

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **May 5, 2021**

WestRock Company

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction of
incorporation)

001-38736
(Commission
File Number)

37-1880617
(IRS Employer
Identification No.)

1000 Abernathy Road, Atlanta, Georgia
(Address of principal executive offices)

30328
(Zip Code)

(770) 448-2193
(Registrant's telephone number, including area code)

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

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

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

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

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 is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

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

Item 2.02. Results of Operations and Financial Condition

On May 5, 2021, WestRock Company issued a press release announcing WestRock's financial results for the second quarter of fiscal 2021. A copy of the press release is attached as Exhibit 99.1.

The information provided pursuant to this Item 2.02, including Exhibit 99.1 in Item 9.01, is "furnished" and shall not be deemed to be "filed" with the Securities and Exchange Commission (the "SEC") or incorporated by reference in any filing under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the Securities Act of 1933, as amended (the "Securities Act"), except as shall be expressly set forth by specific reference in any such filings.

Item 7.01. Regulation FD Disclosure

On May 5, 2021, WestRock will host a conference call during which it will discuss WestRock's financial results for the second quarter of fiscal 2021 and other topics that may be raised during the discussion. The presentation to be used in connection with the conference call is attached as Exhibit 99.2.

The information provided pursuant to this Item 7.01, including Exhibit 99.2 in Item 9.01, is "furnished" and shall not be deemed to be "filed" with the SEC or incorporated by reference in any filing under the Exchange Act or the Securities Act, except as shall be expressly set forth by specific reference in any such filings.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

[99.1 Press release dated May 5, 2021](#)

[99.2 Q2 FY21 Results](#)

SIGNATURES

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

WESTROCK COMPANY
(Registrant)

Date: May 5, 2021

By: /s/ Robert B. McIntosh
Robert B. McIntosh
Executive Vice-President, General Counsel and Secretary

WestRock Reports Fiscal 2021 Second Quarter Results and Increase in Quarterly Dividend

ATLANTA--(BUSINESS WIRE)--May 5, 2021--WestRock Company (NYSE:WRK), a leading provider of differentiated paper and packaging solutions, today announced results for its fiscal second quarter ended March 31, 2021.

Notable items include:

- Record second quarter North American per day box shipments up 5.5% compared to the prior year quarter
- Successfully implementing published PPW price increases across all major paper grades
- Quarterly dividend of \$0.24 per share declared by Board of Directors, an increase of \$0.04 per share, or 20%, as separately announced
- Net sales of \$4.4 billion, flat to the prior year quarter despite \$189 million of lost sales due to the impact of the ransomware incident and winter weather ("the Events")
- Earned \$0.42 per diluted share and \$0.54 of Adjusted Earnings Per Diluted Share
- The lost sales and operational disruption from the Events had a negative impact of \$80 million pre-tax, or \$0.23 per share, on both earnings per diluted share and Adjusted Earnings Per Diluted Share

"WestRock has a broad portfolio of differentiated products that uniquely positions us to serve our customers and the growing demand for sustainable packaging solutions. We have made a remarkable recovery from the incidents in the second quarter, and I want to thank our teammates for their dedication to our company and our customers," said David B. Sewell, chief executive officer. "With these events behind us, we are confident in our business and our ability to generate strong cash flow, which is evident by our dividend increase announced today. I look forward to what's ahead for our company."

Consolidated Financial Results

During the second quarter of fiscal 2021, we lost approximately 167,000 tons of containerboard and paperboard production due to the Events. The impact on net sales and segment income from the lost sales and operational disruption during the quarter was \$189 million and \$80 million, respectively. We also incurred approximately \$20 million of ransomware recovery costs, primarily professional fees, that were added back to Adjusted Earnings Per Diluted Share and Adjusted Segment EBITDA. We expect to recover the ransomware losses from cyber and business interruption insurance in future periods.

WestRock's performance for the three months ended March 31, 2021 and March 31, 2020 (in millions):

	Three Months Ended		
	Mar. 31, 2021	Mar. 31, 2020	Change
Net sales	\$ 4,437.8	\$ 4,447.3	\$ (9.5)
Segment income	\$ 286.5	\$ 335.3	\$ (48.8)
Non-allocated expenses	(39.5)	(17.6)	(21.9)
Depreciation	264.7	266.6	(1.9)
Amortization	96.7	107.9	(11.2)
Segment EBITDA	608.4	692.2	(83.8)
Adjustments (1)	32.1	16.2	15.9
Adjusted Segment EBITDA	\$ 640.5	\$ 708.4	\$ (67.9)

(1) See the Adjusted Net Income tables on page 11 for adjustments

Operating Highlights for the Three Months Ended March 31, 2021 compared to March 31, 2020:

Net sales decreased \$10 million compared to the prior year quarter. Corrugated Packaging segment net sales increased \$31 million and Consumer Packaging segment net sales decreased \$26 million. The volume impact on net sales of the Events was \$189 million. Segment income decreased \$49 million compared to the prior year quarter. Corrugated Packaging segment income decreased \$39 million and Consumer Packaging segment income decreased \$10 million.

Additional information about the changes in segment net sales and income is included below.

Restructuring and Other Items

Restructuring and other items during the second quarter of fiscal 2021 was \$5 million, primarily related to severance, lease termination costs and costs associated with previously announced plant consolidations.

Net Cash Provided By Operating Activities and Other Financing and Investing Activities

Net cash provided by operating activities was \$132 million in the second quarter of fiscal 2021 compared to \$168 million in the prior year quarter. The decline was primarily due to lower income as a result of the impact of the Events, as well as an increase in accounts receivable associated with delayed billing due to the ransomware incident. We expect the level of accounts receivables to normalize in the third quarter of fiscal 2021.

Total debt was \$8.94 billion at March 31, 2021, or \$8.74 billion excluding \$201 million of unamortized fair market value step-up of debt acquired in mergers and acquisitions, and \$8.41 billion after further excluding cash and cash equivalents of \$334 million. The Company had approximately \$3.6 billion of available liquidity under long-term committed credit facilities and cash and cash equivalents at March 31, 2021. During the second quarter of fiscal 2021, WestRock invested \$132 million in capital expenditures, paid \$53 million in dividends to stockholders and received \$59 million of proceeds from the sale of the Summerville, South Carolina sawmill.

Segment Results

WestRock's segment performance for the three months ended March 31, 2021 and March 31, 2020 (in millions):

Corrugated Packaging Segment

	Three Months Ended		
	Mar. 31, 2021	Mar. 31, 2020	Change
Segment net sales	\$ 2,913.4	\$ 2,882.5	\$ 30.9
Segment income	\$ 205.3	\$ 244.5	\$ (39.2)
Depreciation	183.4	181.9	1.5
Amortization	46.5	57.7	(11.2)
Segment EBITDA	435.2	484.1	(48.9)
Adjustments (1)	2.4	18.2	(15.8)
Adjusted Segment EBITDA	<u>\$ 437.6</u>	<u>\$ 502.3</u>	<u>\$ (64.7)</u>

(1) See the Adjusted Net Income tables on page 11 for adjustments

Operating Highlights for the Three Months Ended March 31, 2021 compared to March 31, 2020:

Segment net sales increased \$31 million, primarily due to higher selling price/mix on sales that was partially offset by unfavorable foreign currency impacts and lower volumes. The estimated impact of the Events on segment net sales was \$117 million. The Corrugated Packaging segment delivered a Segment EBITDA margin of 14.9% and a North American Adjusted Segment EBITDA margin of 16.5%. Record second quarter North American per day box shipments increased 5.5% compared to the prior year quarter.

Segment income decreased \$39 million, primarily due to net cost inflation and the impact of the Events, which were partially offset by the margin impact from higher selling price/mix and other items.

Consumer Packaging Segment

	Three Months Ended		
	Mar. 31, 2021	Mar. 31, 2020	Change
Segment net sales	\$ 1,589.9	\$ 1,616.3	\$ (26.4)
Segment income	\$ 81.2	\$ 90.8	\$ (9.6)
Depreciation	79.9	83.0	(3.1)
Amortization	50.2	50.2	-
Segment EBITDA	211.3	224.0	(12.7)
Adjustments (1)	1.0	(2.0)	3.0
Adjusted Segment EBITDA	<u>\$ 212.3</u>	<u>\$ 222.0</u>	<u>\$ (9.7)</u>

(1) See Adjusted Net Income tables on page 11 for adjustments

Operating Highlights for the Three Months Ended March 31, 2021 compared to March 31, 2020:

Segment net sales decreased \$26 million, primarily due to lower volumes that were partially offset by favorable foreign currency impacts and higher selling price/mix on sales. The estimated impact of the Events on segment net sales was \$72 million. The Consumer Packaging segment delivered a Segment EBITDA margin of 13.3% and an Adjusted Segment EBITDA margin of 13.4%.

Segment income decreased \$10 million, primarily due net cost inflation and the impact of the Events, which were partially offset by the margin impact from higher selling price/mix, productivity improvements and other items.

Conference Call

WestRock will host a conference call to discuss its results of operations for the fiscal second quarter ended March 31, 2021 and other topics that may be raised during the discussion at 8:30 a.m., Eastern Time, on Wednesday, May 5, 2021. The conference call, which will be webcast live, an accompanying slide presentation, and this release can be accessed at ir.westrock.com.

Investors who wish to participate in the webcast via teleconference should dial 833-714-0928 (inside the U.S.) or 778-560-2887 (outside the U.S.) at least 15 minutes prior to the start of the call and enter the passcode 8761675. Replays of the call can be accessed at ir.westrock.com.

About WestRock

WestRock (NYSE:WRK) partners with our customers to provide differentiated paper and packaging solutions that help them win in the marketplace. WestRock's team members support customers around the world from locations spanning North America, South America, Europe, Asia and Australia. Learn more at www.westrock.com.

Cautionary Statements

This release may contain 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 are typically identified by words or phrases such as "may," "will," "could," "should," "would," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "prospects," "potential" and "forecast," and other words, terms and phrases of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. The Company cautions readers that a forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. Such forward-looking statements include, but are not limited to, that with the ransomware incident and winter weather behind us, we are confident in our business and our ability to generate strong cash flow; we expect to recover the ransomware losses from cyber and business interruption insurance in future periods; and we expect the level of accounts receivable to normalize in the third quarter of fiscal 2021. With respect to these statements, the Company has made assumptions regarding, among other things, developments related to the COVID-19 pandemic, 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 the Company's operations, impacts of the pandemic on commercial activity, the Company's customers and consumer preferences and demand, supply chain disruptions, and disruptions in the credit or financial markets; the Company's ability to effectively integrate the operations of KapStone Paper and Packaging Corporation ("KapStone"); the Company's ability to effectively respond to the recent ransomware incident; the results and impacts of acquisitions; economic, competitive and market conditions generally, including the impact of COVID-19; volumes and price levels of purchases by customers; competitive conditions in the Company's businesses and 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, and costs related to resolving disputes with third parties with which we work to manage and implement our capital projects; 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. The Company's businesses are subject to a number of risks that would affect any such forward-looking statements, including, among others, 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; increases in energy, raw materials, shipping and capital equipment costs; reduced supply of raw materials; the Company's ongoing assessment of the recent ransomware incident, adverse legal, reputational and financial effects on the Company resulting from the incident or additional cyber incidents and the effectiveness of the Company's business continuity plans during the ransomware incident; fluctuations in selling prices and volumes; intense competition; the potential loss of certain customers; the scope, costs, timing and impact of any restructuring of our operations and corporate and tax structure; 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, including those related to COVID-19; our desire or ability to continue to repurchase company stock; the scope, timing and outcome of any litigation, claims or other proceedings or dispute resolutions and the impact of any such litigation; our ability to realize anticipated synergies from the KapStone acquisition; and adverse changes in general market and industry conditions. Such risks and other factors that may impact management's assumptions are more particularly described in our filings with the Securities and Exchange Commission, including in Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2020. The information contained herein speaks as of the date hereof and the Company does not have or undertake any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

WestRock Company
Condensed Consolidated Statements of Income
In millions, except per share amounts (unaudited)

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2021	2020	2021	2020
Net sales	\$ 4,437.8	\$ 4,447.3	\$8,839.3	\$8,871.0
Cost of goods sold	3,688.2	3,642.5	7,336.8	7,257.2
Gross profit	749.6	804.8	1,502.5	1,613.8
Selling, general and administrative, excluding intangible amortization	458.4	418.6	876.2	844.3
Selling, general and administrative intangible amortization	88.6	100.1	180.5	201.9
Loss (gain) on disposal of assets	0.3	(5.6)	2.8	(6.9)
Multiemployer pension withdrawal expense	-	0.9	-	0.9
Restructuring and other costs	5.2	16.4	12.9	46.5
Operating profit	197.1	274.4	430.1	527.1
Interest expense, net	(83.5)	(97.3)	(177.3)	(190.8)
Loss on extinguishment of debt	-	(0.5)	(1.1)	(0.5)
Pension and other postretirement non-service income	35.0	26.1	69.9	52.8
Other (expense) income, net	(13.4)	(0.9)	7.4	(4.6)
Equity in income of unconsolidated entities	9.7	4.9	18.7	8.7
Income before income taxes	144.9	206.7	347.7	392.7
Income tax expense	(30.5)	(57.8)	(80.8)	(104.3)
Consolidated net income	114.4	148.9	266.9	288.4
Less: Net income attributable to noncontrolling interests	(1.9)	(0.8)	(2.4)	(1.8)
Net income attributable to common stockholders	\$ 112.5	\$ 148.1	\$ 264.5	\$ 286.6

Computation of diluted earnings per share under the two-class method (in millions, except per share data):

Net income attributable to common stockholders	\$ 112.5	\$ 148.1	\$ 264.5	\$ 286.6
Less: Distributed and undistributed income available to participating securities	(0.1)	(0.1)	(0.1)	(0.1)
Distributed and undistributed income available to common stockholders	\$ 112.4	\$ 148.0	\$ 264.4	\$ 286.5
Diluted weighted average shares outstanding	267.0	260.2	265.9	260.1
Diluted earnings per share	\$ 0.42	\$ 0.57	\$ 0.99	\$ 1.10

WestRock Company
Segment Information
In millions (unaudited)

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2021	2020	2021	2020
Net sales:				
Corrugated Packaging	\$ 2,913.4	\$ 2,882.5	\$5,777.9	\$5,792.0
Consumer Packaging	1,589.9	1,616.3	3,185.0	3,153.2
Land and Development	-	-	-	18.9
Intersegment Eliminations	(65.5)	(51.5)	(123.6)	(93.1)
Total net sales	\$ 4,437.8	\$ 4,447.3	\$8,839.3	\$8,871.0

Income before income taxes:

Corrugated Packaging	\$ 205.3	\$ 244.5	\$ 420.3	\$ 527.9
Consumer Packaging	81.2	90.8	173.7	137.0
Land and Development	-	-	-	1.4
Total segment income	286.5	335.3	594.0	666.3
Gain on sale of certain closed facilities	-	5.0	0.9	5.5
Multiemployer pension withdrawal expense	-	(0.9)	-	(0.9)
Restructuring and other costs	(5.2)	(16.4)	(12.9)	(46.5)
Non-allocated expenses	(39.5)	(17.6)	(63.3)	(35.8)
Interest expense, net	(83.5)	(97.3)	(177.3)	(190.8)
Loss on extinguishment of debt	-	(0.5)	(1.1)	(0.5)
Other (expense) income, net	(13.4)	(0.9)	7.4	(4.6)
Income before income taxes	\$ 144.9	\$ 206.7	\$ 347.7	\$ 392.7

WestRock Company
Condensed Consolidated Statements of Cash Flows
In millions (unaudited)

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2021	2020	2021	2020
Cash flows from operating activities:				
Consolidated net income	\$ 114.4	\$ 148.9	\$ 266.9	\$ 288.4
Adjustments to reconcile consolidated net income to net cash provided by operating activities:				
Depreciation, depletion and amortization	361.4	374.5	725.9	755.7
Cost of real estate sold	-	-	-	16.1
Deferred income tax (benefit) expense	(35.0)	8.3	(54.6)	11.4
Share-based compensation expense	31.1	15.8	51.1	29.6
401(k) match and company contribution in common stock	64.6	-	89.5	-
Pension and other postretirement funding more than expense (income)	(28.1)	(17.4)	(56.1)	(41.1)
Multiemployer pension withdrawal expense	-	0.9	-	0.9
Gain on sale of sawmill	(16.5)	-	(16.5)	-
Gain on sale of investment	-	-	(14.7)	-
Other impairment adjustments	22.5	-	22.5	2.2
Loss (gain) on disposal of plant and equipment and other, net	0.2	(5.3)	2.8	(6.2)
Other, net	(21.6)	1.9	(53.1)	(11.3)
Changes in operating assets and liabilities, net of acquisitions / divestitures:				
Accounts receivable	(407.2)	(214.3)	(257.0)	(60.4)
Inventories	(35.6)	20.7	(79.9)	(63.2)
Other assets	(107.3)	(61.8)	(126.6)	(132.9)
Accounts payable	116.9	(59.2)	111.5	(106.7)
Income taxes	2.1	20.5	52.7	17.7
Accrued liabilities and other	70.3	(65.9)	187.2	(101.4)
Net cash provided by operating activities	<u>132.2</u>	<u>167.6</u>	<u>851.6</u>	<u>598.8</u>
Investing activities:				
Capital expenditures	(132.3)	(241.4)	(303.0)	(616.2)
Investment in unconsolidated entities	-	(0.4)	(0.1)	(0.7)
Proceeds from sale of sawmill	58.5	-	58.5	-
Proceeds from sale of investment	5.0	-	28.3	-
Proceeds from sale of property, plant and equipment	1.1	13.4	3.1	21.3
Proceeds from property, plant and equipment insurance settlement	1.7	-	1.7	1.4
Other, net	11.2	-	16.3	4.9
Net cash used for investing activities	<u>(54.8)</u>	<u>(228.4)</u>	<u>(195.2)</u>	<u>(589.3)</u>
Financing activities:				
Additions to revolving credit facilities	215.0	375.0	395.0	375.0
Repayments of revolving credit facilities	(265.0)	(45.0)	(275.0)	(65.0)
Additions to debt	244.4	478.7	255.2	580.1
Repayments of debt	(152.5)	(204.2)	(857.0)	(208.2)
Repayments of commercial paper, net	-	(45.7)	-	(34.8)
Other debt (repayments) additions, net	(14.6)	122.2	7.0	85.9
Issuances of common stock, net of related tax withholdings	12.6	(2.1)	0.2	13.4
Cash dividends paid to stockholders	(53.2)	(120.7)	(105.8)	(240.7)
Cash distributions paid to noncontrolling interests	(0.3)	(0.4)	(0.7)	(0.7)
Other, net	13.1	10.6	(3.5)	2.1
Net cash (used for) provided by financing activities	<u>(0.5)</u>	<u>568.4</u>	<u>(584.6)</u>	<u>507.1</u>
Effect of exchange rate changes on cash and cash equivalents	3.3	(23.8)	11.1	(28.0)
Increase in cash and cash equivalents and restricted cash	80.2	483.8	82.9	488.6
Cash and cash equivalents, and restricted cash at beginning of period	253.8	156.4	251.1	151.6
Cash and cash equivalents, and restricted cash at end of period	<u>\$ 334.0</u>	<u>\$ 640.2</u>	<u>\$ 334.0</u>	<u>\$ 640.2</u>

Supplemental disclosure of cash flow information:

Cash paid during the period for:				
Income taxes, net of refunds	\$ 63.4	\$ 30.0	\$ 82.2	\$ 75.1
Interest, net of amounts capitalized	\$ 132.7	\$ 151.3	\$ 174.7	\$ 204.4

WestRock Company
Condensed Consolidated Balance Sheets
In millions (unaudited)

March 31, September 30,
2021 2020

Assets

Current assets:		
Cash and cash equivalents	\$ 334.0	\$ 251.1
Accounts receivable (net of allowances of \$71.5 and \$66.3)	2,416.2	2,142.7
Inventories	2,090.9	2,023.4
Other current assets	529.8	520.5
Assets held for sale	13.7	7.0
Total current assets	<u>5,384.6</u>	<u>4,944.7</u>
Property, plant and equipment, net	10,572.5	10,778.9
Goodwill	5,959.1	5,962.2
Intangibles, net	3,499.9	3,667.2
Restricted assets held by special purpose entities	1,264.0	1,267.5
Prepaid pension asset	436.8	368.7
Other assets	1,855.0	1,790.5
Total Assets	<u>\$ 28,971.9</u>	<u>\$ 28,779.7</u>

Liabilities and Equity

Current liabilities:		
Current portion of debt	\$ 549.5	\$ 222.9
Accounts payable	1,796.8	1,674.2
Accrued compensation and benefits	515.1	386.7
Other current liabilities	691.3	645.1
Total current liabilities	<u>3,552.7</u>	<u>2,928.9</u>
Long-term debt due after one year	8,393.1	9,207.7
Pension liabilities, net of current portion	298.5	305.2
Postretirement medical liabilities, net of current portion	147.0	145.4
Non-recourse liabilities held by special purpose entities	1,132.0	1,136.5
Deferred income taxes	2,872.6	2,916.9
Other long-term liabilities	1,503.8	1,490.3
Redeemable noncontrolling interests	2.2	1.3
Total stockholders' equity	11,051.9	10,630.6
Noncontrolling interests	18.1	16.9
Total Equity	<u>11,070.0</u>	<u>10,647.5</u>
Total Liabilities and Equity	<u>\$ 28,971.9</u>	<u>\$ 28,779.7</u>

Non-GAAP Financial Measures and Reconciliations

WestRock reports its financial results in accordance with accounting principles generally accepted in the United States ("GAAP"). However, management believes certain non-GAAP financial measures provide investors and other users with additional meaningful financial information that should be considered when assessing our ongoing performance. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions, and in evaluating WestRock's performance. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, WestRock's GAAP results. The non-GAAP financial measures we present may differ from similarly captioned measures presented by other companies. We discuss below details of the non-GAAP financial measures presented by us and provide reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP.

Adjusted Segment EBITDA and Adjustments to Segment EBITDA

WestRock uses the non-GAAP financial measure "Adjusted Segment EBITDA", along with other factors, to evaluate our segment performance. Management believes adjusting "Segment EBITDA" for certain items provides WestRock's board of directors, investors, potential investors, securities analysts and others with useful information to evaluate WestRock's performance across periods or relative to our peers, and that adjusting "Segment EBITDA" to "Adjusted Segment EBITDA" more closely aligns those results to the adjustments in Adjusted Net Income that relate to "Segment EBITDA". The consolidated financial results and segment tables include a reconciliation of "Adjusted Segment EBITDA" to "Segment EBITDA" by adding certain "Adjustments" to "Segment EBITDA". These "Adjustments" are reflected in the "Adjusted Net Income" reconciliation tables below.

Adjusted Segment Sales and Adjusted Segment EBITDA Margins

With respect to Adjusted Segment Sales, management believes that adjusting Segment Sales for trade sales is consistent with how peers present their sales for purposes of computing margins and helps analysts compare companies in the same peer group. WestRock uses the non-GAAP financial measure "Adjusted Segment EBITDA Margins", along with other factors, to evaluate our segment performance against our peers. Management believes this measure is also useful to investors to evaluate WestRock's performance relative to its peers. "Segment EBITDA Margin" is calculated for each segment by dividing that segment's Segment EBITDA by Segment sales. "Adjusted Segment EBITDA Margin" is calculated for each segment by dividing that segment's Adjusted Segment EBITDA by Adjusted Segment Sales.

Adjusted Net Income, Adjusted Earnings Per Diluted Share

WestRock uses the non-GAAP financial measures "Adjusted Net Income" and "Adjusted Earnings Per Diluted Share". Management believes these measures provide WestRock's board of directors, investors, potential investors, securities analysts and others with useful information to evaluate WestRock's performance because they exclude restructuring and other costs and other specific items that management believes are not indicative of the ongoing operating results of the business. WestRock and its board of directors use this information to evaluate WestRock's performance relative to other periods. WestRock believes that the most directly comparable GAAP measures to Adjusted Net Income and Adjusted Earnings Per Diluted Share are Net income attributable to common stockholders, represented in the table below as the GAAP Results for Consolidated net income (i.e. Net of Tax) less net income attributable to Noncontrolling interests, and Earnings per diluted share, respectively. This release includes a reconciliation of Earnings per diluted share to Adjusted Earnings Per Diluted Share. Set forth below is a reconciliation of Adjusted net income to Net income attributable to common stockholders for the periods indicated (in millions):

Three Months Ended March 31, 2021

	Adjustments to Segment EBITDA			Consolidated Results		
	Corrugated Packaging	Consumer Packaging	Other	Pre-Tax	Tax	Net of Tax
GAAP Results (1)				\$144.9	\$(30.5)	\$ 114.4
Grupo Gondi option	n/a	n/a	n/a	22.5	(6.7)	15.8
Ransomware recovery costs	2.0	0.8	17.0	19.8	(4.9)	14.9
Accelerated compensation - former CEO	-	-	11.7	11.7	-	11.7
Restructuring and other items	n/a	n/a	n/a	5.2	(1.4)	3.8
Losses at closed plants, transition and start-up costs (2)	0.4	0.2	-	0.8	(0.2)	0.6
Accelerated depreciation on major capital projects and certain plant closures (2)	n/a	n/a	n/a	0.5	(0.2)	0.3
Gain on sale of sawmill	n/a	n/a	n/a	(16.5)	8.3	(8.2)
MEPP liability adjustment due to interest rates	n/a	n/a	n/a	(8.1)	2.0	(6.1)
Adjustments / Adjusted Results	\$ 2.4	\$ 1.0	\$ 28.7	\$180.8	\$(33.6)	\$ 147.2
Noncontrolling interests						(1.9)
Adjusted Net Income						\$ 145.3

(1) The GAAP results 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.

(2) The variance between the Pre-Tax column and the sum of the Adjustments to Segment EBITDA is depreciation and amortization.

Three Months Ended March 31, 2020

	Adjustments to Segment EBITDA			Consolidated Results		
	Corrugated Packaging	Consumer Packaging	L&D and Other	Pre-Tax	Tax	Net of Tax
GAAP Results (1)				\$206.7	\$(57.8)	\$ 148.9
North Charleston and Florence transition and reconfiguration costs (2)	19.6	-	-	21.8	(5.4)	16.4
Restructuring and other items	n/a	n/a	n/a	16.4	(3.9)	12.5
Losses at closed plants, transition and start-up costs (2)	6.8	1.5	-	9.1	(2.5)	6.6
Accelerated depreciation on major capital projects and certain plant closures (2)	n/a	n/a	n/a	5.5	(1.3)	4.2
Multiemployer pension withdrawal expense	n/a	n/a	n/a	0.9	(0.2)	0.7
Loss on extinguishment of debt	n/a	n/a	n/a	0.5	(0.1)	0.4
Litigation recovery	(7.2)	(4.3)	n/a	(11.5)	2.8	(8.7)
Gain on sale of certain closed facilities	n/a	n/a	n/a	(5.0)	1.2	(3.8)
Brazil indirect tax (3)	(0.4)	-	-	(1.3)	0.3	(1.0)
Hurricane Michael recovery of direct costs, net	\$ (0.6)	\$ -	\$ -	(0.6)	0.2	(0.4)
Other	-	0.8	-	0.8	(0.2)	0.6
Adjustments / Adjusted Results	\$ 18.2	\$ (2.0)	\$ -	\$243.3	\$(66.9)	\$ 176.4
Noncontrolling interests						(0.8)
Adjusted Net Income						\$ 175.6

(1) The GAAP results 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.

(2) The variance between the Pre-Tax column and the sum of the Adjustments to Segment EBITDA is depreciation and amortization.

(3) The variance between the Pre-Tax column and the sum of the Adjustments to Segment EBITDA is interest income.

Adjusted Earnings Per Diluted Share

Set forth below is a reconciliation of Adjusted Earnings Per Diluted Share to Earnings per diluted share.

	<u>Three Months Ended</u>	
	<u>Mar. 31,</u>	<u>Mar. 31,</u>
	<u>2021</u>	<u>2020</u>
Earnings per diluted share	\$ 0.42	\$ 0.57
Grupo Gondi option	0.06	-
Ransomware recovery costs	0.06	-
Accelerated compensation - former CEO	0.04	-
Restructuring and other items	0.01	0.04
Losses at closed plants, transition and start-up costs	-	0.03
Accelerated depreciation on major capital projects and certain plant closures	-	0.02
Gain on sale of sawmill	(0.03)	-
MEPP liability adjustment due to interest rates	(0.02)	-
North Charleston and Florence transition and reconfiguration costs	-	0.06
Litigation recovery	-	(0.03)
Gain on sale of certain closed facilities	-	(0.02)
Adjusted Earnings Per Diluted Share	<u>\$ 0.54</u>	<u>\$ 0.67</u>

Set forth below are reconciliations of Adjusted Segment Sales, Adjusted Segment EBITDA and Adjusted Segment EBITDA Margins to the most directly comparable GAAP measures, Segment Sales and Segment Income, for the quarters ended March 31, 2021 and March 31, 2020 (in millions, except percentages):

Reconciliation for the Quarter Ended March 31, 2021

	Corrugated Packaging	Consumer Packaging	Corporate / Elim.	Consolidated
Segment sales / Net sales	\$ 2,913.4	\$ 1,589.9	\$ (65.5)	\$ 4,437.8
Less: Trade sales	(71.1)	-	-	(71.1)
Adjusted Segment Sales	\$ 2,842.3	\$ 1,589.9	\$ (65.5)	\$ 4,366.7
Segment income (1)	\$ 205.3	\$ 81.2	\$ -	\$ 286.5
Non-allocated expenses	-	-	(39.5)	(39.5)
Depreciation & amortization	229.9	130.1	1.4	361.4
Segment EBITDA	435.2	211.3	(38.1)	608.4
Adjustments (2)	2.4	1.0	28.7	32.1
Adjusted Segment EBITDA	\$ 437.6	\$ 212.3	\$ (9.4)	\$ 640.5
Segment EBITDA Margins	14.9%	13.3%		
Adj. Segment EBITDA Margins	15.4%	13.4%		

(1) Segment income includes pension and other postretirement income (expense)

(2) See the Adjusted Net Income tables on page 11 for adjustments

Corrugated Reconciliation for the Quarter Ended March 31, 2021

	North American Corrugated	Brazil Corrugated	Other (1)	Total Corrugated Packaging
Segment sales	\$ 2,540.9	\$ 96.5	\$ 276.0	\$ 2,913.4
Less: Trade sales	(71.1)	-	-	(71.1)
Adjusted Segment Sales	\$ 2,469.8	\$ 96.5	\$ 276.0	\$ 2,842.3
Segment income (2)	\$ 192.2	\$ 5.3	\$ 7.8	\$ 205.3
Depreciation & amortization	212.7	11.2	6.0	229.9
Segment EBITDA	404.9	16.5	13.8	435.2
Adjustments (3)	2.3	-	0.1	2.4
Adjusted Segment EBITDA	\$ 407.2	\$ 16.5	\$ 13.9	\$ 437.6
Segment EBITDA Margins	15.9%	17.1%		14.9%
Adj. Segment EBITDA Margins	16.5%	17.1%		15.4%

(1) The "Other" column includes our Victory Packaging and India corrugated operations.

(2) Segment income includes pension and other postretirement income (expense)

(3) See the Adjusted Net Income tables on page 11 for adjustments

Reconciliation for the Quarter Ended March 31, 2020

	Corrugated Packaging	Consumer Packaging	Corporate / Elim.	Consolidated
Segment sales / Net sales	\$ 2,882.5	\$1,616.3	\$ (51.5)	\$ 4,447.3
Less: Trade sales	(96.2)	-	-	(96.2)
Adjusted Segment Sales	\$ 2,786.3	\$1,616.3	\$ (51.5)	\$ 4,351.1
Segment income (1)	\$ 244.5	\$ 90.8	\$ -	\$ 335.3
Non-allocated expenses	-	-	(17.6)	(17.6)
Depreciation & amortization	239.6	133.2	1.7	374.5
Segment EBITDA	484.1	224.0	(15.9)	692.2
Adjustments (2)	18.2	(2.0)	-	16.2
Adjusted Segment EBITDA	\$ 502.3	\$ 222.0	\$ (15.9)	\$ 708.4
Segment EBITDA Margins	16.8%	13.9%		
Adj. Segment EBITDA Margins	18.0%	13.7%		

(1) Segment income includes pension and other postretirement income (expense)

(2) See the Adjusted Net Income tables on page 11 for adjustments

Corrugated Reconciliation for the Quarter Ended March 31, 2020

	North American Corrugated	Brazil Corrugated	Total Corrugated Other (1)	Total Corrugated Packaging
Segment sales	\$ 2,542.9	\$ 100.7	\$ 238.9	\$ 2,882.5
Less: Trade sales	(96.2)	-	-	(96.2)
Adjusted Segment Sales	\$ 2,446.7	\$ 100.7	\$ 238.9	\$ 2,786.3
Segment income	\$ 228.4	\$ 13.4	\$ 2.7	\$ 244.5
Depreciation & amortization	221.1	12.2	6.3	239.6
Segment EBITDA	449.5	25.6	9.0	484.1
Adjustments (2)	15.9	2.3	-	18.2
Adjusted Segment EBITDA	\$ 465.4	\$ 27.9	\$ 9.0	\$ 502.3
Segment EBITDA Margins	17.7%	25.4%		16.8%
Adj. Segment EBITDA Margins	19.0%	27.7%		18.0%

(1) The "Other" column includes our Victory Packaging and India corrugated operations.

(2) See the Adjusted Net Income tables on page 11 for adjustments

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WESTROCK Q2 FY2021 RESULTS

MAY 5, 2021

FLORENCE, SOUTH CAROLINA CONTAINERBOARD MILL



FORWARD LOOKING STATEMENTS; NON-GAAP FINANCIAL MEASURES

FORWARD LOOKING STATEMENTS:

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to the statements on the slides entitled "Florence Containerboard Mill", "Q2 FY21 WestRock Results", "FY21 Guidance", "Productivity Improvements", "Additional Guidance", and "Key Commodity Annual Consumption Volumes" that give guidance or estimates for future periods as well as statements regarding, among other things, (i) that the Florence mill will be one of the lowest cost virgin mills in North America and is expected to ramp up to full production by the end of fiscal fourth quarter; (ii) that we expect to recover insured losses in future periods; (iii) the guidance listed on slide 10; (iv) our expectation that (A) the Florence, SC mill capital project will generate \$30 million in EBITDA improvement in FY21 with a run rate of \$55 million at full ramp up, (B) our expectation that the Porto Feliz project will generate \$10 million in EBITDA improvement in FY21 with a run rate of \$30 million at full ramp up, (C) that, with respect to Tres Barras, production will increase to approximately 750,000 tons a year, fiber mix will improve to 100% virgin fiber and we expect annual EBITDA benefit of \$70 million when fully ramped up in FY22 and (D) our expectation that run rate synergies from the KapStone acquisition, including North Charleston, will grow to more than \$240 million by the end of FY21; (v) that we expect to add \$125 million of EBITDA in FY21 as a result of the productivity improvement projects listed on slide 17; (vi) the additional guidance listed on slide 19; and (vii) the key commodity annual consumption volumes on slide 20.

Forward-looking statements are based on our current expectations, beliefs, plans or forecasts and are typically identified by words or phrases such as "may," "will," "could," "should," "would," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "prospects," "potential," and "forecast," and other words, terms and phrases of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. WestRock cautions readers that a forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. WestRock's businesses are subject to a number of risks that would affect any such forward-looking statements, including, among others, developments related to the COVID-19 pandemic, 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; decreases in demand for their products; increases in energy, raw materials, shipping and capital equipment costs; reduced supply of raw materials; our ongoing assessment of the recent ransomware incident, adverse legal, reputational and financial effects on us resulting from the incident or additional cyber incidents and the effectiveness of our business continuity plans during the ransomware incident; fluctuations in selling prices and volumes; intense competition; the potential loss of certain customers; the scope, costs, timing and impact of any restructuring of our operations and corporate and tax structure; the occurrence of a natural disaster, such as hurricanes or other unanticipated problems, such as labor difficulties, equipment failure or unscheduled maintenance and repair; risks associated with integrating KapStone's operations into our operations and our ability to realize anticipated synergies and productivity improvements; risks associated with completing our strategic capital projects on the anticipated timelines and realizing our anticipated EBITDA improvements; benefits that we expect to realize from actions that we are taking and plan to take in response to COVID-19; and adverse changes in general market and industry conditions. Such risks and other factors that may impact management's assumptions are more particularly described in our filings with the Securities and Exchange Commission, including in Item 1A under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended September 30, 2020. The information contained herein speaks as of the date hereof and WestRock does not have or undertake any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

NON-GAAP FINANCIAL MEASURES:

We report our financial results in accordance with accounting principles generally accepted in the United States ("GAAP"). However, management believes certain non-GAAP financial measures provide users with additional meaningful financial information that should be considered when assessing our ongoing performance. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating our performance. 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 presented by other companies.

We may from time to time be in possession of certain information regarding WestRock that applicable law would not require us to disclose to the public in the ordinary course of business, but would require us to disclose if we were engaged in the purchase or sale of our securities. This presentation shall not be considered to be part of any solicitation of an offer to buy or sell WestRock securities. This presentation also may not include all of the information regarding WestRock that you may need to make an investment decision regarding WestRock securities. Any investment decision should be made on the basis of the total mix of information regarding WestRock that is publicly available as of the date of the investment decision.

HIGHLIGHTS OF TODAY'S CALL

- Financial Results
 - Revenue of \$4.4 billion
 - Adjusted Segment EBITDA of \$641 million⁽¹⁾
 - Adjusted Segment EBITDA reflects \$80 million negative impact from ransomware incident and winter weather⁽¹⁾
 - Adjusted EPS of \$0.54 per share⁽¹⁾
- Strong demand conditions across packaging end markets
- Implementing published PPW price increases
- Announced 20% increase in quarterly dividend

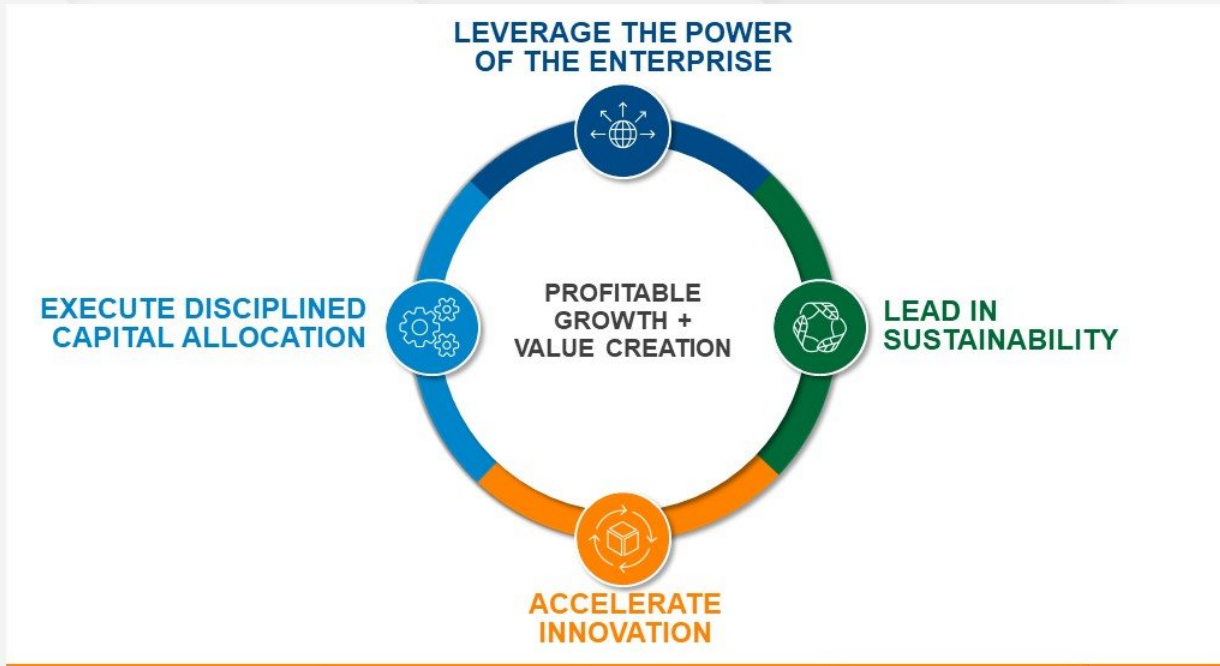


FLORENCE CONTAINERBOARD MILL

- State of the art machine
 - 710,000 tons of virgin linerboard capacity
 - Replaced three older machines
- High-performance, low basis weight, more sustainable packaging solutions
- Well-positioned to serve a diverse set of customers
- Will be one of the lowest cost virgin mills in North America
- Expect to ramp up to full production by the end of fiscal fourth quarter



PRIORITIES



Q2 FY21 WESTROCK RESULTS

\$ IN MILLIONS	SECOND QUARTER	
	FY21	FY20
Net Sales	\$4,438	\$4,447
Adjusted Segment Income ⁽¹⁾	\$280	\$342
Adjusted Segment EBITDA ⁽¹⁾	\$641	\$708
% Margin ⁽¹⁾	14.4%	15.9%
Capital Expenditures	\$132	\$241
Adjusted Free Cash Flow ⁽¹⁾	\$6	(\$65)
Adjusted Earnings Per Diluted Share ⁽¹⁾	\$0.54	\$0.67

ADJUSTED SEGMENT EBITDA (\$ IN MILLIONS)⁽¹⁾



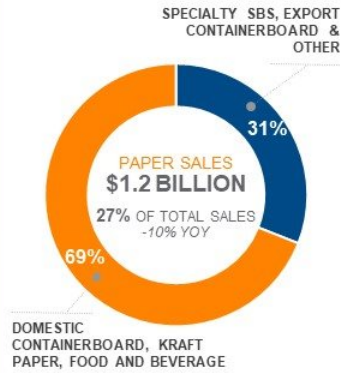
Q2 HIGHLIGHTS

- Continued strength in demand
- Implementing published PPW price increases across all grades
- Record fiscal second quarter North American per day box shipments increased 5.5% year-over-year despite winter weather impact
 - Export containerboard tons down 161,000 year-over-year
- Ransomware incident and winter weather effects
 - Negatively impacted net sales by \$189 million, Adjusted Segment EBITDA by \$80 million, and margin by approximately 110 basis points⁽¹⁾
 - Insurance recovery process underway and expect to recover losses in future periods

⁶ 1) Non-GAAP Financial Measure. See Non-GAAP Financial Measures and Reconciliations in the Appendix.

WESTROCK OVERVIEW

Q2 FY21 SALES BY END MARKET⁽¹⁾



KEY TAKEAWAYS

- ➔ Continued packaging growth across all major end markets despite weather disruption
- ➔ Improving price environment with recently published PPW price increases
- ➔ Continued focus on vertical integration and reducing exposure to export containerboard and specialty SBS

TOTAL VOLUME BY QUARTER⁽²⁾

(MILLIONS OF TONS)

	Q2 FY20	Q2 FY21
PAPER	1.83	1.56
PACKAGING	1.91	1.97
TOTAL	3.75	3.53

Q2 FY21 CORRUGATED PACKAGING RESULTS

\$ IN MILLIONS	SECOND QUARTER	
	FY21	FY20
Net Sales	\$2,913	\$2,883
Adjusted Segment Income ⁽¹⁾	\$208	\$271
Adjusted Segment EBITDA ⁽¹⁾	\$438	\$502
% Margin ⁽¹⁾	15.4%	18.0%
North American Adjusted Segment EBITDA Margin ⁽¹⁾	16.5%	19.0%
Brazil Adjusted Segment EBITDA Margin ⁽¹⁾	17.1%	27.7%

Q2 HIGHLIGHTS

- Record fiscal second quarter North American Corrugated per day box shipment growth of 5.5% year-over-year
- Strong demand growth across a broad base of end use markets
- Implementing published PPW price increases
- EBITDA impact of winter weather and ransomware of \$54 million, or approximately 140 basis points, to North American margins⁽¹⁾
- Florence ramp-up well underway; Tres Barras outage complete

ADJUSTED SEGMENT EBITDA (\$ IN MILLIONS) ⁽¹⁾



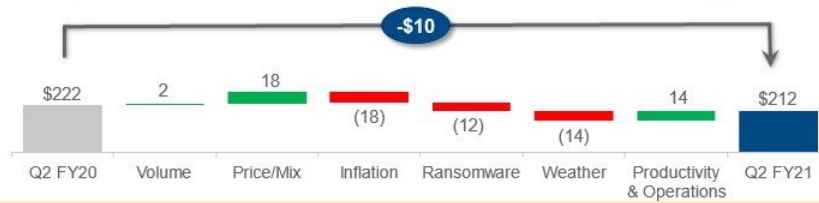
Q2 FY21 CONSUMER PACKAGING RESULTS

\$ IN MILLIONS	SECOND QUARTER	
	FY21	FY20
Net Sales	\$1,590	\$1,616
Adjusted Segment Income ⁽¹⁾	\$82	\$89
Adjusted Segment EBITDA ⁽¹⁾	\$212	\$222
% Margin ⁽¹⁾	13.4%	13.7%

Q2 HIGHLIGHTS

- Backlogs strong across all substrates at 6 to 8 weeks
- Global food & beverage packaging sales up 4.7%, driven by foodservice quick service restaurants and beverage
- Implementing published PPW price increases
- Price and productivity more than offset cost inflation
- EBITDA impact of winter weather and ransomware of \$26 million, or 100 basis points⁽¹⁾

ADJUSTED SEGMENT EBITDA (\$ IN MILLIONS) ⁽¹⁾



FY21 GUIDANCE

**\$775 - \$805
MILLION**

**Q3 FY21
ADJUSTED
SEGMENT EBITDA⁽¹⁾**

**\$0.88 - \$0.97
PER
SHARE**

**Q3 FY21
ADJUSTED EPS⁽¹⁾**

3Q FY21 Sequential Guidance Details

- Recovery of operations from Q2 disruptions
- Implementation of previously published PPW price increases across containerboard, kraft paper, SBS, CNK, CRB and URB
- Modest sequential inflation with higher recycled fiber, chemical and freight costs
- Peak mill maintenance outage quarter

FY21 Adjusted Segment EBITDA⁽¹⁾: Approx. \$3.05 Billion

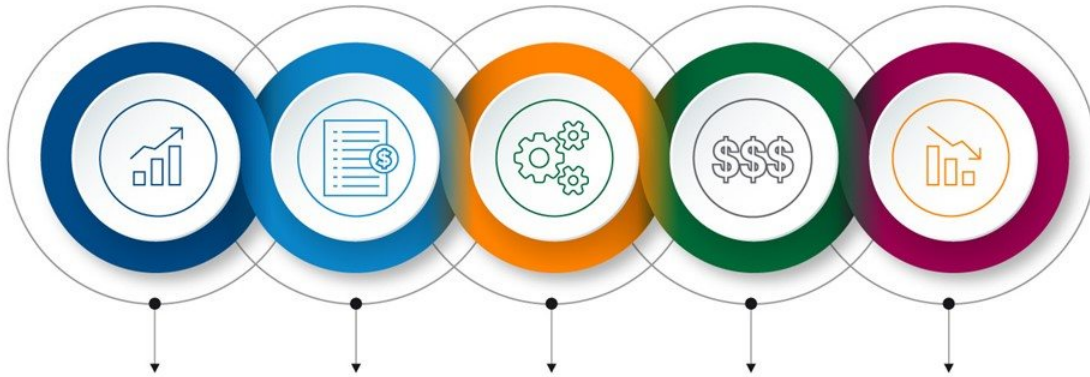
STRONG DEMAND
FOR FIBER-BASED
PAPER AND
PACKAGING

PORTFOLIO
UNIQUELY
POSITIONED TO
MEET CUSTOMER
NEEDS

PRODUCTIVITY AND
GROWTH FROM
STRATEGIC CAPITAL
INVESTMENTS

STRONG CASH
FLOWS AND
DISCIPLINED
CAPITAL
ALLOCATION

CLEAR PATH TO
DEBT AND LEVERAGE
REDUCTION



CREATING VALUE

APPENDIX

NON-GAAP FINANCIAL MEASURES

ADJUSTED EARNINGS PER DILUTED SHARE

We use the non-GAAP financial measure "adjusted earnings per diluted share," also referred to as "adjusted earnings per share" or "Adjusted EPS", because we believe this measure provides our board of directors, investors, potential investors, securities analysts and others with useful information to evaluate our performance since it excludes restructuring and other costs, net, and other specific items that we believe are not indicative of our ongoing operating results. Our management and board of directors use this information to evaluate our performance relative to other periods. We believe the most directly comparable GAAP measure is Earnings per diluted share.

ADJUSTED OPERATING CASH FLOW AND ADJUSTED FREE CASH FLOW

We use the non-GAAP financial measures "adjusted operating cash flow" and "adjusted free cash flow" because we believe these measures provide our board of directors, investors, potential investors, securities analysts and others with useful information to evaluate our performance relative to other periods because they exclude restructuring and other costs, net of tax, that we believe are not indicative of our ongoing operating results. While these measures are similar to adjusted free cash flow, we believe they provide greater comparability across periods when capital expenditures are changing since they exclude an adjustment for capital expenditures. We believe adjusted free cash flow is also a useful measure as it reflects our cash flow inclusive of capital expenditures. We believe the most directly comparable GAAP measure is net cash provided by operating activities.

ADJUSTED SEGMENT INCOME, ADJUSTED SEGMENT EBITDA AND ADJUSTED SEGMENT EBITDA MARGINS

We use the non-GAAP financial measures "adjusted segment income", "adjusted segment EBITDA" and "adjusted segment EBITDA margins", along with other factors, to evaluate our segment performance against our peers. We believe that investors use these measures to evaluate our performance relative to our peers. We calculate adjusted segment income for each segment by adding segment income to certain adjustments and calculate "adjusted segment EBITDA" by further adding depreciation, depletion and amortization. We calculate adjusted segment EBITDA margin for each segment by dividing that segment's adjusted segment EBITDA by its adjusted segment sales.

LEVERAGE RATIO, NET LEVERAGE RATIO, TOTAL FUNDED DEBT AND ADJUSTED TOTAL FUNDED DEBT

We use the non-GAAP financial measures "leverage ratio" and "net leverage ratio" as measurements of our operating performance and to compare to our publicly disclosed target leverage ratio. We believe investors use each measure to evaluate our available borrowing capacity – in the case of "net leverage ratio", adjusted for cash and cash equivalents. We define leverage ratio as our Total Funded Debt divided by our Credit Agreement EBITDA, each of which term is defined in our credit agreement, dated July 1, 2015. Borrowing capacity under our credit agreement depends on, in addition to other measures, the Credit Agreement Debt/EBITDA ratio or the leverage ratio. As of March 31, 2021, our leverage ratio was 2.91 times. While the leverage ratio under our credit agreement determines the credit spread on our debt, we are not subject to a leverage ratio cap. Our credit agreement is subject to a Debt to Capitalization and Consolidated Interest Coverage Ratio, as defined therein. We define "Adjusted Total Funded Debt" as our Total Funded Debt less cash and cash equivalents. Net Leverage Ratio is the product of Adjusted Total Funded Debt divided by our Credit Agreement EBITDA. As of March 31, 2021, our net leverage ratio was 2.80 times.

ADJUSTED NET DEBT

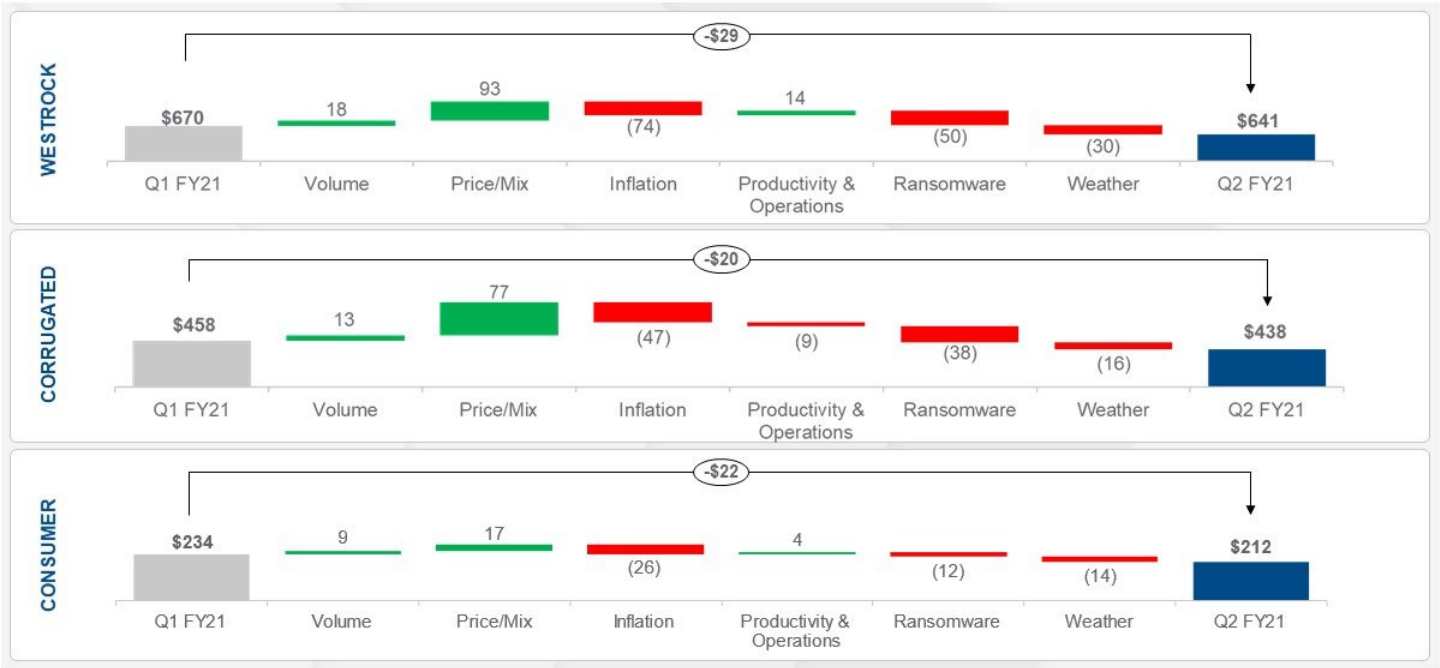
We use the non-GAAP financial measure "adjusted net debt" to measure our level of debt across periods. We define adjusted net debt as total debt as reduced by items such as cash and cash equivalents, the fair value of debt step-up, and adjusted for the impact of the October 1, 2019 lease standard adoption, to reflect comparability across periods.

FORWARD-LOOKING GUIDANCE

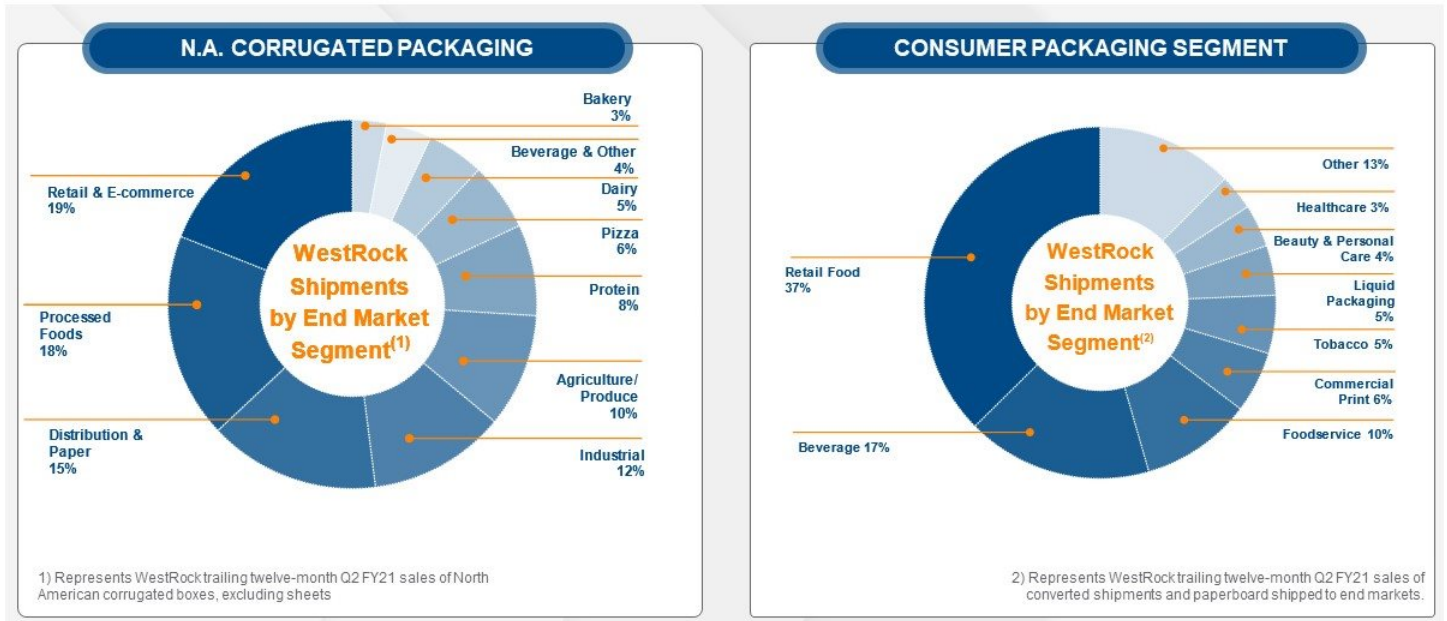
We are not providing a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP measure because we are unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort. These items include, but are not limited to, merger and acquisition-related expenses, restructuring expenses, asset impairments, litigation settlements, changes to contingent consideration and certain other gains or losses. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP reported results for the guidance period.

Q2 SEQUENTIAL BRIDGES

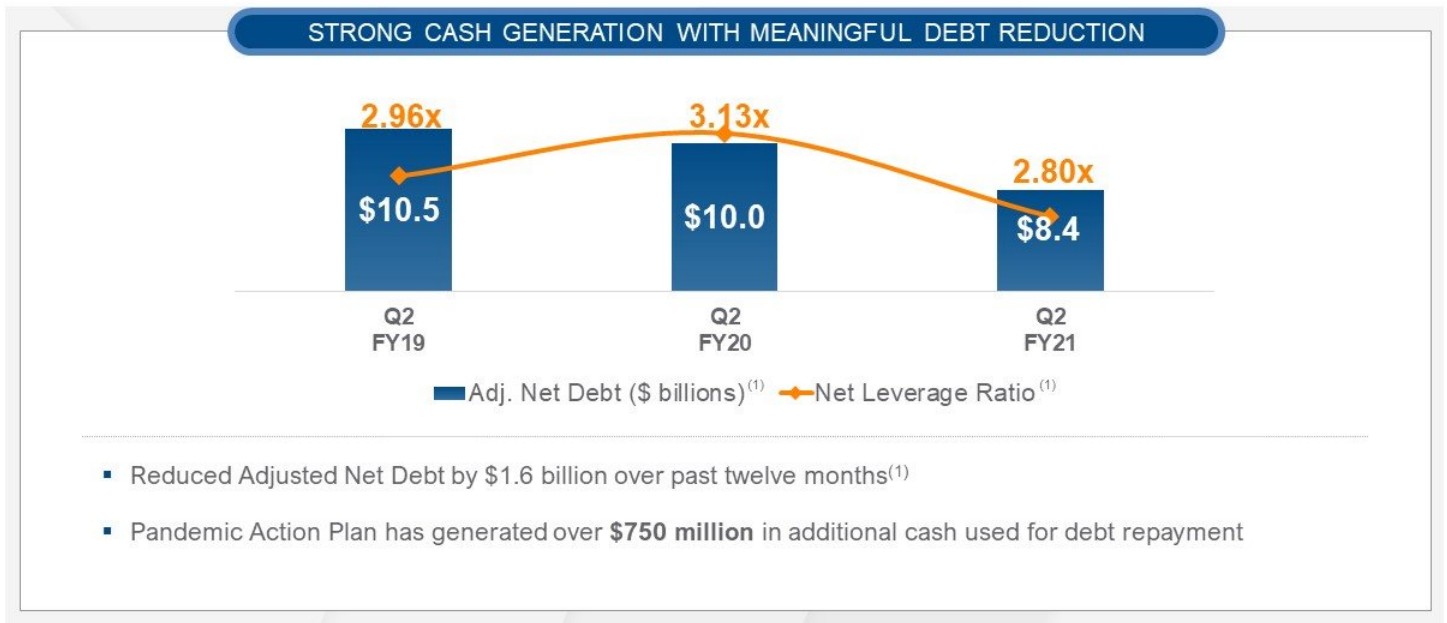
ADJUSTED SEGMENT EBITDA⁽¹⁾ (\$ IN MILLIONS)



WESTROCK SERVES DIVERSE END MARKET SEGMENTS



UPDATE ON WESTROCK PANDEMIC ACTION PLAN



PRODUCTIVITY IMPROVEMENTS

FLORENCE

- Replaced three paper machines with one 710,000-ton machine
- Successful start-up of machine in Q1 FY21
- Expect to generate \$30 million in EBITDA improvement in FY21 with run rate of \$55 million at full ramp up⁽¹⁾

TRES BARRAS

- Successful completion of major outage in Q1 FY21
- Production will increase to approximately 750,000 tons a year
- Fiber mix will improve to 100% virgin fiber (mix of eucalyptus and pine) from approx. 80% virgin / 20% recycled
- Expect annual EBITDA benefit of \$70 million when fully ramped up in FY22⁽¹⁾

PORTO FELIZ

- One of the largest box plants in the Americas
- Current run-rate of approximately 282 MMSF per month, 71% of design capacity
- Expect to generate \$10 million in EBITDA improvement in FY21 with run rate of \$30 million at full ramp up⁽¹⁾

KAPSTONE

- Current synergy run rate of \$200 million, including North Charleston, with expected run-rate synergies to grow to \$240+ million by end of FY21, including North Charleston
- North Charleston, SC mill reconfiguration reduced capacity by 288,000 tons

**EXPECT TO ADD
\$125 MILLION OF EBITDA IN FY21**



FLORENCE, SOUTH CAROLINA PAPER MACHINE

COMPREHENSIVE PORTFOLIO DRIVING ENTERPRISE SALES GROWTH



ADDITIONAL GUIDANCE

FY21 GUIDANCE

FY21 GUIDANCE	Q3 FY21	FULL YEAR
Depreciation & Amortization	Approx. \$365 million	Approx. \$1.45 billion
Net Interest Expense and Interest Income	Approx. \$95 million	Approx. \$375 million
Effective Adjusted Book Tax Rate ⁽¹⁾	Approx. 24%	Approx. 26%
Adjusted Cash Tax Rate ⁽¹⁾		Approx. 26%
Share Count	Approx. 267 million	Approx. 267 million

MILL MAINTENANCE SCHEDULE (TONS IN THOUSANDS)

NORTH AMERICAN CORRUGATED PACKAGING

	Q1	Q2	Q3	Q4	Full Year
FY21 Maintenance	79	55	112	14	260
FY20 Maintenance	110	87	21	88	306

CONSUMER PACKAGING

	Q1	Q2	Q3	Q4	Full Year
FY21 Maintenance	26	10	18	1	55
FY20 Maintenance	36	18	0	14	68

Note: North American Corrugated Packaging FY21 maintenance downtime excludes 48,000 tons of mill downtime in Brazil during Q1 FY21 from the Tres Barras mill upgrade

KEY COMMODITY ANNUAL CONSUMPTION VOLUMES

KEY COMMODITY ANNUAL CONSUMPTION VOLUMES

APPROX. FY21 ANNUAL CONSUMPTION VOLUMES

Commodity Category	Volume
Recycled Fiber (tons millions)	5.7
Wood (tons millions)	42
Natural Gas (MMBTU)	93
Electricity (kwh billions)	5.6
Polyethylene (lbs millions)	36
Caustic Soda (tons thousands)	241
Starch (lbs millions)	576

SENSITIVITY ANALYSIS

Category	Increase in Spot Price	Approx. Annual EPS Impact
Recycled Fiber (tons millions)	+\$10.00 / ton	(\$0.16)
Natural Gas (MMBTU)	+\$0.25 / MMBTU	(\$0.06)
FX Translation Impact	+10% USD Appreciation	(\$0.06)

SHIPMENT DATA

	Unit	FY20				FY21	
		Q1	Q2	Q3	Q4	Q1	Q2
Consolidated Packaging Volumes	Thousands of tons	1,898.8	1,914.4	1,871.9	2,001.2	1,995.8	1,967.1
Consolidated Paper Volumes	Thousands of tons	1,755.3	1,832.4	1,763.1	1,627.0	1,575.2	1,558.7
Consolidated Paper & Packaging Volumes	Thousands of tons	3,654.1	3,746.8	3,635.0	3,628.2	3,571.0	3,525.8
Intracompany Shipments	Thousands of tons	27.6	42.2	30.3	38.1	45.5	56.3
Consolidated Paper & Packaging Volumes and Intracompany Shipments	Thousands of tons	3,681.7	3,789.0	3,665.3	3,666.3	3,616.5	3,582.1
Corrugated Packaging							
External Box, Containerboard & Kraft Paper Shipments	Thousands of tons	2,509.8	2,538.3	2,407.6	2,416.4	2,447.1	2,403.0
Pulp Shipments	Thousands of tons	81.4	80.5	96.8	88.0	72.2	82.2
Total North American Corrugated Packaging Shipments	Thousands of tons	2,591.2	2,618.8	2,504.4	2,504.4	2,519.3	2,485.2
Brazil and India Corrugated Packaging Shipments	Thousands of tons	168.1	182.5	176.4	185.1	156.8	183.9
Total Corrugated Packaging Segment Shipments¹⁾	Thousands of tons	2,759.3	2,801.3	2,680.8	2,689.5	2,676.1	2,669.1
N.A. Corrugated Container Shipments	Billions of square feet	23.9	23.8	23.2	24.9	25.4	24.7
N.A. Corrugated Container Shipments per Shipping Day	Millions of square feet	385.9	371.2	369.3	388.0	416.7	391.5
N.A. Corrugated Packaging Converting Shipments	Thousands of tons	1,423.8	1,427.6	1,380.3	1,477.4	1,505.4	1,468.9
Brazil and India Corrugated Packaging Converting Shipments	Thousands of tons	109.0	102.8	100.5	122.1	115.5	119.1
Consumer Packaging							
Consumer Packaging Paperboard and Converting Shipments	Thousands of tons	876.1	942.3	911.1	910.7	903.8	884.8
Pulp Shipments	Thousands of tons	46.3	45.4	73.4	66.1	36.6	28.2
Total Consumer Packaging Segment Shipments	Thousands of tons	922.4	987.7	984.5	976.8	940.4	913.0
Consumer Packaging Converting Shipments	Thousands of tons	366.0	384.0	391.1	401.7	374.9	379.1
Downtime							
Corrugated Packaging Maintenance Downtime	Thousands of tons	110.3	86.5	21.2	88.5	78.7	55.4
Corrugated Packaging Economic Downtime	Thousands of tons	2.1	1.2	123.7	20.4	0.3	-
Consumer Packaging Maintenance Downtime	Thousands of tons	35.9	18.2	0.4	13.6	26.1	9.5
Consumer Packaging Economic Downtime	Thousands of tons	16.0	22.4	30.7	86.8	39.2	6.6

1) Combined North America, Brazil and India shipments.

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER DILUTED SHARE RECONCILIATION

(\$ in millions, except per share data)

	Q2 FY21						
	Adjustments to Segment EBITDA			Consolidated Results			
	Corrugated Packaging	Consumer Packaging	Other	Pre-Tax	Tax	Net of Tax	EPS
GAAP Results ⁽¹⁾				\$ 144.9	\$ (30.5)	\$ 114.4	\$ 0.42
Grupo Gondi option	n/a	n/a	n/a	22.5	(6.7)	15.8	0.06
Ransom ware recovery costs	2.0	0.8	17.0	19.8	(4.9)	14.9	0.06
Accelerated compensation - former CEO	-	n/a	11.7	11.7	-	11.7	0.04
Restructuring and other items	n/a	n/a	n/a	5.2	(1.4)	3.8	0.01
Losses at closed plants, transition and start-up costs ⁽²⁾	0.4	0.2	-	0.8	(0.2)	0.6	-
Accelerated depreciation on major capital projects and certain plant closures ⁽²⁾	n/a	n/a	n/a	0.5	(0.2)	0.3	-
Gain on sale of sawmill	n/a	n/a	n/a	(16.5)	8.3	(8.2)	(0.03)
MEPP liability adjustment due to interest rates	n/a	n/a	n/a	(8.1)	2.0	(6.1)	(0.02)
Adjustments / Adjusted Results	\$ 2.4	\$ 1.0	\$ 28.7	\$ 180.8	\$ (33.6)	\$ 147.2	\$ 0.54
Noncontrolling interests						(1.9)	
Adjusted Net Income						\$ 145.3	

- 1) The GAAP results for Pre-Tax, Tax, Net of Tax and EPS are equivalent to the line items "Income before income taxes", "Income tax expense", "Consolidated net income" and "Earnings per diluted share", respectively, as reported on the statements of income.
- 2) The variance between the Pre-Tax column and the sum of the Adjustments to Segment EBITDA is depreciation and amortization.



ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER DILUTED SHARE RECONCILIATION

(\$ in millions, except per share data)

	Q2 FY20						
	Adjustments to Segment EBITDA			Consolidated Results			
	Corrugated Packaging	Consumer Packaging	L&D and Other	Pre-Tax	Tax	Net of Tax	EPS
GAAP Results⁽¹⁾				\$ 206.7	\$ (57.8)	\$ 148.9	\$ 0.57
North Charleston and Florence transition and reconfiguration costs ⁽²⁾	19.6	-	-	21.8	(5.4)	16.4	0.06
Restructuring and other items	n/a	n/a	n/a	16.4	(3.9)	12.5	0.04
Losses at closed plants, transition and start-up costs ⁽²⁾	6.8	1.5	-	9.1	(2.5)	6.6	0.03
Accelerated depreciation on major capital projects and certain plant closures ⁽²⁾	n/a	n/a	n/a	5.5	(1.3)	4.2	0.02
Multiemployer pension withdrawal expense	n/a	n/a	n/a	0.9	(0.2)	0.7	-
Loss on extinguishment of debt	n/a	n/a	n/a	0.5	(0.1)	0.4	-
Litigation recovery	(7.2)	(4.3)	n/a	(11.5)	2.8	(8.7)	(0.03)
Gain on sale of certain closed facilities	n/a	n/a	n/a	(5.0)	1.2	(3.8)	(0.02)
Brazil indirect tax ⁽³⁾	(0.4)	-	-	(1.3)	0.3	(1.0)	-
Hurricane Michael recovery of direct costs, net	(0.6)	-	-	(0.6)	0.2	(0.4)	-
Other	-	0.8	-	0.8	(0.2)	0.6	-
Adjustments / Adjusted Results	\$ 18.2	\$ (2.0)	\$ -	\$ 243.3	\$ (66.9)	\$ 176.4	\$ 0.67
Noncontrolling interests						(0.8)	
Adjusted Net Income						\$ 175.6	

- 1) The GAAP results for Pre-Tax, Tax, Net of Tax and EPS are equivalent to the line items "Income before income taxes", "Income tax expense", "Consolidated net income" and "Earnings per diluted share", respectively, as reported on the statements of income.
- 2) The variance between the Pre-Tax column and the sum of the Adjustments to Segment EBITDA is depreciation and amortization.
- 3) The variance between the Pre-Tax column and the sum of the Adjustments to Segment EBITDA is primarily interest income.



ADJUSTED SEGMENT SALES, ADJUSTED SEGMENT EBITDA AND ADJUSTED SEGMENT INCOME⁽¹⁾

Q2 FY21

(\$ in millions)	Corrugated Packaging	Consumer Packaging	Corporate / Eliminations	Consolidated
Segment / Net sales	\$ 2,913.4	\$ 1,589.9	\$ (65.5)	\$ 4,437.8
Less: Trade sales	(71.1)	-	-	(71.1)
Adjusted Segment Sales	<u>\$ 2,842.3</u>	<u>\$ 1,589.9</u>	<u>\$ (65.5)</u>	<u>\$ 4,366.7</u>
Segment income ⁽¹⁾	\$ 205.3	\$ 81.2	\$ -	\$ 286.5
Non-allocated expenses	-	-	(39.5)	(39.5)
Depreciation and amortization	229.9	130.1	1.4	361.4
Segment EBITDA	435.2	211.3	(38.1)	608.4
Adjustments ⁽²⁾	2.4	1.0	28.7	32.1
Adjusted Segment EBITDA	<u>\$ 437.6</u>	<u>\$ 212.3</u>	<u>\$ (9.4)</u>	<u>\$ 640.5</u>
Segment EBITDA Margins ⁽³⁾	14.9%	13.3%		13.7%
Adjusted Segment EBITDA Margins ⁽³⁾	<u>15.4%</u>	<u>13.4%</u>		<u>14.4%</u>
Segment income	\$ 205.3	\$ 81.2	\$ -	\$ 286.5
Non-allocated expenses	-	-	(39.5)	(39.5)
Adjustments, including D&A adjustments	2.8	1.2	28.7	32.7
Adjusted Segment Income	<u>\$ 208.1</u>	<u>\$ 82.4</u>	<u>\$ (10.8)</u>	<u>\$ 279.7</u>

1) Segment income includes pension and other postretirement income (expense).

2) See the Adjusted Net Income table on slide 22 for adjustments.

3) Segment EBITDA Margins are calculated using Segment / Net sales, Corrugated Packaging and Consumer Packaging Adjusted Segment EBITDA Margins are calculated using Adjusted Segment Sales; the Consolidated Adjusted Segment EBITDA Margin is calculated using Segment / Net sales.



CORRUGATED PACKAGING ADJUSTED SEGMENT EBITDA

(\$ in millions)	Q2 FY21			
	North American Corrugated	Brazil Corrugated	Other ⁽¹⁾	Corrugated Packaging
Segment sales	\$ 2,540.9	\$ 96.5	\$ 276.0	\$ 2,913.4
Less: Trade sales	(71.1)	-	-	(71.1)
Adjusted Segment Sales	\$ 2,469.8	\$ 96.5	\$ 276.0	\$ 2,842.3
Segment income ⁽²⁾	\$ 192.2	\$ 5.3	\$ 7.8	\$ 205.3
Depreciation and amortization	212.7	11.2	6.0	229.9
Segment EBITDA	404.9	16.5	13.8	435.2
Adjustments ⁽³⁾	2.3	-	0.1	2.4
Adjusted Segment EBITDA	\$ 407.2	\$ 16.5	\$ 13.9	\$ 437.6
Segment EBITDA Margins ⁽⁴⁾	15.9%	17.1%		14.9%
Adjusted Segment EBITDA Margins ⁽⁴⁾	16.5%	17.1%		15.4%

1) The "Other" column includes our Victory Packaging and India corrugated operations.

2) Segment income includes pension and other postretirement income (expense).

3) See the Adjusted Net income table on slide 22 for adjustments.

4) Segment EBITDA Margins are calculated using Segment sales and Adjusted Segment EBITDA. Margins are calculated using Adjusted Segment Sales.



ADJUSTED SEGMENT SALES, ADJUSTED SEGMENT EBITDA AND ADJUSTED SEGMENT INCOME⁽¹⁾

Q2 FY20				
(\$ in millions)	Corrugated Packaging	Consumer Packaging	Corporate / Eliminations	Consolidated
Segment / Net sales	\$ 2,882.5	\$ 1,616.3	\$ (51.5)	\$ 4,447.3
Less: Trade sales	(96.2)	-	-	(96.2)
Adjusted Segment Sales	<u>\$ 2,786.3</u>	<u>\$ 1,616.3</u>	<u>\$ (51.5)</u>	<u>\$ 4,351.1</u>
Segment income ⁽¹⁾	\$ 244.5	\$ 90.8	\$ -	\$ 335.3
Non-allocated expenses	-	-	(17.6)	(17.6)
Depreciation and amortization	239.6	133.2	1.7	374.5
Segment EBITDA	484.1	224.0	(15.9)	692.2
Adjustments ⁽²⁾	18.2	(2.0)	0.0	16.2
Adjusted Segment EBITDA	<u>\$ 502.3</u>	<u>\$ 222.0</u>	<u>\$ (15.9)</u>	<u>\$ 708.4</u>
Segment EBITDA Margins ⁽³⁾	16.8%	13.9%		15.6%
Adjusted Segment EBITDA Margins ⁽³⁾	<u>18.0%</u>	<u>13.7%</u>		<u>15.9%</u>
Segment income	\$ 244.5	\$ 90.8	\$ -	\$ 335.3
Non-allocated expenses	-	-	(17.6)	(17.6)
Adjustments, including D&A adjustments	26.1	(1.4)	0.0	24.7
Adjusted Segment Income	<u>\$ 270.6</u>	<u>\$ 89.4</u>	<u>\$ (17.6)</u>	<u>\$ 342.4</u>

1) Segment income includes pension and other postretirement income (expense).

2) See the Adjusted Net Income table on slide 23 for adjustments.

3) Segment EBITDA Margins are calculated using Segment / Net sales, Corrugated Packaging and Consumer Packaging Adjusted Segment EBITDA Margins are calculated using Adjusted Segment Sales; the Consolidated Adjusted Segment EBITDA Margin is calculated using Segment / Net sales.



CORRUGATED PACKAGING ADJUSTED SEGMENT EBITDA

(\$ in millions)	Q2 FY20			
	North American Corrugated	Brazil Corrugated	Other ⁽¹⁾	Corrugated Packaging
Segment sales	\$ 2,542.9	\$ 100.7	\$ 238.9	\$ 2,882.5
Less: Trade sales	(96.2)	-	-	(96.2)
Adjusted Segment Sales	\$ 2,446.7	\$ 100.7	\$ 238.9	\$ 2,786.3
Segment income ⁽²⁾	\$ 228.4	\$ 13.4	\$ 2.7	\$ 244.5
Depreciation and amortization	221.1	12.2	6.3	239.6
Segment EBITDA	449.5	25.6	9.0	484.1
Adjustments ⁽³⁾	15.9	2.3	-	18.2
Adjusted Segment EBITDA	\$ 465.4	\$ 27.9	\$ 9.0	\$ 502.3
Segment EBITDA Margins ⁽⁴⁾	17.7%	25.4%		16.8%
Adjusted Segment EBITDA Margins ⁽⁴⁾	19.0%	27.7%		18.0%

1) The "Other" column includes our Victory Packaging and India corrugated operations.

2) Segment income includes pension and other postretirement income (expense).

3) See the Adjusted Net income table on slide 23 for adjustments.

4) Segment EBITDA Margins are calculated using Segment sales and Adjusted Segment EBITDA. Margins are calculated using Adjusted Segment Sales.



RECONCILIATION OF NET INCOME TO ADJUSTED SEGMENT EBITDA

(\$ in millions)	Q2 FY21	Q2 FY20
Net income attributable to common stockholders	\$ 112.5	\$ 148.1
<u>Adjustments:</u> ⁽¹⁾		
Less: Net Income attributable to noncontrolling interests	1.9	0.8
Income tax expense	30.5	57.8
Other expense, net	13.4	0.9
Loss on extinguishment of debt	-	0.5
Interest expense, net	83.5	97.3
Restructuring and other costs	5.2	16.4
Multiemployer pension withdrawal expense	-	0.9
Gain on sale of certain closed facilities	-	(5.0)
Non-allocated expenses	39.5	17.6
Segment Income ⁽²⁾	286.5	335.3
Non-allocated expenses	(39.5)	(17.6)
Depreciation and amortization	361.4	374.5
Segment EBITDA	608.4	692.2
Adjustments ⁽³⁾	32.1	16.2
Adjusted Segment EBITDA	\$ 640.5	\$ 708.4
Net Sales	\$ 4,437.8	\$ 4,447.3
Net income margin	2.5%	3.3%
Segment EBITDA Margin	13.7%	15.6%
Adjusted Segment EBITDA Margin	14.4%	15.9%

1) Schedule adds back expense or subtracts income for certain financial statement and segment footnote items to compute segment income, Segment EBITDA and Adjusted Segment EBITDA.

2) Segment income includes pension and other postretirement income (expense).

3) See the Adjusted Net Income tables on slides 22 and 23 for adjustments.



RECONCILIATION OF PACKAGING SOLUTIONS & EXTERNAL PAPER SALES TO CONSOLIDATED NET SALES

(\$ in millions)

	Q2 FY21			
	Packaging Solutions	External Paper	Change in Eliminations	Total
Corrugated Packaging	\$ 2,174.9	\$ 734.3	\$ 4.2	\$ 2,913.4
Consumer Packaging	1,080.8	466.6	42.5	1,589.9
Eliminations	(18.8)	-	(46.7)	(65.5)
Consolidated	<u>\$ 3,236.9</u>	<u>\$ 1,200.9</u>	<u>\$ -</u>	<u>\$ 4,437.8</u>
<i>% of Total</i>	72.9%	27.1%		
<i>YoY Increase</i>	4.2%	-10.5%		

	Q2 FY20			
	Packaging Solutions	External Paper	Change in Eliminations	Total
Corrugated Packaging	\$ 2,075.3	\$ 801.0	\$ 6.2	\$ 2,882.5
Consumer Packaging	1,049.8	540.5	26.0	1,616.3
Eliminations	(19.3)	-	(32.2)	(51.5)
Consolidated	<u>\$ 3,105.8</u>	<u>\$ 1,341.5</u>	<u>\$ -</u>	<u>\$ 4,447.3</u>
<i>% of Total</i>	69.8%	30.2%		

TTM CREDIT AGREEMENT EBITDA

TTM CREDIT AGREEMENT EBITDA

(\$ in millions)	TTM Mar. 31, 2021	TTM Dec. 31, 2020	TTM Mar. 31, 2020	TTM Mar. 31, 2019
Net loss attributable to common stockholders	\$ (713.0)	\$ (677.4)	\$ 850.0	\$ 847.3
Interest expense, net	361.9	379.8	400.6	352.7
Income tax expense	140.0	167.3	271.2	289.8
Depreciation and amortization	1,457.2	1,470.3	1,524.1	1,372.5
Additional permitted charges and acquisition EBITDA ⁽¹⁾	1,699.7	1,569.6	89.9	639.8
Credit Agreement EBITDA	\$ 2,945.8	\$ 2,909.6	\$ 3,135.8	\$ 3,502.1

TOTAL DEBT, FUNDED DEBT AND LEVERAGE RATIO

(\$ in millions, except ratios)	Mar. 31, 2021	Dec. 31, 2020	Mar. 31, 2020	Mar. 31, 2019
Current portion of debt	\$ 549.5	\$ 168.7	\$ 432.0	\$ 1,422.4
Long-term debt due after one year	8,393.1	8,771.1	10,424.6	9,373.1
Total debt	8,942.6	8,939.8	10,856.6	10,795.5
Less: FV step up and deferred financing fees	(165.1)	(167.7)	(179.5)	(208.0)
Less: short-term and long-term chip mill obligation	(95.2)	(96.2)	(99.3)	-
Less: other adjustments to funded debt	(104.2)	(104.4)	(109.9)	(82.8)
Total Funded Debt	\$ 8,578.1	\$ 8,571.5	\$ 10,467.9	\$ 10,504.7
LTM credit agreement EBITDA	\$ 2,945.8	\$ 2,909.6	\$ 3,135.8	\$ 3,502.1
Leverage Ratio	2.91x	2.95x	3.34x	3.00x
Total funded debt	\$ 8,578.1	\$ 8,571.5	\$ 10,467.9	\$ 10,504.7
Less: cash and cash equivalents	(334.0)	(253.8)	(640.2)	(154.2)
Adjusted Total Funded Debt	\$ 8,244.1	\$ 8,317.7	\$ 9,827.7	\$ 10,350.5
Net Leverage Ratio	2.80x	2.86x	3.13x	2.96x
Q2 Adjusted Total Funded Debt Reduction	\$ 73.6			

1) Additional Permitted Charges includes among other items, \$1,333 million of non-cash goodwill impairment charges in TTM Mar. 2021 and TTM Dec. 2020, permitted acquisition EBITDA in TTM Mar. 2019, restructuring and other costs, and other items in all periods.



ADJUSTED NET DEBT

(\$ in millions)	<u>Mar. 31, 2021</u>	<u>Mar. 31, 2020</u>	<u>Mar. 31, 2019</u>
Current portion of debt	\$ 549.5	\$ 432.0	\$ 1,422.4
Long-term debt due after one year	8,393.1	10,424.6	9,373.1
Total debt	\$ 8,942.6	\$ 10,856.6	\$ 10,795.5
Plus: lease standard adoption ¹⁾	-	-	100.3
Adjusted Total Debt	\$ 8,942.6	\$ 10,856.6	\$ 10,895.8
Less: Cash and cash equivalents	(334.0)	(640.2)	(154.2)
Less: Fair value of debt step-up	(200.7)	(217.9)	(243.2)
Adjusted Net Debt	\$ 8,407.9	\$ 9,998.5	\$ 10,498.4
Total Debt reduction - LTM	\$ 1,914.0		
Adjusted Net Debt reduction - LTM	\$ 1,590.6		

1) Adjusts for the October 1, 2019 lease standard adoption as codified in ASC 842 that caused us to recharacterize a short-term and long-term liability for two chip mills to a finance lease obligation.

