 million. The Company receives variable rate interest payments based upon one-month U.S. dollar LIBOR, and in return the Company is obligated to pay interest at a weighted-average interest rate of 2.49% plus a spread. This effectively converted the borrowing rate on an amount of debt equal to the outstanding notional amount of the interest rate swap from a variable rate to a fixed rate.

In 2017, the Company entered into an interest rate swap with a notional amount of \$300.0 million, maturing on February 1, 2022. The Company receives variable rate interest payments based upon one-month U.S. dollar LIBOR, and in return the Company is obligated to pay interest at a fixed rate of 1.19% plus a spread. This effectively converted the borrowing rate on an amount of debt equal to the outstanding notional amount of the interest rate swap from a variable rate to a fixed rate.

These derivatives are designated as cash flow hedges for accounting purposes. Accordingly, the gain or loss on these derivative instruments are reported as a component of other comprehensive income and reclassified into earnings in the same line item associated with the forecasted transactions and in the same period during which the hedged transactions affect earnings. See Note 11 to the Interim Condensed Consolidated Financial Statements for additional information. The assumptions used in measuring fair value of these interest rate derivatives are considered level 2 inputs, which are based upon observable market rates, including LIBOR and interest paid based upon a designated fixed rate over the life of the swap agreements.

Losses reclassified to earnings under these contracts were \$4.4 million and \$1.5 million for the three months ended January 31, 2021, and 2020, respectively. A derivative loss of \$17.8 million, based upon interest rates at January 31, 2021, is expected to be reclassified from accumulated other comprehensive income (loss) to earnings in the next twelve months.

### ***Foreign Exchange Hedges***

The Company conducts business in various international currencies and is subject to risks associated with changing foreign exchange rates. The Company's objective is to reduce volatility associated with foreign exchange rate changes. Accordingly, the Company enters into various contracts that change in value as foreign exchange rates change to protect the value of certain existing foreign currency assets and liabilities, commitments and anticipated foreign currency cash flows. As of January 31, 2021, and October 31, 2020, the Company had outstanding foreign currency forward contracts in the notional amount of \$294.9 million and \$268.6 million, respectively. Adjustments to fair value are recognized in earnings, offsetting the impact of the

hedged profits. The assumptions used in measuring fair value of foreign exchange hedges are considered level 2 inputs, which are based on observable market pricing for similar instruments, principally foreign exchange futures contracts.

Realized gains (losses) recorded in other expense, net under fair value contracts were \$2.0 million and \$(0.8) million for the three months ended January 31, 2021, and 2020, respectively. The Company recognized in other expense, net an unrealized net gain (loss) of \$(0.6) million and \$0.7 million during the three months ended January 31, 2021 and 2020, respectively.

#### ***Cross Currency Swap***

The Company has operations and investments in various international locations and is subject to risks associated with changing foreign exchange rates. On March 6, 2018, the Company entered into a cross currency interest rate swap agreement that synthetically swaps \$100.0 million of fixed rate debt to Euro denominated fixed rate debt at a rate of 2.35%. The agreement is designated as a net investment hedge for accounting purposes and will mature on March 6, 2023. Accordingly, the gain or loss on this derivative instrument is included in the foreign currency translation component of other comprehensive income until the net investment is sold, diluted or liquidated. Interest payments received for the cross currency swap are excluded from the net investment hedge effectiveness assessment and are recorded in interest expense, net on the interim condensed consolidated statements of income. For the three months ended January 31, 2021 and 2020, gains recorded in interest expense, net under the cross currency swap agreement were \$0.6 million and \$0.6 million, respectively. See Note 11 to the Interim Condensed Consolidated Financial Statements for additional information. The assumptions used in measuring fair value of the cross currency swap are considered level 2 inputs, which are based upon the Euro to United States Dollar exchange rate market.

#### ***Other Financial Instruments***

The fair values of the Company's 2019 Credit Agreement and the U.S. Receivables Facility and European RFA (the latter two facilities, collectively, "Accounts Receivable Credit Facilities") do not materially differ from carrying value as the Company's cost of borrowing is variable and approximates current borrowing rates. The fair values of the Company's long-term obligations are estimated based on either the quoted market prices for the same or similar issues or the current interest rates offered for the debt of the same remaining maturities, which are considered level 2 inputs in accordance with ASC Topic 820, "Fair Value Measurements and Disclosures."

The following table presents the estimated fair values of the Company's Senior Notes and Assets held by special purpose entities:

<i>(in millions)</i>	<b>January 31, 2021</b>	<b>October 31, 2020</b>
Senior Notes due 2021 estimated fair value	\$ 249.8	\$ 242.0
Senior Notes due 2027 estimated fair value	533.8	524.4
Assets held by special purpose entities estimated fair value	—	50.9

### **NOTE 5 – STOCK-BASED COMPENSATION**

#### ***Long-Term Incentive Plan***

The Company's 2020 Long-Term Incentive Plan (the "2020 LTIP") is intended to focus management on the key measures that drive superior performance over the longer term. The 2020 LTIP provides key employees with incentive compensation based upon consecutive and overlapping three-year performance periods that commence at the start of every year. For each three-year performance period, the performance goals are based on performance criteria as determined by the Special Subcommittee of the Compensation Committee of the Company's Board of Directors (the "Special Subcommittee"). For the three-year performance period commencing November 1, 2020, participants were granted restricted stock units ("RSUs") or performance stock units ("PSUs") or a combination of both.

The Company grants RSUs based on a three-year vesting period on the basis of service only. The RSUs are an equity-classified plan measured at fair value on the grant date recognized ratably over the service period. Dividend-equivalent rights may be granted in connection with an RSU award and are recognized in conjunction with the Company's dividend issuance and settled upon vesting of the award.

The Company granted 139,360 RSUs after plan approval on December 17, 2020, for the service period commencing on November 1, 2020 and ending October 31, 2023. The weighted average fair value of the RSUs granted on that date was \$48.50.

Under the 2020 LTIP, the Company grants PSUs for a three-year performance period based upon service, performance criteria and market conditions. The performance criteria are based on targeted levels of earnings before interest, taxes, depreciation, depletion and amortization and total shareholder return as determined by the Special Subcommittee. The PSUs are a liability-classified plan wherein the fair value of the PSUs awarded is determined at each reporting period using a Monte Carlo simulation. A Monte Carlo simulation uses assumptions including the risk-free interest rate, expected volatility of the Company's stock price and expected life of the awards to determine a fair value of the market condition throughout the vesting period.

The Company granted 253,102 PSUs after plan approval on December 17, 2020, for the performance period commencing on November 1, 2020 and ending October 31, 2023. If earned, the PSUs are to be awarded in shares of Class A Common Stock. The weighted average fair value of the PSUs granted on that date was \$47.26. The weighted average fair value of the PSUs at January 31, 2021 was \$46.80.

#### **NOTE 6 — INCOME TAXES**

Income tax expense for the quarter was computed in accordance with Accounting Standards Codification ("ASC") 740-270 "Income Taxes - Interim Reporting." Under this method, losses from jurisdictions for which a valuation allowance has been provided have not been included in the amount to which the ASC 740-270 rate was applied. Income tax expense of the Company may fluctuate due to changes in estimated losses and income from jurisdictions for which a valuation allowance has been provided, the timing of recognition of the related tax expense under ASC 740-270, and the impact of discrete items in the respective quarter.

For the three months ended January 31, 2021 and January 31, 2020, income tax expense was \$6.1 million and \$11.4 million, respectively. The decrease in income tax expense for the three months ended January 31, 2021 was primarily caused by the reduction in pre-tax book earnings, greater tax credit utilization and a favorable one-time discrete item of \$1.1 million for the settlement of the U.S. Federal Income tax audit in the period. Additionally, changes in judgement and lapses of statute of limitations for uncertain tax positions caused an increase to tax compared to first quarter of 2020.

#### **NOTE 7 — POST RETIREMENT BENEFIT PLANS**

During the three months ended January 31, 2021, an annuity contract for approximately \$100.0 million was purchased with United States defined benefit plan assets and the pension obligation for certain retirees in the United States under that plan was irrevocably transferred from that plan to the annuity contract. Additionally, lump sum payments totaling \$1.5 million were made from the defined benefit plan assets to certain participants who agreed to such payments, representing the current fair value of the participant's respective pension benefit. The settlement items described above resulted in a decrease in the fair value of both the plan assets and the projected benefit obligation of \$101.5 million and a non-cash pension settlement charge of \$8.5 million of unrecognized net actuarial loss included in accumulated other comprehensive loss.

As a result of the settlement described above, the Company remeasured the United States defined benefit pension plan as of November 30, 2020. The result of this remeasurement was a net increase of \$20.8 million in the funded status of the plan. Plan assets increased \$46.7 million due to higher than expected returns, which was partially offset by a \$25.9 million increase in the projected benefit obligation due to a decrease in the discount rate from 3.01% as of October 31, 2020 to 2.76% as of November 30, 2020.

The components of net periodic pension cost include the following:

<i>(in millions)</i>	Three Months Ended January 31,	
	2021	2020
Service cost	\$ 3.1	\$ 3.2
Interest cost	4.5	6.6
Expected return on plan assets	(7.9)	(10.3)
Amortization of prior service cost	—	3.5
Recognized net actuarial loss	3.8	—
Net periodic pension cost	<u>\$ 3.5</u>	<u>\$ 3.0</u>

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended October 31, 2020, the Company expects to make employer contributions of \$28.7 million, including benefits paid directly by the Company, during 2021.



The components of net periodic pension cost and net periodic post-retirement benefit, other than the service cost components, are included in the line item "Other expense, net" in the interim condensed consolidated statements of income.

**NOTE 8 — CONTINGENT LIABILITIES AND ENVIRONMENTAL RESERVES**

***Litigation-related Liabilities***

The Company may become involved from time-to-time in litigation and regulatory matters incidental to its business, including governmental investigations, enforcement actions, personal injury claims, product liability, employment health and safety matters, commercial disputes, intellectual property matters, disputes regarding environmental clean-up costs, litigation in connection with acquisitions and divestitures, and other matters arising out of the normal conduct of its business. The Company intends to vigorously defend itself in such litigation. The Company does not believe that the outcome of any pending litigation will have a material adverse effect on its interim condensed consolidated financial statements.

The Company may accrue for contingencies related to litigation and regulatory matters if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because litigation is inherently unpredictable and unfavorable resolutions can occur, assessing contingencies is highly subjective and requires judgments about future events. The Company regularly reviews contingencies to determine whether its accruals are adequate. The amount of ultimate loss may differ from these estimates.

Since 2017, two reconditioning facilities in the Milwaukee, Wisconsin area that are owned by Container Life Cycle Management LLC ("CLCM"), the Company's U.S. reconditioning joint venture company, have been subject to investigations conducted by federal, state and local governmental agencies concerning, among other matters, potential violations of environmental laws and regulations. As a result of these investigations, the United States Environmental Protection Agency ("U.S. EPA") and the Wisconsin Department of Natural Resources ("WDNR") have issued notices of violations to the Company and CLCM regarding violations of certain federal and state environmental laws and regulations. The remedies being sought in these proceedings include compliance with the applicable environmental laws and regulations as being interpreted by the U.S. EPA and WDNR and monetary sanctions. The Company has cooperated with the governmental agencies in these investigations and proceedings. As of February 26, 2021, no material citations have been issued or material fines assessed with respect to any violation of environmental laws and regulations. Since these proceedings remain in their investigative stage, the Company is unable to predict the outcome of these proceedings or estimate a range of reasonable possible monetary sanctions or costs associated with any remedial actions that may be required or requested by the U.S. EPA or WDNR.

In addition, on November 8, 2017, the Company, CLCM and other parties were named as defendants in a punitive class action lawsuit filed in Wisconsin state court concerning one of CLCM's Milwaukee reconditioning facilities. The plaintiffs are alleging that odors from this facility have invaded their property and are interfering with the use and enjoyment of their property and causing damage to the value of their property. Plaintiffs are seeking compensatory and punitive damages, along with their legal fees. The Company and CLCM are vigorously defending themselves in this lawsuit. The Company is unable to predict the outcome of this lawsuit or estimate a range of reasonably possible losses.

***Environmental Reserves***

As of January 31, 2021, and October 31, 2020, the Company's environmental reserves were \$19.7 million and \$20.2 million, respectively. These reserves are principally based on environmental studies and cost estimates provided by third parties, but also take into account management estimates. The estimated liabilities are reduced to reflect the anticipated participation of other potentially responsible parties in those instances where it is probable that such parties are legally responsible and financially capable of paying their respective shares of relevant costs. For sites that involve formal actions subject to joint and several liabilities, these actions have formal agreements in place to apportion the liability.

As of January 31, 2021 and October 31, 2020, the Company has accrued \$11.1 million for the Diamond Alkali Superfund Site in New Jersey. It is possible that there could be resolution of uncertainties in the future that would require the Company to record charges that could be material to future earnings.

Aside from the Diamond Alkali Superfund Site, other environmental reserves of the Company as of January 31, 2021 and October 31, 2020 included \$8.6 million and \$9.1 million, respectively, for its various facilities around the world.

The Company's exposure to adverse developments with respect to any individual site is not expected to be material. Although environmental remediation could have a material effect on results of operations if a series of adverse developments occur in a particular quarter or year, the Company believes that the chance of a series of adverse developments occurring in the same

quarter or year is remote. Future information and developments will require the Company to continually reassess the expected impact of these environmental matters.

**NOTE 9 — EARNINGS PER SHARE**

The Company has two classes of common stock and, as such, applies the “two-class method” of computing earnings per share (“EPS”) as prescribed in ASC 260, “Earnings Per Share.” In accordance with this guidance, earnings are allocated in the same fashion as dividends would be distributed. Under the Company’s certificate of incorporation, any distribution of dividends in any year must be made in proportion of one cent a share for Class A Common Stock to one and one-half cents a share for Class B Common Stock, which results in a 40% to 60% split to Class A and B shareholders, respectively. In accordance with this, earnings are allocated first to Class A and Class B Common Stock to the extent that dividends are actually paid and the remainder is allocated assuming all of the earnings for the period have been distributed in the form of dividends.

The Company calculates EPS as follows:

$$\text{Basic Class A EPS} = \frac{40\% * \text{Average Class A Shares Outstanding}}{40\% * \text{Average Class A Shares Outstanding} + 60\% * \text{Average Class B Shares Outstanding}} * \frac{\text{Undistributed Net Income}}{\text{Average Class A Shares Outstanding}} + \text{Class A Dividends Per Share}$$

$$\text{Diluted Class A EPS} = \frac{40\% * \text{Average Class A Shares Outstanding}}{40\% * \text{Average Class A Shares Outstanding} + 60\% * \text{Average Class B Shares Outstanding}} * \frac{\text{Undistributed Net Income}}{\text{Average Diluted Class A Shares Outstanding}} + \text{Class A Dividends Per Share}$$

$$\text{Basic Class B EPS} = \frac{60\% * \text{Average Class B Shares Outstanding}}{40\% * \text{Average Class A Shares Outstanding} + 60\% * \text{Average Class B Shares Outstanding}} * \frac{\text{Undistributed Net Income}}{\text{Average Class B Shares Outstanding}} + \text{Class B Dividends Per Share}$$

\*Diluted Class B EPS calculation is identical to Basic Class B calculation

The following table provides EPS information for each period, respectively:

<i>(in millions)</i>	Three Months Ended January 31,	
	2021	2020
Numerator for basic and diluted EPS		
Net income attributable to Greif, Inc.	\$ 23.4	\$ 32.3
Cash dividends	(25.9)	(25.9)
Undistributed earnings attributable to Greif, Inc.	\$ (2.5)	\$ 6.4

The Class A Common Stock has no voting rights unless four quarterly cumulative dividends upon the Class A Common Stock are in arrears. The Class B Common Stock has full voting rights. There is no cumulative voting for the election of directors.

**Common Stock Repurchases**

The Board of Directors has authorized the Company to repurchase shares of the Company's Class A Common Stock or Class B Common Stock or any combination of the foregoing. As of January 31, 2021, the remaining amount of shares that may be repurchased under this authorization was 4,703,487. There were no shares repurchased during the first quarter of 2021 or fiscal year 2020.

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The following table summarizes the Company's Class A and Class B common and treasury shares as of the specified dates:

	Authorized Shares	Issued Shares	Outstanding Shares	Treasury Shares
<b>January 31, 2021</b>				
Class A Common Stock	128,000,000	42,281,920	26,525,238	15,756,682
Class B Common Stock	69,120,000	34,560,000	22,007,725	12,552,275
<b>October 31, 2020</b>				
Class A Common Stock	128,000,000	42,281,920	26,441,986	15,839,934
Class B Common Stock	69,120,000	34,560,000	22,007,725	12,552,275

The following is a reconciliation of the shares used to calculate basic and diluted earnings per share:

	Three Months Ended January 31,	
	2021	2020
<b>Class A Common Stock:</b>		
Basic shares	26,456,071	26,260,943
Assumed conversion of restricted shares	75,332	153,337
Diluted shares	26,531,403	26,414,280
<b>Class B Common Stock:</b>		
Basic and diluted shares	22,007,725	22,007,725

**NOTE 10 — LEASES**

The Company leases certain buildings, warehouses, land, transportation equipment, operating equipment, and office equipment with remaining lease terms from less than one year up to 21 years. The Company reviews all options to extend, terminate, or purchase a right of use asset at the time of lease inception and accounts for options deemed reasonably certain.

The Company combines lease and non-lease components for all leases, except real estate, for which these components are presented separately. Leases with an initial term of twelve months or less are not capitalized and are recognized on a straight-line basis over the lease term. The implicit rate is not readily determinable for substantially all of the Company's leases, and therefore the initial present value of lease payments is calculated utilizing an estimated incremental borrowing rate determined at the portfolio level based on market and Company specific information.

Certain of the Company's leases include variable costs. As the right of use asset recorded on the balance sheet was determined based upon factors considered at the commencement date, changes in these variable expenses are not capitalized and are expensed as incurred throughout the lease term.

As of January 31, 2021, the Company does not have material exposure to finance leases and has not entered into any significant leases which have not yet commenced.

The following table presents the lease expense components for the three months ended January 31, 2021 and 2020:

<i>(in millions)</i>	Three Months Ended January 31,	
	2021	2020
Operating lease cost	\$ 17.3	\$ 17.2
Other lease cost*	5.7	6.4
Total lease cost	\$ 23.0	\$ 23.6

\*Amount includes variable, short-term, and finance lease costs.

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Future maturity for the Company's lease liabilities, during the next five years, and in the aggregate for the years thereafter, are as follows:

<i>(in millions)</i>	<b>January 31, 2021</b>
2021	\$ 66.8
2022	58.2
2023	50.0
2024	41.1
2025	37.0
Thereafter	139.9
Total lease payments	\$ 393.0
Less: Interest	(90.7)
Lease liabilities	<u>\$ 302.3</u>

The following table presents other required lease related information for the three months ended January 31, 2021:

<i>(in millions)</i>	<b>Three Months Ended January 31,</b>	
	<b>2021</b>	<b>2020</b>
Operating cash flows used for operating liabilities	\$ 17.4	\$ 17.1
Leased assets obtained in exchange for new operating lease liabilities	1.9	28.7
Weighted-average remaining lease term (years)	10.9	10.4
Weighted-average discount rate	3.68 %	3.39 %

**NOTE 11 — COMPREHENSIVE INCOME (LOSS)**

The following table provides the rollforward of accumulated other comprehensive income (loss) for the three months ended January 31, 2021:

<i>(in millions)</i>	<b>Foreign Currency Translation</b>	<b>Derivative Financial Instruments</b>	<b>Minimum Pension Liability Adjustment</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>
Balance as of October 31, 2020	\$ (294.9)	\$ (24.7)	\$ (107.9)	\$ (427.5)
Other Comprehensive Income	25.0	1.9	22.7	49.6
Balance as of January 31, 2021	<u>\$ (269.9)</u>	<u>\$ (22.8)</u>	<u>\$ (85.2)</u>	<u>\$ (377.9)</u>

The following table provides the rollforward of accumulated other comprehensive income (loss) for the three months ended January 31, 2020:

<i>(in millions)</i>	<b>Foreign Currency Translation</b>	<b>Derivative Financial Instruments</b>	<b>Minimum Pension Liability Adjustment</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>
Balance as of October 31, 2019	\$ (298.0)	\$ (12.7)	\$ (123.0)	\$ (433.7)
Other Comprehensive Income (Loss)	(1.1)	0.2	21.7	20.8
Balance as of January 31, 2020	<u>\$ (299.1)</u>	<u>\$ (12.5)</u>	<u>\$ (101.3)</u>	<u>\$ (412.9)</u>

The components of accumulated other comprehensive income (loss) above are presented net of tax, as applicable.

**NOTE 12 — BUSINESS SEGMENT INFORMATION**

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The Company has made changes to the operational and financial management practices and procedures of the Rigid Industrial Packaging & Services and Flexible Products & Services segments and combined the two segments under a single global leadership team. These changes were made to enhance cross-selling and service offerings to customers within similar markets and enhance Greif Business System effectiveness. As a result of these changes, during the first quarter of 2021, the Rigid Industrial Packaging & Services reportable segment and the Flexible Products & Services reportable segment have been combined into a single reportable segment known as Global Industrial Packaging. On February 24, 2021, the Company filed a Current Report on Form 8-K with the SEC to furnish certain historical GAAP and non-GAAP financial information in a revised presentation aligned with the Company's new reportable segment structure described above.

The Company's reportable business segments offer different products and services and are compiled of six operating segments. The accounting policies of the reportable business segments are substantially the same as those described in the "Basis of Presentation and Summary of Significant Accounting Policies" note in the 2020 Form 10-K.

The following tables present net sales disaggregated by geographic area for each reportable segment for the three months ended January 31, 2021:

<i>(in millions)</i>	Three Months Ended January 31, 2021			
	United States	Europe, Middle East and Africa	Asia Pacific and Other Americas	Total
Global Industrial Packaging	\$ 202.8	\$ 330.5	\$ 126.0	\$ 659.3
Paper Packaging & Services	473.5	—	7.4	480.9
Land Management	6.3	—	—	6.3
Total net sales	<u>\$ 682.6</u>	<u>\$ 330.5</u>	<u>\$ 133.4</u>	<u>\$ 1,146.5</u>

The following tables present net sales disaggregated by geographic area for each reportable segment for the three months ended January 31, 2020:

<i>(in millions)</i>	Three Months Ended January 31, 2020			
	United States	Europe, Middle East and Africa	Asia Pacific and Other Americas	Total
Global Industrial Packaging	\$ 209.1	\$ 307.3	\$ 115.3	\$ 631.7
Paper Packaging & Services	467.8	—	5.9	473.7
Land Management	7.0	—	—	7.0
Total net sales	<u>\$ 683.9</u>	<u>\$ 307.3</u>	<u>\$ 121.2</u>	<u>\$ 1,112.4</u>

The following segment information is presented for the periods indicated:

<i>(in millions)</i>	Three Months Ended January 31,	
	2021	2020
<b>Operating profit:</b>		
Global Industrial Packaging	\$ 54.0	\$ 44.8
Paper Packaging & Services	14.3	32.5
Land Management	1.7	1.9
Total operating profit	<u>\$ 70.0</u>	<u>\$ 79.2</u>
<b>Depreciation, depletion and amortization expense:</b>		
Global Industrial Packaging	\$ 21.0	\$ 21.1
Paper Packaging & Services	37.2	39.2
Land Management	1.1	1.0
Total depreciation, depletion and amortization expense	<u>\$ 59.3</u>	<u>\$ 61.3</u>

The following table presents total assets by segment and total properties, plants and equipment, net by geographic area:

<i>(in millions)</i>	January 31, 2021	October 31, 2020
<b>Assets:</b>		
Global Industrial Packaging	\$ 2,453.8	\$ 2,338.5
Paper Packaging & Services	2,520.2	2,524.3
Land Management	297.3	348.6
Total segments	<u>5,271.3</u>	<u>5,211.4</u>
Corporate and other	295.3	299.5
Total assets	<u>\$ 5,566.6</u>	<u>\$ 5,510.9</u>
<b>Long lived assets, net*:</b>		
United States	\$ 1,324.8	\$ 1,345.8
Europe, Middle East and Africa	373.8	377.6
Asia Pacific and other Americas	116.1	111.0
Total long-lived assets, net	<u>\$ 1,814.7</u>	<u>\$ 1,834.4</u>

\*includes impact of capitalization of operating lease assets

#### **NOTE 13 — SUBSEQUENT EVENTS**

On February 24, 2021, the Company has entered into an agreement to sell approximately 69,200 acres of its timberland acreage in southwest Alabama to Weyerhaeuser Company and a subsidiary for approximately \$149.0 million in cash. Proceeds will be applied toward debt repayment. As of January 31, 2021, assets associated with the sale were classified as held for sale, with an approximate net book value of \$47.5 million. The transaction is subject to customary closing conditions and is expected to close in the second quarter of 2021.

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **GENERAL**

The terms "Greif," "our company," "we," "us" and "our" as used in this discussion refer to Greif, Inc. and its subsidiaries. Our fiscal year begins on November 1 and ends on October 31 of the following year. Any references in this Form 10-Q to the years, or to any quarter of those years, relates to the fiscal year or quarter, as the case may be, ended in that year, unless otherwise stated.

The discussion and analysis presented below relates to the material changes in financial condition and results of operations for our interim condensed consolidated balance sheets as of January 31, 2021 and October 31, 2020, and for the interim condensed consolidated statements of income for the three months ended January 31, 2021 and 2020. This discussion and analysis should be read in conjunction with the interim condensed consolidated financial statements that appear elsewhere in this Form 10-Q and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the fiscal year ended October 31, 2020 (the "2020 Form 10-K"). Readers are encouraged to review the entire 2020 Form 10-K, as it includes information regarding Greif not discussed in this Form 10-Q. This information will assist in your understanding of the discussion of our current period financial results.

All statements, other than statements of historical facts, included in this Form 10-Q, including without limitation, statements regarding our future financial position, business strategy, budgets, projected costs, goals, trends and plans and objectives of management for future operations, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "aspiration," "objective," "project," "believe," "continue," "on track" or "target" or the negative thereof or variations thereon or similar terminology. All forward-looking statements made in this Form 10-Q are based on assumptions, expectations and other information currently available to management. Although we believe that the expectations reflected in forward-looking statements have a reasonable basis, we can give no assurance that these expectations will prove to be correct.

Forward-looking statements are subject to risks and uncertainties that could cause our 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) our global operations subject us to currency exchange and political risks that could adversely affect our results of operations, (iii) the COVID-19 pandemic could continue to impact any combination of our business, financial condition, results of operations and cash flows, (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 and customer preferences, (viii) raw material, energy and transportation price fluctuations and shortages may adversely impact our manufacturing operations and costs, (ix) the frequency and volume of our timber and timberland sales will impact our financial performance, (x) we may not successfully implement our business strategies, including achieving our growth objectives, (xi) we may encounter difficulties or liabilities arising from acquisitions or divestitures, (xii) the acquisition of Caraustar Industries, Inc. and its subsidiaries subjects us to various risks and uncertainties, (xiii) we may incur additional restructuring costs and there is no guarantee that our efforts to reduce costs will be successful, (xiv) several operations are conducted by joint ventures that we cannot operate solely for our benefit, (xv) certain of the agreements that govern our joint ventures provide our partners with put or call options, (xvi) our ability to attract, develop and retain talented and qualified employees, managers and executives is critical to our success, (xvii) our business may be adversely impacted by work stoppages and other labor relations matters, (xviii) we may be subject to losses that might not be covered in whole or in part by existing insurance reserves or insurance coverage and general insurance premium and deductible increases, (xix) our business depends on the uninterrupted operations of our facilities, systems and business functions, including our information technology and other business systems, (xx) a security breach of customer, employee, supplier or company information may have a material adverse effect on our business, financial condition, results of operations and cash flows, (xxi) changes in U.S. GAAP and SEC rules and regulations concerning the maintenance of effective internal controls could materially impact our reported financial results, (xxii) we could be subject to changes in our tax rates, the adoption of new U.S. or foreign tax legislation or exposure to additional tax liabilities, (xxiii) full realization of our deferred tax assets may be affected by a number of factors, (xxiv) our level of indebtedness could adversely affect our liquidity, limit our flexibility in responding to business opportunities, and increase our vulnerability to adverse changes in economic and industry conditions, (xxv) we have a significant amount of goodwill and long-lived assets which, if impaired in the future, would adversely impact our results of operations, (xxvi) 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, (xxvii) legislation/regulation related to environmental and health and safety matters and corporate social responsibility could negatively impact our operations and financial performance, (xxviii) product liability claims and other legal proceedings could adversely affect our operations and financial performance, (xxix) 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, (xxx) changing climate, climate change regulations and greenhouse gas effects may adversely affect our operations and financial performance. 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, updated by Part II Item 1A of this Form 10-Q, and our other filings with the SEC. All forward-looking statements made in this Form 10-Q 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.

## OVERVIEW

### Business Segments

We have made changes to the operational and financial management practices and procedures of the Rigid Industrial Packaging & Services and Flexible Products & Services segments and combined the two segments under a single global leadership team. These changes were made to enhance cross-selling and service offerings to customers within similar markets and enhance Greif Business System effectiveness. As a result of these changes, during the first quarter of 2021, the Rigid Industrial Packaging & Services reportable segment and the Flexible Products & Services reportable segment have been combined into a single reportable segment known as Global Industrial Packaging. On February 24, 2021 we filed a Current Report on Form 8-K with the SEC to furnish certain historical GAAP and non-GAAP financial information in a revised presentation aligned with our new reportable segment structure described above.

In the Global Industrial Packaging segment, we are a leading global producer of industrial packaging products, such as steel, fibre and plastic drums, rigid and flexible intermediate bulk containers, closure systems for industrial packaging products, transit protection products, water bottles and remanufactured and reconditioned industrial containers, and services, such as container life cycle management, filling, logistics, warehousing and other packaging services. Our flexible intermediate bulk containers consist of a polypropylene-based woven fabric that is produced at our production sites, as well as sourced from strategic regional suppliers. We sell our industrial packaging products on a global basis to customers in industries such as chemicals, paints and pigments, food and beverage, petroleum, industrial coatings, agricultural, pharmaceutical and minerals, among others.

In the Paper Packaging & Services segment, we produce and sell containerboard, corrugated sheets, corrugated containers, and other corrugated products to customers in North America in industries such as packaging, automotive, food and building products. Our corrugated container products are used to ship such diverse products as home appliances, small machinery, grocery products, automotive components, books and furniture, as well as numerous other applications. We also produce and sell coated recycled paperboard and uncoated recycled paperboard, some of which we use to produce and sell products which ultimately serve both industrial and consumer markets. In addition, we purchase and sell recycled fiber.

In the Land Management segment, we are focused on the active harvesting and regeneration of our United States timber properties to achieve sustainable long-term yields. While timber sales are subject to fluctuations, we seek to maintain a consistent cutting schedule, within the limits of market and weather conditions. We also sell, from time to time, timberland and special use land, which consists of surplus land, higher and better use (“HBU”) land and development land. As of January 31, 2021, we owned approximately 244,000 acres of timber property in the southeastern United States, which includes 18,800 acres of special use land. On February 24, 2021, we entered into an agreement to sell approximately 69,200 acres of our timberland properties acreage in southwest Alabama to Weyerhaeuser Company for approximately \$149.0 million in cash. The transaction is subject to customary closing conditions and is expected to close in the second quarter of 2021.

### CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations are based upon our interim condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these interim condensed consolidated financial statements, in accordance with these principles, require us to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities as of the date of our interim condensed consolidated financial statements.



Our critical accounting policies are discussed in Part II, Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations of the 2020 Form 10-K. We believe that the consistent application of these policies enables us to provide readers of the interim condensed consolidated financial statements with useful and reliable information about our results of operations and financial condition. There have been no material changes to our critical accounting policies from the disclosures contained in the 2020 Form 10-K.

***Recently Issued and Newly Adopted Accounting Standards***

See Note 1 to the Interim Condensed Consolidated Financial Statements included in Item 1 of this Form 10-Q for a detailed description of recently issued and newly adopted accounting standards.

**RESULTS OF OPERATIONS**

The following comparative information is presented for the three months ended January 31, 2021 and 2020. Historical revenues and earnings may or may not be representative of future operating results as a result of various economic and other factors.

Items that could have a significant impact on the financial statements include the risks and uncertainties listed in Part I, Item 1A — Risk Factors, of the 2020 Form 10-K, updated by Part II, Item 1A of this Form 10-Q. Actual results could differ materially using different estimates and assumptions, or if conditions are significantly different in the future.

The non-GAAP financial measures of EBITDA and Adjusted EBITDA are used throughout the following discussion of our results of operations, both for our consolidated and segment results. For our consolidated results, EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization, and Adjusted EBITDA is defined as EBITDA plus any restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges (income), plus incremental COVID-19 costs, net, plus any loss (gain) on disposal of properties, plants, equipment and businesses, net. Since we do not calculate net income by business segment, EBITDA and Adjusted EBITDA by business segment are reconciled to operating profit by business segment. In that case, EBITDA is defined as operating profit by business segment less non-cash pension settlement charges (income), less other expense, net, less equity earnings of unconsolidated affiliates, net of tax, plus depreciation, depletion and amortization expense for that business segment, and Adjusted EBITDA is defined as EBITDA plus any restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges (income), plus incremental COVID-19 costs, net, plus any loss (gain) on disposal of properties, plants, equipment and businesses, net, for that business segment. We use EBITDA and Adjusted EBITDA as financial measures to evaluate our historical and ongoing operations and believe that these non-GAAP financial measures are useful to enable investors to perform meaningful comparisons of our historical and current performance. In addition, we present our U.S. and non-U.S. income before income taxes after eliminating the impact of any non-cash asset impairment charges, non-cash pension settlement charges (income), gain on sale of businesses, net, restructuring charges and acquisition and integration related costs which are non-GAAP financial measures. We believe that excluding the impact of these adjustments enable investors to perform a meaningful comparison of our current and historical performance that investors find valuable. The foregoing non-GAAP financial measures are intended to supplement and should be read together with our financial results. These non-GAAP financial 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 financial measures.

**First Quarter Results**

The following table sets forth the net sales, operating profit, EBITDA and Adjusted EBITDA for each of our business segments for the three months ended January 31, 2021 and 2020:

<i>(in millions)</i>	Three Months Ended January 31,	
	2021	2020
<b>Net sales:</b>		
Global Industrial Packaging	\$ 659.3	\$ 631.7
Paper Packaging & Services	480.9	473.7
Land Management	6.3	7.0
Total net sales	<u>\$ 1,146.5</u>	<u>\$ 1,112.4</u>
<b>Operating profit:</b>		
Global Industrial Packaging	\$ 54.0	\$ 44.8
Paper Packaging & Services	14.3	32.5
Land Management	1.7	1.9
Total operating profit	<u>\$ 70.0</u>	<u>\$ 79.2</u>
<b>EBITDA:</b>		
Global Industrial Packaging	\$ 75.8	\$ 63.6
Paper Packaging & Services	42.9	73.0
Land Management	2.8	2.9
Total EBITDA	<u>\$ 121.5</u>	<u>\$ 139.5</u>
<b>Adjusted EBITDA:</b>		
Global Industrial Packaging	\$ 79.5	\$ 66.6
Paper Packaging & Services	56.1	77.9
Land Management	2.9	2.9
Total Adjusted EBITDA	<u>\$ 138.5</u>	<u>\$ 147.4</u>

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The following table sets forth EBITDA and Adjusted EBITDA, reconciled to net income and operating profit, for our consolidated results for the three months ended January 31, 2021 and 2020:

<i>(in millions)</i>	<b>Three Months Ended January 31,</b>	
	<b>2021</b>	<b>2020</b>
Net income	\$ 30.9	\$ 36.1
Plus: interest expense, net	25.2	30.7
Plus: income tax expense	6.1	11.4
Plus: depreciation, depletion and amortization expense	59.3	61.3
EBITDA	<u>\$ 121.5</u>	<u>\$ 139.5</u>
Net income	\$ 30.9	\$ 36.1
Plus: interest expense, net	25.2	30.7
Plus: income tax expense	6.1	11.4
Plus: non-cash pension settlement charges (income)	8.5	(0.1)
Plus: other expense, net	—	1.3
Plus: equity earnings of unconsolidated affiliates, net of tax	(0.7)	(0.2)
Operating profit	<u>70.0</u>	<u>79.2</u>
Less: non-cash pension settlement charges (income)	8.5	(0.1)
Less: other expense, net	—	1.3
Less: equity earnings of unconsolidated affiliates, net of tax	(0.7)	(0.2)
Plus: depreciation, depletion and amortization expense	59.3	61.3
EBITDA	<u>121.5</u>	<u>139.5</u>
Plus: restructuring charges	3.1	3.3
Plus: acquisition and integration related costs	2.0	5.1
Plus: non-cash asset impairment charges	1.3	0.1
Plus: non-cash pension settlement charges (income)	8.5	(0.1)
Plus: incremental COVID-19 costs, net	0.6	—
Less: loss (gain) on disposal of properties, plants, equipment, and businesses, net	1.5	(0.5)
Adjusted EBITDA	<u><u>\$ 138.5</u></u>	<u><u>\$ 147.4</u></u>

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The following table sets forth EBITDA and Adjusted EBITDA for our business segments, reconciled to the operating profit for each segment, for the three months ended January 31, 2021 and 2020:

<i>(in millions)</i>	<b>Three Months Ended January 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Global Industrial Packaging</b>		
Operating profit	\$ 54.0	\$ 44.8
Less: other (income) expense, net	(0.1)	2.5
Less: equity earnings of unconsolidated affiliates, net of tax	(0.7)	(0.2)
Plus: depreciation and amortization expense	21.0	21.1
EBITDA	75.8	63.6
Plus: restructuring charges	2.8	2.3
Plus: non-cash asset impairment charges	1.3	0.1
Plus: incremental COVID-19 costs, net	0.3	—
Less: (gain) loss on disposal of properties, plants, equipment, and businesses, net	(0.7)	0.6
Adjusted EBITDA	<u>\$ 79.5</u>	<u>\$ 66.6</u>
<b>Paper Packaging &amp; Services</b>		
Operating profit	\$ 14.3	\$ 32.5
Less: non-cash pension settlement charges (income)	8.5	(0.1)
Less: other (income) expense, net	0.1	(1.2)
Plus: depreciation and amortization expense	37.2	39.2
EBITDA	42.9	73.0
Plus: restructuring charges	0.3	1.0
Plus: acquisition and integration related costs	2.0	5.1
Plus: non-cash pension settlement income	8.5	(0.1)
Plus: incremental COVID-19 costs, net	0.3	—
Less: loss (gain) on disposal of properties, plants, equipment, and businesses, net	2.1	(1.1)
Adjusted EBITDA	<u>\$ 56.1</u>	<u>\$ 77.9</u>
<b>Land Management</b>		
Operating profit	\$ 1.7	\$ 1.9
Plus: depreciation, depletion and amortization expense	1.1	1.0
EBITDA	2.8	2.9
Less: gain on disposal of properties, plants, equipment, and businesses, net	0.1	—
Adjusted EBITDA	<u>\$ 2.9</u>	<u>\$ 2.9</u>

**Net Sales**

Net sales were \$1,146.5 million for the first quarter of 2021 compared with \$1,112.4 million for the first quarter of 2020. The \$34.1 million increase was primarily due to higher volumes and higher average sale prices across the segments. Net sales for the first quarter 2020 included \$53.0 million of net sales attributable to the divested Consumer Packaging Group business, which was sold on April 1, 2020. See the "Segment Review" below for additional information on net sales by segment for the first quarter of 2021.

**Gross Profit**

Gross profit was \$212.2 million for the first quarter of 2021 compared with \$222.6 million for the first quarter of 2020. The reasons for the decline in gross profit for each segment are described below in the "Segment Review." Gross profit margin was 18.5 percent for the first quarter of 2021 compared with 20.0 percent for the first quarter of 2020.

## **Selling, General and Administrative Expenses**

Selling, general and administrative (“SG&A”) expenses were \$134.3 million for the first quarter of 2021 and \$135.4 million for the first quarter of 2020. SG&A expenses were 11.7 percent of net sales for the first quarter of 2021 compared with 12.2 percent of net sales for the first quarter of 2020.

## **Financial Measures**

Operating profit was \$70.0 million for the first quarter of 2021 compared with \$79.2 million for the first quarter of 2020. Net income was \$30.9 million for the first quarter of 2021 compared with \$36.1 million for the first quarter of 2020. Adjusted EBITDA was \$138.5 million for the first quarter of 2021 compared with \$147.4 million for the first quarter of 2020. The reasons for the decrease in Adjusted EBITDA for each segment are described below in the "Segment Review."

## **Trends**

We anticipate the demand trends reflected in our first quarter results to continue during our second quarter. In addition, we expect the steel supply markets to remain tight in the Americas and EMEA through our second and third quarters and prices to continue to increase. Similarly, the resin supply market is also tight and prices are expected to increase near term. Raw materials in our paper making process are expected to increase through our second quarter, and we expect higher transportation and insurance costs relative to last year due to tighter market conditions.

## **Segment Review**

### *Global Industrial Packaging*

Our Global Industrial Packaging segment offers a comprehensive line of industrial packaging products, such as steel, fibre and plastic drums, rigid and flexible intermediate bulk containers, closure systems for industrial packaging products, transit protection products, water bottles and remanufactured and reconditioned industrial containers, and services, such as container life cycle management, filling, logistics, warehousing and other packaging services. Key factors influencing profitability in the Global Industrial Packaging segment are:

- Selling prices, product mix, customer demand and sales volumes;
- Raw material costs, primarily steel, resin, containerboard and used industrial packaging for reconditioning;
- Energy and transportation costs;
- Benefits from executing the Greif Business System;
- Restructuring charges;
- Acquisition of businesses and facilities;
- Divestiture of businesses and facilities; and
- Impact of foreign currency translation.

Net sales were \$659.3 million for the first quarter of 2021 compared with \$631.7 million for the first quarter of 2020. The \$27.6 million increase in net sales was primarily due to higher volumes and higher average sale prices partly driven by contractual price adjustment mechanisms related to raw material price increases.

Gross profit was \$130.3 million for the first quarter of 2021 compared with \$120.1 million for the first quarter of 2020. The \$10.2 million increase in gross profit was primarily due to the same factors as net sales, partially offset by higher transportation expenses. Gross profit margin was 19.8 percent and 19.0 percent for the three months ended January 31, 2021 and 2020, respectively.

Operating profit was \$54.0 million for the first quarter of 2021 compared with operating profit of \$44.8 million for the first quarter of 2020. Adjusted EBITDA was \$79.5 million for the first quarter of 2021 compared with \$66.6 million for the first quarter of 2020. The \$12.9 million increase in Adjusted EBITDA was primarily due to the same factors that impacted gross profit.

### *Paper Packaging & Services*

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Our Paper Packaging & Services segment produces and sells containerboard, corrugated sheets, corrugated containers, and other corrugated products to customers in North America in industries such as packaging, automotive, food and building products. Our corrugated container products are used to ship such diverse products as home appliances, small machinery, grocery products, automotive components, books and furniture, as well as numerous other applications. We also produce and sell coated recycled paperboard and uncoated recycled paperboard, some of which we use to produce and sell products which ultimately serve both industrial and consumer markets. In addition, we also purchase and sell recycled fiber. Key factors influencing profitability in the Paper Packaging & Services segment are:

- Selling prices, product mix, customer demand and sales volumes;
- Raw material costs, primarily old corrugated containers;
- Energy and transportation costs;
- Benefits from executing the Greif Business System;
- Restructuring charges;
- Acquisition of businesses and facilities; and
- Divestiture of businesses and facilities.

Net sales were \$480.9 million for the first quarter of 2021 compared with \$473.7 million for the first quarter of 2020. The \$7.2 million increase was primarily due to higher published containerboard and boxboard prices and higher volumes. Net sales for the first quarter 2020 included \$53.0 million of net sales attributable to the divested Consumer Packaging Group business, which was sold on April 1, 2020.

Gross profit was \$79.6 million for the first quarter of 2021 compared with \$100.1 million for the first quarter of 2020. The decrease in gross profit was primarily due to higher old corrugated container input costs and higher transportation expenses. Gross profit margin was 16.6 percent and 21.1 percent for the first quarter of 2021 and 2020, respectively.

Operating profit was \$14.3 million for the first quarter of 2021 compared with \$32.5 million for the first quarter of 2020. Adjusted EBITDA was \$56.1 million for the first quarter of 2021 compared with \$77.9 million for the first quarter of 2020. The \$21.8 million decrease in Adjusted EBITDA was primarily due to the same factors that impacted gross profit.

### *Land Management*

As of January 31, 2021, our Land Management segment consisted of approximately 244,000 acres of timber properties in the southeastern United States. Key factors influencing profitability in the Land Management segment are:

- Planned level of timber sales;
- Selling prices and customer demand;
- Gains on timberland sales; and
- Gains on the disposal of development, surplus and HBU properties ("special use property").

In order to maximize the value of our timber property, we continue to review our current portfolio and explore the development of certain of these properties. This process has led us to characterize our property as follows:

- Surplus property, meaning land that cannot be efficiently or effectively managed by us, whether due to parcel size, lack of productivity, location, access limitations or for other reasons;
- HBU property, meaning land that in its current state has a higher market value for uses other than growing and selling timber;
- Development property, meaning HBU land that, with additional investment, may have a significantly higher market value than its HBU market value; and
- Core timberland, meaning land that is best suited for growing and selling timber.

We report the sale of core timberland property in "timberland gains," the sale of HBU and surplus property in "gain on disposal of properties, plants and equipment, net" and the sale of timber and development property under "net sales" and "cost of products sold" in our interim condensed consolidated statements of income. All HBU and development property, together with surplus property, is used to productively grow and sell timber until the property is sold.

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Whether timberland has a higher value for uses other than growing and selling timber is a determination based upon several variables, such as proximity to population centers, anticipated population growth in the area, the topography of the land, aesthetic considerations, including access to lakes or rivers, the condition of the surrounding land, availability of utilities, markets for timber and economic considerations both nationally and locally. Given these considerations, the characterization of land is not a static process, but requires an ongoing review and re-characterization as circumstances change.

As of January 31, 2021, we had approximately 18,800 acres of special use property in the United States.

Net sales decreased to \$6.3 million for the first quarter of 2021 compared with \$7.0 million for the first quarter of 2020.

Operating profit decreased to \$1.7 million for the first quarter of 2021 compared with \$1.9 million for the first quarter of 2020. Adjusted EBITDA was \$2.9 million for both the first quarter of 2021 and 2020.

**Other Income Statement Changes**

*Interest Expense, net*

Interest expense, net, was \$25.2 million for the first quarter of 2021 compared with \$30.7 million for the first quarter of 2020. This decrease was primarily due to reductions in long-term debt balances and declines in variable interest rates as of the end of the first quarter of 2021 compared to the end of the first quarter of 2020.

*U.S. and Non-U.S. Income before Income Tax Expense*

See the following tables for details of the U.S. and non-U.S. income before income taxes and U.S. and non-U.S. income before income taxes after eliminating the impact of non-cash asset impairment charges, non-cash pension settlement income, restructuring charges, acquisition and integration related costs, debt extinguishment charges, and (gains) losses on sales of businesses (collectively, "Adjustments").

**Summary**

	<b>Three Months Ended January 31,</b>	
	<b>2021</b>	<b>2020</b>
Non-U.S. % of Consolidated Net Sales	40.5 %	38.5 %
U.S. % of Consolidated Net Sales	59.5 %	61.5 %
	<u>100.0 %</u>	<u>100.0 %</u>
Non-U.S. % of Consolidated I.B.I.T.	106.9 %	66.8 %
U.S. % of Consolidated I.B.I.T.	(6.9)%	33.2 %
	<u>100.0 %</u>	<u>100.0 %</u>
Non-U.S. % of Consolidated I.B.I.T. before Adjustments	82.6 %	58.3 %
U.S. % of Consolidated I.B.I.T. before Adjustments	17.4 %	41.7 %
	<u>100.0 %</u>	<u>100.0 %</u>

**Non-U.S. I.B.I.T. Reconciliation**

	<b>Three Months Ended January 31,</b>	
	<b>2021</b>	<b>2020</b>
<i>(in millions)</i>		
Non-U.S. I.B.I.T.	\$ 38.8	\$ 31.6
Non-cash asset impairment charges	1.3	0.1
Restructuring charges	2.2	0.8
Gain on sale of businesses, net	(0.1)	—
Total Non-U.S. Adjustments	<u>3.4</u>	<u>0.9</u>
Non-U.S. I.B.I.T. before Adjustments	<u>\$ 42.2</u>	<u>\$ 32.5</u>

**U.S. I.B.I.T. Reconciliation**

<i>(in millions)</i>	<b>Three Months Ended January 31,</b>	
	<b>2021</b>	<b>2020</b>
U.S. I.B.I.T.	\$ (2.5)	\$ 15.7
Non-cash pension settlement charges (income)	8.5	(0.1)
Restructuring charges	0.9	2.5
Acquisition and integration related costs	2.0	5.1
Total U.S. Adjustments	11.4	7.5
U.S. I.B.I.T. before Adjustments	\$ 8.9	\$ 23.2

I.B.I.T. is Income Before Income Tax Expense

*Income Tax Expense*

Our quarterly income tax expense was computed in accordance with ASC 740-270 "Income Taxes - Interim Reporting." In accordance with this accounting standard, annual estimated tax expense is computed based on forecasted annual earnings and other forecasted annual amounts, including, but not limited to items such as uncertain tax positions and withholding taxes. Additionally, losses from jurisdictions for which a valuation allowance has been provided have not been included in the annual estimated tax rate. Income tax expense each quarter is provided for on a current year-to-date basis using the annual estimated tax rate, adjusted for discrete taxable events that occur during the interim period.

Income tax expense for the first quarter of 2021 was \$6.1 million on \$36.3 million of pre-tax income and income tax expense for the first quarter of 2020 was \$11.4 million on \$47.3 million of pretax income. The decrease to income tax expense was primarily caused by the reduction in pre-tax book earnings, greater tax credit utilization and a favorable one-time discrete item of \$1.1 million for the settlement of the U.S. Federal Income tax audit in the period. Additionally, changes in judgement and lapses of statute of limitations for uncertain tax positions caused an increase to tax compared to first quarter of 2020.

We are subject to audits by U.S. federal, state and local tax authorities and foreign tax authorities. We believe that adequate provisions have been made for any adjustments that may result from tax examinations. However, the outcome of tax audits cannot be predicted with certainty. If any issues addressed in the tax audits are resolved in a manner not consistent with management's expectations, we could be required to adjust its provision for income taxes in the period such resolution occurs.

The estimated net decrease in unrecognized tax benefits for the next 12 months ranges from zero to \$7.9 million. Actual results may differ materially from this estimate.

**BALANCE SHEET CHANGES****Working Capital changes**

The \$43.1 million increase in accounts receivable to \$679.7 million as of January 31, 2021 from \$636.6 million as of October 31, 2020 was primarily due to timing of collection for seasonal products and higher net sales.

The \$42.1 million increase in inventories to \$335.7 million as of January 31, 2021 from \$293.6 million as of October 31, 2020 was primarily due to increased raw material prices.

The \$17.3 million increase in accounts payable to \$468.0 million as of January 31, 2021 from \$450.7 million as of October 31, 2020 was primarily due to increased raw material prices.

**LIQUIDITY AND CAPITAL RESOURCES**

Our primary sources of liquidity are operating cash flows and borrowings under our senior secured credit facilities, proceeds from the senior notes we have issued, and proceeds from our trade accounts receivable credit facilities. We use these sources to fund our working capital needs, capital expenditures, cash dividends, common stock repurchases and acquisitions. We anticipate continuing to fund these items in a like manner. We currently expect that operating cash flows, borrowings under our senior secured credit facilities, and proceeds from our trade accounts receivable credit facilities will be sufficient to fund our anticipated working capital, capital expenditures, cash dividends, stock purchases, debt repayment, potential acquisitions of businesses and other liquidity needs for at least 12 months.

**Capital Expenditures**



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During the first three months of 2021 and 2020, we invested \$27.4 million (excluding \$1.0 million for purchases of and investments in timber properties) and \$24.7 million (excluding \$1.6 million for purchases of and investments in timber properties), respectively, in capital expenditures.

#### Assets and Liabilities Held by Special Purpose Entities

As previously disclosed in the Company's Annual Report on Form 10-K for the year ended October 31, 2020, we settled a \$50.9 million receivable and \$43.3 million payable that were established in 2005.

#### Borrowing Arrangements

Long-term debt is summarized as follows:

<i>(in millions)</i>	January 31, 2021	October 31, 2020
2019 Credit Agreement - Term Loans	\$ 1,365.8	\$ 1,429.8
Senior Notes due 2027	495.3	495.1
Senior Notes due 2021	242.1	234.8
Accounts receivable credit facilities	305.4	310.0
2019 Credit Agreement - Revolving Credit Facility	96.7	—
	2,505.3	2,469.7
Less: current portion	133.6	123.1
Less: deferred financing costs	12.1	11.1
Long-term debt, net	<u>\$ 2,359.6</u>	<u>\$ 2,335.5</u>

#### 2019 Credit Agreement

On February 11, 2019, we and certain of our subsidiaries entered into an amended and restated senior secured credit agreement (the "2019 Credit Agreement") with a syndicate of financial institutions. Our obligations under the 2019 Credit Agreement are guaranteed by certain of our U.S. and non-U.S. subsidiaries. The repayment of this facility is secured by a security interest in our personal property and the personal property of certain of our U.S. subsidiaries, including equipment and inventory and certain intangible assets, as well as a pledge of the capital stock of substantially all of our U.S. subsidiaries, and is secured, in part, by the capital stock of the non-U.S. borrowers. However, in the event that we receive and maintain an investment grade rating from either Moody's Investors Services, Inc. or Standard & Poor's Financial Services LLC, we may request the release of such collateral.

The 2019 Credit Agreement provides for (a) an \$800.0 million secured revolving credit facility, consisting of a \$600.0 million multicurrency facility and a \$200.0 million U.S. dollar facility, maturing on February 11, 2024, (b) a \$1,275.0 million secured term loan A-1 facility with quarterly principal installments commencing on April 30, 2019 and continuing through maturity on January 31, 2024, and (c) a \$400.0 million secured term loan A-2 facility with quarterly principal installments commencing on April 30, 2019 and continuing through maturity on January 31, 2026. In addition, we have an option to add an aggregate of \$700.0 million to the secured revolving credit facility under the 2019 Credit Agreement with the agreement of the lenders.

On November 13, 2020 the Company and certain of its U.S. subsidiaries entered into an incremental term loan agreement (the "Incremental Term A-3 Loan Agreement") with a syndicate of farm credit institutions. The Incremental Term A-3 Loan Facility provides for a loan commitment in the aggregate principal amount of \$225.0 million that must be funded in a single draw on a business day occurring on or before July 15, 2021 (the "Incremental Term A-3 Loan"). The Incremental Term A-3 Loan matures on July 15, 2026, with quarterly installments of principal payable on the last day of each fiscal quarter commencing with the first such date to occur after the funding date. The Incremental Term A-3 Loan has, for all material purposes, the identical terms and provisions as the term A-1 and the term A-2 loans under the 2019 Credit Agreement, other than maturity dates, which are discussed above. The Company's obligations with respect to the Incremental Term A-3 Loan will constitute obligations under the 2019 Credit Agreement and will be secured and guaranteed with the other obligations as provided in the under the 2019 Credit Facility on a *pari passu* basis. The Company intends to draw upon the Incremental Term A-3 Loan prior to July 15, 2021, and use the loan proceeds to pay all of the outstanding principal of and interest on the Senior Notes due 2021, discussed below.

As of January 31, 2021, we had \$420.9 million of available borrowing capacity under the \$800.0 million secured revolving credit facility provided by the 2019 Credit Agreement. The available borrowing capacity is determined by the lesser of the available capacity or the amount that could be borrowed without causing the Company's leverage ratio to exceed 4.50 to 1.00.

The 2019 Credit Agreement contains certain covenants, which include financial covenants that require us to maintain a certain leverage ratio and an interest coverage ratio. The leverage ratio generally requires that, at the end of any quarter, we will not permit the ratio of (a) our total consolidated indebtedness, to (b) our consolidated net income plus depreciation, depletion and amortization, interest expense (including capitalized interest), income taxes, and minus certain extraordinary gains and non-recurring gains (or plus certain extraordinary losses and non-recurring losses) and plus or minus certain other items for the preceding twelve months (as used in this paragraph only, "EBITDA") to be greater than 4.75 to 1.00 and stepping down annually by 0.25 increments beginning on July 31, 2020 to 4.00 on July 31, 2023. The interest coverage ratio generally requires that, at the end of any quarter, we will not permit the ratio of (a) our consolidated EBITDA, to (b) our consolidated interest expense to the extent paid or payable, to be less than 3.00 to 1.00, during the applicable preceding twelve month period. As of January 31, 2021, we were in compliance with the covenants and other agreements in the 2019 Credit Agreement.

#### ***Senior Notes due 2027***

On February 11, 2019, we issued \$500.0 million of 6.50% Senior Notes due March 1, 2027 (the "Senior Notes due 2027"). Interest on the Senior Notes due 2027 is payable semi-annually commencing on September 1, 2019. Our obligations under the Senior Notes due 2027 are guaranteed by our U.S. subsidiaries that guarantee the 2019 Credit Agreement, which is described above. The Senior Notes due 2027 are governed by an Indenture that contains various covenants. Certain of these covenants will be suspended if the Senior Notes due 2027 achieve investment grade ratings from both Moody's Investors Service, Inc. and Standard & Poor's Global Ratings and no default or event of default has occurred and is continuing. As of January 31, 2021, we were in compliance with these covenants.

#### ***Senior Notes due 2021***

Our Luxembourg subsidiary has issued €200.0 million of 7.375% Senior Notes due July 15, 2021 (the "Senior Notes due 2021"). Interest on the Senior Notes due 2021 is payable semi-annually. The Senior Notes due 2021 are guaranteed on a senior basis by Greif, Inc. The Senior Notes due 2021 are governed by an Indenture that contains various covenants. As of January 31, 2021, we were in compliance with these covenants. As described above under "2019 Credit Agreement," during the first quarter 2021, we entered into the Incremental Term A-3 Loan Agreement with the intent to utilize the proceeds from the Incremental Term A-3 Loan to pay down the Senior Notes due 2021 at maturity.

#### **United States Trade Accounts Receivable Credit Facility**

On September 24, 2020, we amended and restated the existing receivable financing facility in the United States to establish a \$250.0 million United States Trade Accounts Receivables Credit Facility (the "U.S. Receivables Facility") with several financial institutions. The U.S. Receivables Facility matures on September 24, 2021. As of January 31, 2021, \$224.1 million was outstanding under the U.S. Receivable Facility. This obligation is reported in 'Long-term debt' on the interim condensed consolidated balance sheets because we intend to refinance this obligation on a long-term basis and have the intent and ability to consummate a long-term refinancing by exercising the renewal option in the agreement or entering into a new financing arrangement.

We may terminate the U.S. Receivables Facility at any time upon five days prior written notice. The U.S. Receivables Facility is secured by certain of our United States trade accounts receivables and bears interest at a variable rate based on the London Interbank Offered Rate ("LIBOR") or an applicable base rate, plus a margin, or a commercial paper rate plus a margin. Interest is payable on a monthly basis and the principal balance is payable upon termination of the U.S. Receivables Facility. The U.S. Receivables Facility also contains events of default and covenants, which are substantially the same as the covenants under the 2019 Credit Agreement, as defined below. As of January 31, 2021, we were in compliance with these covenants. Proceeds of the U.S. Receivables Facility are available for working capital and general corporate purposes.

#### **International Trade Accounts Receivable Credit Facilities**

On April 17, 2020, Cooperage Receivables Finance B.V. and Greif Coordination Center BVBA, an indirect wholly owned subsidiary of Greif, Inc., amended and restated the Nieuw Amsterdam Receivables Financing Agreement (the "European RFA"). The European RFA provides an accounts receivable financing facility of up to €100.0 million (\$121.1 million as of January 31, 2021) secured by certain European accounts receivable. The \$81.3 million outstanding on the European RFA as of January 31, 2021 is reported as 'Long-term debt' on the interim condensed consolidated balance sheets because we intend to

refinance these obligations on a long-term basis and have the intent and ability to consummate a long-term refinancing by exercising the renewal option in the respective agreement or entering into new financing arrangements.

### ***Interest Rate Derivatives***

We have various borrowing facilities which charge interest based on the one-month U.S. dollar LIBOR rate plus an interest spread.

In 2020, we entered into four forward starting interest rate swaps with a total notional amount of \$200.0 million effective July 15, 2021, maturing on July 15, 2029. We receive variable rate interest payments based upon one-month U.S. dollar LIBOR, and in return we are obligated to pay interest at a weighted-average interest rate of 0.90% plus a spread.

In 2019, we entered into six interest rate swaps with a total notional amount of \$1,300.0 million that amortize to \$200.0 million over a five-year term, maturing on March 11, 2024. The outstanding notional amount as of January 31, 2021 is \$600.0 million. We receive variable rate interest payments based upon one-month U.S. dollar LIBOR, and in return we are obligated to pay interest at a weighted-average interest rate of 2.49%.

In 2017, we entered into an interest rate swap with a notional amount of \$300.0 million, maturing on February 1, 2022. We received variable rate interest payments based upon one-month U.S. dollar LIBOR, and in return we are obligated to pay interest at a fixed rate of 1.19% plus an interest spread.

These derivatives are designated as cash flow hedges for accounting purposes. Accordingly, the gain or loss on these derivative instruments are reported as a component of other comprehensive income and reclassified into earnings in the same line item associated with the forecasted transactions and in the same period during which the hedged transaction affects earnings.

### ***Foreign Exchange Hedges***

We conduct business in international currencies and are subject to risks associated with changing foreign exchange rates. Our objective is to reduce volatility associated with foreign exchange rate changes to allow management to focus its attention on business operations. Accordingly, we enter into various contracts that change in value as foreign exchange rates change to protect the value of certain existing foreign currency assets and liabilities, commitments and anticipated foreign currency cash flows.

As of January 31, 2021, and October 31, 2020, we had outstanding foreign currency forward contracts in the notional amount of \$294.9 million, and \$268.6 million, respectively.

### ***Cross Currency Swap***

We have operations and investments in various international locations and are subject to risks associated with changing foreign exchange rates. On March 6, 2018, we entered into a cross currency interest rate swap agreement that synthetically swaps \$100.0 million of fixed rate debt to Euro denominated fixed rate debt at a rate of 2.35%. The agreement is designated as a net investment hedge for accounting purposes and will mature on March 6, 2023. Accordingly, the gain or loss on this derivative instrument is included in the foreign currency translation component of other comprehensive income until the net investment is sold, diluted, or liquidated. Interest payments received for the cross currency swap are excluded from the net investment hedge effectiveness assessment and are recorded in interest expense, net on the interim condensed consolidated statements of income.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK**

There have been no significant changes in the quantitative and qualitative disclosures about our market risk from the disclosures contained in the 2020 Form 10-K.

**ITEM 4. CONTROLS AND PROCEDURES**

**Changes in Internal Control Over Financial Reporting**

There has been no change in our internal control over financial reporting that occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Disclosure Controls and Procedures**

With the participation of our principal executive officer and principal financial officer, our management has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as of the end of the period covered by this report. Based upon that evaluation, our principal executive officer and principal financial officer have concluded that, as of the end of the period covered by this report:

- Information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission;
- Information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure; and
- Our disclosure controls and procedures are effective.

**PART II. OTHER INFORMATION**

**ITEM 1A. RISK FACTORS**

There have been no material changes in our risk factors from those disclosed in the 2020 Form 10-K under Part I, Item 1A — Risk Factors.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**ITEM 6. EXHIBITS**

(a.) Exhibits

<b><u>Exhibit No.</u></b>	<b><u>Description of Exhibit</u></b>
<a href="#">31.1</a>	Certification of Chief Executive Officer Pursuant to Rule 13a — 14(a) of the Securities Exchange Act of 1934.
<a href="#">31.2</a>	Certification of Chief Financial Officer Pursuant to Rule 13a — 14(a) of the Securities Exchange Act of 1934.
<a href="#">32.1</a>	Certification of Chief Executive Officer required by Rule 13a — 14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.
<a href="#">32.2</a>	Certification of Chief Financial Officer required by Rule 13a — 14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.
<a href="#">10.1</a>	Amendment No. 2 to Third Amended and Restated Transfer and Administration Agreement
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 2021, formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Statements of Income and Comprehensive Income (Loss), (ii) Condensed Consolidated Balance Sheets, (iii) Condensed Consolidated Statements of Cash Flow and (iv) Notes to Condensed Consolidated Financial Statements.

**SIGNATURES**

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

Date: February 26, 2021

**GREIF, INC.**

(Registrant)

/s/ Lawrence A. Hilsheimer

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Lawrence A. Hilsheimer,

Executive Vice President and Chief Financial Officer

**AMENDMENT NO. 2**  
**to**  
**THIRD AMENDED AND RESTATED TRANSFER AND ADMINISTRATION AGREEMENT**

This AMENDMENT NO. 2 TO THIRD AMENDED AND RESTATED TRANSFER AND ADMINISTRATION AGREEMENT (this "Amendment"), dated as of February 10, 2021, is entered into by and among Greif Receivables Funding LLC, a Delaware limited liability company, as seller (the "SPV"), Greif Packaging LLC ("GP"), a Delaware limited liability company, Delta Petroleum Company, Inc., a Louisiana corporation, American Flange & Manufacturing Co. Inc., a Delaware corporation, Caraustar Mill Group, Inc., an Ohio corporation, Caraustar Industrial and Consumer Products Group, Inc., a Delaware corporation, Caraustar Recovered Fiber Group, Inc., a Delaware corporation, The Newark Group, Inc., a New Jersey corporation, Caraustar Consumer Products Group, LLC, a Delaware limited liability company, Tama Paperboard, LLC, a Delaware limited liability company and Cascade Paper Converters Co., a Michigan corporation, as originators (each, an "Originator" and collectively, the "Originators"), GP, as servicer (in such capacity, the "Servicer"), Bank of America, N.A. ("BANA"), as the agent (in such capacity, the "Agent"), a Committed Investor, a Managing Agent and an Administrator, MUFG Bank, Ltd. ("MUFG"), as a Committed Investor, a Managing Agent and an Administrator, The Toronto Dominion Bank ("TDB"), as a Committed Investor, a Managing Agent and an Administrator and Computershare Trust Company of Canada ("CTCC"), in its capacity as trustee of Reliant Trust, by its U.S. Financial Services Agent, The Toronto Dominion Bank, as a Conduit Investor, and solely with respect to Section 4.10, Greif, Inc.

RECITALS

WHEREAS, the SPV, the Servicer, the Originators, BANA, MUFG, TDB and CTCC have entered into that certain Third Amended and Restated Transfer and Administration Agreement, dated as of September 24, 2019 (as amended by that certain Amendment No. 1 to Third Amended and Restated Transfer and Administration Agreement, dated as of September 24, 2020, and as further amended, supplemented, amended and restated or otherwise modified through the date hereof, the "TAA"); and

WHEREAS, the parties hereto wish to make certain amendments to the TAA as set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein and in the TAA, the parties hereto agree as follows:

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SECTION 1. Definitions. All capitalized terms used but not defined herein have the meanings provided in the TAA.

SECTION 2. Amendments to the TAA. The TAA is hereby amended as follows:

2.1 The definition of “Aggregate Unpaid Balance” in Section 1.1 of the TAA is hereby amended and restated in its entirety to read as follows:

““Aggregate Unpaid Balance” means, as of any date of determination, (a) the sum of the Unpaid Balances of all Receivables which constitute Eligible Receivables as of such date of determination minus (b) solely if a Committed Investor has so elected pursuant to clause (g)(ii)(y) of the definition of “Eligible Receivable”, Offset Payables as of such date of determination.”.

2.2 Clause (g) of the definition of “Eligible Receivable” in Section 1.1 of the TAA is hereby amended and restated in its entirety to read as follows:

“(g) which (i) together with the related Contract, is in full force and effect and constitutes the legal, valid and binding obligation of the related Obligor enforceable against such Obligor in accordance with its terms and (ii) is not subject to any asserted litigation, dispute, offset, holdback, counterclaim or other defense; *provided* that, with respect to offsets and holdbacks included in the calculation of Offset Payable, (x) at any time Greif, Inc.’s corporate family rating is greater than or equal to “BB-” by S&P and “Ba3” by Moody’s, such holdbacks and offsets shall not render all or any portion of such Receivable ineligible pursuant to this clause (g)(ii) and (y) at any time Greif, Inc.’s corporate family rating is below “BB-” by S&P or “Ba3” by Moody’s, any Committed Investor may elect, in its sole discretion, which election shall be binding on each other Investor, to deem the portion of such Receivable that is the subject of such offset or holdback as ineligible pursuant to the terms of this clause (g)(ii).”.

2.3 The definition of “Net Pool Balance” in Section 1.1 of the TAA is hereby amended and restated in its entirety to read as follows:

““Net Pool Balance” means, at any time, (a) the Aggregate Unpaid Balance at such time, minus (b) the Excess Concentration.”.

SECTION 3. Conditions Precedent. This Amendment shall become effective (the “Effective Date”) upon receipt by the Agent of a counterpart (or counterparts) of this Amendment, duly executed by each of the parties hereto or other evidence satisfactory to the Agent of execution and delivery by such parties.

SECTION 4. Miscellaneous.

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4.1 Representations and Warranties. (i) Each of the SPV, each Originator and the Servicer hereby represents and warrants that this Amendment constitutes a legal, valid and binding obligation of such Person, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally (whether at law or equity), (ii) the SPV hereby represents and warrants that upon the effectiveness of this Amendment, no Termination Event or Potential Termination Event shall exist and (iii) each of the SPV, each Originator and the Servicer hereby represents and warrants that the representations and warranties of such Person set forth in the TAA and any other Transaction Document are true and correct in all material respects (except those representations and warranties qualified by materiality or by reference to a material adverse effect, which are true and correct in all respects) as of the date hereof as though made on and as of such day (unless such representations and warranties specifically refer to a previous day, in which case, they shall be complete and correct in all material respects (or, with respect to such representations or warranties qualified by materiality or by reference to a material adverse effect, complete and correct in all respects) on and as of such previous day).

4.2 References to TAA. Upon the effectiveness of this Amendment, each reference in the TAA to “this Agreement”, “hereunder”, “hereof”, “herein”, or words of like import shall mean and be a reference to the TAA as amended hereby, and each reference to the TAA in any other document, instrument or agreement executed and/or delivered in connection with the TAA shall mean and be a reference to the TAA as amended hereby.

4.3 Effect on TAA. Except as specifically amended above, the TAA and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

4.4 No Waiver. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any Agent or any Investor under the TAA or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.

4.5 Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York (without reference to the conflicts of law principles thereof other than section 5-1401 of the New York General Obligations Law).

4.6 Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

4.7 Headings. The Section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.

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4.8 Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery by facsimile or other electronic means of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart hereof.

4.9 Transaction Document. This Amendment shall be a Transaction Document under the TAA for all purposes.

4.10 Reaffirmation of Guaranty. Greif, Inc. hereby consents to the terms of this Amendment, confirms that its obligations under the Guaranty remain unaltered and in full force and effect and hereby reaffirms, ratifies and confirms the terms and conditions of the Guaranty.

[SIGNATURE PAGES FOLLOW]

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IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**GREIF RECEIVABLES FUNDING LLC**

/s/ DAVID C. LLOYD

Name: David C. Lloyd

Title: Vice President and Treasurer

**GREIF PACKAGING LLC,**  
individually, as an Originator and as the Servicer

/s/ DAVID C. LLOYD

Name: David C. Lloyd

Title: Vice President, Corporate Financial Controller and Treasurer

**DELTA PETROLEUM COMPANY, INC.,**  
as an Originator

/s/ DAVID C. LLOYD

Name: David C. Lloyd

Title: Vice President and Treasurer

**AMERICAN FLANGE & MANUFACTURING CO. INC.,**  
as an Originator

/s/ DAVID C. LLOYD

Name: David C. Lloyd

Title: Vice President and Treasurer

**CARAUSTAR MILL GROUP, INC.,**  
as an Originator

/s/ DAVID C. LLOYD

Name: David C. Lloyd

Title: Vice President and Treasurer

**CARAUSTAR INDUSTRIAL AND CONSUMER PRODUCTS GROUP, INC.,**  
as an Originator

/s/ DAVID C. LLOYD

Name: David C. Lloyd

Title: Vice President and Treasurer

**CARAUSTAR RECOVERED FIBER GROUP, INC.,**  
as an Originator

/s/ DAVID C. LLOYD  
Name: David C. Lloyd

Title: Vice President and Treasurer

**THE NEWARK GROUP, INC.,**  
as an Originator

/s/ DAVID C. LLOYD  
Name: David C. Lloyd

Title: Vice President and Treasurer

**CARAUSTAR CONSUMER PRODUCTS GROUP, LLC,**  
as an Originator

/s/ DAVID C. LLOYD  
Name: David C. Lloyd

Title: Vice President and Treasurer

**CASCADE PAPER CONVERTERS CO.,**  
as an Originator

/s/ DAVID C. LLOYD  
Name: David C. Lloyd

Title: Vice President and Treasurer

**TAMA PAPERBOARD, LLC,**  
as an Originator

/s/ DAVID C. LLOYD  
Name: David C. Lloyd

Title: Vice President and Treasurer

**BANK OF AMERICA, N.A.,**

as a Committed Investor, a Managing Agent and an Administrator for the BANA Investor Group and the Agent

/s/ SCOTT BELL

Name: Scott Bell

Title: Senior Vice President

*Amendment No. 2 to Third A&R TAA*

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**MUFG BANK, LTD.,**  
as a Committed Investor, a Managing Agent and an Administrator

/s/ ERIC WILLIAMS  
Name: Eric Williams

Title: Managing Director

**THE TORONTO DOMINION BANK,**  
as a Committed Investor, a Managing Agent and an Administrator for the TD Bank Investor Group

/s/ LUNA MILLS

Name: Luna Mills

Title: Managing Director

**COMPUTERSHARE TRUST COMPANY OF CANADA,** in its capacity as trustee of **RELIANT TRUST,** by its U.S. Financial Services Agent, **THE TORONTO DOMINION BANK,** as a Conduit Investor for the TD Bank Investor Group

/s/ LUNA MILLS

Name: Luna Mills

Title: Managing Director

*Amendment No. 2 to Third A&R TAA*

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Solely with respect to Section 4.10:

**GREIF, INC.**

/s/ DAVID C. LLOYD

Name: David C. Lloyd

Title: Vice President, Corporate Financial Controller and Treasurer

*Amendment No. 2 to Third A&R TAA*



**CERTIFICATION**

I, Peter G. Watson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Greif, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2021

/s/ Peter G. Watson

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Peter G. Watson,  
President and Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION**

I, Lawrence A. Hilsheimer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Greif, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 26, 2021

/s/ Lawrence A. Hilsheimer

Lawrence A. Hilsheimer,  
Executive Vice President and Chief Financial Officer  
(Principal Financial Officer)

**Certification Required by Rule 13a — 14(b) of the Securities Exchange Act of 1934 and Section 1350  
of Chapter 63 of Title 18 of the United States Code**

In connection with the Quarterly Report of Greif, Inc. (the “Company”) on Form 10-Q for the quarterly period ended January 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Peter G. Watson, the President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 26, 2021

/s/ Peter G. Watson

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Peter G. Watson,  
President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Greif, Inc. and will be retained by Greif, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification Required by Rule 13a — 14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code**

In connection with the Quarterly Report of Greif, Inc. (the “Company”) on Form 10-Q for the quarterly period ended January 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Lawrence A. Hilsheimer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 26, 2021

/s/ Lawrence A. Hilsheimer

Lawrence A. Hilsheimer,  
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Greif, Inc. and will be retained by Greif, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.