UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended March 31, 2020

or

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from ______ to ______

Commission File Number 001-38736

WestRock Company

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**37-1880617**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
1000 Abernathy Road NE, Atlanta, Georgia	**30328**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's Telephone Number, Including Area Code: **(770) 448-2193**

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report.)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	WRK	New York Stock Exchange

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 ☐

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 the 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding as of April 24, 2020
Common Stock, $0.01 par value	259,255,002

WESTROCK COMPANY
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PART I: FINANCIAL INFORMATION

Item 1. ***FINANCIAL STATEMENTS (UNAUDITED)***

WESTROCK COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31,		Six Months Ended March 31,	
(In millions, except per share data)	2020	2019	2020	2019
Net sales	$ 4,447.3	$ 4,620.0	$ 8,871.0	$ 8,947.4
Cost of goods sold	3,642.5	3,720.4	7,257.2	7,266.0
Gross profit	804.8	899.6	1,613.8	1,681.4
Selling, general and administrative, excluding intangible amortization	418.6	444.1	844.3	845.0
Selling, general and administrative intangible amortization	100.1	102.4	201.9	195.3
Gain on disposal of assets	(5.6)	—	(6.9)	(43.8)
Multiemployer pension withdrawal expense	0.9	—	0.9	—
Land and Development impairments	—	13.0	—	13.0
Restructuring and other costs	16.4	34.8	46.5	89.2
Operating profit	274.4	305.3	527.1	582.7
Interest expense, net	(97.3)	(111.8)	(190.8)	(206.2)
(Loss) gain on extinguishment of debt	(0.5)	0.4	(0.5)	(1.5)
Pension and other postretirement non-service income	26.1	18.7	52.8	36.0
Other expense, net	(0.9)	(3.3)	(4.6)	(6.0)
Equity in income (loss) of unconsolidated entities	4.9	(0.2)	8.7	6.6
Income before income taxes	206.7	209.1	392.7	411.6
Income tax expense	(57.8)	(47.2)	(104.3)	(109.9)
Consolidated net income	148.9	161.9	288.4	301.7
Less: Net income attributable to noncontrolling interests	(0.8)	(1.5)	(1.8)	(2.2)
Net income attributable to common stockholders	$ 148.1	$ 160.4	$ 286.6	$ 299.5
Basic earnings per share attributable to common stockholders	$ 0.57	$ 0.63	$ 1.11	$ 1.17
Diluted earnings per share attributable to common stockholders	$ 0.57	$ 0.62	$ 1.10	$ 1.15
Basic weighted average shares outstanding	259.0	256.6	258.6	255.7
Diluted weighted average shares outstanding	260.2	259.4	260.1	259.4
Cash dividends paid per common share	$ 0.465	$ 0.455	$ 0.93	$ 0.91

See Accompanying Notes to Condensed Consolidated Financial Statements

WESTROCK COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(In millions)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Consolidated net income	$ 148.9	$ 161.9	$ 288.4	$ 301.7
Other comprehensive (loss) income, net of tax:				
Foreign currency translation (loss) gain	(387.5)	25.2	(287.1)	(39.7)
Derivatives:				
Deferred loss on cash flow hedges	(8.9)	—	(9.4)	—
Reclassification adjustment of net loss on cash flow hedges included in earnings	2.5	—	1.2	—
Defined benefit pension and other postretirement benefit plans:				
Amortization and settlement recognition of net actuarial loss, included in pension cost	8.5	3.2	17.2	8.1
Amortization and settlement recognition of prior service cost, included in pension cost	1.0	0.4	1.5	0.9
Other comprehensive (loss) income, net of tax	(384.4)	28.8	(276.6)	(30.7)
Comprehensive (loss) income	(235.5)	190.7	11.8	271.0
Less: Comprehensive income attributable to noncontrolling interests	(0.5)	(1.0)	(1.6)	(1.7)
Comprehensive (loss) income attributable to common stockholders	$ (236.0)	$ 189.7	$ 10.2	$ 269.3

See Accompanying Notes to Condensed Consolidated Financial Statements

WESTROCK COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In millions, except per share data)	March 31, 2020	September 30, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 640.2	$ 151.6
Accounts receivable (net of allowances of $58.2 and $53.2)	2,222.1	2,193.2
Inventories	2,125.4	2,107.5
Other current assets	501.2	496.2
Assets held for sale	3.3	25.8
Total current assets	5,492.2	4,974.3
Property, plant and equipment, net	11,036.3	11,189.5
Goodwill	7,264.0	7,285.6
Intangibles, net	3,845.9	4,059.5
Restricted assets held by special purpose entities	1,270.9	1,274.3
Prepaid pension asset	278.6	224.7
Other assets	1,772.4	1,148.8
Total Assets	$ 30,960.3	$ 30,156.7
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of debt	$ 432.0	$ 561.1
Accounts payable	1,696.4	1,831.8
Accrued compensation and benefits	381.5	470.4
Other current liabilities	629.9	571.8
Total current liabilities	3,139.8	3,435.1
Long-term debt due after one year	10,424.6	9,502.3
Pension liabilities, net of current portion	274.1	294.0
Postretirement benefit liabilities, net of current portion	152.3	162.1
Non-recourse liabilities held by special purpose entities	1,140.9	1,145.2
Deferred income taxes	2,878.4	2,878.0
Other long-term liabilities	1,450.6	1,053.9
Commitments and contingencies (Note 14)		
Redeemable noncontrolling interests	1.6	1.9
Equity:		
Preferred stock, $0.01 par value; 30.0 million shares authorized; no shares outstanding	—	—
Common Stock, $0.01 par value; 600.0 million shares authorized; 259.2 million and 257.8 million shares outstanding at March 31, 2020 and September 30, 2019, respectively	2.6	2.6
Capital in excess of par value	10,784.4	10,739.4
Retained earnings	2,114.4	1,997.1
Accumulated other comprehensive loss	(1,419.0)	(1,069.2)
Total stockholders’ equity	11,482.4	11,669.9
Noncontrolling interests	15.6	14.3
Total equity	11,498.0	11,684.2
Total Liabilities and Equity	$ 30,960.3	$ 30,156.7

See Accompanying Notes to Condensed Consolidated Financial Statements

WESTROCK COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

(In millions, except per share data)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Number of Shares of Common Stock Outstanding:				
Balance at beginning of period	258.4	255.2	257.8	253.5
Shares issued under restricted stock plan	0.8	2.7	0.8	3.0
Issuance of common stock, net of stock received for minimum tax withholdings (1)	—	0.1	0.6	2.5
Purchases of common stock	—	(1.1)	—	(2.1)
Balance at end of period	259.2	256.9	259.2	256.9
Common Stock:				
Balance at beginning of period	$ 2.6	$ 2.6	$ 2.6	$ 2.5
Issuance of common stock, net of stock received for minimum tax withholdings (1)	—	—	—	0.1
Balance at end of period	2.6	2.6	2.6	2.6
Capital in Excess of Par Value:				
Balance at beginning of period	10,770.0	10,720.6	10,739.4	10,588.9
Compensation expense under share-based plans	16.0	18.2	29.5	36.1
Issuance of common stock, net of stock received for minimum tax withholdings (1)	(1.6)	(1.9)	15.5	82.9
Fair value of share-based awards issued in business combinations	—	—	—	70.8
Purchases of common stock	—	(44.4)	—	(86.2)
Balance at end of period	10,784.4	10,692.5	10,784.4	10,692.5
Retained Earnings:				
Balance at beginning of period	2,087.5	1,635.3	1,997.1	1,573.3
Adoption of accounting standards (2)	—	—	73.5	43.5
Net income attributable to common stockholders	148.1	160.4	286.6	299.5
Dividends declared (per share - $0.465, $0.455, $0.93 and $0.91) (3)	(121.2)	(124.5)	(242.8)	(242.3)
Issuance of common stock, net of stock received for minimum tax withholdings	—	—	—	(0.4)
Purchases of common stock	—	—	—	(2.4)
Balance at end of period	2,114.4	1,671.2	2,114.4	1,671.2
Accumulated Other Comprehensive Loss:				
Balance at beginning of period	(1,034.9)	(754.8)	(1,069.2)	(695.3)
Adoption of ASU 2018-02 reclassification of stranded tax effects resulting from Tax Reform	—	—	(73.4)	—
Other comprehensive (loss) income, net of tax	(384.1)	29.3	(276.4)	(30.2)
Balance at end of period	(1,419.0)	(725.5)	(1,419.0)	(725.5)
Total Stockholders' equity	11,482.4	11,640.8	11,482.4	11,640.8
Noncontrolling Interests: (4)				
Balance at beginning of period	15.3	11.8	14.3	13.0
Net income	0.3	1.1	1.3	1.4
Contributions	—	—	—	0.2
Distributions and adjustments to noncontrolling interests	—	(0.1)	—	(1.8)
Balance at end of period	15.6	12.8	15.6	12.8
Total equity	$ 11,498.0	$ 11,653.6	$ 11,498.0	$ 11,653.6

(1) Included in the issuance of common stock in the six months ended March 31, 2019 is the issuance of approximately 1.6 million shares of Common Stock (as hereinafter defined) valued at $70.1 million in connection with the KapStone Acquisition (as hereinafter defined).

(2) For fiscal 2020 the amount primarily relates to the adoption of ASU 2018-02 (as hereinafter defined), for fiscal 2019 the amount relates to the adoption of ASC 606 (as hereinafter defined).

(3) Includes cash dividends paid and dividend equivalent units on certain restricted stock awards.

(4) Excludes amounts related to contingently redeemable noncontrolling interests, which are separately classified outside of permanent equity on the Condensed Consolidated Balance Sheets.

See Accompanying Notes to Condensed Consolidated Financial Statements

WESTROCK COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In millions)	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Operating activities:		
Consolidated net income	$ 288.4	$ 301.7
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	755.7	742.8
Cost of real estate sold	16.1	11.0
Deferred income tax expense	11.4	39.6
Share-based compensation expense	29.6	35.5
Pension and other postretirement funding (more) than expense (income)	(41.1)	(27.0)
Multiemployer pension withdrawal expense	0.9	—
Land and Development impairments	—	13.0
Other impairment adjustments	2.2	10.0
Gain on disposal of plant and equipment and other, net	(6.2)	(45.5)
Other, net	(11.3)	(46.3)
Change in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable	(60.4)	117.3
Inventories	(63.2)	(67.5)
Other assets	(132.9)	(128.9)
Accounts payable	(106.7)	(143.4)
Income taxes	17.7	(27.0)
Accrued liabilities and other	(101.4)	(120.3)
Net cash provided by operating activities	598.8	665.0
Investing activities:		
Capital expenditures	(616.2)	(625.4)
Cash paid related to business combinations, net of cash acquired	—	(3,349.3)
Investment in unconsolidated entities	(0.7)	(0.2)
Proceeds from sale of property, plant and equipment	21.3	105.3
Proceeds from property, plant and equipment insurance settlement	1.4	8.8
Other, net	4.9	10.2
Net cash used for investing activities	(589.3)	(3,850.6)
Financing activities:		
Proceeds from issuance of notes	—	1,498.5
Additions to revolving credit facilities	375.0	192.2
Repayments of revolving credit facilities	(65.0)	(20.0)
Additions to debt	580.1	3,957.9
Repayments of debt	(208.2)	(3,209.6)
(Repayments) additions to commercial paper, net	(34.8)	588.3
Other debt additions, net	85.9	16.4
Issuances of common stock, net of related minimum tax withholdings	13.4	3.2
Purchases of common stock	—	(88.6)
Cash dividends paid to stockholders	(240.7)	(233.7)
Cash distributions paid to noncontrolling interests	(0.7)	(2.8)
Other, net	2.1	3.0
Net cash provided by financing activities	507.1	2,704.8
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(28.0)	(1.8)
Increase (decrease) in cash, cash equivalents and restricted cash	488.6	(482.6)
Cash, cash equivalents and restricted cash at beginning of period	151.6	636.8
Cash, cash equivalents and restricted cash at end of period	$ 640.2	$ 154.2

(In millions)	Six Months Ended March 31, 2020		Six Months Ended March 31, 2019	
Supplemental disclosure of cash flow information:				
Cash paid during the period for:				
Income taxes, net of refunds	$	75.1	$	94.3
Interest, net of amounts capitalized	$	204.4	$	202.9

The adoption of ASC 842, *Leases*, resulted in recognition of non-cash right-of-use assets ("**ROU**") and non-cash operating lease liabilities. See "***Note 13. Leases***" for more information on the impact of this adoption.

Supplemental schedule of non-cash investing and financing activities:

Liabilities assumed in the six months ended March 31, 2019 primarily relate to the KapStone Acquisition (as hereinafter defined). See "***Note 3. Acquisitions***" for more information.

(In millions)	Six Months Ended March 31, 2019	
Fair value of assets acquired, including goodwill	$	5,912.4
Cash consideration for the purchase of businesses, net of cash acquired		(3,350.2)
Stock issued for the purchase of a business		(70.1)
Fair value of share-based awards issued in the purchase of a business		(70.8)
Deferred payments and unpaid working capital		16.6
Liabilities assumed	$	2,437.9

See Accompanying Notes to Condensed Consolidated Financial Statements

*Unless the context otherwise requires, "**we**", "**us**", "**our**", "**WestRock**" and "**the Company**" refer to the business of WestRock Company, its wholly-owned subsidiaries and its partially-owned consolidated subsidiaries.*

We are a multinational provider of paper and packaging solutions for consumer and corrugated packaging markets. We partner with our customers to provide differentiated paper and packaging solutions that help them win in the marketplace. Our team members support customers around the world from our operating and business locations in North America, South America, Europe, Asia and Australia.

Note 1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

Our independent registered public accounting firm has not audited our accompanying interim financial statements. We derived the condensed consolidated balance sheet at September 30, 2019 from the audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2019 (the "**Fiscal 2019 Form 10-K**"). In the opinion of our management, the condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair presentation of our statements of income for the three and six months ended March 31, 2020 and March 31, 2019, our statements of comprehensive income for the three and six months ended March 31, 2020 and March 31, 2019, our balance sheets at March 31, 2020 and September 30, 2019, our statements of cash flows for the six months ended March 31, 2020 and March 31, 2019, and our statements of equity for the three and six months ended March 31, 2020 and March 31, 2019.

We have condensed or omitted certain notes and other information from the interim financial statements presented in this report. Therefore, these interim financial statements should be read in conjunction with the Fiscal 2019 Form 10-K. The results for the three and six months ended March 31, 2020 are not necessarily indicative of results that may be expected for the full year.

Reclassifications and Adjustments

During the second quarter of fiscal 2020, we evaluated our revolving credit facilities and determined that for certain facilities the borrowings and repayments should be presented gross instead of net on the condensed consolidated statements of cash flow and corrected the presentation of the prior year by an immaterial amount.

COVID-19 Pandemic

The global impact of the COVID-19 pandemic ("**COVID-19**") continues to evolve rapidly. The extent of its effect on our operational and financial performance will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration, scope and severity of the pandemic, the actions taken to contain or mitigate its impact, and the direct and indirect economic effects of the pandemic and related containment measures, among others.

At March 31, 2020, we evaluated the current economic environment, including our current assessment of the impact of COVID-19, and we believe that there were no indicators of impairment of our long-lived assets, including goodwill that required a quantitative test to be performed. Our estimates involve numerous assumptions about the future growth and potential volatility in revenues and costs, capital expenditures, industry and global economic factors, interest rate environment and future business strategy. Accordingly, our accounting estimates may materially change from period to period due to changing market factors, including those driven by COVID-19. We will continue to monitor future events, changes in circumstances and the potential impact thereof. If actual results are not consistent with our assumptions and estimates, we may be exposed to impairment losses that could be material.

Significant Accounting Policies

See "***Note 1. Description of Business and Summary of Significant Accounting Policies***" of the Notes to Consolidated Financial Statements section in the Fiscal 2019 Form 10-K for a summary of our significant accounting policies.

Recent Accounting Developments

New Accounting Standards — Recently Adopted

In February 2018, the Financial Accounting Standards Board ("**FASB**") issued Accounting Standards Update ("**ASU**") 2018-02, "*Income Statement – Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*". The amendments in this update provide financial statement preparers with an option to reclassify stranded tax effects within accumulated other comprehensive income to retained earnings in the period of adoption or retrospectively in each period in which the effect of the change in the U.S. federal corporate income tax rate in the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "**Tax Act**") (or portion thereof) is recorded. We adopted the provisions of this ASU on October 1, 2019. Upon adoption, we elected to reclassify stranded tax effects of the Tax Act within accumulated other comprehensive income to retained earnings. The reclassification of stranded tax effects from accumulated other comprehensive income increased retained earnings by $73.4 million, all of which related to our employee benefit plans.

In February 2016, the FASB issued ASU 2016-02 "*Leases",* which is codified in Accounting Standards Codification ("**ASC**") 842 "*Leases"* ("**ASC 842**") and supersedes current lease guidance in ASC 840 "*Leases*". This ASU requires lessees to put a ROU asset and lease liability on their balance sheet for operating and financing leases that have a term of more than one year. Expense will be recognized in the income statement similar to current accounting guidance. For lessors, this ASU modifies the classification criteria and the accounting for sales-type and direct financing leases. Entities will need to disclose qualitative and quantitative information about their leases, including characteristics and amounts recognized in the financial statements. We adopted the provisions of ASC 842 on October 1, 2019 using the modified retrospective approach and, as a result, did not restate prior periods. See "***Note 13. Leases***" for additional details.

New Accounting Standards — Recently Issued

See "***Note 1. Description of Business and Summary of Significant Accounting Policies — New Accounting Standards — Recently Issued***" of the Notes to Consolidated Financial Statements section of the Fiscal 2019 Form 10-K for information on new accounting standards issued prior to the beginning of fiscal 2020 but not yet adopted and where we do not expect that the adoption will have a material impact on our consolidated financial statements. Below is a description of new accounting standards for which we (i) are in the process of evaluating the impact on our consolidated financial statements, (ii) have determined that the new standard could have a material impact on our consolidated financial statements or (iii) have determined since the Fiscal 2019 Form 10-K that we do not expect the adoption of the new standard will have a material impact on our consolidated financial statements. We have not elected to early adopt any of the new accounting standards described below to the extent early adoption is permitted.

In March 2020, the FASB issued ASU 2020-04 "*Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting"*. This ASU provides temporary optional expedients and exceptions for applying Generally Accepted Accounting Principles ("**GAAP**") guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from the London Interbank Offered Rate ("**LIBOR**") and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate ("**SOFR**"). The ASU can be adopted after its issuance date through December 31, 2022. We are currently evaluating the impact of this ASU.

In December 2019, the FASB issued ASU 2019-12 *"Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes"*. This ASU simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 under GAAP. This ASU also improves consistent application of and simplifies GAAP for other areas of Topic 740 by clarifying and amending existing guidance. This ASU is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. Early adoption is permitted. We are currently evaluating the impact of this ASU.

In October 2018, the FASB issued ASU 2018-17 "*Consolidation: Targeted Improvements to Related Party Guidance for Variable Interest Entities*." This ASU changes how entities evaluate decision-making fees under the variable interest entity guidance. To determine whether decision-making fees represent a variable interest, an entity considers indirect interests held through related parties under common control on a proportionate basis, rather than in their entirety, as currently required under GAAP. This ASU is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. Early adoption is permitted. We do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

In October 2018, the FASB issued ASU 2018-18 "*Collaborative Arrangements (Topic 808): Clarifying the Interaction Between Topic 808 and Topic 606*", which provides targeted amendments to ASC 808, "*Collaborative arrangements*" ("**ASC 808**") and ASC 606 "*Revenue from Contracts with Customers*" ("**ASC 606**"). The amendments in this ASU require transactions between participants in a collaborative arrangement to be accounted for under ASC 606 when the counterparty is a customer. This ASU precludes an entity from presenting consideration from a transaction in a collaborative arrangement as revenue from contracts with customers if the counterparty is not a customer for that transaction. This ASU also amends ASC 808 to refer to the unit-of-account guidance in ASC 606 and requires it to be used only when assessing whether a transaction is in scope of ASC 606. This ASU is effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. Early adoption is permitted. We do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15 "*Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*". The amendments in this ASU align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by these amendments. The provisions may be adopted prospectively or retrospectively. This ASU is effective for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2019. Early adoption is permitted. We are currently evaluating the impact of this ASU.

In August 2018, the FASB issued ASU 2018-14 "*Compensation – Retirement Benefits – Defined Benefit Plans – General (Subtopic 715-20): Changes to the Disclosure Requirements for Defined Benefit Plans*". The amendments in this ASU modify the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans to remove disclosures that no longer are considered cost beneficial, clarify the specific requirements of disclosures and add disclosure requirements identified as relevant. These provisions will be applied retrospectively. This ASU is effective for fiscal years ending after December 15, 2020. Early adoption is permitted. We are currently evaluating the impact of this ASU.

In June 2016, the FASB issued ASU 2016-13 "*Financial Instruments – Credit losses: Measurement of Credit Losses on financial Instruments (Topic 326)*" ("**ASU 2016-13**"), which modifies the measurement of expected credit losses of certain financial instruments. The ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years, and will be applied as a cumulative effect adjustment to retained earnings as of the beginning of the first reporting period for which the guidance is effective. In April 2019, the FASB issued ASU 2019-04 "*Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*" ("**ASU 2019-04**"), which addresses issues related to accrued interest receivable balances, recoveries, variable interest rates and prepayments, among other things. In May 2019, the FASB issued ASU 2019-05 *"Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief"* ("**ASU 2019-05**"), which provides targeted transition relief allowing entities to make an irrevocable one-time election upon adoption of the new credit losses standard to measure financial assets previously measured at amortized cost (except held-to-maturity securities) using the fair value option. In November 2019, the FASB issued ASU 2019-11 "*Codification Improvements to Topic 326, Financial Instruments – Credit Losses*" ("**ASU 2019-11**"), which makes certain narrow-scope amendments to Topic 326, including allowing entities to exclude accrued interest amounts from various required disclosures under Topic 326. In February 2020, the FASB issued ASU 2020-02 "*Financial Instruments – Credit Losses (Topic 326) and Leases (Topic 842)*" ("**ASU 2020-02**"), which adds and amends paragraphs in the Accounting Standards Codification to reflect the issuance of U.S. Securities and Exchange Commission ("**SEC**") Staff Accounting Bulletin No. 119

primarily related to the new credit losses standard. The provisions of ASU 2019-04, ASU 2019-05, ASU 2019-11 and ASU 2020-02 related to Topic 326 are effective concurrent with the adoption of ASU 2016-13. We are currently evaluating the impact of these ASUs.

Note 2. Revenue Recognition

Disaggregated Revenue

ASC 606 requires that we disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The tables below disaggregate our revenue by geographical market and product type (segment). Net sales are attributed to geographical markets based on the location of the seller.

	Three Months Ended March 31, 2020				
(In millions)	Corrugated Packaging	Consumer Packaging	Land and Development	Intersegment Sales	Total
Primary Geographical Markets					
North America	$ 2,765.7	$ 1,281.6	$ —	$ (51.4)	$ 3,995.9
South America	100.7	18.8	—	—	119.5
Europe	2.5	253.4	—	—	255.9
Asia Pacific	13.6	62.5	—	(0.1)	76.0
Total	$ 2,882.5	$ 1,616.3	$ —	$ (51.5)	$ 4,447.3

	Six Months Ended March 31, 2020				
(In millions)	Corrugated Packaging	Consumer Packaging	Land and Development	Intersegment Sales	Total
Primary Geographical Markets					
North America	$ 5,554.6	$ 2,480.4	$ 18.9	$ (92.9)	$ 7,961.0
South America	208.3	38.8	—	—	247.1
Europe	4.3	498.0	—	—	502.3
Asia Pacific	24.8	136.0	—	(0.2)	160.6
Total	$ 5,792.0	$ 3,153.2	$ 18.9	$ (93.1)	$ 8,871.0

	Three Months Ended March 31, 2019				
(In millions)	Corrugated Packaging	Consumer Packaging	Land and Development	Intersegment Sales	Total
Primary Geographical Markets					
North America	$ 2,865.3	$ 1,308.3	$ 0.8	$ (39.8)	$ 4,134.6
South America	109.6	17.9	—	—	127.5
Europe	—	269.6	—	—	269.6
Asia Pacific	15.8	72.5	—	—	88.3
Total	$ 2,990.7	$ 1,668.3	$ 0.8	$ (39.8)	$ 4,620.0

	Six Months Ended March 31, 2019				
(In millions)	Corrugated Packaging	Consumer Packaging	Land and Development	Intersegment Sales	Total
Primary Geographical Markets					
North America	$ 5,471.7	$ 2,564.7	$ 14.7	$ (77.7)	$ 7,973.4
South America	218.4	37.4	—	—	255.8
Europe	—	530.1	—	—	530.1
Asia Pacific	34.4	154.9	—	(1.2)	188.1
Total	$ 5,724.5	$ 3,287.1	$ 14.7	$ (78.9)	$ 8,947.4

Revenue Contract Balances

Contract assets are rights to consideration in exchange for goods that we have transferred to a customer when that right is conditional on something other than the passage of time. Contract assets are reduced when title and risk of loss passes to the customer. Contract liabilities represent obligations to transfer goods or services to a customer for which we have received consideration. Contract liabilities are reduced once control of the goods is transferred to the customer.

The opening and closing balances of our contract assets and contract liabilities are as follows. Contract assets and contract liabilities are aggregated within Other current assets and Other current liabilities, respectively, on the condensed consolidated balance sheet.

(In millions)	Contract Assets (Short-Term)	Contract Liabilities (Short-Term)
Beginning balance - October 1, 2019	$ 188.0	$ 7.7
Ending balance - March 31, 2020	198.0	23.8
Increase / (Decrease)	$ 10.0	$ 16.1

Note 3. Acquisitions

We account for acquisitions in accordance with ASC 805, "*Business Combinations*". The estimated fair values of all assets acquired and liabilities assumed in acquisitions are provisional and may be revised as a result of additional information obtained during the measurement period of up to one year from the acquisition date. See "***Note 3. Acquisitions and Investment***" of the Notes to Consolidated Financial Statements section in the Fiscal 2019 Form 10-K for information about our prior year acquisitions and investments. For the three and six months ended March 31, 2020, no changes to our fiscal 2019 provisional fair value estimates of assets and liabilities assumed in acquisitions, where the measurement period was open at the beginning of the fiscal year, have been significant, and we do not anticipate future changes to these amounts to be significant.

KapStone Acquisition

On November 2, 2018, pursuant to the Agreement and Plan of Merger (the "**Merger Agreement**"), dated as of January 28, 2018, among WRKCo Inc. (formerly known as WestRock Company), which we refer to as "**WRKCo**", KapStone Paper and Packaging Corporation ("**KapStone**"), the Company (formerly known as Whiskey Holdco, Inc.), Whiskey Merger Sub, Inc. and Kola Merger Sub, Inc., the Company acquired all of the outstanding shares of KapStone through a transaction in which: (i) Whiskey Merger Sub, Inc. merged with and into WRKCo, with WRKCo surviving the merger as a wholly owned subsidiary of the Company and (ii) Kola Merger Sub, Inc. merged with and into KapStone, with KapStone surviving the merger as a wholly owned subsidiary of the Company (collectively, the "**KapStone Acquisition**"). Effective as of the effective time of the KapStone Acquisition (the "**Effective Time**"), Whiskey Holdco, Inc. changed its name to "WestRock Company" and WRKCo changed its name to "WRKCo Inc."

KapStone is a leading North American producer and distributor of containerboard, corrugated products and specialty papers, including liner and medium containerboard, kraft papers and saturating kraft. KapStone also owns Victory Packaging, a packaging solutions distribution company with facilities in the U.S., Canada and Mexico. We have included the financial results of KapStone in our Corrugated Packaging segment since the date of the KapStone Acquisition.

Pursuant to the KapStone Acquisition, at the Effective Time, (a) each issued and outstanding share of common stock, par value $0.01 per share, of WRKCo was converted into one share of common stock, par value $0.01 per share, of the Company (“**Company common stock**”) and (b) each issued and outstanding share of common stock, par value $0.0001 per share, of KapStone (“**KapStone common stock**”) (other than shares of KapStone common stock owned by (i) KapStone or any of its subsidiaries or (ii) any KapStone stockholder who properly exercised appraisal rights with respect to its shares of KapStone common stock in accordance with Section 262 of the Delaware General Corporation Law) was automatically canceled and converted into the right to receive (1) $35.00 per share in cash, without interest (the “**Cash Consideration**”), or, at the election of the holder of such share of KapStone common stock, (2) 0.4981 shares of Company common stock (the “**Stock Consideration**”) and cash in lieu of fractional shares, subject to proration procedures designed to ensure that the Stock Consideration would be received in respect of no more than 25% of the shares of KapStone common stock issued and outstanding immediately prior to the Effective Time (the “**Maximum Stock Amount**”). Each share of KapStone common stock in respect of which a valid election of Stock Consideration was not made by 5:00 p.m. New York City time on September 5, 2018 was converted into the right to receive the Cash Consideration. KapStone stockholders elected to receive Stock Consideration that was less than the Maximum Stock Amount and no proration was required.

The consideration for the KapStone Acquisition was $4.9 billion including debt assumed, a long-term financing obligation and assumed equity awards. As a result, KapStone stockholders received in the aggregate approximately $3.3 billion in cash and 1.6 million shares of WestRock common stock with a value of $70.1 million, or approximately 0.6% of the issued and outstanding shares of WestRock common stock immediately following the Effective Time. Pursuant to the Merger Agreement, at the Effective Time, the Company assumed any outstanding awards granted under the equity-based incentive plans of WRKCo and KapStone (including the shares underlying such awards), the award agreements evidencing the grants of such awards and, in the case of the WRKCo equity-based incentive plans, the remaining shares available for issuance under the applicable plan, in each case subject to adjustments to such awards in the manner set forth in the Merger Agreement. Included in the consideration was $70.8 million related to outstanding KapStone equity awards that were replaced with WestRock equity awards with identical terms for pre-combination service. The amount related to post-combination service will be expensed over the remaining service period of the awards.

The following table summarizes the fair values of the assets acquired and liabilities assumed in the KapStone Acquisition by major class of assets and liabilities as of the acquisition date, as well as adjustments made during fiscal 2019 and fiscal 2020 (referred to as "**measurement period adjustments**") (in millions):

	Amounts Recognized as of the Acquisition Date	Measurement Period Adjustments (1)	Amounts Recognized as of Acquisition Date (as Adjusted) (2)
Cash and cash equivalents	$ 8.6	$ —	$ 8.6
Current assets, excluding cash and cash equivalents	878.9	(30.2)	848.7
Property, plant and equipment, net	1,910.3	11.5	1,921.8
Goodwill	1,755.0	0.5	1,755.5
Intangible assets	1,336.1	30.3	1,366.4
Other long-term assets	27.9	(0.1)	27.8
Total assets acquired	5,916.8	12.0	5,928.8
Current portion of debt	33.3	—	33.3
Current liabilities	337.5	7.9	345.4
Long-term debt due after one year	1,333.4	—	1,333.4
Accrued pension and other long-term benefits	9.8	2.8	12.6
Deferred income taxes	609.7	(1.4)	608.3
Other long-term liabilities	118.4	2.7	121.1
Total liabilities assumed	2,442.1	12.0	2,454.1
Net assets acquired	$ 3,474.7	$ —	$ 3,474.7

(1) The measurement period adjustments recorded in fiscal 2019 and fiscal 2020 did not have a significant impact on our condensed consolidated statements of income in any period.

(2) The measurement period adjustments were primarily due to refinements to third party appraisals and carrying amounts of certain assets and liabilities, as well as adjustments to certain tax accounts based on, among other things, adjustments to deferred tax liabilities. The net impact of the measurement period adjustments to goodwill were essentially flat.

The fair value assigned to goodwill is primarily attributable to buyer-specific synergies expected to arise after the KapStone Acquisition (e.g., enhanced geographic reach of the combined organization, increased vertical integration and other synergistic opportunities) and the assembled work force of KapStone, as well as from establishing deferred tax liabilities for the assets and liabilities acquired. The goodwill and intangible assets resulting from the KapStone Acquisition will not be amortizable for tax purposes.

The following table summarizes the weighted average life and the fair value of intangible assets recognized in the KapStone Acquisition, excluding goodwill (in millions, except lives):

	Weighted Avg. Life	Gross Carrying Amount
Customer relationships	11.7	$ 1,303.0
Trademarks and tradenames	16.9	54.2
Favorable contracts	6.0	9.2
Total	11.9	$ 1,366.4

None of the intangible assets have significant residual value. The intangible assets are being amortized over estimated useful lives ranging from one to 20 years based on a straight-line basis because the amortization pattern was not reliably determinable.

Note 4. Restructuring and Other Costs

Summary of Restructuring and Other Initiatives

We recorded pre-tax restructuring and other costs of $16.4 million and $46.5 million for the three and six months ended March 31, 2020 and $34.8 million and $89.2 million for the three and six months ended March 31, 2019. These amounts are not comparable since the timing and scope of the individual actions associated with each restructuring, acquisition, divestiture or integration can vary. We present our restructuring and other costs in more detail below.

The following table summarizes our Restructuring and other costs (in millions):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
Restructuring	$ 8.0	$ 24.3	$ 32.7	$ 50.0
Other	8.4	10.5	13.8	39.2
Restructuring and other costs	$ 16.4	$ 34.8	$ 46.5	$ 89.2

Restructuring

Our restructuring charges are primarily associated with restructuring portions of our operations (i.e. partial or complete plant closures), employee costs due to merger and acquisition-related workforce reductions, including a voluntary retirement program in fiscal 2019 and 2020. When we close a facility, if necessary, we recognize a write-down to reduce the carrying value of equipment or other property to their estimated fair value less cost to sell and record charges for severance and other employee-related costs. Any subsequent change in fair value less cost to sell prior to disposition is recognized as it is identified; however, no gain is recognized in excess of the cumulative loss previously recorded unless the actual selling price exceeds the original carrying value. At the time of each announced plant closure, we generally expect to record future period costs for equipment relocation, facility carrying costs, costs to terminate a lease or contract before the end of its term and employee-related costs.

Although specific circumstances vary, our strategy has generally been to consolidate our sales and operations into large well-equipped plants that operate at high utilization rates and take advantage of available capacity created by operational excellence initiatives and/or further optimize our system following mergers and acquisitions or a changing business environment. Therefore, we generally transfer a substantial portion of each closed plant’s assets and production to our other plants. We believe these actions have allowed us to more effectively manage our business. In our Land and Development segment, the restructuring charges primarily consisted of severance and other employee costs associated with the essentially completed accelerated monetization strategy and wind-down of operations and lease costs.

While restructuring costs are not charged to our segments and, therefore, do not reduce segment income, we highlight the segment to which the charges relate. The following table presents a summary of restructuring charges related to active restructuring initiatives that we incurred during the three and six months ended March 31, 2020 and 2019, the cumulative recorded amount since we started the initiatives and our estimate of the total costs we expect to incur (in millions):

	Three Months Ended March 31,		Six Months Ended March 31,			
	2020	2019	2020	2019	Cumulative	Total Expected
Corrugated Packaging						
Net property, plant and equipment costs	$ 0.3	$ 4.0	$ 2.5	$ 7.1	$ 96.6	$ 96.6
Severance and other employee costs	(3.5)	4.1	3.6	10.7	38.1	38.1
Equipment and inventory relocation costs	0.9	1.0	1.3	1.4	9.5	10.2
Facility carrying costs	0.4	0.9	1.0	2.0	19.5	20.4
Other costs	0.2	0.3	0.4	0.3	5.6	5.8
Restructuring total	$ (1.7)	$ 10.3	$ 8.8	$ 21.5	$ 169.3	$ 171.1
Consumer Packaging						
Net property, plant and equipment costs	$ —	$ (0.2)	$ 0.5	$ (0.2)	$ 30.1	$ 30.1
Severance and other employee costs	7.4	2.9	13.1	2.8	51.5	51.5
Equipment and inventory relocation costs	—	0.4	0.1	0.7	6.0	6.5
Facility carrying costs	—	0.2	—	—	1.9	1.9
Other costs	0.4	2.7	0.6	3.2	9.2	10.3
Restructuring total	$ 7.8	$ 6.0	$ 14.3	$ 6.5	$ 98.7	$ 100.3
Land and Development						
Net property, plant and equipment costs	$ —	$ —	$ —	$ —	$ 1.8	$ 1.8
Severance and other employee costs	—	0.2	—	0.1	13.8	13.8
Other costs	—	—	—	—	3.0	3.0
Restructuring total	$ —	$ 0.2	$ —	$ 0.1	$ 18.6	$ 18.6
Corporate						
Severance and other employee costs	$ 1.2	5.6	8.9	19.8	$ 47.2	$ 47.2
Other costs	0.7	2.2	0.7	2.1	8.1	8.1
Restructuring total	$ 1.9	$ 7.8	$ 9.6	$ 21.9	$ 55.3	$ 55.3
Total						
Net property, plant and equipment costs	$ 0.3	$ 3.8	$ 3.0	$ 6.9	$ 128.5	$ 128.5
Severance and other employee costs	5.1	12.8	25.6	33.4	150.6	150.6
Equipment and inventory relocation costs	0.9	1.4	1.4	2.1	15.5	16.7
Facility carrying costs	0.4	1.1	1.0	2.0	21.4	22.3
Other costs	1.3	5.2	1.7	5.6	25.9	27.2
Restructuring total	$ 8.0	$ 24.3	$ 32.7	$ 50.0	$ 341.9	$ 345.3

We have defined "**Net property, plant and equipment costs**" as used in this **Note 4** as property, plant and equipment write-downs, subsequent adjustments to fair value for assets classified as held for sale, subsequent (gains) or losses on sales of property, plant and equipment and related parts and supplies on such assets, if any.

Other Costs

Our other costs consist of acquisition, integration and divestiture costs. We incur costs when we acquire or divest businesses. Acquisition costs include costs associated with transactions, whether consummated or not, such as advisory, legal, accounting and other professional or consulting fees, as well as potential litigation costs associated with those activities. We incur integration costs pre- and post-acquisition that reflect work being performed to facilitate merger and acquisition integration, such as work associated with information systems and other projects including spending to support future acquisitions, and primarily consist of professional services and labor. Divestiture costs consist primarily of similar professional fees. We consider acquisition, divestiture and integration costs to be Corporate costs regardless of the segment or segments involved in the transaction.

The following table presents our acquisition, integration and divestiture costs (in millions):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
Acquisition costs	$ 0.3	$ 3.0	$ 0.4	$ 27.0
Integration costs	8.1	0.1	13.4	0.2
Divestiture costs	—	7.4	—	12.0
Other total	$ 8.4	$ 10.5	$ 13.8	$ 39.2

The following table summarizes the changes in the restructuring accrual, which is primarily composed of accrued severance and other employee costs, and presents a reconciliation of the restructuring accrual charges to the line item "**Restructuring and other costs**" on our condensed consolidated statements of income (in millions):

	Six Months Ended March 31,	
	2020	2019
Accrual at beginning of fiscal year	$ 32.3	$ 31.6
Additional accruals	27.5	32.3
Payments	(27.3)	(24.2)
Adjustment to accruals	(1.9)	(2.7)
Foreign currency rate changes	—	(0.1)
Accrual at March 31	$ 30.6	$ 36.9

Reconciliation of accruals and charges to restructuring and other costs (in millions):

	Six Months Ended March 31,	
	2020	2019
Additional accruals and adjustments to accruals (see table above)	$ 25.6	$ 29.6
Acquisition costs	0.4	27.0
Integration costs	13.4	12.0
Divestiture costs	—	0.2
Net property, plant and equipment	3.0	6.9
Severance and other employee costs	(0.3)	6.3
Equipment and inventory relocation costs	1.4	2.1
Facility carrying costs	1.0	2.0
Other costs	2.0	3.1
Total restructuring and other costs	$ 46.5	$ 89.2

Note 5. Retirement Plans

We have defined benefit pension plans and other postretirement benefit plans for certain U.S. and non-U.S. employees. Certain plans were frozen for salaried and non-union hourly employees at various times in the past, although some employees meeting certain criteria are still accruing benefits. In addition, we participate in several multiemployer pension plans (“**MEPP**” or “**MEPPs**”) that provide retirement benefits to certain union employees in accordance with various collective bargaining agreements. We also have supplemental executive retirement plans and other non-qualified defined benefit pension plans that provide unfunded supplemental retirement benefits to certain of our current and former executives. See “***Note 5. Retirement Plans***” and “***Note 5. Retirement Plans — Multiemployer Plans***” of the Notes to Consolidated Financial Statements section in the Fiscal 2019 Form 10-K for more information regarding our involvement with retirement plans and involvement with MEPPs.

MEPPs

In the normal course of business, we evaluate our potential exposure to MEPPs, including with respect to potential withdrawal liabilities. During fiscal 2018, we submitted formal notification to withdraw from the Pace Industry Union-Management Pension Fund (“**PIUMPF**”) and the Central States, Southeast and Southwest Areas Pension Plan, and recorded estimated withdrawal liabilities for each. It is reasonably possible that we may incur withdrawal liabilities with respect to certain other MEPPs in connection with such withdrawals. Our estimate of any such withdrawal liability, both individually and in the aggregate, is not material for the remaining plans in which we participate.

In September 2019, we received a demand from PIUMPF asserting that we owe $170.3 million on an undiscounted basis (approximately $0.7 million per month for the next 20 years) with respect to our withdrawal liability. The initial demand did not address any assertion of liability for PIUMPF’s accumulated funding deficiency. In October 2019, we received two additional demand letters from PIUMPF related to a subsidiary of ours asserting that we owe $2.3 million on an undiscounted basis to be paid over 20 years with respect to the subsidiary’s withdrawal liability and $2.0 million for its accumulated funding deficiency. In February 2020, we received a demand letter from PIUMPF asserting that we owe $51.2 million for our pro-rata share of PIUMPF’s accumulated funding deficiency, including interest. We are evaluating each of these demands and we expect to challenge the accumulated funding deficiency demands. We began making monthly payments for these withdrawal liabilities in fiscal 2020. At March 31, 2020 and September 30, 2019, we had withdrawal liabilities recorded of $241.0 million and $237.2 million, respectively.

Pension and Postretirement Income / Expense

The following table presents a summary of the components of net pension income (in millions):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
Service cost	$ 14.2	$ 11.4	$ 27.3	$ 22.3
Interest cost	49.5	58.7	99.4	115.2
Expected return on plan assets	(90.8)	(85.9)	(181.6)	(168.8)
Amortization of net actuarial loss	11.8	5.4	23.7	12.4
Amortization of prior service cost	2.1	1.3	3.5	2.6
Curtailment loss	0.4	0.9	0.4	0.9
Company defined benefit plan income	(12.8)	(8.2)	(27.3)	(15.4)
Multiemployer and other plans	0.4	0.1	0.7	0.3
Net pension income	$ (12.4)	$ (8.1)	$ (26.6)	$ (15.1)

The non-service elements of our pension and postretirement costs set forth in this ***Note 5. Retirement Plans*** are reflected in the condensed consolidated statements of income line item “Pension and other postretirement non-service income”. The service cost components are reflected in cost of goods sold and selling, general and administrative, excluding intangible amortization line items.

We maintain other postretirement benefit plans that provide certain health care and life insurance benefits for certain salaried and hourly employees who meet specified age and service requirements as defined by the plans. The following table presents a summary of the components of the net postretirement cost (in millions):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
Service cost	$ 0.3	$ 0.3	$ 0.7	$ 0.6
Interest cost	1.8	2.0	3.6	3.9
Amortization of net actuarial gain	(0.2)	(0.4)	(0.4)	(0.8)
Amortization of prior service credit	(0.7)	(0.7)	(1.4)	(1.4)
Net postretirement cost	$ 1.2	$ 1.2	$ 2.5	$ 2.3

Employer Contributions

During the three and six months ended March 31, 2020, we made contributions to our qualified and supplemental defined benefit pension plans of $4.1 million and $12.6 million, respectively, and for the three and six months ended March 31, 2019, we made contributions of $5.5 million and $9.5 million.

During the three and six months ended March 31, 2020, we funded an aggregate of $1.7 million and $3.7 million, respectively, and for the three and six months ended March 31, 2019, we funded an aggregate of $1.7 million and $4.4 million, respectively, to our other postretirement benefit plans.

Note 6. Income Taxes

The effective tax rate for the three and six months ended March 31, 2020 was 28.0% and 26.6%, respectively. The effective tax rate for the three and six months ended March 31, 2020 was higher than the statutory federal rate primarily due to (i) the inclusion of state taxes, (ii) income derived from certain foreign jurisdictions subject to higher tax rates, (iii) the exclusion of tax benefits related to losses recorded by certain foreign operations, and (iv) tax expense related to stock based compensation, partially offset by research and development tax credits.

The effective tax rate for the three and six months ended March 31, 2019 was 22.6% and 26.7%, respectively. The effective tax rate for the three months ended March 31, 2019 was higher than the statutory federal rate primarily due to (i) the inclusion of state taxes, (ii) income derived from certain foreign jurisdictions subject to higher tax rates and (iii) the exclusion of tax benefits related to losses recorded by certain foreign operations, partially offset by (iv) the inclusion of tax benefits related to share-based compensation and (v) research and development tax credits. The effective tax rate for the six months ended March 31, 2019 was higher than the statutory federal rate primarily due to (i) the inclusion of state taxes, (ii) income derived from certain foreign jurisdictions subject to higher tax rates, (iii) the exclusion of tax benefits related to losses recorded by certain foreign operations, (iv) the limitation of certain transaction costs and (v) the increase of deferred tax liabilities in certain state jurisdictions, partially offset by (vi) the inclusion of tax benefits related to share-based compensation, (vii) research and development tax credits and (viii) an adjustment of the valuation allowance against net operating losses of foreign subsidiaries.

Note 7. Segment Information

We report our financial results of operations in the following three reportable segments: Corrugated Packaging, which consists of our containerboard mills, corrugated packaging and distribution operations, as well as our merchandising displays and recycling procurement operations; Consumer Packaging, which consists of our consumer mills, food and beverage and partition operations; and Land and Development, which previously sold real estate primarily in the Charleston, SC region. Certain income and expenses are not allocated to our segments and, thus, the information that management uses to make operating decisions and assess performance does not reflect these amounts. Items not allocated are reported as non-allocated expenses or in other line items in the table below after segment income.

The following tables show selected operating data for our segments (in millions):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
Net sales (aggregate):				
Corrugated Packaging	$ 2,882.5	$ 2,990.7	$ 5,792.0	$ 5,724.5
Consumer Packaging	1,616.3	1,668.3	3,153.2	3,287.1
Land and Development	—	0.8	18.9	14.7
Total	$ 4,498.8	$ 4,659.8	$ 8,964.1	$ 9,026.3
Less net sales (intersegment):				
Corrugated Packaging	$ 20.7	$ 19.4	$ 39.0	$ 37.4
Consumer Packaging	30.8	20.4	54.1	41.5
Total	$ 51.5	$ 39.8	$ 93.1	$ 78.9
Net sales (unaffiliated customers):				
Corrugated Packaging	$ 2,861.8	$ 2,971.3	$ 5,753.0	$ 5,687.1
Consumer Packaging	1,585.5	1,647.9	3,099.1	3,245.6
Land and Development	—	0.8	18.9	14.7
Total	$ 4,447.3	$ 4,620.0	$ 8,871.0	$ 8,947.4
Segment income:				
Corrugated Packaging	$ 244.5	$ 310.3	$ 527.9	$ 557.1
Consumer Packaging	90.8	85.2	137.0	162.1
Land and Development	—	0.5	1.4	1.2
Segment income	335.3	396.0	666.3	720.4
Gain on sale of certain closed facilities	5.0	—	5.5	50.5
Multiemployer pension withdrawal expense	(0.9)	—	(0.9)	—
Land and Development impairments	—	(13.0)	—	(13.0)
Restructuring and other costs	(16.4)	(34.8)	(46.5)	(89.2)
Non-allocated expenses	(17.6)	(24.4)	(35.8)	(43.4)
Interest expense, net	(97.3)	(111.8)	(190.8)	(206.2)
(Loss) gain on extinguishment of debt	(0.5)	0.4	(0.5)	(1.5)
Other expense, net	(0.9)	(3.3)	(4.6)	(6.0)
Income before income taxes	$ 206.7	$ 209.1	$ 392.7	$ 411.6

	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
Depreciation and amortization:				
Corrugated Packaging	$ 239.6	$ 242.7	$ 483.9	$ 461.2
Consumer Packaging	133.2	139.2	268.5	277.8
Corporate	1.7	1.8	3.3	3.8
Total	$ 374.5	$ 383.7	$ 755.7	$ 742.8

In October 2018, our containerboard and pulp mill located in Panama City, FL sustained extensive damage from Hurricane Michael. In the three months ended December 31, 2019, we received the remaining Hurricane Michael-related insurance proceeds of $32.3 million, of which $29.5 million was recorded as a reduction of cost of goods sold in our Corrugated Packaging segment. The remaining $2.8 million was deferred and recorded as a reduction of cost of goods sold in the three months ended March 31, 2020. The insurance proceeds consisted of $11.7 million of business interruption recoveries and $20.6 million for direct costs and property damage. Our condensed consolidated statement of cash flows for the six months ended March 31, 2020 included $30.9 million in net cash provided by operating activities and $1.4 million of cash proceeds included in net cash used for investing activities.

In the three and six months ended March 31, 2019, we received Hurricane Michael-related insurance proceeds of $60.0 million and $80.0 million, respectively, that were recorded as a reduction of cost of goods sold in our Corrugated Packaging segment. The insurance proceeds for the six months ended March 31, 2019 consisted of $30.0 million of business interruption recoveries and $50.0 million for direct costs and property damage. Our condensed consolidated statement of cash flows for the six months ended March 31, 2019 included $71.2 million in net cash provided by operating activities and $8.8 million of cash proceeds included in net cash used for investing activities.

Note 8. Inventories

We value substantially all of our U.S. inventories at the lower of cost or market, with cost determined on a last-in first-out (“**LIFO**”) basis. We value all other inventories at the lower of cost and net realizable value, with cost determined using methods that approximate cost computed on a first-in first-out (“**FIFO**”) basis. These other inventories represent primarily foreign inventories, distribution business inventories, spare parts inventories and certain inventoried supplies.

The components of inventories were as follows (in millions):

	March 31, 2020	September 30, 2019
Finished goods and work in process	$ 982.6	$ 938.9
Raw materials	766.8	818.8
Spare parts and supplies	494.2	479.7
Inventories at FIFO cost	2,243.6	2,237.4
LIFO reserve	(118.2)	(129.9)
Net inventories	$ 2,125.4	$ 2,107.5

Note 9. Property, Plant and Equipment

The components of property, plant and equipment were as follows (in millions):

	March 31, 2020	September 30, 2019
Property, plant and equipment at cost:		
Land and buildings	$ 2,491.9	$ 2,442.3
Machinery and equipment	14,921.1	14,743.6
Forestlands and mineral rights	120.5	144.0
Transportation equipment	28.8	31.2
Leasehold improvements	102.5	100.2
	17,664.8	17,461.3
Less: accumulated depreciation, depletion and amortization	(6,628.5)	(6,271.8)
Property, plant and equipment, net	$ 11,036.3	$ 11,189.5

Note 10. Fair Value

<u>Assets and Liabilities Measured or Disclosed at Fair Value</u>

We estimate fair values in accordance with ASC 820, *“Fair Value Measurement*”. See “***Note 12. Fair Value***” of the Notes to Consolidated Financial Statements section of the Fiscal 2019 Form 10-K for more information. We disclose the fair value of our long-term debt in “***Note 11. Debt***”. We disclose the fair value of our pension and postretirement assets and liabilities in “***Note 5. Retirement Plans***” of the Notes to Consolidated Financial Statements section of the Fiscal 2019 Form 10-K.

Financial Instruments Not Recognized at Fair Value

Financial instruments not recognized at fair value on a recurring or nonrecurring basis include cash and cash equivalents, accounts receivable, certain other current assets, short-term debt, accounts payable, certain other current liabilities and long-term debt. With the exception of long-term debt, the carrying amounts of these financial instruments approximate their fair values due to their short maturities.

Fair Value of Nonfinancial Assets and Nonfinancial Liabilities

We measure certain nonfinancial assets and nonfinancial liabilities at fair value on a nonrecurring basis. These assets and liabilities include equity method investments and investments for which the fair value alternative is elected when they are deemed to be other-than-temporarily impaired, assets acquired and liabilities assumed in a merger, acquisition or in a nonmonetary exchange, and property, plant and equipment and intangible assets that are written down to fair value when they are held for sale or determined to be impaired. See "***Note 4. Restructuring and Other Costs***" for impairments associated with restructuring activities presented as "net property, plant and equipment costs". During the three and six months ended March 31, 2020 and 2019, we did not have any significant nonfinancial assets or nonfinancial liabilities that were measured at fair value on a nonrecurring basis in periods subsequent to initial recognition other than in the second quarter of fiscal 2019 when we recorded a $13.0 million pre-tax non-cash impairment of certain mineral rights.

Accounts Receivable Sales Agreement

We are a party to an accounts receivable sales agreement (the "**A/R Sales Agreement**") to sell to a third party financial institution all of the short-term receivables generated from certain customer trade accounts, on a revolving basis. On September 19, 2019, we amended the A/R Sales Agreement and increased the purchase limit to $650.0 million. The A/R Sales Agreement has a one year term and may be terminated early by either party. The terms of the A/R Sales Agreement limit the balance of receivables sold to the amount available to fund such receivables sold and eliminated the receivable for proceeds from the financial institution at any transfer date. Transfers under the A/R Sales Agreement meet the requirements to be accounted for as sales in accordance with guidance in ASC 860, "*Transfers and Servicing*".

The following table presents a summary of the activity under the A/R Sales Agreement for the six months ended March 31, 2020 and March 31, 2019 (in millions):

	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Receivable from financial institution at beginning of fiscal year	$ —	$ —
Receivables sold to the financial institution and derecognized	1,210.2	943.0
Receivables collected by financial institution	(1,219.6)	(956.4)
Cash paid to financial institution	9.4	13.4
Receivable from financial institution at March 31	$ —	$ —

Based on current rates and levels of receivables sold, the expense recorded in connection with the sale of receivables is approximately $4 million per quarter and is recorded in "other expense, net". The future amount may fluctuate based on the level of activity and other factors. Although the sales are made without recourse, we maintain continuing involvement with the sold receivables as we provide collections services related to the transferred assets. The associated servicing liability is not material given the high quality of the customers underlying the receivables and the anticipated short collection period.

Note 11. Debt

See "***Note 13. Debt***" of the Notes to Consolidated Financial Statements section in the Fiscal 2019 Form 10-K for additional information on our debt and interest rates on that debt.

The following table shows the carrying value of the individual components of our debt (in millions):

	March 31, 2020	September 30, 2019
Public bonds due fiscal 2020 to 2022	$ 505.3	$ 507.8
Public bonds due fiscal 2023 to 2028	3,771.3	3,769.1
Public bonds due fiscal 2029 to 2033	2,191.5	2,197.6
Public bonds due fiscal 2037 to 2047	178.8	179.0
Term loan facilities	2,096.3	2,295.5
Revolving credit and swing facilities	807.1	396.0
Receivables securitization	475.0	—
Commercial paper	304.5	339.2
Finance lease obligations	280.7	185.8
Supplier financing and commercial card programs	108.4	123.2
International and other debt	137.7	70.2
Total debt	10,856.6	10,063.4
Less: current portion of debt	432.0	561.1
Long-term debt due after one year	$ 10,424.6	$ 9,502.3

A portion of the debt classified as long-term may be paid down earlier than scheduled at our discretion without penalty. Certain customary restrictive covenants govern the maximum availability under our credit facilities. We test and report our compliance with these covenants as required and were in compliance with all of our covenants at March 31, 2020. The increase in finance lease obligations during fiscal 2020 was primarily the result of our adoption of the leasing guidance codified in ASC 842 that recharacterized a short-term and long-term liability for two chip mills to a $100.3 million finance lease obligation.

The estimated fair value of our debt was approximately $10.9 billion as of March 31, 2020 and $10.6 billion at September 30, 2019. The fair value of our long-term debt is categorized as level 2 within the fair value hierarchy and is primarily either based on quoted prices for those or similar instruments or approximates the carrying amount as the variable interest rates reprice frequently at observable current market rates.

Revolving Credit Facility

On November 21, 2019, we amended our $2.0 billion unsecured revolving credit facility (the "**Credit Facility**") to, among other things, increase the maximum permitted Debt to Capitalization Ratio (as defined in the credit agreement) from 0.60:1:00 to 0.65:1.00, extend its maturity date to November 21, 2024 and increase the committed principal to $2.3 billion. The portion of the revolving credit facility that may be used to fund borrowings in non-U.S. dollar currencies including Canadian dollars, Euro and British Pounds was increased from $400 million to $500 million. Additionally, we may request up to $200 million of the revolving credit facility to be used to fund borrowings in Mexican pesos. At March 31, 2020 we had $350.0 million outstanding that was classified as long-term debt and at September 30, 2019 there were no amounts outstanding under the facility.

In connection with the amendment of the Credit Facility, on November 21, 2019, we terminated our $450.0 million unsecured revolving credit facility with Wells Fargo Bank, National Association, as administrative agent.

Receivables Securitization Facility

On May 2, 2019, we amended our $700.0 million receivables securitization agreement (the "**Receivables Securitization Facility**") to, among other things, extend its maturity date from July 22, 2019 to May 2, 2022. On March 27, 2020, we amended the facility to add additional Company legal entities that may serve to increase the amount of eligible receivables serving as collateral. At March 31, 2020 and September 30, 2019, maximum available borrowings, excluding amounts outstanding under the Receivables Securitization Facility, were $678.5 million and $ 592.1 million, respectively. The carrying amount of accounts receivable collateralizing the maximum available borrowings at March 31, 2020 and September 30, 2019 were approximately $1,081.7 million and $959.3 million, respectively. We have continuing involvement with the underlying receivables as we provide credit and collections services pursuant to the Receivables Securitization Facility agreement. At March 31, 2020 there was $475.0 million outstanding that was classified as long-term debt. At September 30, 2019 there were no amounts outstanding under this facility.

European Revolving Credit Facility

On April 27, 2018, we entered into a €500.0 million revolving credit facility with an incremental €100.0 million accordion feature with Coöperatieve Rabobank U.A., New York Branch as the administrative agent for the syndicate of banks. This facility provides for a 3-year unsecured U.S. dollar, Euro and British Pound denominated borrowing of not more than €500.0 million. On November 21, 2019, we amended the revolving credit facility to, among other things, extend the maturity date from April 27, 2021 to November 21, 2022. At March 31, 2020, we had borrowed $310.0 million under this facility and entered into foreign currency exchange contracts of $310.5 million as an economic hedge for the U.S. dollar denominated borrowing plus interest by a non-U.S. dollar functional currency entity. The net of gains or losses from these foreign currency exchange contracts and the changes in the remeasurement of the U.S. dollar denominated borrowing in our foreign subsidiaries have been immaterial to our condensed consolidated statements of income. At March 31, 2020, none of the total amount outstanding was classified as short-term debt. At September 30, 2019, we had borrowed $350.0 million under this facility, of which $175.0 million was classified as short-term debt.

Commercial Paper Program

On October 31, 2017, we established an unsecured commercial paper program, pursuant to which we were able to issue short-term, unsecured commercial paper notes in an aggregate principal amount at any time not to exceed $1.0 billion with up to 397-day maturities. On December 7, 2018, we terminated the commercial paper program and established a new unsecured commercial paper program with WRKCo as the issuer. Under the new program, we may issue short-term unsecured commercial paper notes in an aggregate principal amount at any time not to exceed $1.0 billion with up to 397-day maturities. The commercial paper program has no expiration date and can be terminated by either the agent or us with not less than 30 days’ notice. Our $2.3 billion unsecured revolving credit facility is intended to backstop the commercial paper program. Amounts available under the program may be borrowed, repaid and re-borrowed from time to time. The net proceeds from issuances of notes under the program were initially used to repay amounts outstanding under the KapStone securitization facility that were assumed in the KapStone Acquisition and subsequently terminated, and have been, and are expected to continue to be, used for general corporate purposes. At March 31, 2020, there was $304.5 million outstanding and the average borrowing rate was 2.20%. At September 30, 2019, there was $339.2 million outstanding and the average borrowing rate was 2.39%. At March 31, 2020 and September 30, 2019, $250.0 million of the total amount outstanding was classified as long-term debt.

Note 12. Selected Condensed Consolidating Financial Statements of Parent, Issuer, Guarantors and Non-Guarantors

The notes issued by WRKCo (“**Issuer**”) and registered under the Securities Act of 1933, as amended, are fully and unconditionally guaranteed on a joint and several basis by WestRock Company (“**Parent**”) and WestRock RKT, LLC (“**RKT**”) and WestRock MWV, LLC (“**MWV**”) (RKT and MWV are together referred to as the “**Guarantor Subsidiaries**”). See “***Note 13. Debt — Exchanged Notes***” and “***Note 14. Selected Condensed Consolidating Financial Statements of Parent, Issuer, Guarantors and Non-Guarantors***” of the Notes to Consolidated Financial Statements section in the Fiscal 2019 Form 10-K for additional information regarding our registered notes and the guarantees of our notes.

In accordance with GAAP, we retrospectively account for changes in our legal structure that constitute transfers of businesses between issuers, guarantors and non-guarantors. As such, our prior period financials may vary from those previously reported. The information in the prior year tables reflect such revisions, as well as revisions to correct immaterial errors in prior presentations.

In accordance with Rule 3-10 of Regulation S-X, the following tables present condensed consolidating financial data of the Parent, the Issuer, the Guarantor Subsidiaries, the non-guarantor subsidiaries and eliminations. Such financial data include the related Condensed Consolidating Statements of Income for the three and six months ended March 31, 2020 and March 31, 2019, Condensed Consolidating Balance Sheets as of March 31, 2020 and September 30, 2019 and Condensed Consolidating Statements of Cash Flows for the six months ended March 31, 2020 and March 31, 2019.

CONDENSED CONSOLIDATING STATEMENTS OF INCOME

	Three Months Ended March 31, 2020					
(In millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
Net sales	$ —	$ —	$ 630.9	$ 4,479.1	$ (662.7)	$ 4,447.3
Cost of goods sold	—	—	502.2	3,794.8	(654.5)	3,642.5
Gross profit	—	—	128.7	684.3	(8.2)	804.8
Selling, general and administrative, excluding intangible amortization	—	0.1	27.9	390.6	—	418.6
Selling, general and administrative intangible amortization	—	—	24.5	75.6	—	100.1
Loss (gain) on disposal of assets	—	—	0.1	(5.7)	—	(5.6)
Multiemployer pension withdrawal expense	—	—	0.1	0.8	—	0.9
Restructuring and other costs	—	2.0	—	14.4	—	16.4
Operating profit (loss)	—	(2.1)	76.1	208.6	(8.2)	274.4
Interest (expense) income, net	—	(63.8)	(33.6)	0.1	—	(97.3)
Intercompany interest (expense) income, net	—	(3.3)	(24.2)	19.3	8.2	—
Loss on extinguishment of debt	—	(0.4)	—	(0.1)	—	(0.5)
Pension and other postretirement non-service (expense) income	—	—	(1.9)	28.0	—	26.1
Other income (expense), net	0.1	—	0.2	(1.2)	—	(0.9)
Equity in income of unconsolidated entities	—	—	—	4.9	—	4.9
Equity in income of consolidated entities	148.0	252.3	111.1	—	(511.4)	—
Income before income taxes	148.1	182.7	127.7	259.6	(511.4)	206.7
Income tax benefit (expense)	—	17.3	(4.0)	(71.1)	—	(57.8)
Consolidated net income	148.1	200.0	123.7	188.5	(511.4)	148.9
Less: Net income attributable to noncontrolling interests	—	—	—	(0.8)	—	(0.8)
Net income attributable to common stockholders	$ 148.1	$ 200.0	$ 123.7	$ 187.7	$ (511.4)	$ 148.1
Comprehensive loss attributable to common stockholders	$ (236.0)	$ (184.9)	$ (247.9)	$ (190.1)	$ 622.9	$ (236.0)

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)
CONDENSED CONSOLIDATING STATEMENTS OF INCOME

(In millions)	Six Months Ended March 31, 2020					
	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
Net sales	$ —	$ —	$ 1,220.2	$ 8,939.6	$ (1,288.8)	$ 8,871.0
Cost of goods sold	—	—	983.8	7,546.0	(1,272.6)	7,257.2
Gross profit	—	—	236.4	1,393.6	(16.2)	1,613.8
Selling, general and administrative, excluding intangible amortization	—	0.3	56.7	787.3	—	844.3
Selling, general and administrative intangible amortization	—	—	50.5	151.4	—	201.9
Gain on disposal of assets	—	—	—	(6.9)	—	(6.9)
Multiemployer pension withdrawal expense	—	—	0.1	0.8	—	0.9
Restructuring and other costs	—	3.6	—	42.9	—	46.5
Operating profit (loss)	—	(3.9)	129.1	418.1	(16.2)	527.1
Interest (expense) income, net	—	(128.5)	(68.8)	6.5	—	(190.8)
Intercompany interest (expense) income, net	—	(6.8)	(49.4)	40.0	16.2	—
Loss on extinguishment of debt	—	(0.4)	—	(0.1)	—	(0.5)
Pension and other postretirement non-service (expense) income	—	—	(3.8)	56.6	—	52.8
Other income (expense), net	0.1	—	1.3	(6.0)	—	(4.6)
Equity in income of unconsolidated entities	—	—	—	8.7	—	8.7
Equity in income of consolidated entities	286.5	478.9	249.4	—	(1,014.8)	—
Income before income taxes	286.6	339.3	257.8	523.8	(1,014.8)	392.7
Income tax benefit (expense)	—	34.8	(1.7)	(137.4)	—	(104.3)
Consolidated net income	286.6	374.1	256.1	386.4	(1,014.8)	288.4
Less: Net income attributable to noncontrolling interests	—	—	—	(1.8)	—	(1.8)
Net income attributable to common stockholders	$ 286.6	$ 374.1	$ 256.1	$ 384.6	$ (1,014.8)	$ 286.6
Comprehensive income (loss) attributable to common stockholders	$ 10.2	$ 98.7	$ (11.6)	$ 116.1	$ (203.2)	$ 10.2

CONDENSED CONSOLIDATING STATEMENTS OF INCOME

	Three Months Ended March 31, 2019					
(In millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
Net sales	$ —	$ —	$ 639.2	$ 4,638.1	$ (657.3)	$ 4,620.0
Cost of goods sold	—	—	526.8	3,850.9	(657.3)	3,720.4
Gross profit	—	—	112.4	787.2	—	899.6
Selling, general and administrative, excluding intangible amortization	—	0.3	14.2	429.6	—	444.1
Selling, general and administrative intangible amortization	—	—	26.2	76.2	—	102.4
Land and Development impairments	—	—	—	13.0	—	13.0
Restructuring and other costs	—	3.9	0.1	30.8	—	34.8
Operating profit (loss)	—	(4.2)	71.9	237.6	—	305.3
Interest expense, net	—	(65.0)	(42.0)	(4.8)	—	(111.8)
Intercompany interest income (expense), net	—	0.5	(27.5)	27.0	—	—
Gain on extinguishment of debt	—	—	0.4	—	—	0.4
Pension and other postretirement non-service (expense) income	—	—	(1.7)	20.4	—	18.7
Other (expense) income, net	—	(3.4)	(1.0)	1.1	—	(3.3)
Equity in loss of unconsolidated entities	—	—	—	(0.2)	—	(0.2)
Equity in income of consolidated entities	160.4	195.5	168.2	—	(524.1)	—
Income before income taxes	160.4	123.4	168.3	281.1	(524.1)	209.1
Income tax benefit (expense)	—	17.9	0.6	(65.7)	—	(47.2)
Consolidated net income	160.4	141.3	168.9	215.4	(524.1)	161.9
Less: Net income attributable to noncontrolling interests	—	—	—	(1.5)	—	(1.5)
Net income attributable to common stockholders	$ 160.4	$ 141.3	$ 168.9	$ 213.9	$ (524.1)	$ 160.4
Comprehensive income attributable to common stockholders	$ 189.7	$ 170.4	$ 200.0	$ 243.6	$ (614.0)	$ 189.7

CONDENSED CONSOLIDATING STATEMENTS OF INCOME

(In millions)	Six Months Ended March 31, 2019					
	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
Net sales	$ —	$ —	$ 1,263.0	$ 8,971.9	$ (1,287.5)	$ 8,947.4
Cost of goods sold	—	—	1,027.7	7,525.8	(1,287.5)	7,266.0
Gross profit	—	—	235.3	1,446.1	—	1,681.4
Selling, general and administrative, excluding intangible amortization	—	0.4	27.3	817.3	—	845.0
Selling, general and administrative intangible amortization	—	—	52.3	143.0	—	195.3
Gain on disposal of assets	—	—	—	(43.8)	—	(43.8)
Land and Development impairments	—	—	—	13.0	—	13.0
Restructuring and other costs	—	3.9	0.1	85.2	—	89.2
Operating profit (loss)	—	(4.3)	155.6	431.4	—	582.7
Interest expense, net	—	(112.0)	(91.9)	(2.3)	—	(206.2)
Intercompany interest income (expense), net	—	3.5	(54.6)	51.1	—	—
(Loss) gain on extinguishment of debt	—	(1.8)	0.4	(0.1)	—	(1.5)
Pension and other postretirement non-service (expense) income	—	—	(3.4)	39.4	—	36.0
Other expense, net	—	(4.0)	(0.4)	(1.6)	—	(6.0)
Equity in income of unconsolidated entities	—	—	—	6.6	—	6.6
Equity in income of consolidated entities	299.5	394.2	414.4	—	(1,108.1)	—
Income before income taxes	299.5	275.6	420.1	524.5	(1,108.1)	411.6
Income tax benefit (expense)	—	29.0	(1.3)	(137.6)	—	(109.9)
Consolidated net income	299.5	304.6	418.8	386.9	(1,108.1)	301.7
Less: Net income attributable to noncontrolling interests	—	—	—	(2.2)	—	(2.2)
Net income attributable to common stockholders	$ 299.5	$ 304.6	$ 418.8	$ 384.7	$ (1,108.1)	$ 299.5
Comprehensive income attributable to common stockholders	$ 269.3	$ 276.9	$ 395.2	$ 355.2	$ (1,027.3)	$ 269.3

CONDENSED CONSOLIDATING BALANCE SHEETS

	March 31, 2020					
(In millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$ —	$ 0.2	$ 469.6	$ 170.4	$ —	$ 640.2
Accounts receivable	—	—	26.7	2,229.1	(33.7)	2,222.1
Inventories	—	—	266.2	1,859.2	—	2,125.4
Other current assets	0.4	—	7.2	493.6	—	501.2
Intercompany receivables	—	378.1	1.7	1,779.2	(2,159.0)	—
Assets held for sale	—	—	—	3.3	—	3.3
Total current assets	0.4	378.3	771.4	6,534.8	(2,192.7)	5,492.2
Property, plant and equipment, net	—	—	15.1	11,021.2	—	11,036.3
Goodwill	—	—	1,158.6	6,105.4	—	7,264.0
Intangibles, net	—	—	1,434.5	2,411.4	—	3,845.9
Restricted assets held by special purpose entities	—	—	—	1,270.9	—	1,270.9
Prepaid pension asset	—	—	—	278.6	—	278.6
Intercompany notes receivable	—	155.0	170.6	3,026.8	(3,352.4)	—
Investments in consolidated subsidiaries	11,983.4	18,703.0	20,161.8	—	(50,848.2)	—
Other assets	—	69.1	241.3	1,553.8	(91.8)	1,772.4
Total Assets	$ 11,983.8	$ 19,305.4	$ 23,953.3	$ 32,202.9	$ (56,485.1)	$ 30,960.3
LIABILITIES AND EQUITY						
Current liabilities:						
Current portion of debt	$ —	$ 179.5	$ 106.1	$ 146.4	$ —	$ 432.0
Accounts payable	—	1.4	33.3	1,695.4	(33.7)	1,696.4
Accrued compensation and benefits	0.2	—	14.4	366.9	—	381.5
Other current liabilities	—	23.9	77.6	528.4	—	629.9
Intercompany payables	501.2	29.8	1,583.1	44.9	(2,159.0)	—
Total current liabilities	501.4	234.6	1,814.5	2,782.0	(2,192.7)	3,139.8
Long-term debt due after one year	—	6,761.1	1,975.6	1,687.9	—	10,424.6
Intercompany notes payable	—	636.3	2,390.5	325.6	(3,352.4)	—
Pension liabilities, net of current portion	—	—	142.9	131.2	—	274.1
Postretirement benefit liabilities, net of current portion	—	—	25.3	127.0	—	152.3
Non-recourse liabilities held by special purpose entities	—	—	—	1,140.9	—	1,140.9
Deferred income taxes	—	—	265.8	2,704.4	(91.8)	2,878.4
Other long-term liabilities	—	12.4	176.5	1,261.7	—	1,450.6
Redeemable noncontrolling interests	—	—	—	1.6	—	1.6
Total stockholders' equity	11,482.4	11,661.0	17,162.2	22,025.0	(50,848.2)	11,482.4
Noncontrolling interests	—	—	—	15.6	—	15.6
Total equity	11,482.4	11,661.0	17,162.2	22,040.6	(50,848.2)	11,498.0
Total Liabilities and Equity	$ 11,983.8	$ 19,305.4	$ 23,953.3	$ 32,202.9	$ (56,485.1)	$ 30,960.3

CONDENSED CONSOLIDATING BALANCE SHEETS

	September 30, 2019					
(In millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
ASSETS						
Current Assets:						
Cash and cash equivalents	$ —	$ —	$ 17.8	$ 133.8	$ —	$ 151.6
Accounts receivable	—	—	31.1	2,201.7	(39.6)	2,193.2
Inventories	—	—	254.3	1,853.2	—	2,107.5
Other current assets	—	1.2	11.8	483.2	—	496.2
Intercompany receivables	—	227.7	—	1,128.6	(1,356.3)	—
Assets held for sale	—	—	—	25.8	—	25.8
Total current assets	—	228.9	315.0	5,826.3	(1,395.9)	4,974.3
Property, plant and equipment, net	—	—	18.9	11,170.6	—	11,189.5
Goodwill	—	—	1,158.6	6,127.0	—	7,285.6
Intangibles, net	—	—	1,485.0	2,574.5	—	4,059.5
Restricted assets held by special purpose entities	—	—	—	1,274.3	—	1,274.3
Prepaid pension asset	—	—	—	224.7	—	224.7
Intercompany notes receivable	—	155.0	156.9	3,026.8	(3,338.7)	—
Investments in consolidated subsidiaries	11,973.6	18,524.2	20,103.6	—	(50,601.4)	—
Other assets	—	67.8	185.3	971.8	(76.1)	1,148.8
Total Assets	$ 11,973.6	$ 18,975.9	$ 23,423.3	$ 31,196.0	$ (55,412.1)	$ 30,156.7
LIABILITIES AND EQUITY						
Current liabilities:						
Current portion of debt	$ —	$ 135.3	$ 108.9	$ 316.9	$ —	$ 561.1
Accounts payable	—	0.7	31.3	1,839.4	(39.6)	1,831.8
Accrued compensation and benefits	0.3	—	14.5	455.6	—	470.4
Other current liabilities	—	18.6	83.8	469.4	—	571.8
Intercompany payables	303.4	—	1,052.9	—	(1,356.3)	—
Total current liabilities	303.7	154.6	1,291.4	3,081.3	(1,395.9)	3,435.1
Long-term debt due after one year	—	6,608.0	1,982.9	911.4	—	9,502.3
Intercompany notes payable	—	636.3	2,390.5	311.9	(3,338.7)	—
Pension liabilities, net of current portion	—	—	147.6	146.4	—	294.0
Postretirement benefit liabilities, net of current portion	—	—	25.7	136.4	—	162.1
Non-recourse liabilities held by special purpose entities	—	—	—	1,145.2	—	1,145.2
Deferred income taxes	—	—	278.9	2,675.2	(76.1)	2,878.0
Other long-term liabilities	—	12.9	131.2	909.8	—	1,053.9
Redeemable noncontrolling interests	—	—	—	1.9	—	1.9
Total stockholders' equity	11,669.9	11,564.1	17,175.1	21,862.2	(50,601.4)	11,669.9
Noncontrolling interests	—	—	—	14.3	—	14.3
Total equity	11,669.9	11,564.1	17,175.1	21,876.5	(50,601.4)	11,684.2
Total Liabilities and Equity	$ 11,973.6	$ 18,975.9	$ 23,423.3	$ 31,196.0	$ (55,412.1)	$ 30,156.7

Notes to Condensed Consolidated Financial Statements (Unaudited) (Continued)
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Six Months Ended March 31, 2020					
(In millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:						
Net cash provided by (used for) operating activities	$ 227.3	$ (194.0)	$ 443.7	$ 121.8	$ —	$ 598.8
Investing activities:						
Capital expenditures	—	—	—	(616.2)	—	(616.2)
Investment in unconsolidated entities	—	—	—	(0.7)	—	(0.7)
Proceeds from sale of property, plant and equipment	—	—	0.1	21.2	—	21.3
Proceeds from property, plant and equipment insurance settlement	—	—	—	1.4	—	1.4
Intercompany notes proceeds	—	—	3.1	—	(3.1)	—
Other, net	—	—	4.9	—	—	4.9
Net cash provided by (used for) investing activities	—	—	8.1	(594.3)	(3.1)	(589.3)
Financing activities:						
Additions to revolving credit facilities	—	350.0	—	25.0	—	375.0
Repayments of revolving credit facilities	—	—	—	(65.0)	—	(65.0)
Additions to debt	—	—	—	580.1	—	580.1
Repayments of debt	—	(200.0)	—	(8.2)	—	(208.2)
Repayments of commercial paper, net	—	(34.8)	—	—	—	(34.8)
Other debt additions, net	—	79.0	—	6.9	—	85.9
Issuances of common stock, net of related minimum tax withholdings	13.4	—	—	—	—	13.4
Cash dividends paid to stockholders	(240.7)	—	—	—	—	(240.7)
Cash distributions paid to noncontrolling interests	—	—	—	(0.7)	—	(0.7)
Intercompany notes payments	—	—	—	(3.1)	3.1	—
Other, net	—	—	—	2.1	—	2.1
Net cash (used for) provided by financing activities	(227.3)	194.2	—	537.1	3.1	507.1
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	—	—	(28.0)	—	(28.0)
Increase in cash, cash equivalents and restricted cash	—	0.2	451.8	36.6	—	488.6
Cash, cash equivalents and restricted cash at beginning of period	—	—	17.8	133.8	—	151.6
Cash, cash equivalents and restricted cash at end of period	$ —	$ 0.2	$ 469.6	$ 170.4	$ —	$ 640.2

The condensed consolidating statements of cash flows for the six months ended March 31, 2020 do not include non-cash transactions between Parent, Issuer, Guarantor Subsidiaries and Non-Guarantor Subsidiaries. From time to time, we may enter into non-cash transactions for simplicity of execution of intercompany transactions. These may include intercompany non-cash capitalizations, intercompany non-cash returns of capital, intercompany debt-to-equity conversions or other transactions of a similar nature. The table below summarizes these non-cash transactions.

	Six Months Ended March 31, 2020					
(In millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
Investing activities:						
Intercompany notes issued	$ —	$ —	$ (29.1)	$ —	$ 29.1	$ —
Intercompany notes proceeds	$ —	$ —	$ 12.3	$ —	$ (12.3)	$ —
Intercompany capital investment	$ —	$ —	$ (0.6)	$ —	$ 0.6	$ —
Financing activities:						
Intercompany notes borrowing	$ —	$ —	$ —	$ 29.1	$ (29.1)	$ —
Intercompany notes payments	$ —	$ —	$ —	$ (12.3)	$ 12.3	$ —
Intercompany capital receipt	$ —	$ —	$ —	$ 0.6	$ (0.6)	$ —
Intercompany dividends paid	$ —	$ —	$ —	$ (31.2)	$ 31.2	$ —

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Six Months Ended March 31, 2019					
(In millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:						
Net cash provided by (used for) operating activities	$ 319.1	$ (93.1)	$ (196.9)	$ 635.9	$ —	$ 665.0
Investing activities:						
Capital expenditures	—	—	(2.4)	(623.0)	—	(625.4)
Cash paid related to business combinations, net of cash acquired	—	—	—	(3,349.3)	—	(3,349.3)
Investment in unconsolidated entities	—	—	—	(0.2)	—	(0.2)
Proceeds from sale of property, plant and equipment	—	—	—	105.3	—	105.3
Proceeds from property, plant and equipment insurance settlement	—	—	—	8.8	—	8.8
Intercompany notes issued	—	—	—	(75.7)	75.7	—
Intercompany notes proceeds	—	9.2	1.3	3,800.0	(3,810.5)	—
Intercompany capital investment	(563.0)	(563.0)	—	—	1,126.0	—
Other, net	—	—	8.6	1.6	—	10.2
Net cash (used for) provided by investing activities	(563.0)	(553.8)	7.5	(132.5)	(2,608.8)	(3,850.6)
Financing activities:						
Proceeds from issuance of notes	—	1,498.5	—	—	—	1,498.5
Additions to revolving credit facilities	—	67.2	—	125.0	—	192.2
Repayments of revolving credit facilities	—	—	—	(20.0)	—	(20.0)
Additions to debt	—	3,801.9	—	156.0	—	3,957.9
Repayments of debt	—	(1,489.7)	(357.5)	(1,362.4)	—	(3,209.6)
Additions to commercial paper, net	—	588.3	—	—	—	588.3
Other debt additions, net	—	—	—	16.4	—	16.4
Issuances of common stock, net of related minimum tax withholdings	3.2	—	—	—	—	3.2
Purchases of common stock	(88.6)	—	—	—	—	(88.6)
Cash dividends paid to stockholders	(233.7)	—	—	—	—	(233.7)
Cash distributions paid to noncontrolling interests	—	—	—	(2.8)	—	(2.8)
Intercompany notes borrowing	—	—	75.7	—	(75.7)	—
Intercompany notes payments	—	(3,800.0)	—	(10.5)	3,810.5	—
Intercompany capital receipt	563.0	—	—	563.0	(1,126.0)	—
Other, net	—	(19.5)	—	22.5	—	3.0
Net cash provided by (used for) financing activities	243.9	646.7	(281.8)	(512.8)	2,608.8	2,704.8
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	—	—	(1.8)	—	(1.8)
Decrease in cash, cash equivalents and restricted cash	—	(0.2)	(471.2)	(11.2)	—	(482.6)
Cash, cash equivalents and restricted cash at beginning of period	—	0.2	490.8	145.8	—	636.8
Cash, cash equivalents and restricted cash at end of period	$ —	$ —	$ 19.6	$ 134.6	$ —	$ 154.2

The condensed consolidating statements of cash flows for the six months ended March 31, 2019 do not include non-cash transactions between Parent, Issuer, Guarantor Subsidiaries and Non-Guarantor Subsidiaries. From time to time, we may enter into non-cash transactions for simplicity of execution of intercompany transactions. These may include intercompany non-cash capitalizations, intercompany non-cash returns of capital, intercompany debt-to-equity conversions or other transactions of a similar nature. The table below summarizes these non-cash transactions.

	Six Months Ended March 31, 2019					
(In millions)	Parent	Issuer	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities:						
Intercompany receivables	$ (140.9)	$ —	$ —	$ —	$ 140.9	$ —
Intercompany payables	$ —	$ —	$ —	$ 140.9	$ (140.9)	$ —
Investing activities:						
Intercompany notes issued	$ —	$ (3,800.0)	$ (4,519.8)	$ (8,057.5)	$ 16,377.3	$ —
Intercompany notes proceeds	$ —	$ 4,519.8	$ 4,519.8	$ 4,257.5	$ (13,297.1)	$ —
Intercompany capital investment	$ (10,396.2)	$ (5,434.8)	$ (5,983.6)	$ —	$ 21,814.6	$ —
Intercompany return of capital	$ 563.0	$ 1,478.0	$ 915.0	$ —	$ (2,956.0)	$ —
Financing activities:						
Intercompany notes borrowing	$ —	$ 3,800.0	$ 457.5	$ 12,119.8	$ (16,377.3)	$ —
Intercompany notes payments	$ —	$ —	$ (457.5)	$ (12,839.6)	$ 13,297.1	$ —
Intercompany capital receipt	$ —	$ 10,396.2	$ 4,977.3	$ 6,441.1	$ (21,814.6)	$ —
Intercompany capital distribution	$ (563.0)	$ (563.0)	$ (457.5)	$ (1,372.5)	$ 2,956.0	$ —
Intercompany dividends paid	$ —	$ —	$ —	$ (572.4)	$ 572.4	$ —

Note 13. Leases

On October 1, 2019, we adopted ASU 2016-02 "*Leases",* which is codified in ASC 842 and supersedes current lease guidance in ASC 840, using the modified retrospective approach and as a result we did not restate prior periods. We elected the package of three practical expedients permitted within the standard pursuant to which we did not reassess initial direct costs, lease classification or whether our contracts contain or are leases. In addition, we also applied the practical expedient to account for the lease and non-lease components as a single lease component for all of our leases. We also made an accounting policy election to not recognize ROU assets and liability for leases with a term of 12 months or less unless the lease includes an option to renew or purchase the underlying asset that are reasonably certain to be exercised. The adoption of ASC 842 resulted in the recognition of ROU assets of $731.1 million (net of deferred rent and favorable/unfavorable lease liabilities) with corresponding operating lease liabilities of $783.9 million. The condensed consolidated financial statements for the periods ended March 31, 2020 are presented under the new standard, while comparative periods presented have not been adjusted and continue to be reported in accordance with the previous standard.

We lease various real estate, including certain operating facilities, warehouses, office space and land. We also lease material handling equipment, vehicles, and certain other equipment. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Effective October 1, 2019, operating lease ROU assets and liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. Our leases may include options to extend or terminate the lease. These options to extend are included in the lease term when it is reasonably certain that we will exercise that option. Some leases provide for variable payments, however, because they are not based on an index or rate, they are not included in the ROU assets and liabilities. Variable payments for real estate leases primarily relate to common area maintenance, insurance, taxes and utilities. Variable payments for equipment, vehicles and leases within supply agreements primarily relate to usage, repairs, and maintenance. As the implicit rate is not readily determinable for our leases, we apply a portfolio approach using an estimated incremental borrowing rate to determine the initial present value of lease payments over the lease terms on a collateralized basis over a similar term, which is based on market and company specific information. We use the unsecured borrowing rate and risk-adjust that rate to approximate a collateralized rate, and apply the rate based on the currency of the lease, which is updated on a quarterly basis for measurement of new lease liabilities.

Components of Lease Costs

The following table presents certain information related to the lease costs for finance and operating leases (in millions):

	Three Months Ended March 31, 2020	Six Months Ended March 31, 2020
Operating lease costs	$ 50.5	$ 100.0
Variable and short-term lease costs	27.7	54.0
Sublease income	(1.8)	(3.5)
Finance lease cost:		
Amortization of lease assets	2.7	5.5
Interest on lease liabilities	2.0	4.1
Total lease cost, net	$ 81.1	$ 160.1

Supplemental Balance Sheet Information Related to Leases

The table below presents the lease-related assets and liabilities recorded on the balance sheet (in millions):

	Condensed Consolidated Balance Sheet Caption	March 31, 2020
Operating leases:		
Operating lease right-of-use asset	Other assets	$ 683.2
Current operating lease liabilities	Other current liabilities	$ 171.4
Operating lease liabilities	Other long-term liabilities	567.9
Total operating lease liabilities		$ 739.3
Finance leases:		
Property, plant and equipment		$ 146.8
Accumulated depreciation		(17.7)
Property, plant and equipment, net		$ 129.1
Current finance lease liabilities	Current portion of debt	$ 9.2
Noncurrent finance lease liabilities	Long-term debt due after one year	271.5
Total finance lease liabilities		$ 280.7

Our finance lease portfolio includes certain assets that are either fully depreciated or transferred for which the lease arrangement requires a one-time principal repayment on the maturity date of the lease obligation.

Lease Term and Discount Rate

	March 31, 2020
Weighted average remaining lease term:	
Operating leases	6.1 years
Finance leases	9.4 years
Weighted average discount rate:	
Operating leases	2.7%
Finance leases	4.0%

Supplemental Cash Flow Information Related to Leases

The table below presents supplemental cash flow information related to leases (in millions):

	Six Months Ended March 31, 2020
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows related to operating leases	$ 100.7
Operating cash flows related to finance leases	$ 5.2
Financing cash flows related to finance leases	$ 5.2

Maturity of Lease Liabilities

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the operating lease liabilities and finance lease liabilities recorded on the balance sheet (in millions):

	March 31, 2020		
	Operating Leases	Finance Leases	Total
Remaining fiscal 2020	$ 98.7	$ 8.7	$ 107.4
Fiscal 2021	172.4	16.0	188.4
Fiscal 2022	136.7	15.3	152.0
Fiscal 2023	107.3	13.3	120.6
Fiscal 2024	86.7	12.0	98.7
Thereafter	206.6	301.4	508.0
Total lease payments	808.4	366.7	1,175.1
Less: Interest (1)	(69.1)	(86.0)	(155.1)
Present value of future lease payments	$ 739.3	$ 280.7	$ 1,020.0

(1) Calculated using the interest rate for each lease.

At September 30, 2019, future minimum payments under all existing non-cancelable operating leases for the succeeding five years and thereafter were as follows (in millions):

Fiscal 2020	$ 214.3
Fiscal 2021	180.1
Fiscal 2022	136.3
Fiscal 2023	108.3
Fiscal 2024	85.3
Thereafter	206.1
Total	$ 930.4

Note 14. Commitments and Contingencies

Environmental

We are subject to a broad range of foreign, federal, state and local environmental, health and safety laws and regulations, including those governing discharges to air, soil and water, the management, treatment and disposal of hazardous substances, solid waste and hazardous wastes, the investigation and remediation of contamination resulting from historical site operations and releases of hazardous substances, and the health and safety of employees. Our compliance initiatives related to these laws and regulations could result in significant costs, which could negatively impact our results of operations, financial condition and cash flows. Any failure to comply with environmental or health and safety laws and regulations, or any permits and authorizations required thereunder, could subject us to fines, corrective action or other sanctions.

We have been named as a potentially responsible party ("**PRP**") in environmental remediation actions under various federal and state laws, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("**CERCLA**"). Many of these proceedings involve the cleanup of hazardous substances at sites that received waste from many different sources. While joint and several liability is authorized under CERCLA and analogous state laws, liability for CERCLA cleanups is typically shared with other PRPs, and costs are commonly allocated according to relative amounts of waste deposited and other factors. There are other remediation costs typically associated with the cleanup of hazardous substances at our current, closed or formerly-owned facilities, and recorded as liabilities in our balance sheet. Remediation costs are recorded in our financial statements when they become probable and reasonably estimable.

See "***Note 18. Commitments and Contingencies***" of the Notes to Consolidated Financial Statements section in the Fiscal 2019 Form 10-K for information related to environmental matters.

As of March 31, 2020, we had $9.5 million reserved for environmental liabilities on an undiscounted basis, of which $3.7 million is included in other long-term liabilities and $5.8 million is included in other current liabilities, including amounts accrued in connection with environmental obligations relating to manufacturing facilities that we have closed. We believe the liability for these matters was adequately reserved at March 31, 2020.

Litigation

We have been named a defendant in asbestos-related personal injury litigation. To date, the costs resulting from the litigation, including settlement costs, have not been significant. As of March 31, 2020, there were approximately 1,025 such lawsuits. We believe that we have substantial insurance coverage, subject to applicable deductibles and policy limits, with respect to asbestos claims. We also have valid defenses to these asbestos-related personal injury claims and intend to continue to defend them vigorously. Should the volume of litigation grow substantially, it is possible that we could incur significant costs resolving these cases. We do not expect the resolution of pending asbestos litigation and proceedings to have a material adverse effect on our results of operations, financial condition or cash flows. In any given period or periods, however, it is possible such proceedings or matters could have a material adverse effect on our results of operations, financial condition or cash flows.

We are a defendant in a number of other lawsuits and claims arising out of the conduct of our business. While the ultimate results of such suits or other proceedings against us cannot be predicted with certainty, we believe the resolution of these other matters will not have a material adverse effect on our results of operations, financial condition or cash flows.

Brazil Tax Liability

On August 6, 2019, the Brazil Administrative Council of Tax Appeals ("**CARF**") published a decision finding us liable for underpayment of tax and interest. The matter has proceeded through the CARF principally in two proceedings, covering tax years 2003 to 2008 and 2009 to 2012. Certain aspects of the two cases remain pending before CARF, including the dispute related to tax years 2003 to 2008, and penalties relating to tax years 2009 to 2012.

On October 4, 2019, we filed an annulment action in federal tax court challenging an administrative decision of CARF. This federal court action arises from a claim that a subsidiary of MeadWestvaco had reduced its tax liability related to the goodwill generated by the 2002 merger of two subsidiaries in Brazil. We assert that we have no liability in these matters. The total amount in dispute before CARF and in the annulment action relating to the claimed tax deficiency was R$685 million ($133 million) as of March 31, 2020, including penalties and interest. The amount of our uncertain tax position reserve for this matter is included in the unrecognized tax benefits table. See "***Note 6. Income Taxes***" of the Notes to Consolidated Financial Statements section in the Fiscal 2019 Form 10-K. Resolution of the uncertain tax positions could have a material adverse effect on our cash flows or materially benefit our results of operations in future periods depending upon their ultimate resolution.

Guarantees

We make certain guarantees in the normal course of conducting our operations, for compliance with certain laws and regulations, or in connection with certain business dispositions. The guarantees include items such as funding of net losses in proportion to our ownership share of certain joint ventures, debt guarantees related to certain unconsolidated entities acquired in acquisitions, indemnifications of lessors in certain facilities and equipment operating leases for items such as additional taxes being assessed due to a change in tax law, and certain other agreements. We estimate our exposure to these matters could be approximately $50 million. As of March 31, 2020, we had recorded $9.6 million for the estimated fair value of these guarantees. We are unable to estimate our maximum exposure under operating leases because it is dependent on potential changes in the tax laws; however, we believe our exposure related to guarantees would not have a material impact on our results of operations, financial condition or cash flows.

Indirect Tax Claim

In March 2017, the Supreme Court of Brazil issued a decision concluding that certain state value added tax should not be included in the calculation of federal gross receipts taxes. Subsequently, in fiscal 2019, the Supreme Court of Brazil rendered favorable decisions on six of our cases granting us the right to recover certain state value added tax. We believe the decision reduced our gross receipts tax in Brazil prospectively and retrospectively, and will allow us to recover tax amounts collected by the government. Based on our preliminary evaluation and the opinion of our tax and legal advisors, in the fourth quarter of fiscal 2019 we recorded a $12.2 million receivable for our expected recovery and interest primarily as a reduction of cost of goods sold for the period March 2017 to September 2019. During the three months ended December 31, 2019, we recorded an additional receivable of $33.8 million for our estimate of our expected recovery and interest for the period January 2010 to February 2017. We recorded $23.1 million as a reduction of cost of goods sold and $10.7 million as a reduction of interest expense. During the three months ended March 31, 2020, we recorded an additional receivable of $1.3 million for our estimate of our expected recovery and interest for the period January 2002 to December 2003. We recorded $0.4 million as a reduction of cost of goods sold and $0.9 million as a reduction of interest expense. We will continue to evaluate the impact of the court’s decision on the remainder of our cases. Additionally, we are in the process of calculating additional recoveries for the years 2004 to 2009, and may record additional amounts in future periods as we complete our analysis.

Note 15. Equity and Other Comprehensive Income (Loss)

Equity

Stock Repurchase Program

In July 2015, our board of directors authorized a repurchase program of up to 40.0 million shares of our common stock, par value $0.01 per share (“**Common Stock**”), representing approximately 15% of our outstanding Common Stock as of July 1, 2015. The shares of Common Stock may be repurchased over an indefinite period of time at the discretion of management. Pursuant to the program, in the six months ended March 31, 2020, we repurchased no shares of Common Stock. In the six months ended March 31, 2019, we repurchased approximately 2.1 million shares of Common Stock for an aggregate cost of $88.6 million. As of March 31, 2020, we had approximately 19.1 million shares of Common Stock available for repurchase under the program.

Accumulated Other Comprehensive Loss

The tables below summarize the changes in accumulated other comprehensive loss, net of tax, by component for the six months ended March 31, 2020 and March 31, 2019 (in millions):

	Deferred (Loss) Income on Cash Flow Hedges	Defined Benefit Pension and Postretirement Plans	Foreign Currency Items	Total (1)
Balance at September 30, 2019	$ 0.7	$ (698.0)	$ (371.9)	$ (1,069.2)
Other comprehensive loss before reclassifications	(9.4)	—	(286.6)	(296.0)
Amounts reclassified from accumulated other comprehensive loss	1.1	18.5	—	19.6
Net current period other comprehensive (loss) income	(8.3)	18.5	(286.6)	(276.4)
Reclassification of stranded tax effects	—	(73.4)	—	(73.4)
Balance at March 31, 2020	$ (7.6)	$ (752.9)	$ (658.5)	$ (1,419.0)

(1) All amounts are net of tax and noncontrolling interests.

	Deferred Loss on Cash Flow Hedges	Defined Benefit Pension and Postretirement Plans	Foreign Currency Items	Total (1)
Balance at September 30, 2018	$ (0.2)	$ (465.9)	$ (229.2)	$ (695.3)
Other comprehensive loss before reclassifications	—	—	(39.0)	(39.0)
Amounts reclassified from accumulated other comprehensive loss	—	8.8	—	8.8
Net current period other comprehensive income (loss)	—	8.8	(39.0)	(30.2)
Balance at March 31, 2019	$ (0.2)	$ (457.1)	$ (268.2)	$ (725.5)

(1) All amounts are net of tax and noncontrolling interests.

The net of tax amounts were determined using the jurisdictional statutory rates, and reflect effective tax rates averaging 26% to 27% for the six months ended March 31, 2020 and 25% to 26% for the six months ended March 31, 2019. Although we are impacted by the exchange rates of a number of currencies, foreign currency translation adjustments recorded in accumulated other comprehensive loss for the six months ended March 31, 2020 were primarily due to losses in the Brazilian Real, Mexican Peso, Canadian dollar, Australian dollar and Euro partially offset by gains in the British Pound, each against the U.S. dollar. Foreign currency translation losses recorded in accumulated other comprehensive loss for the six months ended March 31, 2019 were primarily due to losses in the Canadian dollar, Mexican Peso and Euro, partially offset by gains in the Brazilian Real, each against the U.S. dollar.

The following table summarizes the reclassifications out of accumulated other comprehensive loss by component (in millions):

	Three Months Ended March 31, 2020			Three Months Ended March 31, 2019		
	Pretax	Tax	Net of Tax	Pretax	Tax	Net of Tax
Amortization of defined benefit pension and postretirement items: (1)						
Actuarial losses (2)	$ (11.5)	$ 3.1	$ (8.4)	$ (4.1)	$ 1.1	$ (3.0)
Prior service costs (2)	(1.3)	0.3	(1.0)	(0.6)	0.2	(0.4)
Subtotal defined benefit plans	(12.8)	3.4	(9.4)	(4.7)	1.3	(3.4)
Derivative Instruments: (1)						
Interest rate swap hedge gain (3)	0.3	—	0.3	—	—	—
Natural gas commodity hedge loss (4)	(3.7)	1.0	(2.7)	—	—	—
Subtotal cash flow hedges	(3.4)	1.0	(2.4)	—	—	—
Total reclassifications for the period	$ (16.2)	$ 4.4	$ (11.8)	$ (4.7)	$ 1.3	$ (3.4)

(1) Amounts in parentheses indicate charges to earnings. Amounts pertaining to noncontrolling interests are excluded.
(2) Included in the computation of net periodic pension cost. See "***Note 5. Retirement Plans***" for additional details.
(3) These accumulated other comprehensive income components are included in interest expense, net.
(4) These accumulated other comprehensive income components are included in cost of goods sold.

	Six Months Ended March 31, 2020			Six Months Ended March 31, 2019		
	Pretax	Tax	Net of Tax	Pretax	Tax	Net of Tax
Amortization of defined benefit pension and postretirement items: (1)						
Actuarial losses (2)	$ (23.1)	$ 6.1	$ (17.0)	$ (10.7)	$ 2.8	$ (7.9)
Prior service costs (2)	(2.0)	0.5	(1.5)	(1.2)	0.3	(0.9)
Reclassification of stranded tax effects (3)	—	73.4	73.4	—	—	—
Subtotal defined benefit plans	(25.1)	80.0	54.9	(11.9)	3.1	(8.8)
Derivative Instruments: (1)						
Interest rate swap hedge gain (4)	1.0	(0.2)	0.8	—	—	—
Natural gas commodity hedge loss (5)	(2.6)	0.7	(1.9)	—	—	—
Subtotal cash flow hedges	(1.6)	0.5	(1.1)	—	—	—
Total reclassifications for the period	$ (26.7)	$ 80.5	$ 53.8	$ (11.9)	$ 3.1	$ (8.8)

(1) Amounts in parentheses indicate charges to earnings. Amounts pertaining to noncontrolling interests are excluded.
(2) Included in the computation of net periodic pension cost. See "***Note 5. Retirement Plans***" for additional details.
(3) Amount reclassified to retained earnings as a result of the adoption of ASU 2018-02.
(4) These accumulated other comprehensive income components are included in interest expense, net.
(5) These accumulated other comprehensive income components are included in cost of goods sold.

Note 16. Earnings Per Share

The restricted stock awards that we grant to non-employee directors are considered participating securities as they receive non-forfeitable rights to dividends at the same rate as our Common Stock. As participating securities, we include these instruments in the earnings allocation in computing earnings per share under the two-class method described in ASC 260, "*Earnings per Share.*" The following table sets forth the computation of basic and diluted earnings per share under the two-class method (in millions, except per share data):

	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Numerator:				
Net income attributable to common stockholders	$ 148.1	$ 160.4	$ 286.6	$ 299.5
Less: Distributed and undistributed income available to participating securities	(0.1)	—	(0.1)	—
Distributed and undistributed income available to common stockholders	$ 148.0	$ 160.4	$ 286.5	$ 299.5
Denominator:				
Basic weighted average shares outstanding	259.0	256.6	258.6	255.7
Effect of dilutive stock options and non-participating securities	1.2	2.8	1.5	3.7
Diluted weighted average shares outstanding	260.2	259.4	260.1	259.4
Basic earnings per share attributable to common stockholders	$ 0.57	$ 0.63	$ 1.11	$ 1.17
Diluted earnings per share attributable to common stockholders	$ 0.57	$ 0.62	$ 1.10	$ 1.15

Approximately 1.8 million and 1.6 million awards in the three months ended March 31, 2020 and March 31, 2019, respectively, were not included in computing diluted earnings per share because the effect would have been antidilutive. Approximately 1.4 million and 1.3 million awards in the six months ended March 31, 2020 and March 31, 2019, respectively, were not included in computing diluted earnings per share because the effect would have been antidilutive.

Note 17. Subsequent Events

As previously disclosed in our annual report on Form 10-K for the fiscal year ended September 30, 2019, we currently own a 32.3% interest in our joint venture with Grupo Gondi in Mexico (the "**Joint Venture**"). In connection with the our investment in the Joint Venture, we entered into an option agreement pursuant to which we and certain other shareholders of the Joint Venture (the **"Partners**") agreed to future put and call options with respect to the equity interests in the Joint Venture held by each party. Pursuant to the option agreement, the Partners had the right on April 1, 2020 to sell us up to 24% of the equity interest in the Joint Venture at fair market value. The Partners did not exercise this right.

Pursuant to the option agreement, between October 1, 2020 and April 1, 2021, we may exercise a right to purchase an additional 18.7% equity interest in the Joint Venture from the Partners at a predetermined purchase price. If we exercise our right to purchase the additional 18.7% equity interest, the Partners may elect to sell us the Partners' remaining interest at fair market value at that time, or a portion thereof in the future in accordance with the terms of the option agreement.

Item 2. *MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

The following discussion should be read in conjunction with the condensed consolidated financial statements and Notes thereto included herein and our audited Consolidated Financial Statements and Notes thereto for the fiscal year ended September 30, 2019, as well as the information under the heading “***Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations***” that are part of the Fiscal 2019 Form 10-K. The following discussion includes certain non-GAAP financial measures. See our reconciliations of non-GAAP financial measures in the “**Non-GAAP Financial Measures**” section below.

Overview

We are a multinational provider of paper and packaging solutions for consumer and corrugated packaging markets. We partner with our customers to provide differentiated paper and packaging solutions that help them win in the marketplace. Our team members support customers around the world from our operating and business locations in North America, South America, Europe, Asia and Australia.

Presentation

We report our financial results of operations in the following three reportable segments: Corrugated Packaging, which consists of our containerboard mills, corrugated packaging and distribution operations, as well as our merchandising displays and recycling procurement operations; Consumer Packaging, which consists of our consumer mills, food and beverage and partition operations; and Land and Development, which previously sold real estate primarily in the Charleston, SC region. Certain income and expenses are not allocated to our segments and, thus, the information that management uses to make operating decisions and assess performance does not reflect these amounts. See “***Note 1. Basis of Presentation and Significant Accounting Policies—Basis of Presentation***” and “***Note 7. Segment Information***” for more information.

Acquisitions

On November 2, 2018, we completed the KapStone Acquisition. KapStone is a leading North American producer and distributor of containerboard, corrugated products and specialty papers, including liner and medium containerboard, kraft papers and saturating kraft. KapStone also owns Victory Packaging, a packaging solutions distribution company with facilities in the U.S., Canada and Mexico. We have included the financial results of KapStone in our Corrugated Packaging segment since the date of the KapStone Acquisition.

See “***Note 3. Acquisitions and Investment***” of the Notes to Consolidated Financial Statements section in the Fiscal 2019 Form 10-K and “***Note 3. Acquisitions***” of the Notes to Condensed Consolidated Financial Statements for more information.

Executive Summary

(In millions)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Net sales	$ 4,447.3	$ 4,620.0	$ 8,871.0	$ 8,947.4
Segment income	$ 335.3	$ 396.0	$ 666.3	$ 720.4

Net sales of $4,447.3 million for the second quarter of fiscal 2020 decreased $172.7 million, or 3.7%, compared to the second quarter of fiscal 2019. This decrease was primarily due to lower pulp and corrugated prices and lower consumer paperboard volumes, as well as unfavorable foreign currency impacts across our segments, in each case compared to the prior year quarter.

COVID-19 did not have a significant impact on our earnings in the second quarter of fiscal 2020. Segment income decreased $60.7 million in the second quarter of fiscal 2020 compared to the second quarter of fiscal 2019, primarily due to lower Corrugated Packaging segment income partially offset by higher Consumer Packaging segment income. A detailed review of our performance appears below under “***Results of Operations (Consolidated)***” and “***Results of Operations (Segment Data)***”.

COVID-19 Response

WestRock Pandemic Action Plan

We are executing our differentiated strategy with financial strength and substantial liquidity, and we are adapting quickly to changing market conditions. Given the uncertainties associated with the severity and duration of COVID-19, we are implementing the WestRock Pandemic Action Plan, which we expect will provide an additional $1 billion in cash that we will be able to use through the end of fiscal 2021 to reduce our outstanding indebtedness. Pursuant to the WestRock Pandemic Action Plan, we are:

- Protecting the safety and well-being of our teammates,
- Continuing to match our supply with our customers' demand,
- Decreasing the salaries of our senior executive team by up to 25% from May 1, 2020 through December 31, 2020 and decreasing the retainer for members of our board of directors by 25% for the third and fourth calendar quarters of 2020, in addition to reducing discretionary expenses,
- Expecting to use Common Stock to pay our annual incentive and Company funded 401(k) contributions in calendar 2020,
- Expecting to reduce fiscal 2020 capital investments by approximately $150 million to a level of $950 million and fiscal 2021 capital investments to a range of $600 to $800 million,
- Postponing $120 million of employment taxes incurred through the end of calendar year 2020, pursuant to relief offered under the Coronavirus Aid, Relief and Economic Security ("CARES") Act, and
- Resetting our quarterly dividend to $0.20 per share for an annual rate of $0.80 per share.

We expect that the actions that we take under the WestRock Pandemic Action Plan will position us to sustain our business in a range of economic and market conditions and position us for long-term success.

Health and Safety of our Teammates

Our first priority is the health and safety of our teammates, and we have taken, and continue to take, actions to protect the health and safety of our teammates during COVID-19. We are:

- Cleaning and disinfecting workstations and common surfaces frequently and arranging for deep cleaning and sanitizing of our sites, as needed,
- Encouraging the use of face coverings generally and complying with specific requirements where use is mandated,
- Enforcing quarantine guidelines for team members affected or potentially exposed to COVID-19, and
- Supporting flexible and alternative work arrangements, including a work-from-home strategy for team members whose jobs can be performed remotely.

We have also implemented temperature screenings in compliance with applicable law and launched an online Coronavirus Resource Center to keep our teammates up to date on Company and health authority information, including information from the World Health Organization and the U.S. Centers for Disease Control and Prevention.

Business Continuity

Our business is an essential part of the global supply chain. Our paper and packaging products enable our customers to package essential food, beverage, health products, cleaning products and other goods. We are continuing to operate and meet or exceed our customers' needs in this rapidly evolving demand environment.

We have formed a business continuity team comprised of senior leaders throughout our organization that develops and implements business continuity plans to ensure that our operations are well positioned to continue producing and delivering products to customers without disruption. The business continuity team meets daily to identify and address issues as they arise and focuses on taking actions that address current circumstances associated with COVID-19 while positioning us for future growth.

Financial Flexibility and Liquidity

We believe that we have substantial liquidity to navigate the current dynamic environment. Our cash and cash equivalents and long-term committed available borrowings aggregated to more than $2.5 billion of liquidity at March 31, 2020. We have limited debt maturities prior to March 2022. We remain focused on maintaining our investment grade rating and managing our working capital and taking appropriate actions to ensure our access to necessary liquidity.

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act allows employers to postpone paying their share of employment taxes incurred through the end of calendar year 2020. We expect to postpone an estimated $120 million of such payments over the next three quarters and will be required to pay 50% of these amounts in December 2021 and the remaining 50% in December 2022.

End Market Segment Demand Trends

End market demand trends are changing quickly. We experienced strong demand from e-commerce in the second fiscal quarter and we expect that e-commerce demand may remain strong in the third fiscal quarter. During the second fiscal quarter, pantry stocking by consumers at the end of March positively impacted demand in the food, beverage, household cleaning and paper products, diapers and liquid packaging markets segments. We expect that demand levels in these market segments will return to more normal levels. The protein markets have shifted from being strongly positive to negative during the second half of April and early May due to disruptions at protein plants caused by COVID-19, although, we expect that these disruptions are likely transitory. COVID-19 has also negatively impacted demand from our industrial and distribution customers due to shelter in place and similar orders and our foodservice and commercial print market segments are continuing a pattern of decline.

These trends among our end market segments have continued into April. More than 130 of our customers have reported temporary plant closures and reduced shifts due to COVID-19. We are not certain whether these trends will continue into future reporting periods and, if so, for how long. We believe that our diverse portfolio of paper and packaging products positions us well to adapt and meet our customers' changing needs across a broad cross-section of the economy.

Expectations for the Third Quarter of Fiscal 2020

We believe that recent trends that we have experienced in our end market segment demand are likely to cause our sales and earnings in the fiscal third quarter to decline sequentially compared to our sales and earnings in the second quarter of fiscal 2020. Changing demand trends across many of our end markets will likely negatively impact volumes in specific portions of our business. In addition to an uncertain volume outlook, our financial results in the fiscal third quarter will reflect the flow through of the published price reductions for linerboard that were announced in January 2020 and the published price reductions for SBS and recycled boxboard paper grades that were announced in February 2020. Our business in the third fiscal quarter will also likely be negatively impacted by rising recycled fiber costs. The cost of recycled fiber has risen by more than $50 per ton since December 2019.

During the fiscal third quarter, we expect to provide one-time recognition awards to our teammates who work in manufacturing and operations.

Goodwill

At March 31, 2020, we evaluated the current economic environment, including our current assessment of the impact of COVID-19, and we believe that there were no indicators of impairment of our long-lived assets, including goodwill that required a quantitative test to be performed. Our estimates involve numerous assumptions about the future growth and potential volatility in revenues and costs, capital expenditures, industry and global economic factors, interest rate environment and future business strategy. Accordingly, our accounting estimates may materially change from period to period due to changing market factors, including those driven by COVID-19. We will continue to monitor future events, changes in circumstances and the potential impact thereof. If actual results are not consistent with our assumptions and estimates, we may be exposed to impairment losses that could be material. See Item 1A. *"**Risk Factors — We Have a Significant Amount of Goodwill and Other Intangible Assets and a Write-Down Would Adversely Impact Our Operating Results and Shareholders**"* in the Fiscal 2019 Form 10-K.

Non-GAAP Financial Measures

We report our financial results in accordance with GAAP. However, we have included financial measures that were not prepared in accordance with GAAP. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our GAAP results. The non-GAAP financial measures we present may differ from similarly captioned measures of other companies.

We use the non-GAAP financial measures "Adjusted Net Income" and "Adjusted Earnings Per Diluted Share". Management believes these non-GAAP financial measures provide our board of directors, investors, potential investors, securities analysts and others with useful information to evaluate our performance because the measures exclude restructuring and other costs and other specific items that management believes are not indicative of the ongoing operating results of the business. We and our board of directors use this information to evaluate our performance relative to other periods. We believe that the most directly comparable GAAP measures to Adjusted Net Income and Adjusted Earnings Per Diluted Share are Net income attributable to common stockholders and Earnings per diluted share, respectively.

Earnings per diluted share were $0.57 in the second quarter of fiscal 2020 compared to $0.62 in the second quarter of fiscal 2019. Adjusted Earnings Per Diluted Share were $0.67 and $0.80 in the second quarter of fiscal 2020 and 2019, respectively.

Set forth below is a reconciliation of the non-GAAP financial measure Adjusted Earnings Per Diluted Share to Earnings per diluted share, the most directly comparable GAAP measure (in dollars per share) for the periods indicated.

	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
Earnings per diluted share	$ 0.57	$ 0.62	$ 1.10	$ 1.15
Restructuring and other items	0.04	0.10	0.13	0.31
North Charleston and Florence transition and reconfiguration costs	0.06	—	0.11	—
Accelerated depreciation on major capital projects and certain plant closures	0.02	0.02	0.05	0.05
Losses at closed plants, transition and start-up costs	0.03	0.01	0.04	0.02
Brazil indirect tax	—	—	(0.09)	—
Direct (recoveries) expenses from Hurricane Michael, net of related proceeds	—	—	(0.05)	0.12
Litigation recovery	(0.03)	—	(0.03)	—
Gain on sale of certain closed facilities	(0.02)	—	(0.02)	(0.15)
Land and Development impairment and operating results (1)	—	0.04	—	0.04
Inventory stepped-up in purchase accounting, net of LIFO	—	—	—	0.07
Interest accretion and other	—	—	—	(0.02)
Impact of Tax Cuts and Jobs Act	—	—	—	0.02
Other	—	0.01	0.02	0.02
Adjusted Earnings Per Diluted Share	$ 0.67	$ 0.80	$ 1.26	$ 1.63

(1) Includes a $13.0 million impairment of mineral rights in the three and six months ended March 31, 2019.

The GAAP results in the tables below for Pre-Tax, Tax and Net of Tax are equivalent to the line items “Income before income taxes”, “Income tax expense” and “Consolidated net income”, respectively, as reported on the statements of income. Set forth below are reconciliations of Adjusted Net Income to the most directly comparable GAAP measure, Net income attributable to common stockholders (represented in the table below as the GAAP Results for Consolidated net income (i.e. Net of Tax) and the impact of Noncontrolling interests), for the periods indicated (in millions):

	Three Months Ended March 31, 2020			Six Months Ended March 31, 2020		
	Pre-Tax	Tax	Net of Tax	Pre-Tax	Tax	Net of Tax
GAAP Results	$ 206.7	$ (57.8)	$ 148.9	$ 392.7	$ (104.3)	$ 288.4
Restructuring and other items	16.4	(3.9)	12.5	46.5	(11.6)	34.9
North Charleston and Florence transition and reconfiguration costs	21.8	(5.4)	16.4	37.1	(9.1)	28.0
Accelerated depreciation on major capital projects and certain plant closures	5.5	(1.3)	4.2	17.1	(4.2)	12.9
Losses at closed plants, transition and start-up costs	9.1	(2.5)	6.6	13.5	(3.6)	9.9
Multiemployer pension withdrawal	0.9	(0.2)	0.7	0.9	(0.2)	0.7
Loss on extinguishment of debt	0.5	(0.1)	0.4	0.5	(0.1)	0.4
Brazil indirect tax	(1.3)	0.3	(1.0)	(35.1)	10.9	(24.2)
Hurricane Michael recovery of direct costs, net	(0.6)	0.2	(0.4)	(16.6)	4.1	(12.5)
Litigation recovery	(11.5)	2.8	(8.7)	(11.5)	2.8	(8.7)
Gain on sale of certain closed facilities	(5.0)	1.2	(3.8)	(5.5)	1.3	(4.2)
Land and Development operating results	—	—	—	(1.3)	0.3	(1.0)
Other	0.8	(0.2)	0.6	6.1	(1.5)	4.6
Adjusted Results	$ 243.3	$ (66.9)	$ 176.4	$ 444.4	$ (115.2)	$ 329.2
Noncontrolling interests			(0.8)			(1.8)
Adjusted Net Income			$ 175.6			$ 327.4

	Three Months Ended March 31, 2019			Six Months Ended March 31, 2019		
	Pre-Tax	Tax	Net of Tax	Pre-Tax	Tax	Net of Tax
GAAP Results	$ 209.1	$ (47.2)	$ 161.9	$ 411.6	$ (109.9)	$ 301.7
Restructuring and other items	34.8	(8.0)	26.8	89.2	(8.9)	80.3
Direct expenses from Hurricane Michael, net of related proceeds	(1.1)	0.3	(0.8)	38.7	(9.5)	29.2
Inventory stepped-up in purchase accounting, net of LIFO	—	—	—	24.7	(6.0)	18.7
Accelerated depreciation on major capital projects	8.7	(2.2)	6.5	17.6	(4.5)	13.1
Land and Development impairment and operating results (1)	12.5	(3.1)	9.4	11.8	(2.9)	8.9
Losses at closed plants, transition and start-up costs	4.5	(1.3)	3.2	6.8	(1.9)	4.9
Gain on extinguishment of debt	(0.4)	0.1	(0.3)	1.5	(0.4)	1.1
Gain on sale of certain closed facilities	—	—	—	(50.5)	12.4	(38.1)
Interest accretion and other	—	—	—	(5.5)	1.3	(4.2)
Impact of Tax Cuts and Jobs Act	—	—	—	—	4.1	4.1
Other	2.7	(0.6)	2.1	6.5	(1.5)	5.0
Adjusted Results	$ 270.8	$ (62.0)	$ 208.8	$ 552.4	$ (127.7)	$ 424.7
Noncontrolling interests			(1.5)			(2.2)
Adjusted Net Income			$ 207.3			$ 422.5

(1) Includes a $13.0 million impairment of mineral rights in the three and six months ended March 31, 2019.

We discuss certain of these charges in more detail in "***Note 4. Restructuring and Other Costs***" of the Notes to Condensed Consolidated Financial Statements.

Results of Operations (Consolidated)

The following table summarizes our consolidated results for the three and six months ended March 31, 2020 and March 31, 2019 (in millions):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2020	2019	2020	2019
Net sales	$ 4,447.3	$ 4,620.0	$ 8,871.0	$ 8,947.4
Cost of goods sold	3,642.5	3,720.4	7,257.2	7,266.0
Gross profit	804.8	899.6	1,613.8	1,681.4
Selling, general and administrative, excluding intangible amortization	418.6	444.1	844.3	845.0
Selling, general and administrative intangible amortization	100.1	102.4	201.9	195.3
Gain on disposal of assets	(5.6)	—	(6.9)	(43.8)
Multiemployer pension withdrawal expense	0.9	—	0.9	—
Land and Development impairments	—	13.0	—	13.0
Restructuring and other costs	16.4	34.8	46.5	89.2
Operating profit	274.4	305.3	527.1	582.7
Interest expense, net	(97.3)	(111.8)	(190.8)	(206.2)
(Loss) gain on extinguishment of debt	(0.5)	0.4	(0.5)	(1.5)
Pension and other postretirement non-service income	26.1	18.7	52.8	36.0
Other expense, net	(0.9)	(3.3)	(4.6)	(6.0)
Equity in income (loss) of unconsolidated entities	4.9	(0.2)	8.7	6.6
Income before income taxes	206.7	209.1	392.7	411.6
Income tax expense	(57.8)	(47.2)	(104.3)	(109.9)
Consolidated net income	148.9	161.9	288.4	301.7
Less: Net income attributable to noncontrolling interests	(0.8)	(1.5)	(1.8)	(2.2)
Net income attributable to common stockholders	$ 148.1	$ 160.4	$ 286.6	$ 299.5

Net Sales (Unaffiliated Customers)

(In millions, except percentages)	First Quarter	Second Quarter	Six Months Ended 3/31	Third Quarter	Fourth Quarter	Fiscal Year
Fiscal 2019	$ 4,327.4	$ 4,620.0	$ 8,947.4	$ 4,690.0	$ 4,651.6	$ 18,289.0
Fiscal 2020	$ 4,423.7	$ 4,447.3	$ 8,871.0			
% Change	2.2%	(3.7)%	(0.9)%			

Net sales in the second quarter of fiscal 2020 decreased $172.7 million compared to the second quarter of fiscal 2019. This decrease was primarily due to lower corrugated and pulp prices and lower consumer paperboard volumes as well as unfavorable foreign currency impacts across our segments, in each case compared to the prior year quarter, which were partially offset by higher containerboard volumes.

Net sales in the six months ended March 31, 2020 decreased $76.4 million compared to the six months ended March 31, 2019. The decrease was primarily due to lower selling prices across our segments and lower consumer paperboard volumes, as well as unfavorable foreign currency impacts across our segments, in each case compared to the prior year period. These decreases were partially offset by higher containerboard volumes and the KapStone Acquisition as the prior year period included only five months of KapStone ownership as the transaction closed on November 2, 2018. We discuss our segment sales in greater detail below in "***Results of Operations (Segment Data)***".

Cost of Goods Sold

(In millions, except percentages)	First Quarter	Second Quarter	Six Months Ended 3/31	Third Quarter	Fourth Quarter	Fiscal Year
Fiscal 2019	$ 3,545.6	$ 3,720.4	$ 7,266.0	$ 3,701.1	$ 3,572.9	$ 14,540.0
(% of Net Sales)	81.9%	80.5%	81.2%	78.9%	76.8%	79.5%
Fiscal 2020	$ 3,614.7	$ 3,642.5	$ 7,257.2			
(% of Net Sales)	81.7%	81.9%	81.8%			

The $77.9 million decrease in cost of goods sold in the second quarter of fiscal 2020 compared to the prior year quarter was primarily due to a decrease in net sales, net cost deflation and productivity improvements that were partially offset by other manufacturing cost increases, including increased costs resulting from the North Charleston, SC mill reconfiguration. In the three months ended March 31, 2019, we incurred approximately $28.9 million of direct costs and property damage associated with Hurricane Michael and received Hurricane Michael-related insurance proceeds of $60.0 million that were recorded as a reduction of cost of goods sold in our Corrugated Packaging segment. Half of the insurance proceeds was for the recovery of direct costs and property damage, and the other half was for business interruption recoveries.

The $8.8 million decrease in cost of goods sold in six months ended March 31, 2020 compared to the prior year period was primarily due to a decrease in overall net sales, net cost deflation and productivity improvements, which were partially offset by increased cost of goods sold associated with the impact of acquisitions (primarily an additional month of KapStone ownership in fiscal 2020) and other manufacturing cost increases, including increased costs resulting from the North Charleston, SC mill reconfiguration. In the six months ended March 31, 2020 and 2019, we incurred approximately $4.0 million and $88.7 million, respectively, of direct costs and property damage associated with Hurricane Michael, and received Hurricane Michael-related insurance proceeds of $32.3 million and $80.0 million, respectively, which were recorded as a reduction of cost of goods sold in our Corrugated Packaging segment. The insurance proceeds were for $20.6 million and $50.0 million of direct costs and property damage for the six months ended March 31, 2020 and 2019, respectively, and for $11.7 million and $30.0 million for business interruption recoveries, respectively. See "***Hurricane Michael***" below for additional information. In the six months ended March 31, 2020, we recorded a reduction of cost of goods sold of $23.5 million in connection with an indirect tax claim in Brazil, primarily in the Corrugated Packaging segment. See "***Note 14. Commitments and Contingencies — Indirect Tax Claim***" of the Notes to Condensed Consolidated Financial Statements for additional information. In the six months ended March 31, 2019, we recorded a $24.7 million acquisition inventory step-up charge in our Corrugated Packaging segment related to the KapStone Acquisition. We discuss these items in greater detail below in "***Results of Operations (Segment Data)***".

Selling, General and Administrative Excluding Intangible Amortization

(In millions, except percentages)	First Quarter	Second Quarter	Six Months Ended 3/31	Third Quarter	Fourth Quarter	Fiscal Year
Fiscal 2019	$ 400.9	$ 444.1	$ 845.0	$ 442.4	$ 427.8	$ 1,715.2
(% of Net Sales)	9.3%	9.6%	9.4%	9.4%	9.2%	9.4%
Fiscal 2020	$ 425.7	$ 418.6	$ 844.3			
(% of Net Sales)	9.6%	9.4%	9.5%			

Selling, general, and administrative expenses ("**SG&A**") excluding intangible amortization decreased $25.5 million in the second quarter of fiscal 2020 compared to the prior year quarter, in part, due to travel and other reductions associated with the implementation of shelter in place orders as a result of COVID-19 that were initiated in response to COVID-19. SG&A excluding intangible amortization decreased $0.7 million in the six months ended March 31, 2020 compared to the six months ended March 31, 2019. Decreases for the six months ended March 31, 2020 were partially offset by an additional month of KapStone ownership in fiscal 2020. The favorable SG&A impact of shelter in place orders as a result of COVID-19 will likely continue in the near term.

Selling, General and Administrative Intangible Amortization

SG&A intangible amortization was $100.1 million and $102.4 million in the second quarter of fiscal 2020 and 2019, respectively. SG&A intangible amortization was $201.9 million and $195.3 million in the six months ended March 31, 2020 and March 31, 2019, respectively. The increase in the six months ended March 31, 2020 was primarily due to an additional month of KapStone ownership in fiscal 2020.

Gain on Disposal of Assets

In the three and six months ended March 31, 2020, we recorded a gain on disposal of assets of $5.6 million and $6.9 million, respectively. In the six months ended March 31, 2019, we recorded a gain on disposal of assets of $43.8 million, primarily due to a $48.5 million gain on sale of our former beverage facility located in Atlanta, GA.

Land and Development Impairments

In the second quarter of fiscal 2019, we recorded a $13.0 million pre-tax non-cash impairment of certain mineral rights. This charge is not reflected in segment income.

Restructuring and Other Costs

We recorded aggregate pre-tax restructuring and other costs of $16.4 million and $34.8 million in the second quarter of fiscal 2020 and 2019, respectively, and $46.5 million and $89.2 million in the six months ended March 31, 2020 and March 31, 2019, respectively. These amounts are not comparable since the timing and scope of the individual actions associated with a given restructuring, acquisition, integration or divestiture vary. We generally expect the integration of a closed facility's assets and production with other facilities to enable the receiving facilities to better leverage their fixed costs while eliminating fixed costs from the closed facility. See "***Note 4. Restructuring and Other Costs***" of the Notes to Condensed Consolidated Financial Statements for additional information.

Interest Expense, net

Interest expense, net for the second quarter of fiscal 2020 was $97.3 million compared to $111.8 million for the prior year quarter. The decrease is primarily due to lower levels of debt and lower interest rates in the second quarter of fiscal 2020.

Interest expense, net for the six months ended March 31, 2020 was $190.8 million compared to $206.2 million for the prior year period. Interest expense, net in the three and six months ended March 31, 2020 decreased primarily as an additional month of KapStone ownership in fiscal 2020 was more than offset by $11.6 million of interest income recorded in connection with an indirect tax claim in Brazil in the six months ended March 31, 2020. In addition, the decrease was due to lower levels of debt and lower interest rates in the current year period. See "***Note 14. Commitments and Contingencies — Indirect Tax Claim***" of the Notes to Condensed Consolidated Financial Statements for additional information.

Pension and Other Postretirement Non-Service Income

Pension and other postretirement non-service income for the second quarter of fiscal 2020 was $26.1 million compared to $18.7 million for the second quarter of fiscal 2019. Pension and other postretirement non-service income for the six months ended March 31, 2020 was $52.8 million compared to $36.0 million for the six months ended March 31, 2019. The increases were primarily due to the increase in plan asset balances used to determine the expected return on plan assets for fiscal 2020. Customary pension and other postretirement (income) costs are included in segment income. See "***Note 5. Retirement Plans***" of the Notes to Condensed Consolidated Financial Statements for more information.

Other expense, net

Other expense, net for the second quarter of fiscal 2020 was $0.9 million compared to $3.3 million in the second quarter of fiscal 2019. Other expense, net for the six months ended March 31, 2020 was $4.6 million compared to $6.0 million for the six months ended March 31, 2019.

Provision for Income Taxes

We recorded income tax expense of $57.8 million for the three months ended March 31, 2020 compared to an income tax expense of $47.2 million for the three months ended March 31, 2019. The effective tax rate for the three months ended March 31, 2020 was 28.0%, while the effective tax rate for the three months ended March 31, 2019 was 22.6%.

We recorded income tax expense of $104.3 million for the six months ended March 31, 2020 compared to income tax expense of $109.9 million for the six months ended March 31, 2019. The effective tax rate for the six months ended March 31, 2020 was 26.6%, while the effective tax rate for the six months ended March 31, 2019 was 26.7%.

See "***Note 6. Income Taxes***" of the Notes to Condensed Consolidated Financial Statements for the primary factors impacting our effective tax rates.

Hurricane Michael

In October 2018, our containerboard and pulp mill located in Panama City, FL sustained extensive damage from Hurricane Michael. We shut down the mill's operations in advance of the hurricane's landfall. Repair work was completed on the two paper machines and related infrastructure during June 2019 and these paper machines are producing at normal production levels. In fiscal 2019, we received $180.0 million of insurance proceeds. In the first quarter of fiscal 2020, we settled our property damage and business interruption insurance claim for $212.3 million (net of our $15 million deductible), and received the remaining $32.3 million of insurance proceeds.

The insurance proceeds received in the six months ended March 31, 2020 consisted of $11.7 million of business interruption recoveries and $20.6 million for direct costs and property damage. In the three and six months ended March 31, 2019, we received insurance proceeds of $60.0 million and $80.0 million, respectively. The insurance proceeds for the six months ended March 31, 2019 consisted of $30.0 million of business interruption recoveries and $50.0 million for direct costs and property damage. We discuss the financial impact of Hurricane Michael in greater detail below in "***Results of Operations (Segment Data) — Segment Income (Corrugated Packaging Segment)***".

Results of Operations (Segment Data)

North American Corrugated Packaging Shipments

Corrugated Packaging shipments are expressed as a tons equivalent, which includes external and intersegment tons shipped from our Corrugated Packaging mills plus Corrugated Packaging container shipments converted from billion square feet ("**BSF**") to tons. We have presented the Corrugated Packaging shipments in two groups: North American and Brazil / India because we believe investors, potential investors, securities analysts and others find this breakout useful when evaluating our operating performance. We have included the impact of the KapStone Acquisition beginning in the first quarter of fiscal 2019. The second quarter and full year fiscal 2019 amounts in the table below have been adjusted by an immaterial amount to adjust the acquired KapStone operations. The shipment data table excludes merchandising displays since there is not a common unit of measure. The table below reflects shipments in thousands of tons, BSF and millions of square feet ("**MMSF**").

	First Quarter	Second Quarter	Six Months Ended 3/31	Third Quarter	Fourth Quarter	Fiscal Year
Fiscal 2019						
North American Corrugated Packaging Shipments - thousands of tons	2,346.7	2,510.2	4,856.9	2,644.2	2,616.4	10,117.5
North American Corrugated Containers Shipments - BSF	22.5	23.4	45.9	24.3	24.1	94.3
North American Corrugated Containers Per Shipping Day - MMSF	369.4	372.2	370.8	384.7	382.7	377.3
Fiscal 2020						
North American Corrugated Packaging Shipments - thousands of tons	2,591.2	2,618.8	5,210.0			
North American Corrugated Containers Shipment - BSF	23.9	23.8	47.7			
North American Corrugated Containers Per Shipping Day - MMSF	385.9	371.2	378.4			

Brazil / India Corrugated Packaging Shipments

	First Quarter	Second Quarter	Six Months Ended 3/31	Third Quarter	Fourth Quarter	Fiscal Year
Fiscal 2019						
Brazil / India Corrugated Packaging Shipments - thousands of tons	185.6	176.5	362.1	171.0	194.6	727.7
Brazil / India Corrugated Containers Shipments - BSF	1.6	1.5	3.1	1.6	1.7	6.4
Brazil / India Corrugated Containers Per Shipping Day - MMSF	20.7	20.6	20.6	21.0	21.8	21.0
Fiscal 2020						
Brazil / India Corrugated Packaging Shipments - thousands of tons	168.1	182.5	350.6			
Brazil / India Corrugated Containers Shipments - BSF	1.7	1.6	3.3			
Brazil / India Corrugated Containers Per Shipping Day - MMSF	22.9	21.3	22.1			

Corrugated Packaging Segment

(In millions, except percentages)	Net Sales (1)	Segment Income	Return on Sales
Fiscal 2019			
First Quarter	$ 2,733.8	$ 246.8	9.0%
Second Quarter	2,990.7	310.3	10.4
Six Months Ended March 31, 2019	5,724.5	557.1	9.7
Third Quarter	3,072.8	392.7	12.8
Fourth Quarter	3,019.4	449.8	14.9
Total	$ 11,816.7	$ 1,399.6	11.8%
Fiscal 2020			
First Quarter	$ 2,909.5	$ 283.4	9.7%
Second Quarter	2,882.5	244.5	8.5
Six Months Ended March 31, 2020	$ 5,792.0	$ 527.9	9.1%

(1) Net sales before intersegment eliminations.

Net Sales (Corrugated Packaging Segment)

Net sales of the Corrugated Packaging segment decreased $108.2 million in the second quarter of fiscal 2020 compared to the prior year quarter. The decrease primarily consisted of $169.7 million from lower corrugated selling price/mix on sales and $18.3 million related to the unfavorable impacts of foreign currency. These decreases were partially offset by $76.7 million of higher volumes in the second quarter of fiscal 2020.

Net sales of the Corrugated Packaging segment increased $67.5 million in the six months ended March 31, 2020 compared to the prior year period, primarily reflecting $278.3 million of net sales from the acquired KapStone operations for the month of October 2019. In addition, we had $80.3 million of higher volumes in the six months ended March 31, 2020. These increases were partially offset by $278.2 million from lower corrugated selling price/mix on sales and $27.1 million related to the unfavorable impacts of foreign currency.

Segment Income (Corrugated Packaging Segment)

Segment income attributable to the Corrugated Packaging segment in the second quarter of fiscal 2020 decreased $65.8 million compared to the prior year quarter, primarily due to the margin impact of lower selling price/mix of $169.7 million and other manufacturing cost increases, including increased costs resulting from the North Charleston, SC mill reconfiguration. These decreases were partially offset by an estimated $45.2 million of net cost deflation, $40.4 million of higher volumes, $19.1 million of productivity improvements, an estimated $17.2 million decreased impact of economic downtime and $7.2 million from a litigation recovery. Net cost deflation consisted primarily of lower recovered fiber, energy, virgin fiber, chemical and freight costs that were partially offset by higher wage and other costs compared to the prior year quarter. The impact of Hurricane Michael net of insurance proceeds was an unfavorable $3.8 million in the second quarter of fiscal 2020 compared to the second quarter of fiscal 2019.

Segment income attributable to the Corrugated Packaging segment in the six months ended March 31, 2020 decreased $29.2 million compared to the prior year period, primarily due to the margin impact of lower selling price/mix of $298.3 million and other manufacturing cost increases, including increased costs resulting from the North Charleston, SC mill reconfiguration and the impact of increased maintenance downtime. These decreases were partially offset by the net favorable impact of Hurricane Michael in the six months ended March 31, 2020 compared to the prior year period. The net recovery of Hurricane Michael direct costs and property damage was a favorable $55.3 million compared to the prior year period net expense incurred, and the impact of business interruption recoveries in the current year period compared to lost production and sales net of recoveries in the prior year period were an estimated favorable $39.8 million. In addition, we realized an estimated $93.3 million of net cost deflation, $47.1 million of higher volumes, $41.7 million of productivity improvements, $21.5 million for an indirect tax claim in Brazil, an estimated $14.5 million decreased impact of economic downtime and $7.2 million from a litigation recovery. Net cost deflation consisted primarily of lower recovered fiber, energy, virgin fiber, freight and chemical costs that were partially offset by higher wage and other costs compared to the prior year period. The prior year period included an acquisition inventory step-up charge of $24.7 million.

We provide additional information regarding the impact of Hurricane Michael on our Panama City mill in more detail above under "**Results of Operations (Consolidated) — Hurricane Michael**".

Consumer Packaging Shipments

Consumer Packaging shipments are expressed as a tons equivalent, which includes external and intersegment tons shipped from our Consumer Packaging mills plus Consumer Packaging converting shipments converted from BSF to tons. The shipment data table excludes gypsum paperboard liner tons produced by Seven Hills Paperboard LLC since it is not consolidated.

	First Quarter	Second Quarter	Six Months Ended 3/31	Third Quarter	Fourth Quarter	Fiscal Year
Fiscal 2019						
Consumer Packaging Shipments - thousands of tons	969.6	985.5	1,955.1	980.1	974.0	3,909.2
Fiscal 2020						
Consumer Packaging Shipments - thousands of tons	922.4	987.7	1,910.1			

Consumer Packaging Segment

(In millions, except percentages)	Net Sales (1)	Segment Income	Return on Sales
Fiscal 2019			
First Quarter	$ 1,618.8	$ 76.9	4.8%
Second Quarter	1,668.3	85.2	5.1
Six Months Ended March 31, 2019	3,287.1	162.1	4.9
Third Quarter	1,650.1	91.0	5.5
Fourth Quarter	1,668.8	135.0	8.1
Total	$ 6,606.0	$ 388.1	5.9%
Fiscal 2020			
First Quarter	$ 1,536.9	$ 46.2	3.0%
Second Quarter	1,616.3	90.8	5.6
Six Months Ended March 31, 2020	$ 3,153.2	$ 137.0	4.3%

(1) Net sales before intersegment eliminations.

Net Sales (Consumer Packaging Segment)

The $52.0 million decrease in net sales for the Consumer Packaging segment for the second quarter of fiscal 2020 compared to the prior year quarter was primarily due to $20.9 million of lower selling price/mix on sales, $19.0 million of lower volumes and $12.8 million of unfavorable foreign currency impacts.

The $133.9 million decrease in net sales for the Consumer Packaging segment for the six months ended March 31, 2020 compared to the prior year period was primarily due to $82.8 million of lower volumes, largely consumer paperboard volumes, $32.1 million of lower selling price/mix on sales and $21.4 million of unfavorable foreign currency impacts.

Segment Income (Consumer Packaging Segment)

Segment income attributable to the Consumer Packaging segment in the second quarter of fiscal 2020 increased $5.6 million compared to the prior year quarter primarily due to $10.4 million of productivity improvements, an estimated $8.7 million of net cost deflation, $6.0 million of lower depreciation and amortization and $3.7 million of lower outage expense. These items were partially offset by an estimated $10.8 million of margin impact from lower selling price/mix, $7.2 million of lower volumes, an estimated $7.1 million of economic downtime, $1.9 million of unfavorable foreign currency impacts, and other items. Net cost deflation consisted primarily of lower energy, virgin fiber, recovered fiber, chemical and freight costs, which were partially offset by higher wage and other costs.

Segment income attributable to the Consumer Packaging segment for the six months ended March 31, 2020 decreased $25.1 million compared to the prior year period primarily due to an estimated $19.5 million of margin impact from lower selling price/mix, $18.0 million of lower volumes, $12.2 million of increased costs due to outages, an estimated $11.5 million of economic downtime, $6.1 million of unfavorable foreign currency impacts, and other items. These items were partially offset by $15.2 million of productivity improvements, an estimated $14.6 million of net cost deflation and $9.3 million of lower depreciation and amortization. Net cost deflation consisted primarily of lower energy, recovered fiber, virgin fiber, chemical and freight costs, which were partially offset by higher wage and other costs.

Liquidity and Capital Resources

We fund our working capital requirements, capital expenditures, mergers and acquisitions and investments, restructuring activities, dividends and stock repurchases from net cash provided by operating activities, borrowings under our credit facilities, proceeds from the sale of receivables under our A/R Sales Agreement, proceeds from the sale of property, plant and equipment removed from service and proceeds received in connection with the issuance of debt and equity securities. See “***Note 11. Debt***” of the Notes to Condensed Consolidated Financial Statements and “***Note 13. Debt***” of the Notes to Consolidated Financial Statements section in the Fiscal 2019 Form 10-K for more information regarding our debt. Funding for our domestic operations in the foreseeable future is expected to come from sources of liquidity within our domestic operations, including cash and cash equivalents, and available borrowings under our credit facilities. As such, our foreign cash and cash equivalents are not expected to be a key source of liquidity to our domestic operations.

Cash and cash equivalents were $640.2 million at March 31, 2020 and $151.6 million at September 30, 2019. Approximately one-fourth of the cash and cash equivalents at March 31, 2020 was held outside of the U.S. At March 31, 2020 and September 30, 2019, total debt was $10,856.6 million and $10,063.4 million, respectively, $432.0 million and $561.1 million of which was short-term at March 31, 2020 and September 30, 2019, respectively. Included in our total debt at March 31, 2020 was $217.9 million of non-cash acquisition related step-up. The increase in total debt in fiscal 2020 was primarily the result of borrowings to increase our cash and cash equivalents balance, aggregate capital expenditures and dividends in excess of net cash provided by operating activities, as well as our adoption of the leasing guidance codified in ASC 842 that recharacterized a short-term and long-term liability for two chip mills to a $100.3 million finance lease obligation at October 1, 2019.

At March 31, 2020, we had in excess of $2.5 billion of availability under our long-term committed credit facilities and cash and cash equivalents. Our primary availability is under our revolving credit facilities and Receivables Securitization Facility, the majority of which matures on November 21, 2024. This liquidity may be used to provide for ongoing working capital needs and for other general corporate purposes, including acquisitions, dividends and stock repurchases. As noted above, the current portion of debt at March 31, 2020 was $432.0 million including fair value of debt step-up, deferred financing costs and unamortized bond discounts aggregating $1.1 million. The face value of debt consisted of $105.0 million of public bonds the majority of which are due in June 2020, $125.0 million under an uncommitted facility with a maturity date in February 2021, approximately $108.4 million of various supplier financing programs, $54.5 million under our commercial paper program and $38.0 million of other items. We have limited debt maturities prior to March 2022.

Certain restrictive covenants govern our maximum availability under our credit facilities. We test and report our compliance with these covenants as required by these facilities and were in compliance with these covenants at March 31, 2020.

At March 31, 2020, we had $73.0 million of outstanding letters of credit not drawn upon.

Cash Flow Activity

(In millions)	Six Months Ended March 31, 2020	Six Months Ended March 31, 2019
Net cash provided by operating activities	$ 598.8	$ 665.0
Net cash used for investing activities	$ (589.3)	$ (3,850.6)
Net cash provided by financing activities	$ 507.1	$ 2,704.8

Net cash provided by operating activities during the six months ended March 31, 2020 decreased $66.2 million compared to the six months ended March 31, 2019, primarily due to a $77.1 million net increase in the use of working capital compared to the prior year period.

Net cash used for investing activities of $589.3 million in the six months ended March 31, 2020 consisted primarily of $616.2 million for capital expenditures that was partially offset by $21.3 million of proceeds from the sale of property, plant and equipment. Net cash used for investing activities of $3,850.6 million in the six months ended March 31, 2019 consisted primarily of $3,349.3 million for cash paid for the purchase of businesses, net of cash acquired, primarily related to the KapStone Acquisition, and $625.4 million for capital expenditures that were partially offset by $105.3 million of proceeds from the sale of property, plant and equipment, primarily our former beverage facility in Atlanta, GA.

As discussed above, we have reduced our fiscal 2020 capital expenditures to be approximately $950 million from $1.1 billion, including approximately $350 million for our strategic capital projects at our Florence, SC and Tres Barras, Brazil mills. We expect to complete our strategic projects at the Florence and Tres Barras mills over the next twelve months. We have had to navigate the impact of shelter in place and other similar restrictions and the availability of contract and technical resources as a result of COVID-19. We expect to start up the Florence paper machine in the second half of calendar 2020, and the Tres Barras mill upgrade project should be completed in the second quarter of fiscal 2021. With the completion of certain of our strategic projects in fiscal 2020, we had expected to transition to our long-range capital expenditure run rate of approximately $900 million to $1.0 billion a year in fiscal 2021. Factoring in our estimated response to COVID-19, we expect to invest in the range of $600 million to $800 million in fiscal 2021. At these capital investment levels, we are confident that we will continue to invest in the appropriate safety, environmental and maintenance projects, and complete our strategic mill projects while also making investments to support productivity and growth in our business. These reductions will provide $300 million to $500 million of additional cash available for debt reduction through the end of fiscal 2021. However, it is possible that our capital expenditure assumptions may change, project completion dates may change, or we may decide to invest a different amount depending upon opportunities we identify, or changes in market conditions, or to comply with environmental or other regulatory changes.

In the six months ended March 31, 2020, net cash provided by financing activities of $507.1 million consisted primarily of a net increase in debt of $733.0 million that was partially offset by cash dividends paid to stockholders of $240.7 million. In the six months ended March 31, 2019, net cash provided by financing activities of $2,704.8 million consisted primarily of a net increase in debt of $3,023.7 million, primarily in connection with the KapStone Acquisition, that was partially offset by cash dividends paid to stockholders of $233.7 million and purchases of $88.6 million of common stock.

On May 5, 2020, our board of directors declared a quarterly dividend $0.20 per share for an annual rate of $0.80 per share, which is lower than our most recent quarterly dividend. We believe that this reduction in our dividend is prudent given uncertain market conditions and will allow us to allocate additional cash to paying down our outstanding debt. As the situation with COVID-19 evolves, we will re-evaluate our dividend and look to grow our dividend as markets return to normal. In February 2020 and November 2019, we paid a quarterly dividend of

$0.465 per share. In fiscal 2019, we paid four quarterly dividends of $0.455 per share for an annual dividend of $1.82 per share.

At March 31, 2020, the U.S. federal, state and foreign net operating losses and other U.S. federal and state tax credits available to us aggregated approximately $83 million in future potential reductions of U.S. federal, state and foreign cash taxes. Based on our current projections, we expect to utilize the remaining U.S. federal net operating losses and other U.S. federal credits during the current year. Foreign and state net operating losses and credits will be used over a longer period of time. Our cash tax rate is highly dependent on our taxable income, utilization of net operating losses and credits, changes tax laws or tax rates, capital expenditures or other factors. Barring significant changes in our current assumptions, we expect our cash tax rate to be significantly lower than our income tax rate in fiscal 2020 and move closer to our income tax rate in fiscal 2021.

Our pension plans in the U.S. are overfunded and we have a pension asset of approximately $0.3 billion on our condensed consolidated balance sheet as of March 31, 2020. We made contributions of $12.6 million to our pension and supplemental retirement plans during the six months ended March 31, 2020. Based on current facts and assumptions, we expect to contribute approximately $25 million to our U.S. and non-U.S. pension plans in fiscal 2020. We have made contributions and expect to continue to make contributions in the coming years to our pension plans to ensure that our funding levels remain adequate in light of projected liabilities and to meet the requirements of the Pension Protection Act of 2006 (the "**Pension Act**") and other regulations. Our estimates are based on current factors, such as discount rates and expected return on plan assets. It is possible that our assumptions may change, actual market performance may vary or we may decide to contribute different amounts.

In the normal course of business, we evaluate our potential exposure to MEPPs, including with respect to potential withdrawal liabilities. In fiscal 2018, we submitted formal notification to withdraw from two plans and recorded an aggregate estimated withdrawal liability of $184.2 million, nearly all of which was for PIUMPF. In September 2019, we received a demand from PIUMPF asserting that we owe $170.3 million on an undiscounted basis (approximately $0.7 million per month for the next 20 years) with respect to our withdrawal liability. The initial demand did not address any assertion of liability for PIUMPF's accumulated funding deficiency. In October 2019, we received two additional demand letters from PIUMPF related to a subsidiary of ours asserting that we owe $2.3 million on an undiscounted basis to be paid over 20 years with respect to the subsidiary's withdrawal liability and $2.0 million for its accumulated funding deficiency. In February 2020, we received a demand letter from PIUMPF asserting that we owe $51.2 million for our pro-rata share of PIUMPF's accumulated funding deficiency, including interest. We are evaluating each of these demands and we expect to challenge the accumulated funding deficiency demands. We began making monthly payments for these withdrawal liabilities in fiscal 2020. See "***Note 5. Retirement Plans — Multiemployer Plans***" and Item 1A. *"**Risk Factors — We May Incur Withdrawal Liability and/or Increased Funding Requirements in Connection with MEPPs**"* in the Fiscal 2019 Form 10-K.

We anticipate that we will be able to fund our capital expenditures, interest payments, dividends and stock repurchases, pension payments, working capital needs, note repurchases, restructuring activities, repayments of current portion of long-term debt and other corporate actions for the foreseeable future from cash generated from operations, borrowings under our credit facilities, proceeds from our A/R Sales Agreement, proceeds from the issuance of debt or equity securities or other additional long-term debt financing, including new or amended facilities. In addition, we continually review our capital structure and conditions in the private and public debt markets in order to optimize our mix of indebtedness and may seek to refinance existing indebtedness to extend maturities, reduce borrowing costs or otherwise improve the terms and composition of our indebtedness.

New Accounting Standards

See "***Note 1. Basis of Presentation and Significant Accounting Policies***" of the Notes to Condensed Consolidated Financial Statements for a description of recent accounting pronouncements.

Forward-Looking Statements

Statements in this report that do not relate strictly to historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on our current expectations, beliefs, plans or forecasts and use words such as "may", "will", "could", "would", "anticipate", "intend", "estimate", "project", "plan", "believe", "expect", "target" and "potential", or refer to future time periods, and include statements made in this report regarding, among other things: that we do not anticipate future changes to the provisional fair value estimates of assets and liabilities assumed in acquisitions to be significant; that, at the time of each announced plant closure, we generally expect to record future period costs for equipment relocation, facility carrying costs, costs to terminate a lease or contract before the end of its term and employee-related costs; that we believe that our actions to consolidate our sales and operations into large well-equipped plants that operate at high utilization rates and take advantage of available capacity created by operational excellence initiatives and/or further optimize our system following mergers and acquisitions or a changing business environment have allowed us to more effectively manage our business; resolution of uncertain tax positions could have a material adverse effect on our cash flows or materially benefit our results of operations in future periods depending upon their ultimate resolution; that, with respect to the Brazilian indirect tax claim, we believe the decision reduced our gross receipts tax in Brazil prospectively and retrospectively, and will allow us to recover tax amounts collected by the government and may record additional recovery amounts in future periods as we complete our analysis; that we expect to challenge PIUMPF's accumulated funding deficiency demands; that it is reasonably possible that we may incur withdrawal liabilities with respect to certain other MEPPs in connection with withdrawals and that our estimate for any such withdrawal liability, both individually and in the aggregate, is not material for the remaining plans in which we participate; that the future amount in connection with the sale of receivables may fluctuate based on the level of activity and other factors; that we expect the net proceeds from issuances of notes under the commercial paper program to continue to be used for general corporate purposes; that our compliance initiatives related to environmental, health and safety laws and regulations could result in significant costs, which could negatively impact our results of operations, financial condition and cash flows; that any failure to comply with environmental or health and safety laws and regulations, or any permits and authorizations required thereunder, could subject us to fines, corrective action or other sanctions; that we believe the liability for the environmental matters was adequately reserved as of March 31, 2020; our belief that we have substantial insurance coverage, subject to applicable deductibles and policy limits, with respect to asbestos claims; that we have valid defenses to asbestos-related personal injury claims and intend to continue to defend them vigorously; that it is possible that we could incur significant costs resolving these cases should the volume of litigation grow substantially; that we do not expect the resolution of pending asbestos litigation and proceedings to have a material adverse effect on our results of operations, financial condition or cash flows but that, in any given period or periods, it is possible such proceedings or matters could have a material adverse effect on our results of operations, financial condition or cash flows; our belief that the resolution of certain other lawsuits and claims arising out of the conduct of our business will not have a material adverse effect on our results of operations, financial condition or cash flows; that we estimate our exposure to certain guarantees could be approximately $50 million; that we believe our exposure related to guarantees would not have a material impact on our results of operations, financial condition or cash flows; that we expect fiscal 2020 capital expenditures to be approximately $950 million, including approximately $350 million for our strategic capital projects at our Florence, SC and Tres Barras, Brazil mills; that we expect to complete or strategic projects at the Florence, SC and Tres Barras, Brazil mills over the next twelve months; that we expect to start up the paper machine in Florence, SC in the second half of calendar 2020 and that the Tres Barras project is expected to start up in the second quarter of fiscal 2021; that with the completion of certain of our strategic projects in fiscal 2020, factoring in our estimated response to COVID-19, we expect to make capital investments in the range of $600 million to $800 million in fiscal 2021; that at these capital investment levels, we are confident that we will continue to invest in the appropriate safety, environmental and maintenance projects and complete our strategic mill projects while also making investments to support productivity and growth in our business; that the reductions we are making in our planned capital investments will provide $300 million to $500 million of additional cash available for debt reduction through the end of fiscal 2021; that we believe that our dividend reduction is prudent given uncertain market conditions and will allow us to allocate additional cash to paying down our outstanding debt; that we will re-evaluate our dividend as the situation with COVID-19 evolves and look to grow our dividend as markets return to normal; that we expect the actions that we take under the WestRock Pandemic Action Plan to provide an additional $1 billion in cash that we will be able to use through the end of fiscal 2021 to reduce our outstanding indebtedness; that we are expecting to use Common Stock to pay our annual incentive and Company funded 401(k) contributions in calendar 2020; that we are postponing $120 million of employment taxes incurred through the end of calendar year 2020, pursuant to relief offered under the CARES Act; that we expect that the actions that we take under the WestRock Pandemic Action Plan will position us to sustain our business in a range of economic and market conditions and position us for long-term success; that we believe that we have substantial liquidity to navigate the current dynamic environment; that we remain focused on maintaining our investment grade rating and managing our working capital and taking appropriate actions to ensure our access to necessary liquidity; that e-commerce demand may remain strong in the fiscal third quarter; that demand levels for certain market segments that benefitted from pantry stocking in the second fiscal quarter may return to more normal levels; that we expect disruptions in the protein markets to be transitory; that our foodservice and commercial print market segments are continuing a pattern of decline; that we believe that our diverse portfolio of paper and packaging products positions us well to adapt and meet our customers' changing needs across a broad cross-section of the economy; that we believe that recent trends that we have experienced in our end market segment demand are likely to cause our sales and earnings in the fiscal third quarter to decline compared to our sales and earnings in the second fiscal quarter; that changing demand trends across many of our end markets will likely negatively impact volumes in specific portions of our business; that our financial results in the fiscal third quarter will reflect the flow through of the published price reductions for linerboard that were announced in January 2020 and the published price reductions for SBS and recycled boxboard paper grades that were announced in February 2020; that our business in the third fiscal quarter will also likely be negatively impacted by rising recycled fiber costs; that we expect to provide one-time recognition awards to our teammates who work in manufacturing and operations; that funding for our domestic operations in the foreseeable future is expected to come from sources of liquidity within our domestic operations, including cash and cash equivalents, and available borrowings under our credit facilities; that our foreign cash and cash equivalents are not expected to be a key source of liquidity to our domestic operations; that we expect to utilize the remaining U.S. federal net operating losses and other U.S. federal credits primarily over the next two years and that foreign and state net operating losses and credits will be used over a longer period of time; that we expect our cash tax rate to move closer to our income tax rate in fiscal 2020 and 2021; that we expect to contribute approximately $25 million to our U.S. and non-U.S. pension plans in fiscal 2020; that we expect to continue to make contributions in the coming years to our pension plans to ensure that our funding levels remain adequate in light of projected liabilities and to meet the requirements of the Pension Act and other regulations; that we anticipate that we will be able to fund our capital expenditures, interest payments, dividends and stock repurchases, pension payments, working capital needs, note repurchases, restructuring activities, repayments of current portion of long-term debt and other corporate actions for the foreseeable future from cash generated from operations, borrowings under our credit facilities, proceeds from our A/R Sales Agreement, proceeds from the issuance of debt or equity securities or other additional long-term debt financing, including new or amended facilities; and that we may seek to refinance existing indebtedness to extend maturities, reduce borrowing costs or otherwise improve the terms and composition of our indebtedness.

With respect to these statements, we have made assumptions regarding, among other things, developments related to COVID-19, including the severity, magnitude and duration of the pandemic, negative global economic conditions arising from the pandemic, impacts of governments' responses to the pandemic on our operations, impacts of the pandemic on commercial activity, our customers and consumer preferences and demand, supply chain disruptions, and disruptions in the credit or financial markets; our ability to effectively integrate the operations of KapStone; the results and impact of the KapStone Acquisition; economic, competitive and market conditions generally, including the impact of COVID-19; volumes and price levels of purchases by customers; competitive conditions in our businesses; possible adverse actions of our customers, competitors and suppliers; labor costs; the amount and timing of capital expenditures, including installation costs, project development and implementation costs, severance and other shutdown costs; restructuring costs; utilization of real property that is subject to the restructurings due to realizable values from the sale of such property; credit availability; and raw material and energy costs.

You should not place undue reliance on any forward-looking statements as these statements involve risks, uncertainties, assumptions and other factors that could cause actual results to differ materially, including the following: the level of demand for our products; our ability to respond effectively to the impact of COVID-19; our ability to successfully identify and make performance and productivity improvements; anticipated returns on our capital investments; our ability to achieve benefits from acquisitions, including the KapStone Acquisition, and the timing thereof, including synergies and performance improvements; our ability to successfully implement capital projects; the possibility of and uncertainties related to planned mill outages or production disruptions; market risk from changes in interest rates and commodity prices; increases in energy, raw materials, shipping and capital equipment costs; fluctuations in selling prices and volumes; intense competition; the potential loss of key customers; the impact of the Tax Act; the impact of operational restructuring activities; the impact of economic conditions, including expected price changes, competitive pricing pressures and cost increases; our desire or ability to continue to repurchase Common Stock; environmental liabilities; the cost and other effects of complying with governmental laws and regulations; the scope, timing and outcome of any litigation, claims or other proceedings or dispute resolutions and the impact of any such litigation (including the Brazil Tax Liability); future debt repayment; our ability to fund our capital expenditures, interest payments, dividends and stock repurchases, pension payments, working capital needs, debt repurchases, restructuring activities, repayments of current portion of long-term debt and other corporate actions; the expected impact of implementing new accounting standards; the impact of changes in assumptions and estimates on which we based the design of our system of disclosure controls and procedures; the occurrence of severe weather or a natural disaster, or other unanticipated problems, such as labor difficulties, equipment failure or unscheduled maintenance and repair, which could result in operational disruptions; adverse changes in general market and industry conditions; and other risks, uncertainties and factors discussed in Item 1A "***Risk Factors***" of the Fiscal 2019 Form 10-K. The information contained herein speaks as of the date hereof and we do not have or undertake any obligation to update such information as future events unfold.

Item 3. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

See the "***Quantitative and Qualitative Disclosures About Market Risk"*** section in the Fiscal 2019 Form 10-K for a discussion of certain of the market risks to which we are exposed. There have been no material changes in our exposure to market risk since September 30, 2019.

Item 4. *CONTROLS AND PROCEDURES*

Our Chief Executive Officer and our Chief Financial Officer 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 quarterly report. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2020 to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

There has been no change in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. *LEGAL PROCEEDINGS*

See "***Note 14. Commitments and Contingencies***" of the Notes to Condensed Consolidated Financial Statements for more information.

Item 1A. *RISK FACTORS*

Certain risks and events that could adversely affect our results of operations, cash flows and financial condition, and the trading price of our Common Stock, are described in the "***Risk Factors***" section of the Fiscal 2019 Form 10-K. There have been no material changes in our risk factors from those disclosed in the "***Risk Factors***" section of our Fiscal 2019 Form 10-K, other than the risk factor listed below.

Our Business Has Been, and Will Continue to Be, Impacted by the Outbreak of the COVID-19 Novel Coronavirus

The global impact of COVID-19 continues to evolve rapidly, and the extent of its effect on our operational and financial performance will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration, scope and severity of the pandemic, the actions taken to contain or mitigate its impact, and the direct and indirect economic effects of the pandemic and related containment measures, among others.

In response to the spread of COVID-19, governmental authorities have implemented numerous measures to try to contain the virus, including travel bans and restrictions, quarantines, shelter in place and work from home orders, and shutdowns of so-called "nonessential" businesses. These measures have impacted, and may further impact, our workforce and operations, as well as those of our customers, vendors and suppliers. We have manufacturing operations in the U.S., Canada, Brazil, Mexico, Australia, China and in Europe, and each of these countries or regions has been affected by the outbreak of COVID-19 and taken various measures to try to contain it. Among other impacts to our business from the outbreak of COVID-19:

- We may experience a decline in demand for our products due to economic uncertainty or changing consumer behaviors, including permanent or temporary facility closures. For example, we have experienced softer demand in the commercial print, tobacco, industrial, food service, cosmetics and spirits markets. In particular, demand for our industrial and distribution customers has been significantly adversely impacted by business closures due to government shelter-in-place orders, demand in food service has remained soft due to uncertainty around the timing of the reopening of restaurants, schools and other services, and demand declines from our commercial print customers in accelerating due to social distancing and related impacts.
- Our supply chain may be disrupted due to government restrictions or if our suppliers or vendors fail to meet their obligations to us or experience disruptions in their ability to do so.
- Our production capabilities could be disrupted if we are unable to secure sufficient supplies of raw materials or if significant portions of our workforce are unable to work effectively, including because of illness, government actions or other restrictions.
- We may experience an increase in commodity and other input costs due to market volatility. For example, several of our mills use recycled fiber as their primary input and the cost of old corrugated container has significantly increased in recent months and may continue increasing due to low generation.
- We may experience an increase in our working capital needs or an increase in our trade accounts receivable write-offs as a result of increased financial pressures on our suppliers and customers.
- We may experience changes to our internal controls over financial reporting as a result of changes in working environments, such as shelter-in-place and similar orders, as well as the potential for staffing limitations.

Our business has been, and will continue to be, impacted by the outbreak of the COVID-19 novel coronavirus and these impacts may adversely affect our results of operations, cash flows and financial conditions, and the trading price of our Common Stock.

Item 6. ***EXHIBITS***

See separate Exhibit Index attached hereto and hereby incorporated by reference.

WESTROCK COMPANY
INDEX TO EXHIBITS

Exhibit 10.1*	Amendment No. 2, dated as of March 27, 2020, to the Eighth Amended and Restated Credit and Security Agreement among WestRock Financial Inc., WestRock Converting Company, the lenders and co-agents from time to time party thereto and Coöperatieve Rabobank, U.A.
Exhibit 31.1*	Certification Accompanying Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, executed by Steven C. Voorhees, Chief Executive Officer and President of WestRock Company.
Exhibit 31.2*	Certification Accompanying Periodic Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, executed by Ward H. Dickson, Executive Vice President and Chief Financial Officer of WestRock Company.
Exhibit 32.1#	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by Steven C. Voorhees, Chief Executive Officer and President of WestRock Company, and by Ward H. Dickson, Executive Vice President and Chief Financial Officer of WestRock Company.
Exhibit 101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
Exhibit 101.SCH*	Inline XBRL Taxonomy Extension Schema.
Exhibit 101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase.
Exhibit 101.DEF*	Inline XBRL Taxonomy Extension Definition Label Linkbase.
Exhibit 101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase.
Exhibit 101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase.
Exhibit 104*	Cover Page Interactive Data File – the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).

*Filed as part of this quarterly report.

#In accordance with SEC Release No. 33-8238, Exhibit 32.1 is to be treated as “accompanying” this report rather than “filed” as part of the report.

SIGNATURES

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

WESTROCK COMPANY
(Registrant)

Date: May 6, 2020

By: /s/ Ward H. Dickson
Ward H. Dickson
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and duly authorized officer)

AMENDMENT NO. 2 TO

EIGHTH AMENDED AND RESTATED CREDIT AND SECURITY AGREEMENT

This AMENDMENT NO. 2, dated as of March 27, 2020 (this "Amendment") is by and among WestRock Financial, Inc., as borrower (the "Borrower"), WestRock Converting, LLC, as initial servicer (the "Servicer" and together with the Borrower, the "Loan Parties" and each, a "Loan Party"), Coöperatieve Rabobank U.A., New York Branch ("Rabobank"), in its capacity as administrative agent for the Lenders thereunder (together with its successors and assigns thereunder, the "Administrative Agent") and the committed lenders party thereto (each a "Committed Lender" and collectively, the "Committed Lenders"). Each of the Borrower, the Servicer, the Administrative Agent and the Committed Lenders may be referred to herein as a "Party" or collectively as the "Parties." Unless otherwise indicated, capitalized terms used in this Amendment are used with the meanings attributed thereto in the Agreement (as defined below).

W I T N E S S E T H :

WHEREAS, the Borrower, the Servicer, the Administrative Agent and the Committed Lenders are party to the Eighth Amended and Restated Credit and Security Agreement, dated as of July 22, 2016 (as amended, modified or supplemented from time to time, the "Agreement"), by and among the Borrower, the Servicer, Rabobank, as Administrative Agent and in its capacity as funding agent for the Co-Agents and the Lenders or any successor funding agent thereunder (together with its successors and assigns thereunder, the "Funding Agent" collectively with the Administrative Agent and the Co-Agents, the "Agents"), and the Lenders and the Co-Agents from time to time party thereto;

WHEREAS, the Parties hereto desire to amend the Agreement to, among other things, amend certain defined terms; and

WHEREAS, pursuant to Section 14.1(b)(i) of the Agreement, the consent of the Required Committed Lenders is required for such amendment.

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

1. Amendments.

1.1 Section 4.5(c) of the Agreement shall be hereby amended and restated in its entirety as follows:

(c) Notwithstanding anything to the contrary herein or in any other Transaction Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace the LIBO Rate with a Benchmark Replacement. Notwithstanding anything to the contrary in Section 14.1, any such amendment will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Co-Agents and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from

Lenders comprising the Required Committed Lenders. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Committed Lenders have delivered to the Administrative Agent written notice that such Required Committed Lenders accept such amendment. No replacement of LIBOR with a Benchmark Replacement pursuant to this Section 4.5(c) will occur prior to the applicable Benchmark Transition Start Date.

1.2 Section 4.5 of the Agreement shall be hereby amended by inserting the following subsections (d) – (f) at the end of such section:

(d) In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Transaction Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(e) The Administrative Agent will promptly notify the Borrower and the Co-Agents of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section 4.5 including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 4.5.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a LIBO Rate Loan or for a conversion to or continuation of LIBO Rate Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to Alternate Base Rate Loans.

1.3 Section 14.15 the Agreement shall be hereby amended and restated in its entirety as follows:

Section 14.15 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Transaction Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Transaction Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Transaction Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

1.4 Exhibit I to the Agreement shall be hereby amended as follows:

(a) The definition of "Bail-in Legislation" shall be hereby amended and restated in its entirety as follows:

"***Bail-In Legislation***" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

(b) The definition of "Fee Letter" shall be hereby amended and restated in its entirety as follows:
"***Fee Letter***" means that certain seventh amended and restated fee letter dated as of March 27, 2020, among Borrower and the Agents, as it may be amended or modified and in effect from time to time.

(c) The definition of "Side Letter to the Receivables Sale Agreement" shall be hereby amended and restated in its entirety as follows:

“***Side Letter to the Receivables Sale Agreement***” means that Third Amended and Restated Side Letter to the Receivables Sale Agreement, dated as of March 27, 2020, addressed to the Administrative Agent and signed by the Borrower, the Servicer and each Originator, as it may be amended or modified and in effect from time to time.

(d) The definition of “Write-Down and Conversion Powers” shall be hereby amended and restated in its entirety as follows:

“***Write-Down and Conversion Powers***” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

(e) The following definitions shall be inserted in their proper alphabetical order:

(i) “***Affected Financial Institution***” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

(ii) “***Benchmark Replacement***” means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Administrative Agent and the Borrower in good faith, giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the LIBO Rate for U.S. dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement. For the avoidance of doubt, such Benchmark Replacement Adjustment shall not be in the form of a modification to the Market Spread.

(iii) “***Benchmark Replacement Adjustment***” means, with respect to any replacement of the LIBO Rate with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBO Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBO Rate with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time.

(iv) "***Benchmark Replacement Conforming Changes***" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Broken Funding Costs," the definition of "Interest Rate," the definition of "Loan," the definition of "Market Spread", timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

(v) "***Benchmark Replacement Date***" means the earlier to occur of the following events with respect to the LIBO Rate: (1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the LIBO Rate permanently or indefinitely ceases to provide the LIBO Rate; or (2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

(vi) "***Benchmark Transition Event***" means the occurrence of one or more of the following events with respect to the LIBO Rate: (1) a public statement or publication of information by or on behalf of the administrator of the LIBO Rate announcing that such administrator has ceased or will cease to provide the LIBO Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Rate; (2) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the LIBO Rate, a resolution authority with jurisdiction over the administrator for the LIBO Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the LIBO Rate, which states that the administrator of the LIBO Rate has ceased or will cease to provide the LIBO Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Rate; or (3) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Rate announcing that the LIBO Rate is no longer representative.

(vii) "***Benchmark Transition Start Date***" means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Committed Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Required Committed Lenders) and the Co-Agents.

(viii) "***Benchmark Unavailability Period***" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBO Rate and solely to the extent that the LIBO Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder in accordance with the Section 3.04(c) and (y) ending at the time that a Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder pursuant to Section 3.04(c).

(ix) "***Early Opt-in Election***" means the occurrence of: (1) (i) a determination by the Administrative Agent or (ii) a notification by the Required Committed Lenders to the Administrative Agent (with a copy to the Borrower) that the Required Committed Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 4.5 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the LIBO Rate, and (2) (i) the election by the Administrative Agent or (ii) the election by the Required Committed Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Co-Agents or by the Required Committed Lenders of written notice of such election to the Administrative Agent.

(x) "***Federal Reserve Bank of New York's Website***" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

(xi) "***Relevant Governmental Body***" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

(xii) "***Resolution Authority***" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

(xiii) "***SOFR***" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

(xiv) "***Term SOFR***" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

(xv) "***UK Financial Institution***" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

(xvi) "***UK Resolution Authority***" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

(xvii) "***Unadjusted Benchmark Replacement***" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

2. <u>Representations and Agreements</u>.

2.1. Each of the Loan Parties represents and warrants to the Buyer, Agents and Lenders that it has duly authorized, executed and delivered this Amendment and that this Amendment constitutes, a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability).

2.2. Each of the Loan Parties further represents and warrants to the Buyer, Agents and the Lenders that, as of the date hereof and as of the Effective Date (as defined below), each of its representations and warranties set forth in Section 5.1 of the Agreement is true and correct as though made on and as of such date and that no event has occurred and is continuing that will constitute an Amortization Event or Unmatured Amortization Event.

2.3. Each of the Loan Parties further represents and warrants to the Agents and the Lenders that (i) the Amendment is not being entered into for reasons relating to the credit quality of the Receivables or in order to manipulate the pool characteristics of the Receivables and (ii) such Loan Party does not reasonably expect that the such action will have a material adverse effect on the credit quality of the Receivables or the pool characteristics of the Receivables.

3. <u>Conditions Precedent</u>. This Amendment shall become effective as of March 27, 2020 (the "<u>Effective Date</u>") upon satisfaction of the following conditions precedent:

3.1 the Administrative Agent shall have received a counterpart hereof duly executed by the Borrower, the Servicer, the Originators, the Administrative Agent and each of the Committed Lenders.

3.2 the Administrative Agent shall have received those documents listed on Schedule I to this Amendment, in form and substance reasonably acceptable to the Administrative Agent.

4. Miscellaneous.

4.1. Except as expressly amended hereby, the Agreement shall remain unaltered and in full force and effect, and each of the parties hereto hereby ratifies and confirms the Agreement to which it is a party.

4.2 THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSE SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

4.3 EACH OF THE PARTIES TO THIS AMENDMENT HEREBY ACKNOWLEDGES AND AGREES THAT IT IRREVOCABLY SUBMITS TO THE NON EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN THE STATE OF NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY DOCUMENT EXECUTED BY SUCH PERSON PURSUANT TO THIS AMENDMENT AND IT HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF ANY AGENT OR ANY LENDER TO BRING PROCEEDINGS AGAINST ANY OF ORIGINAL PARENT, THE ORIGINATORS AND THE LOAN PARTIES IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY ANY OF ORIGINAL PARENT, THE ORIGINATORS AND THE LOAN PARTIES AGAINST ANY AGENT OR ANY LENDER OR ANY AFFILIATE OF ANY AGENT OR ANY LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AMENDMENT OR ANY DOCUMENT EXECUTED BY SUCH PARTY PURSUANT TO THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN THE STATE OF NEW YORK.

4.4 This Amendment may be executed in any number of counterparts and by the 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 Amendment

4.5 The Borrower agrees to pay to the Administrative Agent's counsel the reasonable fees and disbursements incurred by such counsel in connection with this Amendment not later than five (5) Business Days following receipt of the related invoice.

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IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

WESTROCK FINANCIAL, INC.,
as Borrower

By: /S/Mikal B Haislip
Name: Mikal B. Haislip
Title: Treasurer

WESTROCK CONVERTING, LLC,
as Servicer

By: /S/John D. Stakel
Name: John D. Stakel
Title: Senior Vice President and Treasurer

COÖPERATIEVE RABOBANK, U.A., New York Branch, as Administrative Agent and as a Committed Lender

By: /S/Christopher Lew
Name: Christopher Lew
Title: Managing Director

By: /S/Stephen G. Adams
Name: Stephen G. Adams
Title: Managing Director

TD BANK, N.A.,
as a Committed Lender

By: _/S/Uk-Sun Kim___________________________
Name: Uk-Sun Kim
Title: Senior Vice President

MUFG BANK, LTD., as a Committed Lender

By: /S/Eric Williams
Name: Eric Williams
Title: Managing Director

SUMITOMO MITSUI BANKING CORPORATION,
as a Committed Lender

By: /S/Jun Ashley______________________________
Name: Jun Ashley
Title: Director

WELLS FARGO BANK, N.A., as a Committed Lender

By: /S/Eero Maki_______________________
Name: Eero Maki
Title: Managing Director

BANK OF NOVA SCOTIA,
as a Committed Lender

By: /S/Doug Noe______________________________
Name: Doug Noe
Title: Managing Director

MIZUHO BANK, LTD., as a Committed Lender

By: /S/Richard A. Burke__________________________
Name: Richard A. Burke
Title: Managing Director

Schedule I

[Closing Checklist]

Exhibit 31.1

CERTIFICATION ACCOMPANYING PERIODIC REPORT
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Steven C. Voorhees, Chief Executive Officer and President, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of WestRock Company;
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 (the registrant's fourth fiscal quarter in the case of an annual report) 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: May 6, 2020

/s/ Steven C. Voorhees
Steven C. Voorhees
Chief Executive Officer and President

A signed original of this written statement required by Section 302, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 302, has been provided to WestRock Company and will be retained by WestRock Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.2

CERTIFICATION ACCOMPANYING PERIODIC REPORT
PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Ward H. Dickson, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of WestRock Company;

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 (the registrant's fourth fiscal quarter in the case of an annual report) 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: May 6, 2020

/s/ Ward H. Dickson
Ward H. Dickson
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 302, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 302, has been provided to WestRock Company and will be retained by WestRock Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of WestRock Company (the " **Corporation** "), for the quarter ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the " **Report** "), the undersigned, Steven C. Voorhees, Chief Executive Officer and President of the Corporation, and Ward H. Dickson, Executive Vice President and Chief Financial Officer of the Corporation, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(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 Corporation.

/s/ Steven C. Voorhees
Steven C. Voorhees
Chief Executive Officer and President
May 6, 2020

/s/ Ward H. Dickson
Ward H. Dickson
Executive Vice President and Chief Financial Officer
May 6, 2020