

**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): **February 3, 2022**

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 February 3, 2022, WestRock Company issued a press release announcing WestRock's financial results for the first quarter of fiscal 2022. 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 February 3, 2022, WestRock will host a conference call during which it will discuss WestRock's financial results for the first quarter of fiscal 2022 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 February 3, 2022](#)

[99.2 Q1 FY22 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: February 3, 2022

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

WestRock Reports Fiscal 2022 First Quarter Results

- Record first quarter net sales of \$5.0 billion increased 12.5% year-over-year
- Net income of \$182 million increased 19.9% year-over-year
- Consolidated Adjusted EBITDA of \$680 million increased 1.6% year-over-year
- Earned \$0.68 per diluted share (“EPS”) and Adjusted EPS of \$0.65, up 19.3% and 6.6%, respectively

ATLANTA--(BUSINESS WIRE)--February 3, 2022--WestRock Company (NYSE:WRK), a leading provider of differentiated, sustainable paper and packaging solutions, today announced results for its fiscal first quarter ended December 31, 2021.

“I am pleased with our strong performance during the first quarter of fiscal 2022, in which our teams delivered record first quarter sales and double-digit EPS growth while navigating the continued and unpredictable macroeconomic landscape. We also delivered solid margin performance in the face of continued supply chain disruption, higher inflation and increased absenteeism associated with COVID-19,” said David B. Sewell, chief executive officer.

“As we look to fiscal 2022, we are continuing to execute our transformation program, which included reorganizing our operating businesses to better align with our strategy to deliver profitable growth and to increase transparency into our performance. In addition, we continue to hire key talent, including new Chief Financial Officer, Alex Pease, and new Chief Supply Chain Officer, Peter Anderson, who both bring deep experience and fresh perspective to these critical roles. We are on a journey to position WestRock for outperformance and are executing swiftly with significant opportunity ahead. Thank you to our 50,000 team members around the world for their continued dedication and hard work.”

Consolidated Financial Results

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

	Three Months Ended			
	Dec. 31, 2021	Dec. 31, 2020	\$ Var.	% Var.
Net sales	\$ 4,952.2	\$ 4,401.5	\$550.7	12.5%
Net income	\$ 182.3	\$ 152.0	\$ 30.3	19.9%
Consolidated Adjusted EBITDA	\$ 680.3	\$ 669.8	\$ 10.5	1.6%

Net sales increased \$551 million, or 12.5%, year-over-year. Paper segment sales increased \$262 million, Corrugated Packaging segment sales increased \$201 million, Consumer Packaging segment sales increased \$76 million and Distribution segment sales increased \$21 million.

Net income increased \$30 million, or 19.9%, year-over-year primarily due to higher pricing and lower interest expense that was partially offset by net cost inflation, lower aggregate volumes, increased maintenance outages and other items. Consolidated Adjusted EBITDA increased \$11 million, or 1.6%, year-over-year as strength in the Paper segment more than offset decreases in the Corrugated Packaging, Distribution and Consumer Packaging segments. Additionally, non-allocated expenses declined by \$4 million.

Restructuring and other items during the first quarter of fiscal 2022 was \$2 million, primarily related to severance and other employee costs.

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

Net cash provided by operating activities was \$253 million in the first quarter of fiscal 2022 compared to \$719 million in the prior year quarter primarily due to higher working capital usage compared to the prior year period. The working capital usage was higher year-over-year primarily due to actions taken in the prior year to preserve cash due to the high uncertainty during the COVID-19 pandemic.

Total debt was \$8.2 billion at December 31, 2021, \$8.0 billion excluding \$188 million of unamortized fair market value step-up of debt acquired in mergers and acquisitions, and \$7.8 billion after further excluding cash and cash equivalents of \$291 million. The Company had approximately \$3.6 billion of available liquidity under long-term committed credit facilities and cash and cash equivalents at December 31, 2021, and our net leverage ratio was within our 2.25x to 2.50x target. During the first quarter of fiscal 2022, WestRock invested \$173 million in capital expenditures and returned \$166 million in capital to stockholders, specifically \$100 million in stock repurchases and \$66 million in dividend payments.

New Segment Reporting Structure

Effective the first quarter of fiscal 2022, the Company reorganized its reportable segments due to recent changes in its organizational structure and how the Company makes key operating decisions, allocates resources and assesses the performance of its business going forward. The Company believes the change will increase transparency and better align business operations with corporate strategy and future growth plans.

Our new reportable segments are:

- Corrugated Packaging, which consists of our integrated corrugated converting operations;
- Consumer Packaging, which consists of our integrated consumer converting operations;
- Paper, which consists of all third-party paper sales; and
- Distribution, which consists of our distribution and display assembly operations.

As a result of the reorganization, the Company now reports the benefit of vertical integration with its mills in each reportable segment that ultimately sells the associated paper and packaging products to our external customers. Prior to the reorganization, the Company had two reportable segments, Corrugated Packaging and Consumer Packaging.

The Company's measure of segment profitability for each reportable segment is Adjusted EBITDA as allowed for under Accounting Standards Codification 280, "Segment Reporting" because it is the measure used by our Company to make decisions about allocating resources and assessing segment performance. Certain items are not allocated to our reportable segments and, thus, the information that the Company uses to make operating decisions and assess performance does not reflect such amounts. Items not allocated are reported as Non-allocated expenses or in other line items outside of Adjusted EBITDA. Adjusted EBITDA is defined on page 10. Prior period amounts have been recast to conform with the new segment structure. These changes did not impact the consolidated financial statements. We have included the recast segment information for the last two years, including quarters therein, at the end of the earnings release.

Segment Results

Corrugated Packaging Segment

	Three Months Ended			
	Dec. 31, 2021	Dec. 31, 2020	\$ Var.	% Var.
Segment sales	\$ 2,220.0	\$ 2,019.5	\$200.5	9.9%
Adjusted EBITDA	\$ 288.9	\$ 347.6	\$(58.7)	(16.9)%

Corrugated Packaging segment sales increased \$201 million, or 9.9%, primarily due to higher selling price/mix that was partially offset by lower volumes.

Corrugated Packaging Adjusted EBITDA decreased \$59 million, or 16.9%, primarily due to higher net cost inflation, reduction in productivity and other operational items, including increased maintenance outages, and lower volumes that were partially offset by the margin impact from higher selling price/mix. Corrugated Packaging Adjusted EBITDA margin was 13.0% and Adjusted EBITDA margin excluding trade sales was 13.5%.

Consumer Packaging Segment

	Three Months Ended			
	Dec. 31, 2021	Dec. 31, 2020	\$ Var.	% Var.
Segment sales	\$ 1,138.7	\$ 1,062.5	\$76.2	7.2%
Adjusted EBITDA	\$ 169.3	\$ 175.3	\$(6.0)	(3.4)%

Consumer Packaging segment sales increased \$76 million, or 7.2%, primarily due to higher selling price/mix and higher volumes.

Consumer Packaging Adjusted EBITDA decreased \$6 million, or 3.4%, primarily due to net cost inflation that was partially offset by the margin impact from higher selling price/mix, increased productivity and other operational items, including increased maintenance outages, and higher volumes. The Consumer Packaging segment delivered an Adjusted EBITDA margin of 14.9%.

Paper Segment

	Three Months Ended			
	Dec. 31, 2021	Dec. 31, 2020	\$ Var.	% Var.
Segment sales	\$ 1,352.6	\$ 1,090.9	\$261.7	24.0%
Adjusted EBITDA	\$ 232.4	\$ 151.7	\$ 80.7	53.2%

Paper segment sales increased \$262 million, or 24.0%, primarily due to higher selling price/mix and higher volumes.

Paper Adjusted EBITDA increased \$81 million, or 53.2%, primarily due to the margin impact from higher selling price/mix, increased productivity and other operational items, including increased maintenance outages, and higher volumes that were partially offset by net cost inflation. The Paper segment delivered an Adjusted EBITDA margin of 17.2%.

Distribution Segment

	Three Months Ended			
	Dec. 31, 2021	Dec. 31, 2020	\$ Var.	% Var.
Segment sales	\$ 324.8	\$ 303.8	\$21.0	6.9%
Adjusted EBITDA	\$ 6.5	\$ 16.4	\$(9.9)	(60.4)%

Distribution segment sales increased \$21 million, or 6.9%, primarily due to higher selling price/mix that was partially offset by lower volumes.

Distribution Adjusted EBITDA decreased \$10 million, or 60.4%, primarily due to net cost inflation and lower productivity and other items that were partially offset by the margin impact from higher selling price/mix.

Conference Call

WestRock will host a conference call to discuss its results of operations for the fiscal first quarter ended December 31, 2021 and other topics that may be raised during the discussion at 8:30 a.m., Eastern Time, on Thursday, February 3, 2022. 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 877-317-6789 (inside the U.S.) or +1 412-317-6789 (outside the U.S.) at least 15 minutes prior to the start of the call and ask to be joined into the WestRock Company call. Replays of the call can be accessed at ir.westrock.com.

About WestRock

WestRock (NYSE:WRK) partners with our customers to provide differentiated, sustainable 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 as we look to fiscal 2022, we are continuing to execute our transformation program, which included reorganizing our operating businesses to better align with our strategy to deliver profitable growth and to increase transparency into our performance; we continue to hire key talent; we are on a journey to position WestRock for outperformance and are executing swiftly with significant opportunity ahead. 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 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; adverse legal, reputational and financial effects on the Company resulting from cyber incidents and the effectiveness of the Company's business continuity plans during a 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; 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, 2021. 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	
	December 31,	
	2021	2020
Net sales	\$ 4,952.2	\$ 4,401.5
Cost of goods sold	<u>4,155.6</u>	<u>3,648.6</u>
Gross profit	796.6	752.9
Selling, general and administrative, excluding intangible amortization	452.9	417.8
Selling, general and administrative intangible amortization	88.0	91.9
(Gain) loss on disposal of assets	(13.9)	2.5
Multiemployer pension withdrawal income	(3.3)	-
Restructuring and other costs	<u>2.3</u>	<u>7.7</u>
Operating profit	270.6	233.0
Interest expense, net	(86.7)	(93.8)
Loss on extinguishment of debt	-	(1.1)
Pension and other postretirement non-service income	39.9	34.9
Other income, net	0.2	20.8
Equity in income of unconsolidated entities	<u>18.4</u>	<u>9.0</u>
Income before income taxes	242.4	202.8
Income tax expense	<u>(58.6)</u>	<u>(50.3)</u>
Consolidated net income	183.8	152.5
Less: Net income attributable to noncontrolling interests	(1.5)	(0.5)
Net income attributable to common stockholders	<u>\$ 182.3</u>	<u>\$ 152.0</u>

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

Net income attributable to common stockholders	\$ 182.3	\$ 152.0
Diluted weighted average shares outstanding	266.9	264.8
Diluted earnings per share	<u>\$ 0.68</u>	<u>\$ 0.57</u>

WestRock Company
Segment Information
In millions (unaudited)

Three Months Ended
December 31,
2021 2020

Net sales:		
Corrugated Packaging	\$ 2,220.0	\$ 2,019.5
Consumer Packaging	1,138.7	1,062.5
Paper	1,352.6	1,090.9
Distribution	324.8	303.8
Intersegment Eliminations	(83.9)	(75.2)
Total	\$ 4,952.2	\$ 4,401.5

Adjusted EBITDA:		
Corrugated Packaging	\$ 288.9	\$ 347.6
Consumer Packaging	169.3	175.3
Paper	232.4	151.7
Distribution	6.5	16.4
Total	697.1	691.0

Depreciation, depletion and amortization	(366.5)	(364.5)
Gain on sale of certain closed facilities	14.4	0.9
Multiemployer pension withdrawal income	3.3	-
Restructuring and other costs	(2.3)	(7.7)
Non-allocated expenses	(16.8)	(21.2)
Interest expense, net	(86.7)	(93.8)
Loss on extinguishment of debt	-	(1.1)
Other income, net	0.2	20.8
Other adjustments	(0.3)	(21.6)
Income before income taxes	\$ 242.4	\$ 202.8

Depreciation, depletion and amortization:		
Corrugated Packaging	\$ 167.0	\$ 175.6
Consumer Packaging	86.3	85.8
Paper	106.2	96.5
Distribution	5.8	5.8
Corporate	1.2	0.8
Total	\$ 366.5	\$ 364.5

Other adjustments:		
Corrugated Packaging	\$ -	\$ 9.5
Consumer Packaging	0.2	8.9
Paper	0.1	1.8
Distribution	-	0.6
Corporate	-	0.8
Total	\$ 0.3	\$ 21.6

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

	Three Months Ended	
	December 31,	
	2021	2020
Cash flows from operating activities:		
Consolidated net income	\$ 183.8	\$ 152.5
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	366.5	364.5
Deferred income tax benefit	(14.0)	(19.6)
Share-based compensation expense	15.2	20.0
401(k) match and company contribution in common stock	2.5	24.9
Pension and other postretirement funding more than expense (income)	(32.4)	(28.0)
Cash surrender value increase in excess of premiums paid	(16.6)	(21.2)
Gain on sale of investment	-	(14.7)
Other impairment adjustments	0.9	-
(Gain) loss on disposal of plant and equipment and other, net	(13.9)	2.6
Other, net	(13.4)	(10.3)
Changes in operating assets and liabilities, net of acquisitions / divestitures:		
Accounts receivable	60.4	150.2
Inventories	(117.5)	(44.3)
Other assets	(45.9)	(19.3)
Accounts payable	5.4	(5.4)
Income taxes	62.0	50.6
Accrued liabilities and other	(190.2)	116.9
Net cash provided by operating activities	<u>252.8</u>	<u>719.4</u>
Investing activities:		
Capital expenditures	(173.1)	(170.7)
Cash paid for purchase of businesses, net of cash acquired	(7.0)	-
Proceeds from corporate owned life insurance	2.0	5.5
Proceeds from sale of investments	-	23.3
Proceeds from sale of property, plant and equipment	22.4	2.0
Proceeds from property, plant and equipment insurance settlement	1.7	-
Other, net	(0.8)	(0.5)
Net cash used for investing activities	<u>(154.8)</u>	<u>(140.4)</u>
Financing activities:		
Additions to revolving credit facilities	-	180.0
Repayments of revolving credit facilities	-	(10.0)
Additions to debt	31.3	10.8
Repayments of debt	(52.2)	(704.5)
Other debt additions (repayments), net	69.0	21.6
Issuances of common stock, net of related tax withholdings	6.2	(12.4)
Purchases of common stock	(100.1)	-
Cash dividends paid to stockholders	(66.3)	(52.6)
Other, net	7.8	(17.0)
Net cash used for financing activities	<u>(104.3)</u>	<u>(584.1)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>6.7</u>	<u>7.8</u>
Increase in cash and cash equivalents and restricted cash	0.4	2.7
Cash and cash equivalents, and restricted cash at beginning of period	290.9	251.1
Cash and cash equivalents, and restricted cash at end of period	<u>\$ 291.3</u>	<u>\$ 253.8</u>

Supplemental disclosure of cash flow information:

Cash paid during the period for:		
Income taxes, net of refunds	\$ 9.9	\$ 18.8
Interest, net of amounts capitalized	\$ 56.8	\$ 58.9
Non-cash additions to property, plant and equipment	\$ 101.9	\$ 94.2

WestRock Company
Condensed Consolidated Balance Sheets
In millions (unaudited)

	December 31, September 30,	
	2021	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 291.3	\$ 290.9
Accounts receivable (net of allowances of \$67.3 and \$68.1)	2,525.5	2,586.9
Inventories	2,241.3	2,173.3
Other current assets	505.6	597.6
Assets held for sale	4.2	10.9
Total current assets	<u>5,567.9</u>	<u>5,659.6</u>
Property, plant and equipment, net	10,482.1	10,570.1
Goodwill	5,955.4	5,959.2
Intangibles, net	3,236.8	3,318.8
Restricted assets held by special purpose entities	1,258.6	1,260.5
Prepaid pension asset	707.2	674.3
Other assets	1,874.5	1,811.8
Total Assets	<u>\$ 29,082.5</u>	<u>\$ 29,254.3</u>
Liabilities and Equity		
Current liabilities:		
Current portion of debt	\$ 236.8	\$ 168.8
Accounts payable	2,135.2	2,123.7
Accrued compensation and benefits	457.3	656.8
Other current liabilities	726.2	694.8
Total current liabilities	<u>3,555.5</u>	<u>3,644.1</u>
Long-term debt due after one year	7,996.4	8,025.3
Pension liabilities, net of current portion	249.5	254.7
Postretirement medical liabilities, net of current portion	133.6	133.7
Non-recourse liabilities held by special purpose entities	1,125.0	1,127.3
Deferred income taxes	2,929.9	2,944.4
Other long-term liabilities	1,372.8	1,433.1
Redeemable noncontrolling interests	2.5	1.7
Total stockholders' equity	11,697.2	11,670.3
Noncontrolling interests	20.1	19.7
Total Equity	<u>11,717.3</u>	<u>11,690.0</u>
Total Liabilities and Equity	<u>\$ 29,082.5</u>	<u>\$ 29,254.3</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 WestRock's board of directors, investors, potential investors, securities analysts and others 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.

Consolidated Adjusted EBITDA and Adjusted EBITDA

WestRock uses the non-GAAP financial measure "Consolidated Adjusted EBITDA", along with other factors such as "Adjusted EBITDA" (a GAAP measure of segment performance our Company uses to evaluate our segment results), to evaluate our overall performance. Management believes that the most directly comparable GAAP measure to "Consolidated Adjusted EBITDA" (formerly referred to as Adjusted Segment EBITDA) is "Net income attributable to common stockholders". It can also be derived by adding together each segment's "Adjusted EBITDA" plus "Non-allocated expenses". Management believes this measure provides WestRock's management, board of directors, investors, potential investors, securities analysts and others with useful information to evaluate WestRock's performance because it excludes restructuring and other costs and other specific items that management believes are not indicative of the ongoing operating results of the business. WestRock's management and board use this information to evaluate WestRock's performance relative to other periods.

Adjusted EBITDA is defined as pretax earnings of a reportable segment before depreciation and amortization, and excludes the following items our Company does not consider part of our segment performance: gain on sale of certain closed facilities, multiemployer pension withdrawal income, restructuring and other costs, non-allocated expenses, interest expense, net, loss on extinguishment of debt, other income, net, and other adjustments - each as outlined in the table on page 7 ("Adjusted EBITDA").

Adjusted Segment Sales and Adjusted EBITDA Margins, Excluding Trade Sales

WestRock uses the non-GAAP financial measures "Adjusted Segment Sales" and "Adjusted EBITDA Margins, excluding trade sales". Management believes that adjusting segment sales for trade sales is consistent with how our peers present their sales for purposes of computing segment margins and helps WestRock's management, board of directors, investors, potential investors, securities analysts and others compare companies in the same peer group. Management believes these measures are also useful to investors to evaluate WestRock's performance relative to its peers. Management believes that the most directly comparable GAAP measure to "Adjusted Segment Sales" is "segment sales". Additionally, the most directly comparable GAAP measure to "Adjusted EBITDA Margin, excluding trade sales" is "Adjusted EBITDA Margin". "Adjusted EBITDA Margin, excluding trade sales" is calculated by dividing that segment's Adjusted EBITDA by Adjusted Segment Sales. "Adjusted EBITDA Margin" is considered a GAAP profitability measure and it is calculated for each segment by dividing that segment's Adjusted EBITDA by 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 management, 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 as reported 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 reconciliations of our non-GAAP financial measures to their respective directly comparable GAAP measures, as identified above, for the periods indicated (in millions, except percentages or ratios).

Reconciliations of Consolidated Adjusted EBITDA

	Three Months Ended	
	December 31,	
	2021	2020
Net Income attributable to common stockholders	\$ 182.3	\$ 152.0
<u>Adjustments: (1)</u>		
Less: Net Income attributable to noncontrolling interests	1.5	0.5
Income tax expense	58.6	50.3
Other income, net	(0.2)	(20.8)
Loss on extinguishment of debt	-	1.1
Interest expense, net	86.7	93.8
Restructuring and other costs	2.3	7.7
Multiemployer pension withdrawal income	(3.3)	-
Gain on sale of certain closed facilities	(14.4)	(0.9)
Depreciation, depletion and amortization	366.5	364.5
Other adjustments	0.3	21.6
Consolidated Adjusted EBITDA	<u>\$ 680.3</u>	<u>\$ 669.8</u>

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

Reconciliations of Adjusted Net Income

Three Months Ended December 31, 2021

	Consolidated Results		
	Pre-Tax	Tax	Net of Tax
As reported (1)	\$ 242.4	\$ (58.6)	\$ 183.8
Restructuring and other items	2.3	(0.5)	1.8
Losses at closed plants, transition and start-up costs	0.3	(0.1)	0.2
Gain on sale of certain closed facilities	(14.4)	3.6	(10.8)
Adjustments / Adjusted Results	<u>\$ 230.6</u>	<u>\$ (55.6)</u>	<u>\$ 175.0</u>
Noncontrolling interests			(1.5)
Adjusted Net Income			<u>\$ 173.5</u>

(1) The as reported 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 operations.

Three Months Ended December 31, 2020

Consolidated Results			
	Pre-Tax	Tax	Net of Tax
As reported (1)	\$ 202.8	\$ (50.3)	\$ 152.5
COVID-19 relief payments	22.0	(5.4)	16.6
Restructuring and other items	7.7	(1.9)	5.8
Loss on extinguishment of debt	1.1	(0.3)	0.8
Losses at closed plants, transition and start-up costs	0.4	(0.1)	0.3
Accelerated depreciation on major capital projects and certain plant closures	0.2	-	0.2
Gain on sale of investment	(14.7)	2.1	(12.6)
Gain on sale of certain closed facilities	(0.9)	0.2	(0.7)
Brazil indirect tax	(0.9)	0.3	(0.6)
Adjustments/ Adjusted Results	\$ 217.7	\$ (55.4)	\$ 162.3
Noncontrolling interests			(0.5)
Adjusted Net Income			\$ 161.8

(1) The as reported 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 Condensed Consolidated Statements of Income.

Reconciliation of Adjusted Earnings Per Diluted Share

	Three Months Ended	
	Dec. 31, 2021	Dec. 31, 2020
Earnings per diluted share	\$ 0.68	\$ 0.57
Restructuring and other items	0.01	0.02
COVID-19 relief payments	-	0.06
Loss on extinguishment of debt	-	0.01
Gain on sale of certain closed facilities	(0.04)	-
Gain on sale of investment	-	(0.05)
Adjusted Earnings Per Diluted Share	\$ 0.65	\$ 0.61

Reconciliations of Adjusted Segment Sales and Adjusted EBITDA Margins, Excluding Trade Sales

Reconciliation for the Quarter Ended December 31, 2021

	Corrugated Packaging	Consumer Packaging	Paper	Distribution	Non-Alloc. / Elim.	Consolidated
Segment sales / Net sales	\$ 2,220.0	\$ 1,138.7	\$ 1,352.6	\$ 324.8	\$ (83.9)	\$ 4,952.2
Less: Trade Sales	(76.1)	-	-	-	-	(76.1)
Adjusted Segment Sales	\$ 2,143.9	\$ 1,138.7	\$ 1,352.6	\$ 324.8	\$ (83.9)	\$ 4,876.1
Adjusted EBITDA / Consolidated Adjusted EBITDA	\$ 288.9	\$ 169.3	\$ 232.4	\$ 6.5	\$ (16.8)	\$ 680.3
Adjusted EBITDA Margins	13.0%	14.9%	17.2%	2.0%		
Adjusted EBITDA Margin, excluding Trade Sales	13.5%					

Reconciliation for the Quarter Ended December 31, 2020

	Corrugated Packaging	Consumer Packaging	Paper	Distribution	Corporate / Elim.	Consolidated
Segment sales / Net sales	\$ 2,019.5	\$1,062.5	\$1,090.9	\$ 303.8	\$ (75.2)	\$ 4,401.5
Less: Trade Sales	(97.0)	-	-	-	-	(97.0)
Adjusted Segment Sales	\$ 1,922.5	\$1,062.5	\$1,090.9	\$ 303.8	\$ (75.2)	\$ 4,304.5
Adjusted EBITDA / Consolidated Adjusted EBITDA	\$ 347.6	\$ 175.3	\$ 151.7	\$ 16.4	\$ (21.2)	\$ 669.8
Adjusted EBITDA Margins	17.2%	16.5%	13.9%	5.4%		
Adjusted EBITDA Margin, excluding Trade Sales	18.1%					

The following tables reflect Net sales and Consolidated Adjusted EBITDA under the new segment reporting structure, as well as Segment sales, Adjusted EBITDA and other information, including associated margins, for each of our reportable segments for the periods presented (unaudited, in millions):

	Three Months Ended				
	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sep. 30, 2021	Fiscal 2021
Segment Sales					
Corrugated Packaging	\$2,019.5	\$2,022.4	\$2,154.7	\$2,203.9	\$ 8,400.5
Consumer Packaging	1,062.5	1,080.6	1,132.2	1,158.6	4,433.9
Paper	1,090.9	1,130.6	1,299.2	1,462.3	4,983.0
Distribution	303.8	280.3	322.3	348.4	1,254.8
Intersegment Eliminations	(75.2)	(76.1)	(92.1)	(82.7)	(326.1)
Net sales	\$4,401.5	\$4,437.8	\$4,816.3	\$5,090.5	\$18,746.1
Less: Trade sales	(97.0)	(71.1)	(84.8)	(98.3)	(351.2)
Adjusted Net Sales	\$4,304.5	\$4,366.7	\$4,731.5	\$4,992.2	\$18,394.9
Corrugated Packaging Adjusted segment sales (1)	\$1,922.5	\$1,951.3	\$2,069.9	\$2,105.6	\$ 8,049.3
Adjusted EBITDA					
Corrugated Packaging	\$ 347.6	\$ 321.1	\$ 363.9	\$ 361.4	\$ 1,394.0
Consumer Packaging	175.3	164.1	183.3	198.1	720.8
Paper	151.7	159.6	265.2	307.2	883.7
Distribution	16.4	11.0	18.0	23.4	68.8
Non-Allocated expenses	(21.2)	(15.3)	(19.4)	(12.2)	(68.1)
Consolidated Adjusted EBITDA	\$ 669.8	\$ 640.5	\$ 811.0	\$ 877.9	\$ 2,999.2
Adjusted EBITDA Margins (2)					
Corrugated Packaging	17.2%	15.9%	16.9%	16.4%	16.6%
Consumer Packaging	16.5%	15.2%	16.2%	17.1%	16.3%
Paper	13.9%	14.1%	20.4%	21.0%	17.7%
Distribution	5.4%	3.9%	5.6%	6.7%	5.5%
Consolidated Adjusted EBITDA Margin (3)	15.2%	14.4%	16.8%	17.2%	16.0%
Corrugated Packaging Adjusted EBITDA Margin, excluding trade sales (1)	18.1%	16.5%	17.6%	17.2%	17.3%

- (1) Corrugated Packaging segment sales less trade sales equals Corrugated Packaging Adjusted segment sales.
 Corrugated Packaging Adjusted EBITDA divided by Corrugated Packaging Adjusted segment sales equals Corrugated Packaging Adjusted EBITDA Margin, excluding trade sales.
- (2) Adjusted EBITDA Margins are Adjusted EBITDA divided by segment sales for the respective segments.
- (3) Consolidated Adjusted EBITDA Margin is Consolidated Adjusted EBITDA divided by net sales.

	Three Months Ended				
	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Fiscal 2020
Segment Sales					
Corrugated Packaging	\$1,979.3	\$1,973.0	\$1,850.2	\$1,987.7	\$ 7,790.2
Consumer Packaging	1,015.4	1,049.8	1,024.1	1,101.1	4,190.4
Paper	1,206.9	1,246.5	1,166.2	1,130.0	4,749.6
Distribution	265.0	245.4	261.9	330.1	1,102.4
Land and Development	18.9	-	-	-	18.9
Intersegment Eliminations	(61.8)	(67.4)	(66.1)	(77.4)	(272.7)
Net sales	\$4,423.7	\$4,447.3	\$4,236.3	\$4,471.5	\$17,578.8
Less: Trade sales	(99.2)	(96.2)	(94.7)	(83.4)	(373.5)
Adjusted Net Sales	<u>\$4,324.5</u>	<u>\$4,351.1</u>	<u>\$4,141.6</u>	<u>\$4,388.1</u>	<u>\$17,205.3</u>

Corrugated Packaging Adjusted segment sales (1)	\$1,880.1	\$1,876.8	\$1,755.5	\$1,904.3	\$ 7,416.7
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Adjusted EBITDA					
Corrugated Packaging	\$ 358.5	\$ 392.3	\$ 361.0	\$ 362.4	\$ 1,474.2
Consumer Packaging	133.2	159.7	186.0	181.8	660.7
Paper	190.3	173.6	167.1	170.9	701.9
Distribution	11.4	6.8	8.3	22.2	48.7
Land and Development	-	-	-	-	-
Non-Allocated expenses	(18.1)	(24.0)	(14.6)	(16.6)	(73.3)
Consolidated Adjusted EBITDA	<u>\$ 675.3</u>	<u>\$ 708.4</u>	<u>\$ 707.8</u>	<u>\$ 720.7</u>	<u>\$ 2,812.2</u>

Adjusted EBITDA Margins (2)					
Corrugated Packaging	18.1%	19.9%	19.5%	18.2%	18.9%
Consumer Packaging	13.1%	15.2%	18.2%	16.5%	15.8%
Paper	15.8%	13.9%	14.3%	15.1%	14.8%
Distribution	4.3%	2.8%	3.2%	6.7%	4.4%
Land and Development	nm	nm	nm	nm	nm
Consolidated Adjusted EBITDA Margin	<u>15.3%</u>	<u>15.9%</u>	<u>16.7%</u>	<u>16.1%</u>	<u>16.0%</u>

Corrugated Packaging Adjusted EBITDA Margin, excluding trade sales (1)	19.1%	20.9%	20.6%	19.0%	19.9%
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(1) Corrugated Packaging segment sales less trade sales equals Corrugated Packaging Adjusted segment sales.

Corrugated Packaging Adjusted EBITDA divided by Corrugated Packaging Adjusted segment sales equals Corrugated Packaging Adjusted EBITDA Margin, excluding trade sales.

(2) Adjusted EBITDA Margins are Adjusted EBITDA divided by segment sales for the respective segments.

(3) Consolidated Adjusted EBITDA Margin is Consolidated Adjusted EBITDA divided by net sales.

Reconciliations of Consolidated Adjusted EBITDA

	Three Months Ended				Fiscal 2021
	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sep. 30, 2021	
Net Income attributable to common stockholders	\$ 152.0	\$ 112.5	\$ 250.1	\$ 323.7	\$ 838.3
<u>Adjustments: (1)</u>					
Less: Net Income attributable to noncontrolling interests	0.5	1.9	0.9	0.9	4.2
Income tax expense	50.3	30.5	77.4	85.2	243.4
Other (income) expense, net	(20.8)	13.4	(6.4)	2.9	(10.9)
Loss on extinguishment of debt	1.1	-	-	8.6	9.7
Interest expense, net	93.8	83.5	102.5	92.5	372.3
Restructuring and other costs	7.7	5.2	6.9	11.7	31.5
Multiemployer pension withdrawal income	-	-	-	(2.9)	(2.9)
Gain on sale of certain closed facilities	(0.9)	-	-	-	(0.9)
Depreciation, depletion and amortization	364.5	361.4	369.0	365.1	1,460.0
Other adjustments	21.6	32.1	10.6	(9.8)	54.5
Consolidated Adjusted EBITDA	\$ 669.8	\$ 640.5	\$ 811.0	\$ 877.9	\$ 2,999.2

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

	Three Months Ended				Fiscal 2020
	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	
Net Income attributable to common stockholders	\$ 138.5	\$ 148.1	\$ 178.5	\$ (1,156.0)	\$ (690.9)
<u>Adjustments: (1)</u>					
Less: Net Income attributable to noncontrolling interests	1.0	0.8	1.5	1.5	4.8
Income tax expense	46.5	57.8	19.2	40.0	163.5
Other expense (income), net	3.7	0.9	5.0	(19.1)	(9.5)
Loss on extinguishment of debt	-	0.5	0.6	0.4	1.5
Interest expense, net	93.5	97.3	92.4	110.3	393.5
Restructuring and other costs	30.1	16.4	9.7	56.5	112.7
Goodwill impairment	-	-	-	1,333.2	1,333.2
Multiemployer pension withdrawal expense (income)	-	0.9	(2.0)	-	(1.1)
Gain on sale of certain closed facilities	(0.5)	(5.0)	-	(10.1)	(15.6)
Depreciation, depletion and amortization	381.2	374.5	365.7	365.6	1,487.0
Other adjustments	(18.7)	16.2	37.2	(1.6)	33.1
Consolidated Adjusted EBITDA	\$ 675.3	\$ 708.4	\$ 707.8	\$ 720.7	\$ 2,812.2

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

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WESTROCK Q1 FY22 RESULTS

FEBRUARY 3, 2022



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 "Deliberate Actions for Margin Expansion and Growth", "Capital Allocation", "Q2 FY22 Guidance", "Proven Track Record of Growth", "Adjusted Free Cash Flow", "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 new segments will provide greater transparency around our margin structure both today and as we transform into the company of tomorrow; (ii) that the Company will invest in our business through high-return, organic projects; (iii) that the Company will opportunistically and aggressively repurchase shares; (iv) that the Company will maintain its target leverage ratio; (v) that the Corrugated Packaging Adjusted EBITDA FY22 margin is expected at or above last year; (vi) that beauty, personal care, and spirits demand recovering as economy reopens, (vii) that we expect FY22 to be 7th consecutive year of Adjusted Free Cash Flow greater than \$1 billion; (viii) that the Company continues to expect strong cash flows in FY22; (ix) that the Company is positioned for continued sales, earnings and free cash flow growth; and (x) that pricing flow through is expected to outpace inflation for FY22.

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 and the operations of our customers, 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; adverse legal, reputational and financial effects on us resulting from last year's ransomware incident or additional cyber incidents; 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 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, 2021. 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 the Company 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 the Company's securities. This presentation also may not include all of the information regarding the Company that you may need to make an investment decision regarding the Company's securities. Any investment decision should be made on the basis of the total mix of information regarding the Company that is publicly available as of the date of the investment decision.

Q1 FY22 KEY HIGHLIGHTS

- Sales and earnings growth in Q1 FY22
 - Net sales of \$5.0 billion, up 12.5% year-over-year
 - Consolidated Adjusted EBITDA⁽¹⁾ of \$680 million, up 1.6% year-over-year
 - Consolidated Adjusted EBITDA margin⁽¹⁾ of 13.7%, down 150 basis points year-over-year
 - Adjusted EPS⁽¹⁾ of \$0.65 per share, up 6.6% year-over-year
 - Generated \$84 million of Adjusted Free Cash Flow⁽¹⁾
- Packaging sales⁽²⁾ increased 10% and Papers sales increase 24% year-over-year driven by successful implementation of price increases and solid demand
- Cost inflation and supply chain disruptions negatively impacted earnings
- Within target leverage ratio⁽¹⁾ and repurchased \$100 million of stock

STRONG EARNINGS GROWTH IN DYNAMIC ENVIRONMENT

- 1) Non-GAAP Financial Measure. See Non-GAAP Financial Measures in the Appendix
- 2) Corrugated Packaging segment sales (excluding white top trade sales) and Consumer Packaging segment sales
- 3) Adjusted EBITDA margin (excluding white top trade sales)
- 4) Consolidated Adjusted EBITDA margins.

3

CONSOLIDATED ADJUSTED EBITDA⁽¹⁾



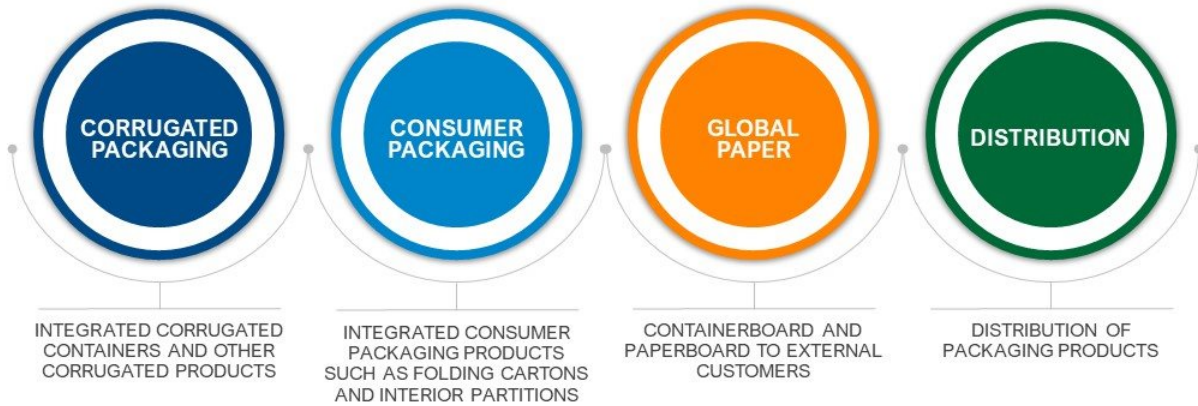
CONSOLIDATED ADJUSTED EBITDA MARGINS⁽¹⁾

	Q1 FY22 MARGIN	VS. Q4 FY21	VS. Q1 FY21
Corrugated Packaging ⁽³⁾	13.5%	-370bps	-460bps
Consumer Packaging	14.9%	-220bps	-160bps
Global Paper	17.2%	-380bps	+330bps
Distribution	2.0%	-470bps	-340bps
WestRock ⁽⁴⁾	13.7%	-350bps	-150bps



REVISED SEGMENT REPORTING

REPORTING WITH NEW SEGMENTS



NEW SEGMENTS WILL PROVIDE GREATER TRANSPARENCY AROUND OUR MARGIN STRUCTURE BOTH TODAY AND AS WE TRANSFORM INTO THE COMPANY OF TOMORROW

OUR PATH FORWARD

TRANSFORMATION AGENDA DESIGNED TO IMPROVE OUR OVERALL ROIC



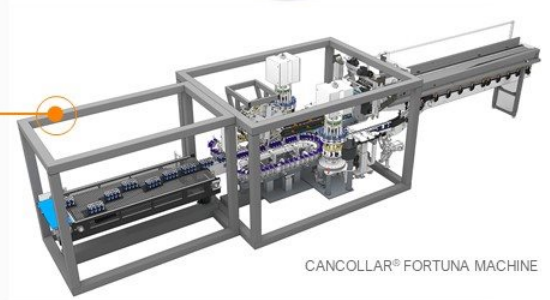
ABI MEXICO | GRUPO MODELO FOR A CIRCULAR FUTURE

CANCOLLAR® ECO packaging enabled by WestRock's **CANCOLLAR® FORTUNA** automation technology, **eliminating over 100 tons of plastic waste.**

Designed for mid- and high-speed can lines, **FORTUNA™** is the fastest automation option on the market, enabling CanCollar® speeds up to 600 packs per minute!

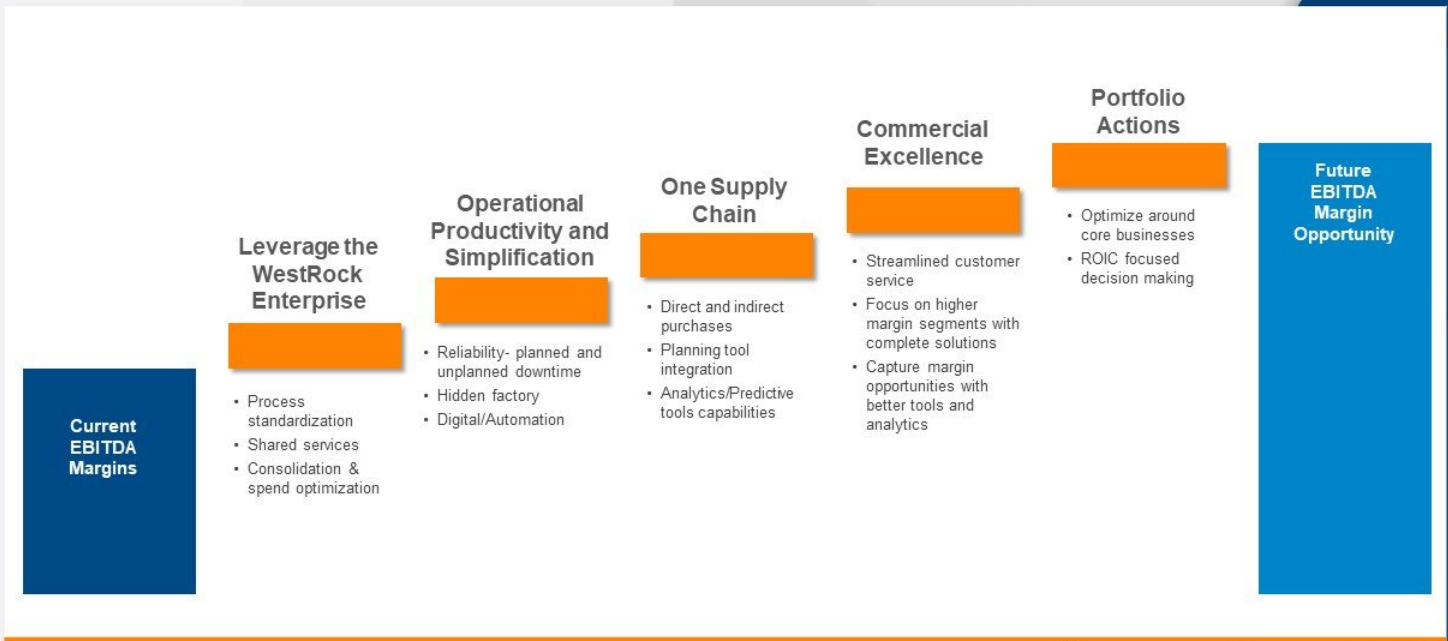


CANCOLLAR® ECO



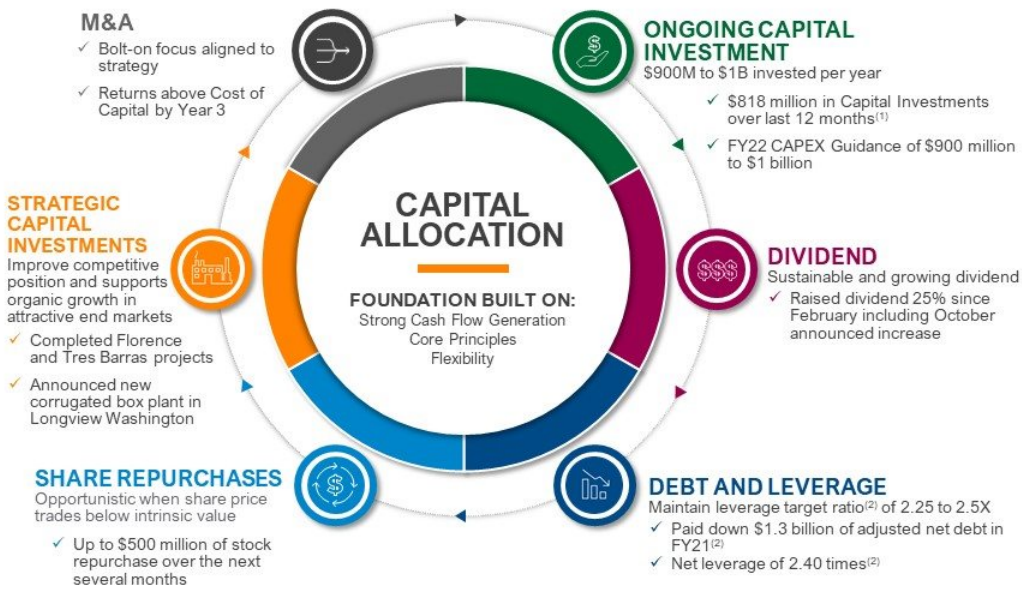
CANCOLLAR® FORTUNA MACHINE

DELIBERATE ACTIONS FOR MARGIN EXPANSION AND GROWTH



CAPITAL ALLOCATION

FY22E FREE CASH FLOW OF >\$1.3 BILLION



RECENT DEPLOYMENT OF CAPITAL

- Repurchased 2.1 million shares totaling \$100 million in Q1 FY22
- Announced Longview box plant investment

NEAR TERM CAPITAL DEPLOYMENT PRIORITIES

- Invest in our business through high-return, organic projects
- Opportunistically and aggressively repurchase shares
- Maintain target leverage ratio

COMPLETED FIRST PHASE OF STRATEGIC REVIEW

- More details around strategic review at Investor Day

8 1) TTM as of December 31, 2021
2) Non-GAAP Financial Measure. See Non-GAAP Financial Measures in the Appendix.

OUR PATH FORWARD

TRANSFORMATION AGENDA DESIGNED TO IMPROVE OUR OVERALL ROIC



ALEX PEASE
CHIEF FINANCIAL
OFFICER



Q1 FY22 WESTROCK RESULTS

\$ IN MILLIONS, EXCEPT PER SHARE ITEMS	FIRST QUARTER	
	FY22	FY21
Net Sales	\$4,952	\$4,402
Consolidated Adjusted EBITDA ⁽¹⁾	\$680	\$670
% Margin ⁽¹⁾	13.7%	15.2%
Capital Expenditures	\$173	\$171
Adjusted Free Cash Flow ⁽¹⁾	\$84	\$562
Adjusted Earnings Per Diluted Share ⁽¹⁾	\$0.65	\$0.61

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



Q1 YEAR-OVER-YEAR HIGHLIGHTS

- Net sales up 12.5% in the quarter
- Pricing realization exceeded cost inflation
- Higher inflation led by recycled fiber, energy, virgin fiber and freight costs
- Repurchased \$100 million in stock in Q1 FY22
- Leverage remains within targeted levels
- Largest scheduled maintenance quarter in company's history; partially drove year-over-year margin compression
- Free Cash Flow primarily impacted by reversal of one-time COVID related benefits

Q1 FY22 CORRUGATED PACKAGING RESULTS

\$ IN MILLIONS, EXCEPT PER SHARE ITEMS	FIRST QUARTER	
	FY22	FY21
Segment Sales ⁽¹⁾	\$2,144	\$1,923
Adjusted EBITDA ⁽²⁾	\$289	\$348
% Margin ⁽¹⁾⁽²⁾	13.5%	18.1%

Q1 YEAR-OVER-YEAR HIGHLIGHTS

- Segment sales up 11.5% in the quarter driven by strong price/mix
- Volumes impacted by lower shipments year-over-year due to supply chain and labor challenges
- Higher inflation led by freight, energy, chemical and labor costs
- Productivity negatively impacted by COVID-related absenteeism, supply chain constraints and highest level of scheduled maintenance in the Company's history
- FY22 Adjusted EBITDA margin⁽²⁾ expected at or above last year

ADJUSTED EBITDA (\$ IN MILLIONS)⁽²⁾



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1) Excludes white top trade sales

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

Q1 FY22 CONSUMER PACKAGING RESULTS

\$ IN MILLIONS, EXCEPT PER SHARE ITEMS	FIRST QUARTER	
	FY22	FY21
Segment Sales	\$1,139	\$1,063
Adjusted EBITDA ⁽¹⁾	\$169	\$175
% Margin ⁽¹⁾	14.9%	16.5%

ADJUSTED EBITDA (\$ IN MILLIONS)⁽¹⁾



Q1 YEAR-OVER-YEAR HIGHLIGHTS

- Segment sales up 7.2% in the quarter driven by strong price mix and slightly higher volumes
- Higher inflation led by freight, energy, chemical and labor costs
- CPG sales remain solid
- Beverage and hard seltzer sales decelerated; Out-of-stock challenges remain
- Beauty, personal care, and spirits demand recovering as economy reopens

Q1 FY22 GLOBAL PAPER RESULTS

\$ IN MILLIONS, EXCEPT PER SHARE ITEMS	FIRST QUARTER	
	FY22	FY21
Segment Sales	\$1,353	\$1,091
Adjusted EBITDA ⁽¹⁾	\$232	\$152
% Margin ⁽¹⁾	17.2%	13.9%

Q1 YEAR-OVER-YEAR HIGHLIGHTS

- Segment sales up 24.0% in the quarter
- Pricing realization exceeded cost inflation
- Strong performance in key strategic markets including kraft paper and other specialty grades
- Market demand growing
- Flexibility enables us to navigate supply/demand dynamics

ADJUSTED EBITDA (\$ IN MILLIONS)⁽¹⁾



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

Q1 FY22 DISTRIBUTION RESULTS

\$ IN MILLIONS, EXCEPT PER SHARE ITEMS	FIRST QUARTER	
	FY22	FY21
Segment Sales	\$325	\$304
Adjusted EBITDA ⁽¹⁾	\$7	\$16
% Margin ⁽¹⁾	2.0%	5.4%

Q1 YEAR-OVER-YEAR HIGHLIGHTS

- Segment sales up 6% in the quarter
- Demand remains strong, outpacing supply
- Profitability impacted by our suppliers' continued headwinds and one-time non-recurring cost issues
- Multiple initiatives underway focused on productivity and commercial excellence

ADJUSTED EBITDA (\$ IN MILLIONS)⁽¹⁾



Q1 FY22 FREE CASH FLOW

- **Q1 Adjusted Free Cash Flow of \$84 million⁽¹⁾**
- **Year-Over-Year comparison was negatively impacted by:**
 - Payment of short-term incentive compensation in cash vs. stock
 - Short-term compensation higher following strong FY21
 - 401K match returned to cash payments in FY22
 - First payment of the deferred payroll tax associated with the CARES Act
- **Expect FY22 to be 7th consecutive year of Adjusted Free Cash Flow greater than \$1 billion⁽¹⁾**

CONTINUE TO EXPECT STRONG CASH FLOWS IN FY22

Q2 FY22 GUIDANCE



Q2 FY22
CONSOLIDATED
ADJUSTED EBITDA⁽¹⁾



Q2 FY22
ADJUSTED EPS⁽¹⁾

Q2 FY22 SEQUENTIAL GUIDANCE DETAILS

- Flow through of previously published price increases across containerboard, kraft paper, SBS, CNK, CRB and URB; price realization greater than inflation
- Roughly flat costs quarter over quarter as improvements in energy and OCC offset by higher freight, wage and other expenses
- Approximately 128K tons of maintenance downtime; still at elevated maintenance levels

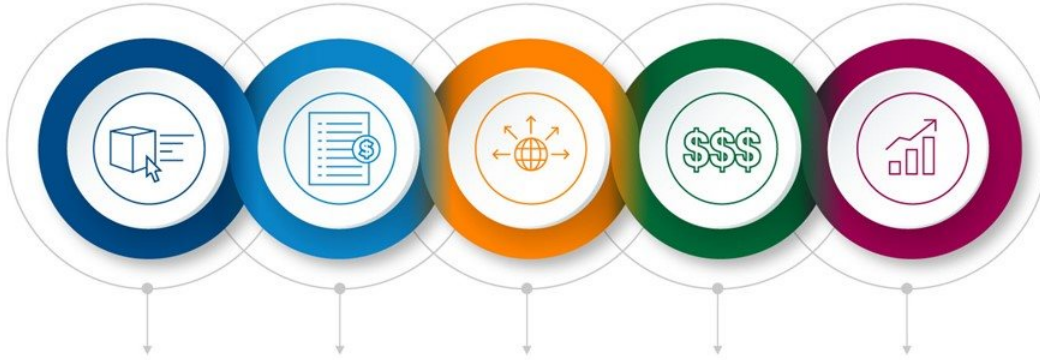
STRONG DEMAND
FOR FIBER-BASED
PAPER AND
PACKAGING

PORTFOLIO
UNIQUELY
POSITIONED TO
MEET CUSTOMER
NEEDS

MULTIPLE MARGIN
EXPANSION
OPPORTUNITIES

STRONG CASH
FLOW AND
BALANCE SHEET

DISCIPLINED AND
BALANCED CAPITAL
ALLOCATION



CREATING VALUE

APPENDIX

PROVEN TRACK RECORD OF GROWTH

(\$ IN BILLIONS EXCEPT EPS)	FY16	FY21	CAGR	FY22E
Net Sales⁽¹⁾	\$14.2	\$18.7	6%	\$20.0 to \$21.0
Consolidated Adjusted EBITDA⁽²⁾	\$2.3	\$3.0	6%	\$3.3 to \$3.7
Consolidated Adjusted EBITDA Margin⁽¹⁾⁽²⁾	16%	16%		16.5% to 17.5%
Adjusted EPS⁽²⁾	\$2.52	\$3.39	6%	\$4.00 to \$5.10
Adjusted Free Cash Flow⁽²⁾	\$1.0	\$1.5	8%	>\$1.3
Net Leverage Ratio⁽²⁾	2.2x	2.38x		Within Targeted Range

**POSITIONED FOR CONTINUED
SALES, EARNINGS AND FREE CASH FLOW GROWTH**

RESILIENT BUSINESS MODEL

- Broadest portfolio of paper and packaging solutions
- Attractive margins
- Consistent cash flow
- Strong balance sheet

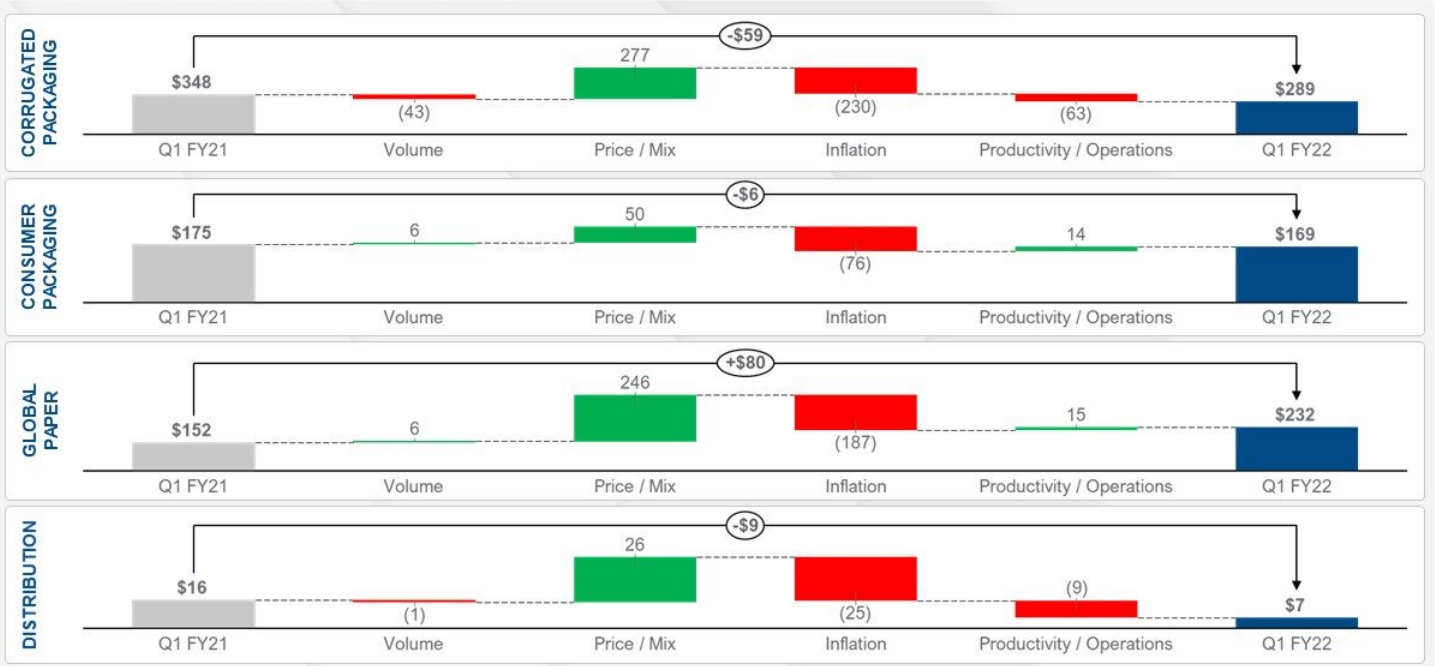
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1) As reported: Including recycling sales in FY16.
2) Non-GAAP Financial Measure. See Non-GAAP Financial Measures in the Appendix



Q1 YEAR OVER YEAR BRIDGES

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



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

PRICING AND MIX MANAGEMENT OUTPACING INFLATION YEAR-OVER-YEAR

YEAR-OVER-YEAR PRICE/MIX AND INFLATION



HIGHLIGHTS

- Q1 FY22 price/mix realization of \$600 million year/year; \$80 million in excess of inflation
- Published price increases since Q4 FY20⁽¹⁾:
 - ✓ +\$160/ton North America Containerboard
 - ✓ +\$250/ton CNK
 - ✓ +\$300/ton SBS folding carton grades
 - ✓ +\$300/ton SBS plate and cup stock grades
 - ✓ +\$270/ton CRB
- Guidance reflects flow through of published price increases in kraft paper; higher export containerboard prices
- Key inflation drivers include fiber, freight, energy, and chemicals

PRICING FLOW THROUGH EXPECTED TO OUTPACE INFLATION FOR FY22

ADJUSTED FREE CASH FLOW

ADJUSTED FREE CASH FLOW⁽¹⁾ (\$ IN BILLIONS)



STRONG FREE CASH FLOW

- FY22 Adjusted Free Cash Flow expected to be >\$1.3 billion⁽¹⁾
- FY22 expected to be 7th straight year with Adjusted Free Cash Flow above \$1 billion⁽¹⁾
- Strong balance sheet with leverage within target of 2.25x to 2.50x

ADDITIONAL GUIDANCE

FY22 GUIDANCE

FY22 GUIDANCE	Q2 FY22	FULL YEAR
Depreciation & Amortization	Approx. \$365 million	Approx. \$1.48 billion
Net Interest Expense and Interest Income	Approx. \$85 million	Approx. \$350 million
Effective Adjusted Book Tax Rate ⁽¹⁾	23% - 25%	Approx. 25%
Adjusted Cash Tax Rate ⁽¹⁾		Approx. 25%
Share Count	Approx. 267 million	Approx. 270 million

MILL DOWNTIME SCHEDULE (TONS IN THOUSANDS)

	MAINTENANCE				
	Q1	Q2	Q3	Q4	Full Year
FY22 Maintenance	192	128	58	12	390
FY21 Maintenance	105	65	119	12	301
FY20 Maintenance	146	105	21	102	374

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



KEY COMMODITY ANNUAL CONSUMPTION VOLUMES

KEY COMMODITY ANNUAL CONSUMPTION VOLUMES

APPROX. FY22 ANNUAL CONSUMPTION VOLUMES

Commodity Category	Volume
Recycled Fiber (tons millions)	5.6
Wood (tons millions)	36
Natural Gas (MMBTU)	91
Electricity (kwh billions)	6.1
Polyethylene (lbs millions)	37
Caustic Soda (tons thousands)	245
Starch (lbs millions)	600

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	(\$0.07)

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 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 certain cash restructuring and other costs, net of tax that we believe are not indicative of our ongoing operating results. We believe adjusted free cash flow provides greater comparability across periods by excluding capital expenditures. We believe the most directly comparable GAAP measure is net cash provided by operating activities.

CONSOLIDATED ADJUSTED EBITDA AND CONSOLIDATED ADJUSTED EBITDA MARGINS

We use the non-GAAP financial measures "Consolidated Adjusted EBITDA" and "Consolidated Adjusted EBITDA margins", along with other factors, to evaluate our performance against our peers. We believe that board of directors, investors, potential investors, securities analysts and others use these measures to evaluate our performance relative to our peers. Management believes that the most directly comparable GAAP measure to "Consolidated Adjusted EBITDA" (formerly referred to as Adjusted Segment EBITDA) is "Net income attributable to common stockholders". It can also be derived by adding together each segment's "Adjusted EBITDA" plus "Non-allocated expenses". "Consolidated Adjusted EBITDA Margins" is calculated as "Consolidated Adjusted EBITDA" divided by Net 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 our board of directors, investors, potential investors, securities analysts and others 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 December 31, 2021, our leverage ratio was 2.50 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 December 31, 2021, our net leverage ratio was 2.40 times.

ADJUSTED NET DEBT

We believe "adjusted net debt" provides WestRock's board of directors, investors, potential investors, securities analysts and others with useful information to evaluate WestRock's repayment of debt relative to other periods because it includes or excludes certain items management believes are not comparable from period to period. We believe adjusted net debt provides greater comparability across periods by adjusting for cash and cash equivalents, as well as fair value of debt step-up included in Total Debt that is not subject to debt repayment. WestRock believes that the most directly comparable GAAP measure is "Total Debt" which is derived from the current portion of debt and long-term debt due after one year.

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. In addition, we have not quantified future amounts to develop our leverage ratio target but have stated our commitment to an investment grade credit profile in order to generally maintain the target. This target does not reflect Company guidance.

ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER DILUTED SHARE RECONCILIATION

	Q1 FY22			
	Consolidated Results			
	Pre-Tax	Tax	Net of Tax	EPS
As reported ⁽¹⁾	\$ 242.4	\$ (58.6)	\$ 183.8	\$ 0.68
Restructuring and other items	2.3	(0.5)	1.8	0.01
Losses at closed plants and transition costs	0.3	(0.1)	0.2	0.00
Gain on sale of certain closed facilities	(14.4)	3.6	(10.8)	(0.04)
Adjustments / Adjusted Results	\$ 230.6	\$ (55.6)	175.0	\$ 0.65
Noncontrolling interests			(1.5)	
Adjusted Net Income			\$ 173.5	

1) The as reported 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.



ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER DILUTED SHARE RECONCILIATION

(\$ in millions, except per share data)

	Q1 FY21			
	Consolidated Results			
	Pre-Tax	Tax	Net of Tax	EPS
As reported ⁽¹⁾	\$ 202.8	\$ (50.3)	\$ 152.5	\$ 0.57
COVID-19 relief payments	22.0	(5.4)	16.6	0.06
Restructuring and other items	7.7	(1.9)	5.8	0.02
Loss on extinguishment of debt	1.1	(0.3)	0.8	0.01
Losses at closed plants, transition and start-up costs	0.4	(0.1)	0.3	-
Accelerated depreciation on major capital projects and certain plant closures	0.2	-	0.2	-
Gain on sale of investment	(14.7)	2.1	(12.6)	(0.05)
Gain on sale of certain closed facilities	(0.9)	0.2	(0.7)	-
Brazil indirect tax	(0.9)	0.3	(0.6)	-
Adjustments / Adjusted Results	\$ 217.7	\$ (55.4)	\$ 162.3	\$ 0.61
Noncontrolling interests			(0.5)	
Adjusted Net Income			\$ 161.8	

1) The as reported 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.



ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER DILUTED SHARE RECONCILIATION

(\$ in millions, except per share data)

	Full Year FY21			
	Consolidated Results			
	Pre-Tax	Tax	Net of Tax	EPS
As reported ⁽¹⁾	\$ 1,085.9	\$ (243.4)	\$ 842.5	\$ 3.13
Restructuring and other items	31.5	(7.7)	23.8	0.09
COVID-19 employee payments	22.0	(5.4)	16.6	0.06
Grupo Gondli option	22.5	(6.7)	15.8	0.06
Ransomware recovery costs, net of insurance proceeds	18.9	(4.7)	14.2	0.05
Accelerated compensation - former CEO	11.7	-	11.7	0.04
Loss on extinguishment of debt	9.7	(2.4)	7.3	0.03
Losses at closed plants, transition and start-up costs	3.0	(0.6)	2.4	0.01
Accelerated depreciation on major capital projects and certain plant closures	0.7	(0.2)	0.5	-
Gain on sale of investment	(16.0)	2.4	(13.6)	(0.05)
Gain on sale of saw mill	(16.5)	8.3	(8.2)	(0.03)
Gain on sale of certain closed facilities	(0.9)	0.2	(0.7)	-
Brazil indirect tax claim	(0.9)	0.3	(0.6)	-
MEPP liability adjustment due to interest rates	(0.4)	0.1	(0.3)	-
Adjustments / Adjusted Results	\$ 1,171.2	\$ (259.8)	911.4	\$ 3.39
Noncontrolling interests			(4.2)	
Adjusted Net Income			\$ 907.2	

1) The as reported 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.



ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER DILUTED SHARE RECONCILIATION

(\$ in millions, except per share data)

	Full Year FY16			
	Consolidated Results			
	Pre-Tax	Tax	Net of Tax	EPS
As reported ⁽¹⁾	\$ 244.6	\$ (89.8)	\$ 154.8	\$ 0.59
Restructuring and other items	366.4	(116.0)	250.4	0.97
Non-cash pension risktransfer expense	370.7	(140.9)	229.8	0.89
Losses at closed plants and transition costs	23.3	(6.6)	16.7	0.07
Inventory stepped-up in purchase accounting, net of LIFO	8.1	(2.5)	5.6	0.02
Land and Development operating results including impairment	(5.6)	2.2	(3.4)	(0.01)
Gain on extinguishment of debt	(2.7)	0.8	(1.9)	(0.01)
Gain on investment in Grupo Gondi ⁽²⁾	(12.1)	10.6	(1.5)	(0.01)
Other	1.8	(0.6)	1.2	0.01
Adjustments / Adjusted Results	\$ 994.5	\$ (342.8)	651.7	\$ 2.52
Noncontrolling interests			(2.1)	
Adjusted Net Income			\$ 649.6	

1) The as reported results for Pre-Tax, Tax, Net of Tax and EPS are equivalent to the line items "Income from continuing operations before income taxes", "Income tax expense", "Income from continuing operations" and "Diluted earnings per share from continuing operations", respectively, as reported on the statements of operations.

2) Impacted by non-deductible goodwill



RECONCILIATION OF NET INCOME TO CONSOLIDATED ADJUSTED EBITDA

(\$ in millions)	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21	Q1 FY22
Net income attributable to common stockholders	\$ 152.0	\$ 112.5	\$ 250.1	\$ 323.7	\$ 182.3
<u>Adjustments:</u> ⁽¹⁾					
Less: Net Income attributable to noncontrolling interests	0.5	1.9	0.9	0.9	1.5
Income tax expense	50.3	30.5	77.4	85.2	58.6
Other (income) expense, net	(20.8)	13.4	(6.4)	2.9	(0.2)
Loss on extinguishment of debt	1.1	-	-	8.6	-
Interest expense, net	93.8	83.5	102.5	92.5	86.7
Restructuring and other costs	7.7	5.2	6.9	11.7	2.3
Multiemployer pension withdrawal income	-	-	-	(2.9)	(3.3)
Gain on sale of certain closed facilities	(0.9)	-	-	-	(14.4)
Depreciation, depletion, and amortization	364.5	361.4	369.0	365.1	366.5
Other adjustments	21.6	32.1	10.6	(9.8)	0.3
Consolidated Adjusted EBITDA	<u>\$ 669.8</u>	<u>\$ 640.5</u>	<u>\$ 811.0</u>	<u>\$ 877.9</u>	<u>\$ 680.3</u>
Net Sales	\$ 4,401.5	\$ 4,437.8	\$ 4,816.3	\$ 5,090.5	\$ 4,952.2
Net income margin	<u>3.5%</u>	<u>2.5%</u>	<u>5.2%</u>	<u>6.4%</u>	<u>3.7%</u>
Consolidated Adjusted EBITDA Margin	<u>15.2%</u>	<u>14.4%</u>	<u>16.8%</u>	<u>17.2%</u>	<u>13.7%</u>

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



RECONCILIATION OF NET INCOME TO CONSOLIDATED ADJUSTED EBITDA

(\$ in millions)	FY16	FY21
Net income (loss) attributable to common stockholders	\$ (396.3)	\$ 838.3
<u>Adjustments:</u> ⁽¹⁾		
Less: Net Income attributable to noncontrolling interests	6.4	4.2
Income tax expense	89.8	243.4
Other income, net	(14.4)	(10.9)
(Gain) loss on extinguishment of debt	(2.7)	9.7
Interest expense, net	212.5	372.3
Restructuring and other costs	366.4	31.5
Multiemployer pension withdrawal income	-	(2.9)
Pension risk transfer expense	370.7	-
Gain on sale of certain closed facilities	-	(0.9)
Loss from discontinued operations	544.7	-
Depreciation, depletion, and amortization	1,084.7	1,460.0
Other adjustments	25.8	54.5
Consolidated Adjusted EBITDA	<u>\$ 2,287.6</u>	<u>\$ 2,999.2</u>
Net Sales	\$ 14,171.8	\$ 18,746.1
Net income margin	<u>-2.8%</u>	<u>4.5%</u>
Consolidated Adjusted EBITDA Margin	<u>16.1%</u>	<u>16.0%</u>

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



ADJUSTED OPERATING CASH FLOW AND ADJUSTED FREE CASH FLOW RECONCILIATION

(\$ in millions)	Q1 FY22	Q1 FY21
Net cash provided by operating activities	\$ 252.8	\$ 719.4
Plus: Cash Restructuring and other costs, net of income tax benefit of \$1.4, \$4.2 and \$9.1	4.2	12.8
Adjusted Operating Cash Flow	257.0	732.2
Less: Capital expenditures	(173.1)	(170.7)
Adjusted Free Cash Flow	\$ 83.9	\$ 561.5

(\$ in millions)	FY16	FY17	FY18	FY19	FY20	FY21
Net cash provided by operating activities	\$ 1,223.3	\$ 1,463.8	\$ 1,931.2	\$ 2,310.2	\$ 2,070.7	\$ 2,279.9
Plus: Retrospective accounting policy adoptions	465.1	436.7	489.7	-	-	-
Plus: Cash Restructuring and other costs, net of income tax benefit of \$70.4, \$36.4, \$14.5, \$29.9, \$19.4 and \$9.1 respectively	139.3	99.5	41.3	102.7	59.8	28.2
Adjusted Operating Cash Flow	1,827.7	2,000.0	2,462.2	2,412.9	2,130.5	2,308.1
Less: Capital expenditures	(796.7)	(778.6)	(999.9)	(1,369.1)	(978.1)	(815.5)
Adjusted Free Cash Flow	\$ 1,031.0	\$ 1,221.4	\$ 1,462.3	\$ 1,043.8	\$ 1,152.4	\$ 1,492.6

TTM CREDIT AGREEMENT EBITDA

TTM CREDIT AGREEMENT EBITDA

(\$ in millions)	TTM	TTM	TTM
	Sep. 30, 2016	Sep. 30, 2021	Dec. 31, 2021
Net loss attributable to common stockholders	\$ 154.8	\$ 838.3	\$ 868.6
Interest expense, net	184.0	349.0	343.0
Income tax expense	89.8	243.4	251.7
Depreciation, depletion and amortization	1,089.3	1,460.0	1,462.0
Additional permitted charges and acquisition EBITDA ⁽¹⁾	804.1	276.8	221.4
Credit Agreement EBITDA	\$ 2,322.0	\$ 3,167.5	\$ 3,146.7

TOTAL DEBT, FUNDED DEBT AND LEVERAGE RATIO

(\$ in millions, except ratios)	Sep. 30, 2016	Sep. 30, 2021	Dec. 31, 2021
Current portion of debt	\$ 292.9	\$ 168.8	\$ 236.8
Long-term debt due after one year	5,496.3	8,025.3	7,996.4
Total debt	5,789.2	8,194.1	8,233.2
Less: FV step up and deferred financing fees	(305.8)	(159.8)	(156.9)
Less: short-term and long-term chip mill obligation	-	(93.1)	(92.0)
Less: other adjustments to funded debt	(75.7)	(123.7)	(130.4)
Total Funded Debt	\$ 5,407.7	\$ 7,817.5	\$ 7,853.9
LTM credit agreement EBITDA	\$ 2,322.0	\$ 3,167.5	\$ 3,146.7
Leverage Ratio	2.33x	2.47x	2.50x
Total funded debt	\$ 5,407.7	\$ 7,817.5	\$ 7,853.9
Less: cash and cash equivalents	(340.9)	(290.9)	(291.3)
Adjusted Total Funded Debt	\$ 5,066.8	\$ 7,526.6	\$ 7,562.6
Net Leverage Ratio	2.18x	2.38x	2.40x

1) Additional Permitted Charges primarily include restructuring and other costs, and certain non-cash and other items as allowed under the credit agreement



ADJUSTED NET DEBT

(\$ in millions)	Sep. 30, 2020	Sep. 30, 2021	Dec. 31, 2021
Current portion of debt	\$ 222.9	\$ 168.8	\$ 236.8
Long-term debt due after one year	9,207.7	8,025.3	7,996.4
Total debt	\$ 9,430.6	\$ 8,194.1	\$ 8,233.2
Less: Cash and cash equivalents	(251.1)	(290.9)	(291.3)
Less: Fair value of debt step-up	(208.9)	(192.4)	(188.2)
Adjusted Net Debt	\$ 8,970.6	\$ 7,710.8	\$ 7,753.7
Adjusted Net Debt reduction in FY21		\$ 1,259.8	

