

REFINITIV

DELTA REPORT

10-Q

GPK - GRAPHIC PACKAGING HOLDING

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1913

█	CHANGES	278
█	DELETIONS	706
█	ADDITIONS	929

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended **September 30, 2023** **March 31, 2024**
or

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

For the transition period from **to** from **to**

COMMISSION FILE NUMBER: 001-33988

Graphic Packaging Holding Company

(Exact name of registrant as specified in its charter)

Delaware **26-0405422**

(State or other jurisdiction of
incorporation or organization) **(I.R.S. employer
identification no.)**

1500 Riveredge Parkway Suite 100

Atlanta, Georgia **30328**

(Address of principal executive offices) **(Zip Code)**

(770) 240-7200

(Registrant's telephone number, including area code)

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, \$0.01 par value per share	GPC	New York Stock Exchange
--	-----	-------------------------

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

None

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

Indicate by check mark whether the registrant has submitted electronically **and posted on its corporate Web site, if any**, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Emerging growth company <input type="checkbox"/>	

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

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

As of **October 30, 2023** **April 29, 2024**, there were **306,052,865** **307,293,903** shares of the registrant's Common Stock, par value \$0.01 per share, outstanding.

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INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements regarding the expectations of Graphic Packaging Holding Company ("GPHC" and, together with its subsidiaries, the "Company"), including, but not limited to, **capital investment, depreciation and amortization and pension plan contributions costs for exit activities, the timing of the sale of its operations in Russia, capital investment, and depreciation and amortization 2024**, in this report constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company's historical experience and its present expectations. These risks and uncertainties include, but are not limited to, inflation of and volatility in raw material and energy costs, changes in consumer buying habits and product preferences, competition with other paperboard manufacturers and converters, product substitution, the Company's ability to implement its business strategies, **including strategic acquisitions**, the Company's ability to successfully integrate acquisitions, productivity initiatives and cost reduction plans, the Company's debt level, currency movements and other risks of conducting business internationally, and the impact of regulatory and litigation matters, including those that could impact the Company's ability to utilize its U.S. federal income tax attributes to offset taxable income or U.S. federal income taxes and those that impact the Company's ability to protect and use its intellectual property. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made and the Company undertakes no obligation to update such statements, except as may be required by law. Additional information regarding these and other risks is contained in Part I, **Item 1A., Risk Factors** of the Company's **2022** **2023** Annual Report on Form 10-K, and in other filings with the Securities and Exchange Commission.

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)**

		Three Months Ended September 30,		Nine Months Ended September 30,					
		Three Months Ended March 31,							
		Three Months Ended March 31,							
<i>In millions, except per share amounts</i>									
<i>In millions, except per share amounts</i>									
<i>In millions, except per share amounts</i>	<i>In millions, except per share amounts</i>	2023	2022	2023	2022				
Net Sales	Net Sales	\$ 2,349	\$ 2,451	\$ 7,179	\$ 7,054				
Net Sales									
Net Sales									
Cost of Sales									
Cost of Sales									
Cost of Sales	Cost of Sales	1,799	1,940	5,563	5,715				

Selling, General and Administrative	Selling, General and Administrative	220	203	622	569
Selling, General and Administrative					
Selling, General and Administrative					
Other Expense, Net	Other Expense, Net	15	6	48	6
Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net					
Other Expense, Net		28	9	62	126
Other Expense, Net					
Business Combinations, Exit Activities and Other Special Charges, Net					
Business Combinations, Exit Activities and Other Special Charges, Net					
Business Combinations, Exit Activities and Other Special Charges, Net					
Income from Operations	Income from Operations	287	293	884	638
Nonoperating Pension and Postretirement Benefit (Expense)					
Income		(1)	2	(2)	5
Income from Operations					
Income from Operations					
Nonoperating Pension and Postretirement Benefit Expense					
Nonoperating Pension and Postretirement Benefit Expense					
Nonoperating Pension and Postretirement Benefit Expense					
Interest Expense, Net					
Interest Expense, Net					
Interest Expense, Net	Interest Expense, Net	(62)	(53)	(180)	(143)
Income before Income Taxes	Income before Income Taxes	224	242	702	500
Income before Income Taxes					
Income before Income Taxes					
Income Tax Expense					
Income Tax Expense					
Income Tax Expense	Income Tax Expense	(54)	(49)	(175)	(134)
Net Income	Net Income	\$ 170	\$ 193	\$ 527	\$ 366
Net Income					
Net Income Per Share — Basic	\$ 0.55	\$ 0.63	\$ 1.71	\$ 1.18	
Net Income Per Share — Diluted	\$ 0.55	\$ 0.62	\$ 1.70	\$ 1.18	

Net Income
Net Income Per Share - Basic
Net Income Per Share - Basic
Net Income Per Share - Basic
Net Income Per Share - Diluted
Net Income Per Share - Diluted
Net Income Per Share - Diluted

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

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GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

		Three Months Ended September 30, 2023			Three Months Ended March 31, 2024			Three Months Ended March 31, 2024		
		Graphic Packaging Holding Company			Noncontrolling Interest					
<i>In millions</i>	<i>In millions</i>	<i>In millions</i>	<i>In millions</i>	<i>In millions</i>	<i>In millions</i>	<i>In millions</i>	<i>In millions</i>	<i>In millions</i>	<i>In millions</i>	<i>In millions</i>
Net Income	Net Income	\$ 170	\$ —	\$ 170	Graphic Packaging Holding Company		Noncontrolling Interest		Total	
Other Comprehensive Income (Loss), Net of Tax:										
Other Comprehensive Loss, Net of Tax:										
Derivative Instruments										
Derivative Instruments										
Derivative Instruments	Derivative Instruments	3	—	3						
Currency Translation Adjustment	Currency Translation Adjustment	(53)	1	(52)						
Total Other Comprehensive (Loss) Income, Net of Tax		(50)	1	(49)						

Currency Translation Adjustment	
Currency Translation Adjustment	
Total Other Comprehensive Loss, Net of Tax	
Total Comprehensive Income	Total Comprehensive Income
	\$ 120
	\$ 121

<i>In millions</i>	Three Months Ended September 30, 2022	
Net Income	\$	193
Other Comprehensive Income (Loss), Net of Tax:		
Derivative Instruments		5
Currency Translation Adjustment		(99)
Total Other Comprehensive Loss, Net of Tax		(94)
Total Comprehensive Income	\$	99

<i>In millions</i>	Nine Months Ended September 30, 2023		
	Graphic Packaging	Holding Company	Noncontrolling Interest
Net Income	\$ 527	\$ —	\$ 527
Other Comprehensive Income (Loss), Net of Tax:			
Derivative Instruments	6	—	6
Pension and Postretirement Benefit Plans	1	—	1
Currency Translation Adjustment	(29)	1	(28)
Total Other Comprehensive (Loss) Income, Net of Tax	(22)	1	(21)
Total Comprehensive Income	\$ 505	\$ 1	\$ 506

<i>In millions</i>	Nine Months Ended September 30, 2022	
Net Income	\$	366
Other Comprehensive Income (Loss), Net of Tax:		
Derivative Instruments		15
Pension and Postretirement Benefit Plans		(8)
Currency Translation Adjustment		(222)
Total Other Comprehensive Loss, Net of Tax		(215)
Total Comprehensive Income	\$	151

	Three Months Ended March 31, 2023	

In millions	Graphic Packaging		
	Holding Company	Noncontrolling Interest	Total
Net Income	\$ 207	\$ —	\$ 207
Other Comprehensive (Loss) Income, Net of Tax:			
Derivative Instruments	(5)	—	(5)
Currency Translation Adjustment	24	1	25
Total Other Comprehensive Income, Net of Tax	19	1	20
Total Comprehensive Income	\$ 226	\$ 1	\$ 227

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

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GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

In millions, except share and per share amounts	In millions, except share and per share amounts	September December		In millions, except share and per share amounts		March 31, 2024	December 31, 2023
ASSETS	ASSETS	30, 2023	31, 2022				
Current Assets:	Current Assets:						
Current Assets:							
Current Assets:							
Cash and Cash Equivalents							
Cash and Cash Equivalents							
Cash and Cash Equivalents	Cash and Cash Equivalents	\$ 146	\$ 150				
Receivables, Net	Receivables, Net	881	879				
Inventories, Net	Inventories, Net	1,741	1,606				
Assets Held for Sale							
Other Current Assets	Other Current Assets	90	71				
Total Current Assets	Total Current Assets	2,858	2,706				
Property, Plant and Equipment, Net	Property, Plant and Equipment, Net	4,799	4,579				
Goodwill	Goodwill	2,072	1,979				
Intangible Assets, Net	Intangible Assets, Net	819	717				
Assets Held for Sale							
Other Assets	Other Assets	357	347				
Total Assets	Total Assets	\$ 10,905	\$ 10,328				

LIABILITIES	LIABILITIES	
LIABILITIES		
LIABILITIES		
Current Liabilities:	Current Liabilities:	
Current Liabilities:		
Current Liabilities:		
Short-Term Debt and Current Portion of Long-Term Debt		
Short-Term Debt and Current Portion of Long-Term Debt		
Short-Term Debt and Current Portion of Long- Term Debt	Short-Term Debt and Current Portion of Long- Term Debt	\$ 762 \$ 53
Accounts Payable	Accounts Payable	944 1,123
Compensation and Employee Benefits	Compensation and Employee Benefits	254 295
Interest Payable	Interest Payable	45 51
Liabilities Held for Sale		
Other Accrued Liabilities	Other Accrued Liabilities	433 411
Total Current Liabilities	Total Current Liabilities	2,438 1,933
Long-Term Debt	Long-Term Debt	4,821 5,200
Deferred Income Tax Liabilities	Deferred Income Tax Liabilities	679 668
Accrued Pension and Postretirement Benefits	Accrued Pension and Postretirement Benefits	104 111
Liabilities Held for Sale		
Other Noncurrent Liabilities	Other Noncurrent Liabilities	322 266
SHAREHOLDERS' EQUITY	SHAREHOLDERS' EQUITY	
SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY		

Preferred Stock, par value \$0.01 per share; 100,000,000 shares authorized; no shares issued or outstanding	Preferred Stock, par value \$0.01 per share; 100,000,000 shares authorized; no shares issued or outstanding	—	—
Common Stock, par value \$0.01 per share; 1,000,000,000 shares authorized; 306,869,053 and 307,116,089 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	3	3	
Preferred Stock, par value \$0.01 per share; 100,000,000 shares authorized; no shares issued or outstanding			
Preferred Stock, par value \$0.01 per share; 100,000,000 shares authorized; no shares issued or outstanding			
Common Stock, par value \$0.01 per share; 1,000,000,000 shares authorized; 307,293,066 and 306,058,815 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively			
Capital in Excess of Par Value	Capital in Excess of Par Value	2,059	2,054
Retained Earnings	Retained Earnings	876	469
Accumulated Other Comprehensive Loss	Accumulated Other Comprehensive Loss	(399)	(377)
Total Graphic Packaging Holding Company Shareholders' Equity	Total Graphic Packaging Holding Company Shareholders' Equity	2,539	2,149
Noncontrolling Interest	Noncontrolling Interest	2	1
Total Equity	Total Equity	2,541	2,150

Total Liabilities	Total Liabilities	
and Shareholders' Equity	and Shareholders' Equity	
	\$10,905	\$10,328

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

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GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY AND NONCONTROLLING INTEREST
(Unaudited)

		Common Stock		Capital in Excess of Par Value		Accumulated Other Comprehensive (Loss) Income		Noncontrolling Interests		Total Equity
		Common Stock	Common Stock	Retained Earnings	Common Stock	Noncontrolling Interests	Total Equity			
<i>In millions, except share amounts</i>	<i>In millions, except share amounts</i>	Shares	Amount	Excess of Par Value	Earnings	Income	Interests			Total Equity
Balances at December 31, 2022		307,116,089	\$ 3	—	—	207	—	—	—	207
<i>In millions, except share amounts</i>										
<i>In millions, except share amounts</i>										
Balances at December 31, 2023										
Balances at December 31, 2023										
Balances at December 31, 2023										
Net Income	Net Income	—	—	—	—	207	—	—	—	207
Other Comprehensive (Loss) Income, Net of Tax:										
Net Income	Net Income	—	—	—	—	207	—	—	—	207
Other Comprehensive Loss, Net of Tax:	Other Comprehensive Loss, Net of Tax:	—	—	—	—	24	1	25	—	25
Other Comprehensive Loss, Net of Tax:	Other Comprehensive Loss, Net of Tax:	—	—	—	—	—	—	—	—	—
Other Comprehensive Loss, Net of Tax:	Other Comprehensive Loss, Net of Tax:	—	—	—	—	—	—	—	—	—
Derivative Instruments	Derivative Instruments	—	—	—	—	(5)	—	—	—	(5)
Derivative Instruments	Derivative Instruments	—	—	—	—	—	—	—	—	—
Currency Translation Adjustment	Currency Translation Adjustment	—	—	—	—	24	1	25	—	25
Repurchase of Common Stock ^(a)	(1,210,000)	—	(7)	(22)	—	—	—	—	(29)	(29)
Currency Translation Adjustment										
Currency Translation Adjustment										
Dividends Declared	Dividends Declared	—	—	—	(31)	—	—	—	(31)	(31)
Recognition of Stock-Based Compensation, Net	Recognition of Stock-Based Compensation, Net	—	—	(7)	—	—	—	—	—	(7)

Issuance of Shares for Stock-Based Awards		1,221,873		—		—		—		—		—		
Balances at March 31, 2023		307,127,962	\$	3	\$	2,040	\$	623	\$	(358)	\$	2	\$	2,310
Net Income		—		—		—		150		—		—		150
Other Comprehensive Income (Loss), Net of Tax:														
Derivative Instruments		—		—		—		—		8		—		8
Pension and Postretirement Benefit Plans		—		—		—		—		1		—		1
Currency Translation Adjustment		—		—		—		—		—		(1)		(1)
Repurchase of Common Stock		(14,232)		—		—		—		—		—		—
Dividends Declared	Dividends Declared	—		—		—		(30)		—		—		(30)
Recognition of Stock-Based Compensation, Net		—		—		12		—		—		—		12
Dividends Declared														
Issuance of Shares for Stock-Based Awards	Issuance of Shares for Stock-Based Awards	89,097		—		—		—		—		—		—
Balances at June 30, 2023		307,202,827	\$	3	\$	2,052	\$	743	\$	(349)	\$	1	\$	2,450
Net Income		—		—		—		170		—		—		170
Other Comprehensive Income (Loss), Net of Tax:														
Derivative Instruments		—		—		—		—		3		—		3
Currency Translation Adjustment		—		—		—		—		(53)		1		(52)
Repurchase of Common Stock ^(b)		(360,283)		—		(2)		(6)		—		—		(8)
Dividends Declared		—		—		—		(31)		—		—		(31)
Recognition of Stock-Based Compensation, Net		—		—		9		—		—		—		9
Issuance of Shares for Stock-Based Awards	Issuance of Shares for Stock-Based Awards	11,803		—		—		—		—		—		—
Balances at September 30, 2023		306,854,347	\$	3	\$	2,059	\$	876	\$	(399)	\$	2	\$	2,541
Issuance of Shares for Stock-Based Awards														
Balances at March 31, 2024														
Balances at March 31, 2024														
Balances at March 31, 2024														

In millions, except share amounts	Accumulated						
	Common Stock		Capital in		Other		
	Shares	Amount	Excess of Par	Retained Earnings	Comprehensive (Loss) Income	Noncontrolling Interests	Total Equity
Balances at December 31, 2022	307,116,089	\$ 3	\$ 2,054	\$ 469	\$ (377)	\$ 1	\$ 2,150
Net Income	—	—	—	207	—	—	207
Other Comprehensive (Loss) Income, Net of Tax:							
Derivative Instruments	—	—	—	—	(5)	—	(5)
Currency Translation Adjustment	—	—	—	—	24	1	25

Repurchase of Common Stock ^(a)	(1,210,000)	—	(7)	(22)	—	—	(29)
Dividends Declared	—	—	—	(31)	—	—	(31)
Recognition of Stock-Based Compensation, Net	—	—	(7)	—	—	—	(7)
Issuance of Shares for Stock-Based Awards	1,221,873	—	—	—	—	—	—
Balances at March 31, 2023	307,127,962 \$	3 \$	2,040 \$	623 \$	(358) \$	2 \$	2,310

(a) Includes 60,000 shares repurchased but not yet settled as of March 31, 2023.

(b) Includes 14,706 shares repurchased but not yet settled as of September 30, 2023.

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GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY AND NONCONTROLLING INTEREST
(Unaudited)

In millions, except share amounts	Accumulated						
	Common Stock		Capital in		Other		
	Shares	Amount	Excess of	Par Value	Retained Earnings	Comprehensive (Loss) Income	Noncontrolling Interests
Balances at December 31, 2021	307,103,551	\$ 3 \$	2,046	\$ 66	\$ (224)	\$ 2	\$ 1,893
Net Income	—	—	—	—	107	—	—
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	—	19	—
Pension and Postretirement Benefit Plans	—	—	—	—	—	(9)	—
Currency Translation Adjustment	—	—	—	—	—	(28)	—
Dividends Declared	—	—	—	—	(23)	—	—
Recognition of Stock-Based Compensation, Net	—	—	(8)	—	—	—	(8)
Issuance of Shares for Stock-Based Awards	1,184,737	—	—	—	—	—	—
Balances at March 31, 2022	308,288,288	\$ 3 \$	2,038	\$ 150	\$ (242)	\$ 2	\$ 1,951
Net Income	—	—	—	66	—	—	66
Other Comprehensive (Loss) Income, Net of Tax:							
Derivative Instruments	—	—	—	—	—	(9)	—
Pension and Postretirement Benefit Plans	—	—	—	—	—	1	—
Currency Translation Adjustment	—	—	—	—	—	(95)	—
Repurchase of Common Stock ^(a)	(379,000)	—	(2)	(5)	—	—	(7)
Dividends Declared	—	—	—	(23)	—	—	(23)
Recognition of Stock-Based Compensation, Net	—	—	8	—	—	—	8
Issuance of Shares for Stock-Based Awards	123,102	—	—	—	—	—	—
Balances at June 30, 2022	308,032,390	\$ 3 \$	2,044	\$ 188	\$ (345)	\$ 2	\$ 1,892
Net Income	—	—	—	193	—	—	193
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	—	5	—
Currency Translation Adjustment	—	—	—	—	—	(99)	—
Repurchase of Common Stock ^(b)	(711,765)	—	(4)	(12)	—	—	(16)

Dividends Declared	—	—	—	(23)	—	—	(23)
Recognition of Stock-Based Compensation, Net	—	—	6	—	—	—	6
Issuance of Shares for Stock-Based Awards	4,778	—	—	—	—	—	—
Balances at September 30, 2022	307,325,403	\$ 3	\$ 2,046	\$ 346	\$ (439)	\$ 2	\$ 1,958

(a) Includes 32,000 shares repurchased but not yet settled as of June 30, 2022.

(b) Includes 55,000 shares repurchased but not yet settled as of September 30, 2022.

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

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GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

		Nine Months Ended September 30,			
		Three Months Ended March 31,		Three Months Ended March 31,	
In millions	In millions	2023	2022	In millions	
CASH FLOWS	CASH FLOWS				
FROM	FROM				
OPERATING	OPERATING				
ACTIVITIES:	ACTIVITIES:				
Net Income	Net Income	\$ 527	\$ 366		
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Net Income					
Net Income					
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization					
Depreciation and Amortization					
Depreciation and Amortization	Depreciation and Amortization	465	415		
Deferred Income Taxes					
Deferred Income Taxes					

Deferred Income Taxes	Deferred Income Taxes	18	67
Amount of Postretirement Expense Less Than Funding	Amount of Postretirement Expense Less Than Funding	(6)	(17)
Asset Impairment Charges	Asset Impairment Charges	23	93
Other, Net	Other, Net	61	43
Changes in Operating Assets and Liabilities	Changes in Operating Assets and Liabilities	(386)	(347)
Net Cash Provided by Operating Activities	Net Cash Provided by Operating Activities	702	620
CASH FLOWS FROM INVESTING ACTIVITIES:	CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital Spending	Capital Spending	(575)	(429)
Capital Spending	Capital Spending		
Packaging Machinery Spending	Packaging Machinery Spending	(17)	(16)
Acquisition of Businesses, Net of Cash Acquired	Acquisition of Businesses, Net of Cash Acquired	(361)	—
Beneficial Interest on Sold Receivables	Beneficial Interest on Sold Receivables		
Beneficial Interest on Sold Receivables	Beneficial Interest on Sold Receivables		
Beneficial Interest on Sold Receivables	Beneficial Interest on Sold Receivables	110	83
Beneficial Interest Obtained in Exchange for Proceeds	Beneficial Interest Obtained in Exchange for Proceeds	(27)	(2)
Other, Net	Other, Net	(5)	(3)

Net Cash Used in Investing Activities	Net Cash Used in Investing Activities	(875)	(367)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repurchase of Common Stock	Repurchase of Common Stock	(37)	(22)
Repurchase of Common Stock			
Repurchase of Common Stock			
Payments on Debt	Payments on Debt	(18)	(10)
Payments on Debt			
Payments on Debt			
Proceeds from Issuance of Debt			
Borrowings under Revolving Credit Facilities	Borrowings under Revolving Credit Facilities	3,631	3,166
Payments on Revolving Credit Facilities	Payments on Revolving Credit Facilities	(3,266)	(3,387)
Repurchase of Common Stock related to Share-Based Payments	Repurchase of Common Stock related to Share-Based Payments	(22)	(18)
Repurchase of Common Stock related to Share-Based Payments			
Repurchase of Common Stock related to Share-Based Payments			
Dividends Paid	Dividends Paid	(92)	(69)
Dividends Paid	Dividends Paid	(8)	9
Net Cash Provided by (Used in) Financing Activities			
Other, Net	Other, Net	188	(331)
Other, Net			
Other, Net			
Net Cash Provided by Financing Activities			

Decrease in cash and cash equivalents, including cash classified within Assets Held for Sale		
Decrease in cash and cash equivalents, including cash classified within Assets Held for Sale		
Decrease in cash and cash equivalents, including cash classified within Assets Held for Sale		
Less Cash reclassified to Assets Held for Sale		
Effect of Exchange Rate Changes on Cash	Effect of Exchange Rate Changes on Cash	(8) (11)
Net Increase (Decrease) in Cash and Cash Equivalents	7	(89)
Cash and Cash Equivalents at Beginning of Period (includes \$5 million classified as held for sale as of December 31, 2022)	155	172
Cash and Cash Equivalents at End of Period (includes \$16 million and \$1 million as classified as held for sale as of September 30, 2023 and 2022 respectively)	\$ 162	\$ 83
Net Decrease in Cash and Cash Equivalents		
Net Decrease in Cash and Cash Equivalents		
Net Decrease in Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Period		
Cash and Cash Equivalents at End of Period		
Non-cash Investing Activities:	Non-cash Investing Activities:	

Non-cash Investing Activities:	
Non-cash Investing Activities:	
Beneficial Interest Obtained in Exchange for Trade Receivables	
Beneficial Interest Obtained in Exchange for Trade Receivables	
Beneficial Interest	Beneficial
Interest	Interest
Obtained in Exchange for	Obtained in Exchange for
Trade Receivables	Trade Receivables \$ 104 \$ 86
Right-of-Use Assets	Right-of-Use Assets
Obtained in Exchange for New Operating Lease	Obtained in Exchange for New Operating Lease
Liabilities	Liabilities \$ 51 \$ 36

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 — GENERAL INFORMATION

Nature of Business

Graphic Packaging Holding Company ("GPHC" and, together with its subsidiaries, the "Company") is committed to providing consumer packaging that makes a world of difference. The Company is a leading fiber-based provider of consumer goods packaging provider, made from renewable resources or recycled materials. The Company designs and manufactures sustainable packaging solutions including cartons, multipack cartons, trays, carriers, paperboard canisters, and cups and bowls made primarily from unbleached paperboard, recycled paperboard, and bleached paperboard.

The Company serves a wide variety of consumer non-durables (consumer staples) markets, ranging from food and beverage, to foodservice, to household products, beauty and health care. It produces packaging solutions at over 100 locations in over 25 countries around the world's most widely-recognized food, beverage, foodservice and other world, serving customers ranging from local consumer products companies and brands to the largest multinationals. The Company operates on a global basis, believes that it offers one of the largest producers most comprehensive ranges of folding cartons packaging design, manufacture, and fiber-based foodservice products execution capabilities available. The Company currently manufactures most of the paperboard it consumes in the United States ("U.S.") Americas and purchases from third parties the majority of the paperboard it consumes in its Europe and holds leading market positions in paperboard used to produce consumer packaging solutions including coated-recycled paperboard ("CRB"), coated unbleached kraft paperboard ("CUK") and solid bleached sulfate paperboard ("SBS") segment.

Graphic Packaging works closely with its customers to understand their needs and goals and to create new and innovative designs customized to their specific needs. The Company's customers include many of the world's most widely recognized companies approach serves to build and brands strengthen long-term relationships with prominent market positions in beverage, food, foodservice, purchasing, brand management,

marketing, and other consumer products. The Company strives to bring the full resources of its global and local innovation, design, and manufacturing capabilities to all of its customers with innovative, fiber-based the goal of delivering packaging solutions designed to deliver marketing that are more circular, more functional, and performance benefits at a competitive cost by capitalizing on its low-cost paperboard facilities more convenient.

Basis of Presentation and global packaging network, its proprietary carton and packaging designs, and its commitment to quality, service, and environmental stewardship. Principles of Consolidation

The Company's Condensed Consolidated Financial Statements include all subsidiaries in which the Company has the ability to exercise direct or indirect control over operating and financial policies. Intercompany transactions and balances are eliminated in consolidation.

In the Company's opinion, the accompanying Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary to state fairly the financial position, results of operations and cash flows for the interim periods. The Company's year-end Condensed Consolidated Balance Sheet data was derived from audited financial statements. The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with instructions to Form 10-Q and Rule 10-01 of Regulation S-X and do not include all the information required by accounting principles generally accepted in the United States of America ("U.S. GAAP") for complete financial statements. Therefore, these Condensed Consolidated Financial Statements should be read in conjunction with the Company's 2022 2023 Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. In addition, the preparation of the Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates and changes in these estimates are recorded when known.

Revenue Recognition

The Company has two primary activities, the manufacturing and the converting of paperboard for and into fiber-based consumer packaging made from renewable or recycled resources, from which it generates revenue from contracts with customers. Revenue is disaggregated primarily by geography and type of activity as further explained in **Note 10 - Segment Information.** All reportable segments and the Australia and Pacific Rim operating segments recognize revenue under the same method, allocate transaction price using similar methods, and have similar economic factors impacting the uncertainty of revenue and related cash flows.

Revenue is recognized on the Company's annual and multi-year supply contracts when the Company satisfies the performance obligation by transferring control over the product or service to a customer, which is generally based on shipping terms and passage of title under the point-in-time method of recognition. For the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company recognized \$2,340 million \$2,251 million and \$2,445 million \$2,428 million, respectively, of revenue from contracts with customers. For the nine months ended September 30, 2023 and 2022, the Company recognized \$7,146 million and \$7,035 million, respectively, of revenue from contracts with customers.

The transaction price allocated to each performance obligation consists of the stand-alone selling price, estimates of rebates and other sales or contract renewal incentives, and cash discounts and sales returns ("Variable Consideration") and excludes sales tax. Estimates are made for Variable Consideration based on contract terms and historical experience of actual results and are applied to the performance obligations as they are satisfied. Purchases by the Company's principal customers are manufactured and shipped with minimal lead time; therefore, performance obligations are generally satisfied shortly after manufacturing and shipment. The Company uses standard payment terms that are consistent with industry practice.

The Company's contract assets consist primarily of contract renewal incentive payments to customers which are amortized over the period in which performance obligations related to the contract renewal are satisfied. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, contract assets were \$9 million \$27 million and \$8 million \$28 million, respectively. The Company's contract liabilities consist principally of rebates, and as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 were \$62 million \$51 million and \$65 million \$60 million, respectively.

**GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

Accounts Receivable and Allowances

Accounts receivable are stated at the amount owed by the customer, net of an allowance for estimated uncollectible accounts, returns and allowances, and cash discounts. The allowance for doubtful accounts is estimated based on historical experience, current economic conditions and the creditworthiness of customers. Receivables are charged to the allowance when determined to be no longer collectible.

The Company has entered into agreements to sell, on a revolving basis, certain trade accounts receivable to third party financial institutions. Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the Financial Accounting Standards Board ("FASB" ("FASB") Accounting Standards Codification (the "Codification" "Codification"). The loss on sale is not material and is included in Other Expense, Net on in the Condensed Consolidated Statements of Operations. The following table summarizes the activity under these programs for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively:

		Nine Months				
		Ended September 30,				
		Three Months				
		Ended March 31,				
		Three Months				
		Ended March 31,				
		Three Months				
		Ended March 31,				
In millions		In millions			In millions	
		2023			2023	
Receivables	Receivables					
Sold and	Sold and					
Derecognized	Derecognized	\$2,811	\$2,422			
Proceeds	Proceeds					
Collected on	Collected on					
Behalf of	Behalf of					
Financial	Financial					
Institutions	Institutions	2,697	2,230			
Net Proceeds Received From						
Financial Institutions		59	212			
Deferred Purchase Price at						
September 30(a)		19	7			
Pledged Receivables at						
September 30		173	161			
Net Proceeds						
(Paid to)						
Received						
From						
Financial						
Institutions						
Deferred						
Purchase						
Price at March						
31(a)						

Pledged
Receivables
at March 31

(a) Included in Other Current Assets on the Condensed Consolidated Balance Sheets and represents a beneficial interest in the receivables sold to the financial institutions, which is a Level 3 fair value measure.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, were ~~\$827~~ \$797 million and ~~\$753~~ \$770 million as of ~~September 30, 2023~~ March 31, 2024 and ~~December 31, 2022~~ December 31, 2023, respectively.

The Company also participates in supply chain financing arrangements offered by certain customers that qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the ~~nine~~ three months ended ~~September 30, 2023~~ March 31, 2024 and ~~2022, 2023~~, the Company sold receivables of ~~\$869~~ \$250 million and ~~\$824~~ \$301 million, respectively, under related to these arrangements.

Share Repurchases and Dividends

On July 27, 2023, the Company's board of directors authorized an additional share repurchase program to allow the Company to purchase up to \$500 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans (the "2023 share repurchase program"). The previous \$500 million share repurchase program was authorized January 28, 2019 (the "2019 share repurchase program"). At March 31, 2024, the Company had \$565 million available for additional repurchases under the 2023 and 2019 share repurchase programs.

During the first three months of 2024, the Company did not repurchase any shares of its common stock under the 2019 share repurchase program.

The following table presents the Company's share repurchases under the 2019 share repurchase program for the three months ended March 31, 2023.

Amount repurchased in millions, except share and per share amounts	Amount Repurchased	Number of Shares Repurchased	Average Price per Share
2023(a)	\$ 29	1,210,000	\$ 24.04

(a) Includes 60,000 shares repurchased but not yet settled as of March 31, 2023.

On February 16, 2024, the Company announced that its Board of Directors declared a quarterly dividend of \$0.10 per share of common stock to stockholders of record at the close of business on March 15, 2024. The dividend is payable on April 5, 2024.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Accounts Payable and Supplier Finance Program

The Company has arranged a supplier finance program ("SFP" ("SFP")) with a financial intermediary, which provides certain suppliers the option to be paid by the financial intermediary earlier than the due date on the applicable invoice. The transactions are at the sole discretion of both the suppliers and financial institution, and GPHC the Company is not a party to the agreements and has no economic interest in the supplier's decision to sell a receivable. The range of payment terms negotiated by the Company with its suppliers is consistent, irrespective of whether a supplier participates in the program. The agreement with the financial intermediary does not require GPHC the Company to provide assets pledged as security or other forms of guarantees for the supplier finance program. Amounts due to the Company's suppliers that elected to participate in the SFP program are included in Accounts Payable on the Company's Condensed Consolidated Balance Sheets and payments made under the SFP program are reflected in Cash Flows from Operating Activities in the Company's Condensed Consolidated Statements of Cash Flows. Accounts Payable included ~~\$32~~ \$30 million and ~~\$34~~ \$30 million payable to suppliers who elected to participate in the SFP program as of ~~September 30, 2023~~ March 31, 2024 and ~~December 31, 2022~~ December 31, 2023, respectively.

Non-cash additions to Property, Plant and Equipment, Net included within Accounts Payable on the Company's Condensed Consolidated Balance Sheets were \$53 million and \$55 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

Share Repurchases and Dividends

During the first nine months of 2023, the Company's board of directors declared three regular quarterly dividends of \$0.10 per share of common stock to shareholders of record as follows:

Date Declared	Record Date	Payment Date
February 20, 2023	March 15, 2023	April 5, 2023
May 24, 2023	June 15, 2023	July 5, 2023
July 28, 2023	September 15, 2023	October 5, 2023

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

On July 27, 2023, the Company's board of directors authorized an additional share repurchase program to allow the Company to purchase up to \$500 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans (the "2023 share repurchase program"). The previous \$500 million share repurchase program was authorized January 28, 2019 (the "2019 share repurchase program"). As of September 30, 2023, the Company has \$582 million available for additional repurchases under the 2023 share repurchase program and the 2019 share repurchase program.

The following table presents the Company's share repurchases under the 2019 share repurchase program for the nine months ended September 30, 2023 and 2022 respectively:

Amount repurchased in millions, except share and per share amounts	Amount		Number of Shares Repurchased	Average Price per Share
	Repurchased	Repurchased		
2023	\$ 37	37	1,584,515	\$ 23.57
2022	\$ 23	23	1,090,765	\$ 20.99

Business Combinations, Shutdown Exit Activities and Other Special Charges, and Exit Activities, Net

The following table summarizes the transactions recorded in Business Combinations, Shutdown Exit Activities and Other Special Charges, and Exit Activities, Net in the Condensed Consolidated Statements of Operations:

In millions	Three Months Ended September 30,		Nine Months Ended September 30,	
	In millions	2023	2023	2022
In millions				

Charges Associated with Business Combinations ^(a)	Charges Associated with Business Combinations ^(a)	\$ 1	\$ 7	\$ 3	\$ 20
Shutdown and Other Special Charges ^(b)		1	(1)	9	1
Exit Activities ^(c)		24	2	41	12
Charges Associated with a Divestiture ^(d)		2	1	9	93
Charges Associated with Business Combinations ^(a)					
Charges Associated with Business Combinations ^(a)					
Exit Activities ^(b)					
Exit Activities ^(b)					
Charges Associated with Divestitures ^(c)					
Charges Associated with Divestitures ^(c)					
Charges Associated with Divestitures ^(c)					
Other Special Charges ^(d)					
Other Special Charges ^(d)					
Other Special Charges ^(d)					
Total	Total	\$ 28	\$ 9	\$ 62	\$ 126
Total					
Total					

(a) These costs relate to the Americraft Carton, Inc., AR Packaging Group AB, Tama Paperboard, LLC ("Tama") and the Bell Incorporated ("Bell") acquisitions.

(b) These costs include \$7 million related to the devaluation of the Nigerian Naira in June 2023.

(c) Relates to the Company's closures of its three smaller CRB mills recycled paperboard manufacturing facilities (which includes the Tama Paperboard, LLC mill) Tama, and the closures of folding carton plants, and the discontinuation of the Texarkana swing capacity project multiple packaging facilities (see "Note 13 - Exit Activities" "Activities").

(d) Relates to the sale of the Company's Russian operations and the Company's planned divestiture of its Russian business paperboard manufacturing facility in Augusta, Georgia (see "Note 14 - Impairment Divestitures").

(d) These costs include \$2 million related to the devaluation of the Nigerian Naira and Divestiture \$2 million related to the change in terms of Russian Business" the 2024 grant of restricted stock units under the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan (see "Note 5 - Stock Incentive Plans").

2024

On February 20, 2024, the Company entered into an agreement with Clearwater Paper Corporation to sell all of the assets associated with its Augusta, Georgia paperboard manufacturing facility for approximately \$700 million in cash. The transaction is expected to close in the second quarter of 2024, subject to customary closing conditions.

2023

During 2023, the Company decided to close multiple packaging facilities by the end of 2023 and early 2024. Production from these facilities will be consolidated into our existing packaging network. Charges associated with this project are included in Exit Activities in the table above. For more information, see "Note 13 - Exit Activities".

On January 31, 2023, the Company completed the acquisition of Tama, Paperboard, LLC ("Tama"), a CRB mill recycled paperboard manufacturing facility located in Tama, Iowa. The costs associated with this acquisition were less than \$1 million and are included in Charges Associated with Business Combinations in the table above. For more information, see ["Note 3 - Business Combinations" Combinations](#). Subsequently, in the second quarter of 2023, the Company closed this facility. Charges associated with this project are included in Exit Activities in the table above. For more information, see ["Note 13 - Exit Activities."](#)

On February 7, 2023, the Company announced an approximately \$1 billion investment in a new CRB mill recycled paperboard manufacturing facility located in Waco, Texas. In conjunction with the completion of this project, the Company expects to close two additional smaller CRB mills recycled paperboard manufacturing facilities in order to strategically expand capacity while lowering costs. Charges associated with this project are included in Exit Activities in the table above. For more information, see ["Note 13 - Exit Activities."](#)

During the second quarter of 2023, the Company announced the closure of three packaging facilities by the end of 2023. Production from these plants will be consolidated into other carton plants. Charges associated with these plant closures are included in Exit Activities in the table above. For more information, see ["Note 13 - Exit Activities."](#)

On September 8, 2023, the Company completed the acquisition of Bell, Incorporated ("Bell"), an independent packaging company for \$264 million, subject to customary working capital adjustments. \$262 million. The acquisition included three packaging facilities located in South Dakota and Ohio and is reported within the Americas Paperboard Packaging reportable segment. Charges Associated with this acquisition are included in Charges Associated with Business Combinations in the table above. For more information, see ["Note 3 - Business Combinations" Combinations](#).

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

During the third quarter of 2023, the Company decided to discontinue its previously announced project in Texarkana to modify an existing paper machine to add swing capacity between SBS and CUK in order to focus growth investments in the strategic expansion of coated recycled paperboard capacity. Through September 30, 2023, the Company incurred charges of \$14 million related to the write-off of assets, which were primarily engineering, permitting, and consulting costs for this project. Charges associated with this project are included in Exit Activities in the table above. For more information, see ["Note 13 - Exit Activities."](#)

During the third quarter of 2023, the Company decided to permanently decommission the K3 CRB recycled paperboard machine in Kalamazoo, Michigan as part of its CRB recycled paperboard network optimization plan that the Company initiated in 2019. As of [September 30, 2023](#) [March 31, 2024](#), the Company incurred charges of \$20 less than \$1 million related to the write-off of inventory and accelerated depreciation for the assets included in Costs of Good Sold on the Company's Condensed Consolidated Statements of Operations. inventory. The Company expects to incur additional charges of \$5 million to \$10 million as it relates to the dismantling of the K3 CRB recycled paperboard machine through 2023.

2022

In March 2022, the Company announced its decision to close the Norwalk, Ohio packaging facility and closed the facility in September 2022. Charges associated with this project are included in Exit Activities in the table above. For more information, see ["Note 13 - Exit Activities."](#)

In 2022, the Company began the process of divesting its interests in its two packaging facilities in Russia (the "Disposal Group"). Impairment charges associated with this divestiture are included in the table above for the three and nine months ended September 30, 2022 and 2023. For more information, see ["Note 14 - Impairment and Divestiture of Russian Business."](#) 2024.

Adoption of New Accounting Standards

In September 2022, the FASB issued ASU 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*, which is intended to enhance the transparency surrounding the use of supplier finance programs. Supplier finance programs may also be referred to as reverse factoring, payables finance, or structured payables arrangements. The amendments require a buyer that uses supplier finance programs to make annual disclosures about the program's key terms, the balance sheet presentation of related amounts, the

confirmed amount outstanding at the end of the period, and associated rollforward information. Only the amount outstanding at the end of the period must be disclosed in interim periods. The amendments are effective for all entities for fiscal years beginning after December 15, 2022 on a retrospective basis, including interim periods with those fiscal years, except for the requirement to disclose rollforward information, which is effective prospectively for fiscal years beginning after December 15, 2023. The Company adopted this standard in the first quarter of fiscal 2023 and did not result in any changes in accounting principle upon transition. The impact to the Company's overall financial position and results of operations is immaterial.

In March 2022, the FASB issued ASU 2022-01, *Derivatives and Hedging (Topic 815): Fair Value Hedging – Portfolio Layer Method*. This ASU expands and clarifies the portfolio layer method for fair value hedges of interest rate risk. The Company adopted this standard in the first quarter of fiscal 2023 with no material impact on the Company's financial position and results of operations.

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Acquired Contract Assets and Contract Liabilities*. Under the new guidance, the acquirer should determine what contract assets and/or contract liabilities it would have recorded under ASC 606 as of the acquisition date, as if the acquirer had entered into the original contract at the same date and on the same terms as the acquiree. The recognition and measurement of those contract assets and contract liabilities will likely be comparable to what the acquiree has recorded on its books under ASC 606 as of the acquisition date. The Company adopted this standard in the first quarter of fiscal 2023 with no material impact on the Company's financial position and results of operations.

Accounting Standards Not Yet Adopted

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. This ASU clarifies that contractual sale restrictions should not be considered in measuring the fair value of equity securities. The Company adopted this standard in the first quarter of fiscal 2024 with no material impact on the Company's financial position and results of operations.

Accounting Standards Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. This ASU is effective for fiscal years beginning after December 15, 2023, including and interim periods therein, within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is continuing to evaluate currently evaluating the impact of this ASU. ASU on its disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU expands disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. This ASU is effective for fiscal years beginning after December 15, 2024. All entities should apply the guidance prospectively but have the option to apply it retrospectively. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on its disclosures.

NOTE 2 — INVENTORIES, NET

Inventories, Net by major class:

<i>In millions</i>	March 31, 2024	December 31, 2023
Finished Goods	\$ 608	\$ 602
Work in Progress	186	201
Raw Materials	664	684
Supplies	244	267
Total(a)	\$ 1,702	\$ 1,754

(a) March 31, 2024 excludes \$84 million of Inventories, Net that are considered Current Assets Held for Sale (see "Note 14 - Divestitures").

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 2 — INVENTORIES, NET

Inventories, Net by major class:

In millions	September 30, 2023	December 31, 2022
Finished Goods	\$ 618	\$ 515
Work in Progress	212	218
Raw Materials	653	645
Supplies	258	228
Total	\$ 1,741	\$ 1,606

NOTE 3 — BUSINESS COMBINATIONS

Bell Incorporated

On September 8, 2023, the Company completed the acquisition of Bell, Incorporated ("Bell"), adding three packaging facilities in Sioux Falls, South Dakota and Groveport, Ohio for **\$264** **\$262** million, subject to customary working capital adjustments, using existing cash and borrowings under its revolving credit facility. The acquisition is reported within the Americas Paperboard Packaging reportable segment.

The preliminary purchase price allocation as of **September 30, 2023** **March 31, 2024** is as follows:

In millions	Amounts Recognized as of Acquisition Date (as adjusted)
Purchase Price	\$ 264 262
Cash & Cash Equivalents	3
Receivables, Net	19
Inventories, Net	17
Property, Plant and Equipment	30
Intangible Assets ^(a)	159 161
Other Assets	14 15
Total Assets Acquired	242 245
Current Liabilities	11
Other Noncurrent Liabilities	12
Total Liabilities Assumed	23
Net Assets Acquired	219 222
Goodwill	45 40
Purchase Consideration Transferred	\$ 264 262

(a) Intangible Assets primarily consists of Customer Relationships with a weighted average life of approximately 15 years.

The purchase price has been **preliminarily** allocated to assets acquired and liabilities assumed based on the estimated fair values as of the acquisition **date**, **date** and is subject to further adjustments in subsequent periods. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill, which is expected to be deductible for tax purposes. **The allocation of the purchase price remains preliminary and is subject to further adjustments in subsequent periods, pending additional refinement and completion of valuations, including but not limited to valuations of property and equipment, customer relationships and other intangible assets.**

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Tama Paperboard, LLC

On January 31, 2023, the Company completed the acquisition of Tama, **Paperboard, LLC**, a **CRB mill located** **recycled paperboard manufacturing facility** in Tama, Iowa, from Greif Packaging LLC for approximately \$100 million, using existing cash and borrowings under its revolving credit facility.

During the second quarter of 2023, the Company finalized the acquisition accounting adjustments for Tama and the purchase price has been allocated to assets acquired and liabilities assumed based on the fair values as of the acquisition date. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill, which is expected to be deductible for tax purposes, and is reported within the **Paperboard Mills** Manufacturing reportable segment.

Proforma disclosures were omitted for the Bell and Tama acquisitions as they do not have a significant impact on the Company's financial results.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 4 — DEBT

Short-Term Debt and Current Portion of Long-Term Debt is comprised of the following:

In millions	In millions	September December		In millions	March 31, 2024	December 31, 2023
		30, 2023	31, 2022			
Short-Term	Short-Term					
Borrowings	Borrowings	\$ 17	\$ 16			
Current Portion of						
Finance Lease						
Obligations		8	11			
Current Portion of Long-						
Term Debt(a)		737	26			
Current						
Portion of						
Finance						
Leases and						
Financing						
Obligations(a)						

Current Portion of Long-Term Debt ^(b)	Total Short- Term Debt and Current Portion of Long-Term Debt	Portion of Long- Term Debt	\$ 762	\$ 53
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(a) March 31, 2024 excludes \$1 million of short-term financing obligations that are considered Current Liabilities Held for Sale (see "Note 14 - *Divestitures*").

(b) Includes the 0.821% and 4.125% Senior Notes due 2024.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Long-Term Debt is comprised of the following:

In millions	In millions	September December		In millions	March 31, 2024	December 31, 2023
		30, 2023	31, 2022			
Senior Notes with interest payable semi- annually at 0.821%, effective rate of 0.82%, payable in 2024 ^(a)	Senior Notes with interest payable semi- annually at 0.821%, effective rate of 0.82%, payable in 2024 ^(a)	\$ 400	\$ 400			
Senior Notes with interest payable semi- annually at 4.125%, effective rate of 4.13%, payable in 2024 ^(b)	Senior Notes with interest payable semi- annually at 4.125%, effective rate of 4.13%, payable in 2024 ^(b)	300	300			

Senior Notes with interest payable semi-annually at 1.512%, effective rate of 1.52%, payable in 2026 ^(a)	Senior Notes with interest payable semi-annually at 1.512%, effective rate of 1.52%, payable in 2026 ^(a)	400	400
Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.79%, payable in 2027 ^(a)	Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.79%, payable in 2027 ^(a)	300	300
Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.78%, payable in 2027 ^(a)	Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.78%, payable in 2027 ^(a)		
Senior Notes with interest payable semi-annually at 3.50%, effective rate of 3.53%, payable in 2028 ^(a)	Senior Notes with interest payable semi-annually at 3.50%, effective rate of 3.53%, payable in 2028 ^(a)	450	450
Senior Notes with interest payable semi-annually at 3.50%, effective rate of 3.53%, payable in 2029 ^(a)	Senior Notes with interest payable semi-annually at 3.50%, effective rate of 3.53%, payable in 2029 ^(a)	350	350
Senior Notes (€290 million) with interest payable semi-annually at 2.625%, effective rate of 2.65%, payable in 2029 ^(a)	Senior Notes (€290 million) with interest payable semi-annually at 2.625%, effective rate of 2.65%, payable in 2029 ^(a)	307	311

Senior Notes with interest payable semi-annually at 3.75%, effective rate of 3.79%, payable in 2030(a)	Senior Notes with interest payable semi-annually at 3.75%, effective rate of 3.79%, payable in 2030(a)	400	400
Green Bond, net of unamortized premium with interest payable at 4.00%, effective rate of 1.72%, payable in 2026(a)	Green Bond, net of unamortized premium with interest payable at 4.00%, effective rate of 1.72%, payable in 2026(a)	107	108
Senior Secured Term Loan A-2 Facility with interest payable quarterly at 2.67%, effective rate of 2.68% payable in 2028(a)	Senior Secured Term Loan A-2 Facility with interest payable quarterly at 2.67%, effective rate of 2.68% payable in 2028(a)	425	425
Senior Secured Term Loan A-3 Facility with interest payable monthly payable at floating rates (6.57% at September 30, 2023), effective rate of 6.59%, payable in 2028(a)	Senior Secured Term Loan A-3 Facility with interest payable monthly payable at floating rates (6.57% at September 30, 2023), effective rate of 6.59%, payable in 2028(a)	250	250
Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (6.33% at September 30, 2023) payable through 2026(a)	Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (6.33% at September 30, 2023) payable through 2026(a)	515	529
Senior Secured Term Loan Facility (€206 million) with interest payable at various dates at floating rates (5.03% at September 30, 2023) payable through 2026(a)	Senior Secured Term Loan Facility (€206 million) with interest payable at various dates at floating rates (5.03% at September 30, 2023) payable through 2026(a)	218	225

Senior Secured Revolving Credit Facilities with interest payable at floating rates (6.90% at September 30, 2023) payable in 2026 ^{(a)(c)}	997	634
Senior Secured Term Loan A-3 Facility with interest payable monthly payable at floating rates (6.57% at March 31, 2024), effective rate of 6.59%, payable in 2028 ^(a)		
Senior Secured Term Loan A-5 Facility with interest payable monthly payable at floating rates (7.18% at March 31, 2024), effective rate of 7.20%, payable in 2029 ^(a)		

Senior Secured

Term Loan A-6

Facility with

interest

payable

monthly

payable at

floating rates

(7.18% at

March 31,

2024),

effective rate

of 7.20%,

payable in

2029^(a)

Senior Secured

Term Loan

Facilities with

interest

payable at

various dates

at floating

rates (6.31%

at March 31,

2024) payable

through

2026^(a)

Senior Secured

Term Loan

Facility (€202

million) with

interest

payable at

various dates

at floating

rates (5.23%

at March 31,

2024) payable

through

2026^(a)

Senior Secured Revolving Credit Facilities with interest payable at floating rates (6.87% at March 31, 2024) payable in 2026 ^{(a)(c)}			
Finance Leases and Financing Obligations ^(d)	Finance Leases and Financing Obligations ^(d)	162	170
Other	Other	10	15
Total Long-Term Debt Including Current Portion	Total Long-Term Debt Including Current Portion	5,591	5,267
Less: Current Portion	Less: Current Portion	745	37
Total Long-term Debt Excluding Current Portion	Total Long-term Debt Excluding Current Portion	4,846	5,230
Less: Unamortized Debt Deferred Issuance Costs	Less: Unamortized Debt Deferred Issuance Costs	25	30
Total Long- Term Debt	Total Long- Term Debt	\$ 4,821	\$ 5,200

(a)Guaranteed by Graphic Packaging International Partners, LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Company ("GPIP" ("GPIP") and certain domestic subsidiaries.

(b) Guaranteed by GPHC and certain domestic subsidiaries.

(c) The weighted average effective interest rates for the Company's Senior Secured Revolving Credit Facilities were **6.50%** **6.87%** and **3.52%** **6.61%** as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively.

2023

On February 7, 2023, Graphic Packaging International, LLC, a Delaware limited liability company and a direct subsidiary^(d) March 31, 2024 does not include \$9 million of GPIP ("GPIP") entered into Amendment No. 3 to the Fourth Amended and Restated Credit Agreement (the "Third Amendment") long-term financing obligations that are considered Noncurrent Liabilities Held for Sale (see "Note 14 - Divestitures"). The Third Amendment provides for a future replacement floating interest rate benchmark (the Canadian Overnight Repo Rate Average "CORRA") to take effect upon the cessation of the Canadian Dollar Offered Rate ("CDOR") for Canadian Dollar borrowings under the domestic revolving credit facility. The Third Amendment also modified the borrowing mechanics for certain term Secured Overnight Financing Rate ("SOFR") loans under the domestic revolving line of credit.

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2024

On March 22, 2024, Graphic Packaging International, LLC ("GPIL"), a Delaware limited liability company and a direct subsidiary of Graphic Packaging International Partners, LLC, a Delaware limited liability company and a wholly-owned subsidiary of the Company entered into an Incremental Facility Amendment to the Fourth Amended and Restated Credit Agreement for \$250 million of new incremental term loans (the "New Incremental Term Facilities"). The New Incremental Term Facilities consist of a \$50 million Incremental Term A-5 Facility (the "Incremental A-5 Loans") and a \$200 million Incremental Term A-6 Facility (the "Incremental Term A-6 Loans"). The New Incremental Term Facilities are senior secured term loans and mature on June 1, 2029. The Incremental Term A-5 and A-6 Loans bear interest at a floating rate ranging from SOFR plus 0.10% plus 1.625% to SOFR plus 0.10% plus 2.25%, determined using a pricing grid based upon GPIL's Consolidated Leverage Ratio. As long as the Incremental Term A-5 and A-6 Loans are outstanding, GPIL will be eligible to receive an annual patronage credit from the participating lender banks, which will be paid in cash and stock in the lead member bank. Patronage payable each year is variable and based on the individual financial performance of each of the member banks then participating in the loan. The Incremental Term A-5 and A-6 Facilities are governed by the same covenants as are set forth in the Fourth Amended and Restated Credit Agreement and are secured by a first priority lien and security interest in certain assets of GPIL.

At **September 30, 2023** **March 31, 2024**, the Company and its U.S. and international subsidiaries had the following commitments, amounts outstanding and amounts available under revolving credit facilities:

In millions	In millions	Total	Total	Total	Total Commitments	Total Outstanding	Total Available(a)
		Commitments	Outstanding	Available(a)			
Senior	Senior						
Secured	Secured						
Domestic	Domestic						
Revolving	Revolving						
Credit	Credit						
Facility	Facility	\$ 1,850	\$ 897	\$ 948			
Senior	Senior						
Secured	Secured						
International	International						
Revolving	Revolving						
Credit	Credit						
Facility	Facility	191	100	91			
Other	Other						
International	International						
Facilities	Facilities	55	27	28			
Total	Total	\$ 2,096	\$ 1,024	\$ 1,067			

(a) In accordance with its debt agreements, the Company's availability under its revolving credit facilities has been reduced by the amount of standby letters of credit issued of **\$5 million** **\$3 million** as of **September 30, 2023** **March 31, 2024**. These letters of credit are primarily used as security against the Company's self-insurance obligations and workers' compensation obligations. These letters of credit expire at various dates through **2023** and **2024** unless extended.

Covenant Agreements

The Covenants in the Company's Fourth Amended and Restated Credit Agreement (as amended, the "Current Credit Agreement") and the supplemental indentures governing the 0.821% Senior Notes due 2024, 4.125% Senior Notes due 2024, 1.512% Senior Notes due 2026, 4.75% Senior Notes due 2027, 3.50% Senior Notes due 2028, 3.50% Senior Notes due 2029, 2.625% Senior Notes due

2029 and 3.75% Senior Notes due 2030 (the "Indentures"), limit the Company's ability to incur additional indebtedness. Additional covenants contained in the Current Credit Agreement and the Indentures may, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase stock, pay dividends and make other restricted payments, create liens, make equity or debt investments, make acquisitions, modify terms of the Indentures, engage in mergers or consolidations, change the business conducted by the Company and its subsidiaries, and engage in certain transactions with affiliates. Such restrictions could limit the Company's ability to respond to changing market conditions, fund its capital spending program, provide for unexpected capital investments or take advantage of business opportunities.

As of **September 30, 2023** **March 31, 2024**, the Company was in compliance with the covenants in the Current Credit Agreement and the Indentures.

NOTE 5 — STOCK INCENTIVE PLANS

The Company has one active equity compensation plan from which new grants may be made, the Graphic Packaging Holding Company 2014 Omnibus Stock and Incentive Compensation Plan (the "2014 Plan"). The 2014 Plan allows for granting shares of stock, options, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), restricted stock awards ("RSAs"), and other types of stock-based and cash awards. Awards under the 2014 Plan vest and expire in accordance with terms established at the time of grant. Shares issued pursuant to awards under the 2014 Plan are from GPHC's authorized but unissued shares. Compensation costs are recognized on a straight-line basis over the requisite service period of the award and are adjusted for actual performance for performance-based awards. As of **September 30, 2023** **March 31, 2024**, there were **8.8 million** **7.6 million** shares remaining available to be granted under the 2014 Plan.

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Stock Awards, Restricted Stock and Restricted Stock Units

Under the 2014 Plan and related RSU grant agreements, RSUs granted to employees generally vest and become payable in one to three years from the date of grant. RSUs granted to employees generally contain some combination of service and performance objectives based on various financial targets and a relative total shareholder return modifier that must be met for the RSUs to vest. The 2022 and 2023 award agreements contain vesting provisions that allow retiring employees to vest on a daily pro-rata basis from the date of grant through their retirement date. In the 2024 grant agreements, the vesting provisions were changed to allow retiring employees to vest in full upon an eligible retirement. This change required the Company to accelerate the recognition of the compensation expense for the 2024 grants for active retirement-eligible employees. Retirement eligibility is dependent upon meeting certain age and/or years of service and notice requirements.

RSUs granted as deferred compensation for non-employee directors are fully vested but not payable until the distribution date elected by the director. Stock awards issued to non-employee directors as part of their compensation for service on the Board are unrestricted on the grant date.

Data concerning RSUs and Stock Awards granted in the first **nine** **three** months of **2023** **2024** is as follows:

	Weighted	Average	Grant	Date Fair	Value Per	Share	Weighted Average Grant Date Fair Value Per Share
RSUs —							
Employees							
and Non-							
Employee							
Directors							

	Weighted	Average	Grant Date	Fair Value	Per Share
RSUs —					
Employees					
and Non- Employee					
Directors	1,768,346	\$ 23.75			
Stock Awards -					
Board of Directors	25,588	\$ 25.01			

During the **nine** three months ended **September 30, 2023** **March 31, 2024** and **2022, \$36** **2023, \$20** million and **\$24** **\$13** million, respectively, were charged to compensation expense for stock incentive plans and **such amounts are** included in Selling, General and Administrative expenses in the Condensed Consolidated Statements of Operations. In addition, during the three months ended **March 31, 2024**, **\$2** million was charged to compensation expense for the incremental expense related to change of vesting provisions in the 2024 grants and included in Business Combinations, Exit Activities and Other Special Charges, Net in the Condensed Consolidated Statements of Operations.

During the **nine** three months ended **September 30, 2023** **March 31, 2024** and **2022, 1.4** million and **2023, 1.2** million shares were **issued**, respectively, **issued**. The shares issued were primarily related to RSUs granted to employees during **2020** **2021** and **2019**, **2020**.

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NOTE 6 — PENSIONS AND OTHER POSTRETIREE BENEFITS

The Company maintains both defined benefit pension plans and postretirement health care plans that provide medical and life insurance coverage to eligible salaried and hourly retired employees in North America and their dependents. The Company maintains international defined benefit pension plans which are either noncontributory or contributory and are funded in accordance with applicable local laws. Pension or termination benefits are based primarily on years of service and the employee's compensation. Currently, the North American plans are closed to newly-hired employees.

Pension and Postretirement Expense

The pension and postretirement expenses related to the Company's plans consisted of the following:

	Pension Benefits		Postretirement Benefits	
	Three Months Ended March			
	31,			
	Three Months Ended September 30,	Nine Months Ended September 30,	Three Months Ended September 30,	Nine Months Ended September 30,
	Three Months Ended March			
	31,			
	Three Months Ended March			
	31,			

Employer Contributions

The Company made \$13 million and \$2 million and \$21 million \$1 million of contributions to its pension plans during the first nine months of 2024 and 2023, and 2022, respectively. In the first quarter of 2022, the Company made a \$6 million contribution to its remaining U.S. defined benefit plan by effectively utilizing the excess balance related to the U.S. defined benefit plan terminated in 2020. The Company expects to make contributions in the range of \$10 million to \$20 million for the full year of 2023, 2024.

The Company also made did not make any postretirement health care benefit payments of \$1 million during the first nine months of 2023 and 2022. made \$1 million of benefit payments during the first three months of 2023. For the full year 2023, the Company expects to make approximately \$2 million in contributions to its postretirement health care plans.

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NOTE 7 — FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

The Company enters into derivative instruments for risk management purposes only, including derivatives designated as hedging instruments under the *Derivatives and Hedging* topic of the FASB Codification and those not designated as hedging instruments under this guidance. The Company uses interest rate swaps, natural gas swap contracts and forward exchange contracts. These derivative instruments are designated as cash flow hedges and, to the extent they are effective in offsetting the variability of the hedged cash flows, changes in the derivatives' fair value are not included in current earnings but are included in Accumulated Other Comprehensive Loss. These changes in fair value will subsequently be reclassified to earnings, contemporaneously with and offsetting changes in the related hedged exposure and presented in the same line of the income statement expected for the hedged item.

For more information regarding the Company's financial instruments and fair value measurement, see "Note 10 - *Financial Instruments, Derivatives and Hedging Activities*" and "Note 11 - *Fair Value Measurement*" of the Notes to the Consolidated Financial Statements of the Company's **2022****2023** Annual Report on Form 10-K.

Interest Rate Risk

The Company uses interest rate swaps to manage interest rate risks on future interest payments caused by interest rate changes on its variable rate term loan facilities. Changes in fair value will subsequently be reclassified into earnings as a component of Interest Expense, Net as interest is incurred on amounts outstanding under the term loan facilities.

The following table summarizes the Company's current interest rate swap positions as of **September 30, 2023****March 31, 2024**:

Start	End	Notional Amount (In Millions)	Weighted Average Interest Rate
04/03/2023	04/01/2024	\$750	4.71%

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These derivative instruments are designated as cash flow hedges and, to the extent they are effective in offsetting the variability of the hedged cash flows, changes in the derivatives fair value are not included in current earnings but are included in Accumulated Other Comprehensive Loss. Ineffectiveness measured in the hedging relationship is recorded in earnings in the period it occurs. During the first **nine****three** months of **2024** and **2023**, there were no amounts of ineffectiveness. Additionally, there were no amounts excluded from the measure of effectiveness.

As discussed in "Note 8 - *Income Taxes*", a \$10 million expense was recorded in the second quarter of 2022 to release the lingering tax expense remaining in Other Comprehensive Income after the settlement of interest rate swaps that occurred in January 2022.

Commodity Risk

To manage risks associated with future variability in cash flows and price risk attributable to purchases of natural gas, the Company enters into natural gas swap contracts to hedge prices for a designated percentage of its expected natural gas usage. Such contracts are designated as cash flow hedges. The contracts are carried at fair value with changes in fair value recognized in Accumulated Other Comprehensive Loss and resulting gain or loss reclassified into Cost of Sales concurrently with the recognition of the commodity consumed. The Company has hedged approximately **57%** and **40%****65%** of its expected natural gas usage for the remainder of **2023** and **2024**, respectively. **2024**.

During the first **nine****three** months of **2023****2024** and **2022**, **2023**, there were no amounts of ineffectiveness related to changes in the fair value of natural gas swap contracts. Additionally, there were no amounts excluded from the measure of effectiveness.

Derivatives not Designated as Hedges

The Company enters into forward exchange contracts to effectively hedge substantially all of its accounts receivables resulting from sales transactions and intercompany loans denominated in foreign currencies in order to manage risks associated with variability in cash flows that may be adversely affected by changes in exchange rates. At **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, multiple foreign currency forward exchange contracts existed, with maturities ranging up to three months. Those foreign currency exchange contracts outstanding at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, when aggregated and measured in U.S. dollars at contractual rates at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, had net notional amounts totaling **\$152** million and **\$111** million, respectively. **\$131** million. Unrealized gains and losses resulting from these contracts are recognized in Other Expense, Net and approximately offset corresponding recognized but unrealized gains and losses on the remeasurement of these accounts receivable.

Fair Value of Financial Instruments

The Company's derivative instruments are carried at fair value. The Company has determined that the inputs to the valuation of these derivative instruments are Level 2 in the fair value hierarchy. Level 2 inputs are defined as quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. The Company uses valuation techniques based on discounted cash flow analyses, which reflect the terms of the derivatives and use observable market-based inputs, including forward rates, and uses market price quotations obtained from independent derivatives brokers, corroborated with information obtained from independent pricing service providers.

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As of **September 30, 2023** **March 31, 2024**, there has not been any significant impact to the fair value of the Company's derivative liabilities due to its own credit risk. Similarly, there has not been any significant adverse impact to the Company's derivative assets based on evaluation of the Company's counterparties' credit risks. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the Company had commodity contract derivative liabilities, which were included in Other Accrued Liabilities on the Condensed Consolidated Balance Sheet of **\$4** **\$9** million. As of **March 31, 2024** and **December 31, 2023**, the Company had interest rate contract derivative assets, which were included in Other Current Assets on the Condensed Consolidated Balance Sheets of **\$1** million and **\$12** **\$2** million, respectively.

The fair values of the Company's other financial assets and liabilities at **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** approximately equal the carrying values reported on the Condensed Consolidated Balance Sheets except for Long-Term Debt. The fair value of the Company's Long-Term Debt (excluding finance leases and deferred financing fees) was **\$5,109** million **\$5,365** million and **\$4,749** million **\$5,039** million as compared to the carrying amounts of **\$5,429** million **\$5,548** million and **\$5,097** million **\$5,217** million as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, respectively. The fair value of the Company's Total Debt, including the Senior Notes, is based on quoted market prices (Level 2 inputs). Level 2 valuation techniques for Long-Term Debt are based on quotations obtained from independent pricing service providers.

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Effect of Derivative Instruments

The pre-tax effect of derivative instruments in cash flow hedging relationships in the Company's Condensed Consolidated Statements of Operations is as follows:

Interest	Interest	1	—	(2)	—	Interest	(1)	—	(2)	—
Rate Swap	Rate Swap					Expense,				
Agreements	Agreements					Net				
Interest Rate Swap										
Agreements										
Interest Rate Swap										
Agreements										
Total	Total	\$ 4	\$ (10)	\$20	\$ (10)	Total	\$ 6	\$ (5)	\$25	\$ (11)
Total										
Total										

At **September 30, 2023** **March 31, 2024**, the Company expects to reclassify **\$4** **\$9** million of pre-tax gain in the next twelve months from Accumulated Other Comprehensive Loss to earnings, contemporaneously with and offsetting changes in the related hedged exposure. The actual amount that will be reclassified to future earnings may vary from this amount as a result of changes in market conditions.

The pre-tax effect of derivative instruments not designated as hedging instruments **on** **in** the Company's Condensed Consolidated Statements of Operations is as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
<i>In millions</i>	<i>In millions</i>	2023	2022	2023	2022
<i>In millions</i>	<i>In millions</i>				
Foreign Currency Contracts					
Foreign Currency Contracts					
Foreign Currency Contracts	Foreign Currency Contracts	Other Expense			
Contracts	Contracts	(Income), Net	\$ (6)	\$ (9)	\$ (10)

NOTE 8 — INCOME TAXES

During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, the Company recognized Income Tax Expense of **\$175** million **\$53** million on Income before Income Taxes of **\$702** million **\$218** million. The effective tax rate for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** is different from the statutory rate primarily due to the **discrete tax impact of the charges associated with the planned divestiture of the Company's operations in Russia that result in no corresponding tax benefit**, **adjustments including a tax benefit of \$2** **\$3** million related to excess tax benefits on restricted stock units that vested during the period **U.S. federal provision** in addition to **return true up tax benefits of \$3** million, an increase in the Company's valuation allowance against a portion of its net deferred tax assets in Sweden, a decrease in the Company's valuation allowance against the net deferred tax assets in the Netherlands, and the mix of earnings between foreign and domestic jurisdictions, including those with and without valuation allowances.

Prior to September 1, 2022, substantially all the Company's operations were held through its investment in GPIP, a subsidiary that was classified as a partnership for U.S. income tax purposes and was generally not subject to domestic income tax expense. As a result, prior to September 1, 2022, the consolidated financial statements exclude the domestic tax effect of the earnings attributable to the noncontrolling partner's interest in GPIP for the portion of any year in which the noncontrolling partner held an interest. Effective September 1, 2022, as a result of internal

restructuring, GPIP is no longer classified as a partnership for U.S. income tax purposes and GPIP's activities are directly subject to U.S. income tax. The Company no longer holds an interest in an entity classified as a partnership for U.S. income tax purposes.

During the **nine** **three** months ended **September 30, 2022** **March 31, 2023**, the Company recognized Income Tax Expense of **\$134** **million** **\$64** million on Income before Income Taxes of **\$500** **million** **\$271** million. The effective tax rate for the **nine** **three** months ended **September 30, 2022** **was March 31, 2023** is different from the statutory rate primarily due to the discrete tax impact of the charges associated with the divestiture of the Company's Russia business that results in no corresponding tax benefit. Additional discrete tax adjustments were recorded during the period, including tax benefits of \$7 million associated with the recognition of differences between the Company's outside tax basis in its investment in GPIP and the Company's inside tax basis in individual assets and liabilities due to the internal restructuring completed during the period, provision to return true-up tax benefits of \$2 million, a tax benefit of \$2 million related to the remeasurement of deferred taxes due to state law changes, tax expense of \$10 million recorded to release the lingering tax expense remaining in Other Comprehensive Income after the settlement of certain swaps, and a tax benefit of \$2 million related to excess tax benefits on restricted stock units that vested during the period. In period in addition to the recognition mix of deferred tax assets earnings between foreign and liabilities on unrealized foreign currency activity related to intercompany loans where the entity's functional currency domestic jurisdictions, including those with and the loan denomination currency are different than the tax reporting currency resulted in a decrease in the effective tax rate for the period, without valuation allowances.

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NOTE 9 — ENVIRONMENTAL AND LEGAL MATTERS

Environmental Matters

The Company is subject to a broad range of foreign, federal, state and local environmental, health and safety laws and regulations, including those governing discharges to air, soil and water, the management, treatment and disposal of hazardous substances, solid waste and hazardous wastes, the investigation and remediation of contamination resulting from historical site operations and releases of hazardous substances, the recycling of packaging and the health and safety of employees. Compliance initiatives could result in significant costs, which could negatively impact the Company's consolidated financial position, results of operations or cash flows. Any failure to comply with environmental or health and safety laws and regulations or any permits and authorizations required thereunder could subject the Company to fines, corrective action or other sanctions.

Some of the Company's current and former facilities are the subject of environmental investigations and remediations resulting from historical operations and the release of hazardous substances or other constituents. Some current and former facilities have a history of industrial usage for which investigation and remediation obligations may be imposed in the future or for which indemnification claims may be asserted against the Company. Also, closures or sales of facilities may necessitate further investigation and may result in remediation at those facilities.

The Company has established reserves for those facilities or issues where a liability is probable and the costs are reasonably estimable. The Company believes that the amounts accrued for its loss contingencies, and the reasonably possible loss beyond the amounts accrued, are not material to the Company's consolidated financial position, results of operations or cash flows. The Company cannot estimate with certainty other future compliance, investigation or remediation costs. Some costs relating to historic usage that the Company considers to be reasonably possible of resulting in liability are not quantifiable at this time. The Company will continue to monitor environmental issues at each of its facilities, as well as regulatory developments, and will revise its accruals, estimates and disclosures relating to past, present and future operations, as additional information is obtained.

Legal Matters

The Company is a party to a number of lawsuits arising in the ordinary conduct of its business. Although the timing and outcome of these lawsuits cannot be predicted with certainty, the Company does not believe that disposition of these lawsuits will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

NOTE 10 — SEGMENT INFORMATION

The Company has three reportable segments as follows:

Americas Paperboard Mills Packaging includes paperboard packaging sold primarily to consumer packaged goods ("CPG") companies serving the food, beverage, and consumer product markets, and cups, lids and food containers sold primarily to foodservice companies and quick-service restaurants ("QSR") in the Americas.

Europe Paperboard Packaging includes paperboard packaging sold primarily to CPG companies serving the food, beverage and consumer product markets, including healthcare and beauty, primarily in Europe.

Paperboard Manufacturing includes the seven North American paperboard mills facilities that produce primarily CRB, CUK, recycled, unbleached and SBS, bleached paperboard, which is consumed internally to produce paperboard consumer packaging for the Americas and Europe Packaging segments. Paperboard not consumed internally is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Mills segment's Net Sales represent the sale of paperboard only to external customers. The effect of intercompany transfers to the paperboard packaging segments has been eliminated from the Paperboard Mills Manufacturing segment to reflect the economics of the integration of these segments.

Americas Paperboard Packaging includes paperboard packaging, primarily folding cartons, sold primarily to consumer packaged goods ("CPG") companies, and cups, lids and food containers sold primarily to foodservice companies and quick-service restaurants ("QSR"), serving the food, beverage, and consumer product markets in the Americas.

Europe Paperboard Packaging includes paperboard packaging, primarily folding cartons, sold primarily to CPG companies serving the food, beverage and consumer product markets including healthcare and beauty primarily in Europe.

The Company allocates certain mill paperboard manufacturing and corporate costs to the reportable segments to appropriately represent the economics of these segments. The Corporate and Other caption includes the Pacific Rim and Australia operating segments and unallocated corporate and one-time costs.

These segments are evaluated by the chief operating decision maker based primarily on Income from Operations, as adjusted for depreciation and amortization. The accounting policies of the reportable segments are the same as those described above in "Note 1 - General Information."

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Segment information is as follows:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,
In millions					
In millions		2023	2022	2023	2022
NET SALES:	NET SALES:				
Paperboard Mills		\$ 236	\$ 345	\$ 804	\$ 933
NET SALES:					
NET SALES:					
Americas Paperboard Packaging					
Americas Paperboard Packaging					

Americas Paperboard Packaging	Americas Paperboard Packaging	1,569	1,577	4,684	4,533
Europe Paperboard Packaging	Europe Paperboard Packaging	498	488	1,553	1,467
Europe Paperboard Packaging					
Europe Paperboard Packaging					
Paperboard Manufacturing					
Paperboard Manufacturing					
Paperboard Manufacturing					
Corporate/Other/Eliminations(a)	Corporate/Other/Eliminations(a)	46	41	138	121
Corporate/Other/Eliminations(a)					
Corporate/Other/Eliminations(a)					
Total					
Total					
Total	Total	\$ 2,349	\$ 2,451	\$ 7,179	\$ 7,054
INCOME (LOSS) FROM OPERATIONS:	INCOME (LOSS) FROM OPERATIONS:				
Paperboard Mills(b)(c)		\$ (36)	\$ 12	\$ (42)	\$ 17
INCOME (LOSS) FROM OPERATIONS:					
INCOME (LOSS) FROM OPERATIONS:					
Americas Paperboard Packaging(b)(c)					
Americas Paperboard Packaging(b)(c)					
Americas Paperboard Packaging(b)(c)	Americas Paperboard Packaging(b)(c)	286	229	829	589
Europe Paperboard Packaging(d)	Europe Paperboard Packaging(d)	38	40	85	31
Europe Paperboard Packaging(d)					
Europe Paperboard Packaging(d)					
Paperboard Manufacturing(b)(c)					
Paperboard Manufacturing(b)(c)					
Paperboard Manufacturing(b)(c)					
Corporate and Other(c)	Corporate and Other(c)	(1)	12	12	1
Corporate and Other(c)					
Corporate and Other(c)					
Total					
Total	Total	\$ 287	\$ 293	\$ 884	\$ 638
DEPRECIATION AND AMORTIZATION:	DEPRECIATION AND AMORTIZATION:				
Paperboard Mills(b)		\$ 74	\$ 60	\$ 221	\$ 183
DEPRECIATION AND AMORTIZATION:					
DEPRECIATION AND AMORTIZATION:					
Americas Paperboard Packaging(b)					
Americas Paperboard Packaging(b)					

Americas Paperboard	Americas Paperboard					
Packaging ^(b)	Packaging ^(b)	50	43	139	129	
Europe Paperboard Packaging	Europe Paperboard Packaging	27	27	81	84	
Europe Paperboard Packaging						
Europe Paperboard Packaging						
Paperboard Manufacturing ^(b)						
Paperboard Manufacturing ^(b)						
Paperboard Manufacturing ^(b)						
Corporate and Other						
Corporate and Other						
Corporate and Other	Corporate and Other	10	7	24	19	
Total	Total	\$ 161	\$ 137	\$ 465	\$ 415	
Total						
Total						

(a) Includes revenue from customers for the Australia and Pacific Rim operating segments.

(b) Includes accelerated depreciation related to exit activities in 2024 and 2023 and 2022 (see ["Note 13 - Exit Activities"](#)).

(c) Includes expenses related to business combinations, ~~shutdown~~ exit activities and other special charges and exit activities (see ["Note 1 - General Information"](#)).

(d) Includes impairment charges related to Russia in 2023 (see ["Note 14 - Impairment and Divestiture of Russian Business Divestitures"](#)).

NOTE 11 — EARNINGS PER SHARE

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
<i>In millions, except per share data</i>					
<i>In millions, except per share data</i>					
<i>In millions, except per share data</i>		<i>In millions, except per share data</i>			
Net Income	Net Income	\$ 170	\$ 193	\$ 527	\$ 366
Net Income					
Net Income					
Weighted Average Shares:					
Weighted Average Shares:					
Weighted Average Shares:	Weighted Average Shares:				
Basic	Basic	308.3	308.8	308.4	308.9
Basic					
Basic					
Dilutive Effect of RSUs					
Dilutive Effect of RSUs					

Dilutive Effect of RSUs	Dilutive Effect of RSUs	0.9	0.8	0.9	0.8
Diluted	Diluted	309.2	309.6	309.3	309.7
Diluted					
Diluted					
Earnings Per Share — Basic					
Earnings Per Share — Basic					
Earnings Per Share — Basic	Earnings Per Share — Basic	\$ 0.55	\$ 0.63	\$ 1.71	\$ 1.18
Earnings Per Share — Basic	Earnings Per Share — Basic	\$ 0.55	\$ 0.62	\$ 1.70	\$ 1.18
Earnings Per Share — Diluted					
Earnings Per Share — Diluted					

GRAPHIC PACKAGING HOLDING COMPANY
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(Unaudited)

NOTE 12 — CHANGES IN ACCUMULATED OTHER COMPREHENSIVE LOSS

The following represents changes in Accumulated Other Comprehensive Loss attributable to Graphic Packaging Holding Company by component for the **nine****three** months ended **September 30, 2023** **March 31, 2024**:

In millions, net of tax	Pension and		Currency	
	Derivative Instruments	Postretirement Benefit Plans	Translation Adjustments	Total
Balance at December 31, 2022	\$ (4)	\$ (103)	\$ (270)	\$ (377)
Other Comprehensive (Loss) before Reclassifications		(13)	(1)	(28)
Amounts Reclassified from Accumulated Other Comprehensive Loss ^(a)	19	2	—	21
Net Current-period Other Comprehensive Income (Loss)		6	1	(28)
Less:				
Net Current-period Other Comprehensive (Income) Attributable to Noncontrolling Interest	—	—	(1)	(1)
Balance at September 30, 2023	\$ 2	\$ (102)	\$ (299)	\$ (399)

In millions, net of tax	Pension and		Currency	
	Derivative Instruments	Postretirement Benefit Plans	Translation Adjustments	Total
Balance at December 31, 2023	\$ (1)	\$ (107)	\$ (205)	\$ (313)
Other Comprehensive (Loss) before Reclassifications	(4)	—	(57)	(61)
Amounts Reclassified from Accumulated Other Comprehensive Loss ^(a)	3	—	—	3
Net Current-period Other Comprehensive (Loss)	(1)	—	(57)	(58)
Balance at March 31, 2024	\$ (2)	\$ (107)	\$ (262)	\$ (371)

(a) See following table for details about these reclassifications.

The following represents reclassifications out of Accumulated Other Comprehensive Loss for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**:

In millions

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from		Affected Line Item in the Statement Where Net Income is Presented
	Accumulated Other Comprehensive Loss		
Derivatives Instruments:			
Commodity Contracts	\$	275	Cost of Sales
Interest Rate Swap Agreements		(2)(1)	Other Expense, Net
		254	Total before Tax
		(6)(1)	Tax (Benefit) Benefit
	\$	193	Total, Net of Tax
Amortization of Defined Benefit Pension Plans:			
Actuarial Losses	\$	41 ^(a)	
Total before Tax			
Tax (Benefit)		31	Total, Net of Tax
Amortization of Postretirement Benefit Plans:			
Actuarial Gains	\$	(2)(1) ^(a)	
Total before Tax			
Tax Expense		(1)	Total, Net of Tax
Total Reclassifications for the Period	\$	213	Total Net of Tax

(a) These accumulated other comprehensive loss components are included in the computation of net periodic pension cost (see "Note 6 - Pensions and Other Postretirement Benefits").

GRAPHIC PACKAGING HOLDING COMPANY
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(Unaudited)

NOTE 13 — EXIT ACTIVITIES

During 2023, the Company decided to close multiple packaging facilities by the end of 2023 and early 2024. Production from these facilities will be consolidated into our existing packaging network. The costs associated with these exit activities are included in the table below for the three months ended March 31, 2024.

On February 7, 2023, the Company announced its plan to invest approximately \$1 billion in a new CRB mill recycled paperboard manufacturing facility in Waco, Texas. In conjunction with this project, the Company announced the closure of three smaller CRB mills recycled paperboard

manufacturing facilities to manage capacity while lowering costs. The costs associated with these exit activities are included in the table below for the three and nine months ended September 30, 2023, March 31, 2024 and 2023.

In the second quarter of 2023, the Company announced its decision to accelerate the closure of one of these three CRB mills recycled paperboard manufacturing facilities that is in Tama, Iowa and closed the facility in the second quarter of 2023. The costs associated with this closure are included in the table below for the three and nine months ended September 30, 2023, March 31, 2024 and 2023.

GRAPHIC PACKAGING HOLDING COMPANY
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(Unaudited)

During the second quarter of three months ended March 31, 2024 and 2023, the Company announced the closure of three packaging facilities by the end of 2023. Production from these facilities will be consolidated into our existing packaging network. The costs associated with these exit activities are included in the table below for the three and nine months ended September 30, 2023.

During the third quarter of 2023, the Company decided to discontinue the project in Texarkana to modify an existing paper machine to add swing capacity between SBS and CUK in order to focus growth investments in the strategic expansion of coated recycled paperboard capacity. Through September 30, 2023, the Company incurred charges of \$14 million related to the write-off of assets, which were primarily engineering, consulting, and permitting costs for this project. The costs associated with this project are included in the table below for the three and nine months ended September 30, 2023.

2022

In March 2022, the Company announced its decision to close the Norwalk, Ohio packaging facility and closed the facility in September 2022. The Company incurred charges associated with this exit activity for post-employment benefits, retention bonuses and incentives, which are included in the Severance Costs and Other line item in the table below for the three and nine months ended September 30, 2022.

During 2019, the Company announced its plans to invest in a new CRB paper machine in Kalamazoo, Michigan. At the time of the announcement, the Company expected to close two of its smaller CRB Mills in 2022 in order to remain capacity neutral. During the third quarter of 2021, the Company decided to continue to operate one of the two original smaller CRB mills. In the second quarter of 2022, the Company closed the Battle Creek, MI CRB mill. The Company incurred charges associated with this exit activity for post-employment benefits, retention bonuses and incentives, which are included in the Severance costs and other line item in the table below for the three and nine months ended September 30, 2022.

During the nine months ended September 30, 2023 and 2022, the Company recorded \$80 \$21 million and \$19 \$13 million of exit costs, respectively, associated with these restructurings. Other costs associated with the start-up of the new recycled paperboard machine recorded in the period in which they are incurred.

The following table summarizes the costs incurred during the three and nine months ended September 30, 2023, March 31, 2024 and 2022, related to these restructurings:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	
In millions					
In millions	In millions	Location in Statement			
In millions	In millions	of Operations	2023	2022	2023

Severance Costs and Other ^(a)	Severance Costs and Other ^(a)	Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net	\$ 8	\$ —	\$ 20	\$ 1
<hr/>						
Severance Costs and Other ^(a)						
Asset Write-Offs and Start-Up Costs ^(b)						
Asset Write-Offs and Start-Up Costs ^(b)						
Asset Write-Offs and Start-Up Costs ^(b)	Asset Write-Offs and Start-Up Costs ^(b)	Business Combinations, Shutdown and Other Special Charges, and Exit Activities, Net	16	2	21	11
Accelerated Depreciation	Accelerated Depreciation	Cost of Sales	7	—	39	7
Accelerated Depreciation						
Accelerated Depreciation						
Total	Total		\$ 31	\$ 2	\$ 80	\$ 19
<hr/>						
Total						
<hr/>						
Total						

(a) Costs incurred include activities for post-employment benefits, retention bonuses, incentives and professional services (see **Note 1 - Business Combinations, Shutdown Exit Activities and Other Special Charges, and Exit Activities, net** "Net").

(b) Costs incurred include non-cash write-offs for items such as machinery, supplies and inventory.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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The following table summarizes the balance of accrued expenses related to restructuring:

In millions	Total
Balance at December 31, 2022	\$ 121
December 31, 2023	\$ 202
Costs Incurred	\$ 202
Payments	\$ (4)
Adjustments ^(a)	\$ (1)
Balance at September 30, 2023	\$ 162
March 31, 2024	\$ 162

(a) Adjustments related to changes in estimates of severance costs.

Due to the closure expected closures of Tama in the second quarter of 2023, additional two recycled paperboard manufacturing facilities, the Company incurred charges within the Paperboard Manufacturing reportable segment for post-employment benefits, retention bonuses and

incentives of \$3 \$14 million, and accelerated depreciation and inventory and asset write-offs of \$27 \$7 million from announcement date through September 30, 2023. No further charges or accelerated depreciation are expected related to Tama.

In addition, due to the expected closures of the additional two CRB mills, the Company incurred charges for post-employment benefits, retention bonuses and incentives of \$11 million, and accelerated depreciation and inventory and asset write-offs of \$4 million through September 30, 2023 March 31, 2024. The Company expects to incur total charges associated with these exit activities for post-employment benefits, retention bonuses and incentives in the range of \$20 million to \$25 million and for accelerated depreciation and inventory and asset write-offs in the range of \$15 million to \$20 million through 2026.

Due to the expected closures of the folding carton plants, packaging facilities, the Company incurred charges within the Americas Paperboard Packaging and Europe Paperboard Packaging reportable segments for post-employment benefits, retention bonuses and incentives of \$5 \$10 million and from announcement date through March 31, 2024. The Company also incurred charges within the Americas Paperboard Packaging reportable segment for accelerated depreciation and inventory and asset write-offs of \$8 \$20 million from announcement date through September 30, 2023 March 31, 2024. The Company expects to incur total charges associated with these exit activities for post-employment benefits, retention bonuses and incentives in the range of \$5 \$10 million to \$10 \$15 million and for accelerated depreciation and inventory and asset write-offs in the range of \$8 \$20 million to \$10 \$25 million through 2023, 2024.

Additionally, the Company has incurred start-up charges within the Paperboard Manufacturing reportable segment for the new CRB mill recycled paperboard manufacturing facility in Waco of \$1 \$4 million from announcement date through September 30, 2023 March 31, 2024. The Company expects to incur total start-up charges of approximately \$25 million to \$30 million for the new CRB mill recycled paperboard manufacturing facility through 2026.

NOTE 14 — IMPAIRMENT AND DIVESTITURE OF RUSSIAN BUSINESS DIVESTITURES

In 2022, Divestiture of Augusta Paperboard Manufacturing Facility

On February 20, 2024 the Company began the process entered into an agreement with Clearwater Paper Corporation to sell for approximately \$700 million in cash all of the divesting its interests in two packaging facilities in Russia, assets associated with the Augusta, Georgia paperboard manufacturing facility, which met the criteria to be considered a business, through a sale of 100% of the Disposal Group's outstanding shares. business. The Company expects the sale to be completed in 2023. The the second quarter of 2024 and the assets and liabilities to be disposed of in connection with this transaction met the held for sale criteria as of September 30, 2023 March 31, 2024.

The fair value, less costs to sell was greater than the carrying value of the net assets held for sale, inclusive of the cumulative translation adjustment balance attributable to the business, was greater than their fair value, less costs to sell, resulting in a pre-tax cumulative loss of \$93 million (including \$2 million of impairment charges incurred in Q3 2023), which is included in the Business, Combinations, Shutdown and Other Special Charges, and Exit Activities, Net in the Condensed Consolidated Statement of Operations in 2022 and 2023. sale. The assets related to the sale, inclusive of the valuation allowance, and liabilities related to the sale were classified as Other Current Assets Held for Sale and Other Accrued Liabilities Held for Sale, respectively, within the Condensed Consolidated Balance Sheet as of September 30, 2023 March 31, 2024. Excluded from the assets classified as held for sale within the Condensed Consolidated Balance Sheet is an intercompany note receivable totaling \$32 million from the Company to the Disposal Group. The intercompany note will be sold as part of the transaction and, thus, should be considered when calculating the carrying value of the Disposal Group and the allowance to adjust the carrying value to the fair value less costs to sell. Upon consummation of the sale of the Disposal Group, the Company will reclassify this note from intercompany to the applicable liability line item in the Condensed Consolidated Balance Sheet as it will represent a liability to an external third party. The cumulative translation adjustment attributable to the business of \$5 million is included within Accumulated Other Comprehensive Loss within the Condensed Consolidated Balance Sheet as of September 30, 2023. Goodwill totaling \$12 million associated with the Disposal Group was determined to be impaired in 2022.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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As the sale of the Disposal Group is not considered a strategic shift that will have a major effect on the Company's operations or financial results, it was not reported as discontinued operations. The Company will continue to evaluate the Disposal Group for future impairments until it is sold. The Disposal Group is reported within the Europe Paperboard Packaging Manufacturing segment.

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The following table summarizes the Company's assets and liabilities held for sale by major class:

In millions	September 30, 2023		
		March 31, 2024	
Cash and Cash Equivalents	\$ 16	2024	
Receivables, Net	14	1	
Inventories, Net	11	84	
Other Current Assets	5		
Total Current Assets Held for Sale	\$ 90		
Property, Plant and Equipment, Net	23	432	
Goodwill		74	
Intangible Assets, Net		14	38
Other Noncurrent Assets		211	
Total Noncurrent Assets Held for Sale^(a)	80		
Valuation Allowance to Adjust Carrying Value of Russian Operations to Fair Value Less Costs to Sell \$	(93)	555	
Total Assets Held for Sale Net Included in Other Current Assets	\$ (13)	645	
Accounts Payable Short-Term Debt		41	
Compensation and Employee Benefits		6	
Other Accrued Liabilities		23	
Deferred Income Tax Total Current Liabilities Held for Sale	\$ 10		
Long-Term Debt		9	
Other Noncurrent Liabilities		711	
Total Noncurrent Liabilities Held for Sale	\$ 20		
Total Liabilities Held for Sale Included in Other Accrued Liabilities	\$ 13	30	

^(a) Noncurrent Assets Held for Sale within the Condensed Consolidated Balance Sheet also includes \$2 million relating to two packaging facilities, which met the held for sale criteria as of March 31, 2024.

Impairment and Divestiture of Russian Business

In the second quarter of 2022, the Company began the process of divesting its interests in its two packaging facilities in Russia (the "Russian Operations"), which met the criteria to be considered a business, through a sale of 100% of the outstanding shares. The assets and liabilities to be disposed of in connection with this transaction met the held for sale criteria as of June 30, 2022 and each subsequent quarter end through the date of sale. During 2022 and 2023, the Company incurred \$106 million of impairment losses associated with the Russian Operations including \$96 million in 2022, which includes \$12 million of goodwill impairment initially recognized in Q2 2022 and \$10 million in 2023 (includes \$4 million of impairment charges incurred in Q1 2023), all of which are included in the Business Combinations, Exit Activities, and Other Special Charges, Net line in the Consolidated Statement of Operations.

On November 30, 2023, the Company completed the sale to former members of management of its Russian Operations (the "Buyer") for total consideration of \$62 million, which was primarily a long-term loan to the Buyer with a maturity date in 2038 (the "Vendor Loan"). Given the current government sanctions and restrictions on movement of currency out of Russia to satisfy payments on the notes, the Company placed a valuation allowance of \$48 million against the Vendor Loan receivable. The Vendor Loan, along with the other transaction agreements, grants the Buyer full power to direct the activities that most significantly impact the Russian Operations and economic rights over the Russian Operations, with no power or participating rights granted to the Company. There are, however, security rights in place to protect and facilitate the repayment of the Vendor Loan. Other rights included in the sale are contingent in nature and the Company does not believe such rights have significant value nor do they confer power to Company in evaluating which party is the primary beneficiary of this VIE. We will continue to monitor such rights and their impacts to the Company, if any, in the future. The Company has concluded that it is not the primary beneficiary of the business upon closing of the sale, and the Russian Operations were deconsolidated as of that date. The Vendor Loan, net is included in Other Assets on the Consolidated Balance Sheet. On the date of the sale, the Company recorded a final additional loss on the sale of \$4 million, which is recorded in the Business Combinations, Exit Activities, and Other Special Charges, Net line in the Consolidated Statement of Operations. The operating results of the Russian Operations for the eleven months ended November 30, 2023 are included in the Company's Sales and Net Income in the Consolidated Statements of Operations. Total Net Sales and Net Income for the Russian Operations during this time were \$90 million and \$8 million, respectively. This includes total Net Sales and Net Income for Q1 2023 of \$28 million and \$1 million, respectively.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

In addition, the Company historically had an intercompany payable to the Russian Operations. As of the date of the sale, the intercompany payable was converted to an external third-party loan payable (the "Loan Payable"). The Loan Payable will mature in 2037. The Loan Payable totaling \$35 million is reflected in the Other Noncurrent Liabilities on the Consolidated Balance Sheet.

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

INTRODUCTION

This management's discussion and analysis of financial conditions and results of operations is intended to ~~provide investors with an assist you in understanding~~ of the Company's past performance, financial condition and prospects. ~~The following will~~ This discussion should be ~~discussed~~ read in conjunction with the Consolidated Financial Statements and ~~analyzed~~:

ØOverview of Business

ØOverview of Third Quarter 2023 Results

ØResults of Operations

ØFinancial Condition, Liquidity Notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, along with the consolidated financial statements and Capital Resources

ØCritical Accounting Policies

ØNew Accounting Standards

ØBusiness Outlook related notes included in and referred to within this report.

OVERVIEW OF BUSINESS

Graphic Packaging is a leading global provider of consumer goods packaging made from renewable or recycled materials. The Company designs and manufactures sustainable packaging solutions including cartons, multipack cartons, trays, carriers, paperboard canisters, and cups and bowls, made primarily from unbleached paperboard, recycled paperboard, and bleached paperboard. Paperboard used in its packaging solutions comes from wood fiber, a renewable resource, and from secondary (reused) fiber. Graphic Packaging's consumer packaging is designed to be recycled, and the Company works across the value chain to make it easier for people to recycle. With this focus, the Company plays an active role in support of the move to a more circular economy and a sustainable future for generations to come. Graphic Packaging's commitment to reducing the environmental impact of everyday consumer packaging is fundamental to its strategy, our goals, and to our business purpose.

The Company serves a wide variety of consumer non-durables (consumer staples) markets, ranging from food and beverage, to foodservice, household products, beauty and health care. It produces packaging solutions at over 100 locations in over 25 countries around the world, serving customers ranging from local consumer products companies to the largest multinationals. The Company believes that it offers one of the most comprehensive ranges of packaging design, manufacture, and execution capabilities available. Graphic Packaging manufactures a significant amount of the paperboard that it uses to produce packaging solutions, mainly where it believes that self-manufacture provides it with a competitive advantage and allows the Company to deliver better, more consistent results for customers. The Company currently manufactures most of the paperboard it consumes in the Americas and purchases from third parties the majority of the paperboard it consumes in its Europe segment.

Graphic Packaging works closely with its customers to understand their needs and goals and to create new and innovative designs customized to their specific needs. The Company's objective approach serves to build and strengthen long-term relationships with purchasing, brand management, marketing, and other key customer functions. The Company is organized to strengthen bring the full resources of its position as global and local innovation, design, and manufacturing capabilities to all of its customers, with the goal of delivering packaging solutions that are more circular, more functional, and more convenient.

The Company competes with a leading provider wide range of recyclable, fiber-based consumer packaging solutions. To achieve this objective, companies whose primary raw materials are paperboard, plastic, multi-layer laminates, shrink film, paper, corrugated board, biobased materials and other packaging materials. While circularity and sustainability are increasingly important to customer purchase decisions, the Company offers customers its cartons, foodservice containers, cups, lids, paperboard also competes on the basis of product innovation, price, and packaging machines, either as an integrated solution or separately. Cartons, carriers and containers are designed to protect and hold products. Packaging offerings include a variety execution capabilities. Many of laminated, coated and printed packaging structures that are produced from the Company's coated recycled paperboard ("CRB"), coated unbleached kraft paperboard ("CUK") multi-year supply contracts include terms which provide for the pass through of certain costs including raw materials, energy, labor and solid bleached sulfate paperboard ("SBS"). Innovative designs and combinations other manufacturing costs, with the intention of paperboard, films, foils, metallization, holographic and embossing are customized reducing exposure to the individual needs volatility of these costs, many of which are outside of the customers' Company's control.

The Company is implementing strategies (i) to expand market share in its current markets and to identify and penetrate new markets; (ii) to capitalize on the Company's customer relationships, business competencies, and integrated mills and packaging assets; manufacturing facilities; (iii) to develop and market innovative, packaging products and applications that benefit from consumer-led sustainability trends; and (iv) to continue to reduce costs by focusing on operational improvements. The Company's ability to fully implement its strategies and achieve its objectives may be influenced by a variety of factors, many of which are beyond its control, such as control. We cannot predict with any certainty the impact that rising interest rates, a global or any regional recession, or higher inflation of raw material may have on our customers or suppliers. Additionally, we are unable to predict the potential effects that any future pandemic or other global health emergency and widespread military and geopolitical conflicts and other costs, which the Company cannot always pass through to its customers, social and political unrest or change, including Eastern Europe, Africa and the effect of overcapacity in the worldwide paperboard packaging industry.

Significant Factors That Impact the Company's Business Middle East, and Results of Operations

Impact of Inflation/Deflation. The Company's cost of sales consists primarily of energy (including natural gas, fuel oil and electricity), pine and hardwood fiber, chemicals, secondary fibers, purchased paperboard, aluminum foil, ink, plastic films and resins, factoring, depreciation expense and labor. Costs increased for the nine months ended September 30, 2023 by \$149 million, compared to the first nine months of 2022 due to higher commodity inflation costs (\$18 million), labor and benefits (\$74 million) and other costs, net (\$57 million). Commodity inflation was primarily due to external board (\$53 million), mill chemicals (\$40 million), factoring (\$32 million), converting chemicals (\$5 million), and other costs (\$15 million) offset by secondary fiber (\$56 million), energy (\$32 million), freight (\$26 million), and wood (\$13 million). Because the price of natural gas experiences significant volatility, the Company has entered into contracts designed to manage risks associated with future variability in cash flows caused by changes in the price of natural gas. The Company has entered into natural gas swap contracts to hedge prices for a portion of its expected usage for 2023 and 2024. Since negotiated sales contracts and the related sanctions or market largely determine the pricing for its

products, the Company is at times limited in its ability to raise prices and pass through to its customers any inflationary or other cost increases that the Company disruptions, may incur.

The Company's operations and financial results could be adversely impacted by global events outside of the Company's control. The Company's operations and financial results could be adversely impacted by global events outside of the Company's control, such as the conflict between Russia and Ukraine. As a result of such global events, there could be unpredictable disruptions to the Company's operations that could limit production, reduce its future revenues and negatively impact the Company's financial condition. Global events may result in supply chain and transportation disruptions to and from facilities and affected employees could impact the Company's ability to operate its facilities and distribute products to its customers in a timely fashion. In addition, these global events may result in extreme volatility and disruptions in the capital and credit markets as well as widespread furloughs and layoffs for workers in the broader economy. During 2022, the Company began the process of selling its interests in its two packaging facilities in Russia, which it expects to be completed in 2023. The Company is adhering to all U.S., U.K., and EU sanctions. For the nine months ended September 30, 2023, the Company's Russian Operations provided approximately 1% of the Company's Net Sales and less than 1% of the Company's EBITDA. Refer to "Note 14 - Impairment and Divestiture of Russian Business" in the Notes to Condensed Consolidated Financial Statements for additional information and Part I, "Item 1A., Risk Factors" of the Company's 2022 Annual Report have on Form 10-K, and in other filings with the Securities and Exchange Commission.

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Commitment to Cost Reduction. The Company has programs in place that are designed to reduce costs, improve productivity and increase profitability. The Company utilizes a global continuous improvement initiative that uses statistical process control to help design and manage many types of activities, including production and maintenance. This includes a Six Sigma process focused on reducing variable and fixed manufacturing and administrative costs and the use of Lean Sigma principles in manufacturing and supply chain processes.

The Company's ability to continue to successfully implement its business strategies and to realize anticipated savings and operating efficiencies is subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. If the Company cannot successfully implement the strategic cost reductions or other cost savings plans, it may not be able to continue to compete successfully against other manufacturers. In addition, any failure to generate the anticipated efficiencies and savings could adversely affect the Company's financial results.

Competition and Market Factors. As some products can be packaged in different types of materials, the Company's sales are affected by competition from other manufacturers' CRB, CUK, SBS, folding box board, and recycled clay-coated news. Additional substitute products also include plastic, shrink film and corrugated containers. In addition, while the Company has long-term relationships with many of its customers, the underlying contracts may be re-bid or renegotiated from time to time, and the Company may not be successful in renewing on favorable terms or at all. The Company works to maintain market share through efficiency, product innovation, service and strategic sourcing to its customers; however, pricing and other competitive pressures may occasionally result in the loss of a customer relationship.

In addition, the Company's sales are driven by consumer buying habits in the markets its customers serve. The Company has historically reported net organic sales growth supported by its introduction of new packaging products to meet the consumers' desire for recyclable, fiber-based packaging solutions. Changes in consumer dietary habits and preferences, increases in the costs of living, unemployment rates, access to credit markets, as well as other macroeconomic factors, may negatively affect consumer spending behavior. New product introductions and promotional activity by the Company's customers can also impact its sales.

Debt Obligations. The Company had an aggregate principal amount of \$5,608 million of outstanding debt obligations as of September 30, 2023. This debt has consequences for the Company, as it requires a portion of cash flow from operations to be used for the payment of principal and interest, exposes the Company to the risk of increased interest rates and may restrict the Company's ability to obtain additional financing. The Covenants in the Company's Fourth Amended and Restated Credit Agreement (as amended, the "Current Credit Agreement") and the indentures governing the 0.821% Senior Notes due 2024, 4.125% Senior Notes due 2024, 1.512% Senior Notes due 2026, 4.75% Senior Notes due 2027, 3.50% Senior Notes due 2028, 3.50% Senior Notes due 2029, 2.625% Senior Notes due 2029 and 3.75% Senior Notes due 2030 (the "Indentures") may, among other things, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase stock, pay dividends, make other restricted payments and make acquisitions or other investments. The Current Credit

Agreement also requires compliance with a maximum consolidated leverage ratio and a minimum consolidated interest coverage ratio. The Company's ability to comply in future periods with the financial covenants will depend on its ongoing financial and operating performance, which in turn will be subject to many other factors, many of which are beyond the Company's control. See "Covenant Restrictions" in "Financial Condition, Liquidity and Capital Resources" for additional information regarding the Company's debt obligations.

The debt and the restrictions under the Current Credit Agreement and the Indentures could limit the Company's flexibility to respond to changing market conditions and competitive pressures. The outstanding debt obligations and the restrictions may also leave the Company more vulnerable to a downturn in general economic conditions or its business, or unable to carry out capital expenditures that are necessary or important to its growth strategy and productivity improvement programs. our business.

OVERVIEW OF THIRD QUARTER 2023 RESULTS

This management's discussion and analysis contains an analysis of Net Sales, Income from Operations and other information relevant to an understanding of the Company's results of operations on a Consolidated basis:

- Net Sales for the three months ended September 30, 2023 decreased \$102 million or 4% to \$2,349 million from \$2,451 million for the three months ended September 30, 2022 due to lower organic sales and lower volume of open market sales partially offset by higher pricing, new product introductions and favorable foreign exchange.
- Income from Operations for the three months ended September 30, 2023 decreased \$6 million or 2% to \$287 million from \$293 million for the three months ended September 30, 2022 due to accelerated depreciation and charges related to the Company's decision to decommission its K3 CRB machine in Kalamazoo, Michigan and the discontinuation of the Texarkana swing capacity project, unfavorable other inflation (primarily labor and benefits), higher level of market downtime, lower open market volume, lower organic sales, accelerated depreciation related to the closure of two smaller CRB mills, charges related to the closures of folding carton plants, and additional impairment charges related to the Company's commitment to sell its Russian operations, partially offset by higher pricing, cost savings from continuous improvement and other programs, new product introductions, favorable commodity deflation and favorable foreign exchange.

Acquisitions and Dispositions

- On February 20, 2024, the Company entered into an agreement with Clearwater Paper Corporation to sell all of the assets associated with its Augusta, Georgia paperboard manufacturing facility for approximately \$700 million in cash. The transaction is expected to close in the second quarter of 2024, subject to customary closing conditions.
- During 2023, the Company decided to close multiple packaging facilities by the end of 2023 and early 2024. Production from these facilities will be consolidated into our existing packaging network.
- In January 2023, the Company completed the acquisition of Tama, Paperboard, LLC ("Tama"), a CRB mill recycled paperboard manufacturing facility located in Tama, Iowa, from Greif Packaging LLC for approximately \$100 million. \$100 million. It is reported within the Paperboard Mills Manufacturing reportable segment. Subsequently, in the second quarter of 2023, the Company closed this facility.

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- During the second quarter of 2023, the Company announced the closure of three packaging facilities by the end of 2023. Production from these facilities will be consolidated into other carton plants.
- On September 8, 2023, the Company completed the acquisition of Bell, Incorporated ("Bell"), adding three packaging facilities in Sioux Falls, South Dakota and Groveport, Ohio for \$264 million. \$262 million. Bell is reported within the Americas Paperboard Packaging reportable segment.

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- During the third quarter of 2023, the Company announced its decision to permanently decommission the K3 CRB recycled paperboard machine in Kalamazoo, Michigan as part of its CRB recycled paperboard network optimization plan that the Company initiated in 2019.
- During the third quarter of 2023, the Company decided to discontinue the project in Texarkana to modify an existing paper paperboard machine to add swing capacity between SBS bleached and CUK unbleached paperboard in order to focus growth investments in the strategic expansion of coated recycled paperboard capacity.
- In May During 2022, the Company committed to sell began the process of divesting its interest in its two packaging facilities in Russia (the "Russian Operations"). The assets and classified liabilities to be disposed of in connection with this transaction met the facilities as held for sale criteria as of June 30, 2022 and each subsequent quarter end through the date of sale, resulting in cumulative impairment charges of \$105 million \$106 million in 2022 and 2023, including \$12 million \$12 million of goodwill impairment.
 - In May 2022, the Company closed the Battle Creek, MI CRB mill.
 - In September 2022, the Company closed its Norwalk, Ohio packaging facility, which it had announced to close in March 2022.

Share Repurchases and Dividends

- On July 27, 2023, the Company's board of directors authorized an additional share repurchase program to allow the Company to purchase up to \$500 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans (the "2023 share repurchase program"). The previous \$500 million share repurchase program was authorized on January 28, 2019 (the "2019 share repurchase program"). During the first nine months of 2023, the Company repurchased 1,584,515 shares of its common stock at an average price of \$23.57, all under the 2019 share repurchase program. During the first nine months of 2022, the Company repurchased 1,090,765 shares of its common stock at an average price of \$20.99 under the 2019 share repurchase program. As of September 30, 2023 November 30, 2023, the Company has \$582 million available for additional repurchases under completed the 2023 share repurchase program and the 2019 share repurchase program.
- On July 28, 2023, the Company's board sale of directors declared a regular quarterly dividend of \$0.10 per share of common stock payable on October 5, 2023 to shareholders of record as of September 15, 2023, its Russian Operations.

RESULTS OF OPERATIONS

		Three Months Ended September 30,		Nine Months Ended September 30,					
		Three Months Ended March 31,		Three Months Ended March 31,					
		Three Months Ended March 31,		Three Months Ended March 31,					
<i>In millions</i>									
<i>In millions</i>									
In millions	In millions	2023	2022	2023	2022				
Net Sales	Net Sales	\$ 2,349	\$ 2,451	\$ 7,179	\$ 7,054				
Net Sales									
Net Sales									
Income from Operations	Income from Operations	287	293	884	638				

Nonoperating Pension and Postretirement Benefit Income (Expense)	(1)	2	(2)	5
Income from Operations				
Income from Operations				
Nonoperating Pension and Postretirement Benefit Expense				
Nonoperating Pension and Postretirement Benefit Expense				
Nonoperating Pension and Postretirement Benefit Expense				
Interest Expense, Net				
Interest Expense, Net				
Interest Expense, Interest				
Net Expense, Net	(62)	(53)	(180)	(143)
Income before Income Taxes	Income before Income Taxes	224	242	702
Income Taxes	Income Taxes			500
Income before Income Taxes				
Income before Income Taxes				
Income Tax Expense				
Income Tax Expense				
Income Tax	Income Tax			
Expense	Expense	(54)	(49)	(175)
Net Income	Net Income	\$ 170	\$ 193	\$ 527
				\$ 366
Net Income				
Net Income				

THIRD FIRST QUARTER 2023 2024 COMPARED WITH THIRD FIRST QUARTER 2022 2023

Net Sales

The components of the change in Net Sales are as follows:

		Three Months Ended September 30,							
		Variances							
		Three Months Ended March 31,							
		Variances							
		Variances							
<i>In millions</i>									
<i>In millions</i>									
		In millions		2022	Price	Volume/Mix	Exchange	2023	Decrease
		In millions		2022	2023	Decrease	Change	2023	Percent
								M&A	Price/ Volume/ Mix
								Exchange	2024 Decrease Percent

Consolidated	Consolidated	\$2,451	\$92	\$ (223)	\$ 29	\$2,349	\$ (102)	(4)	%
Consolidated									
Consolidated							\$ 2,438	\$ (197)	\$ 15

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The Company's Net Sales for the three months ended **September 30, 2023** **March 31, 2024** decreased by **\$102** **\$179** million or **4%** **7%** to **\$2,349** million **\$2,259** million from **\$2,451** million **\$2,438** million for the three months ended **September 30, 2022** **March 31, 2023** due to lower organic sales and lower volumes of open market paperboard sales (\$93 million), primarily bleached paperboard, the divestiture of our two packaging facilities in Russia in 2023 (\$28 million), lower packaging volumes driven by the timing of the Easter holiday and fewer shipping days and pricing declines including pass through of lower input costs in Europe, partially offset by higher pricing, new product introductions, favorable foreign exchange, primarily the Euro, British Pound, Mexican Peso, offset by the Canadian dollar, Australian Dollar and Japanese Yen, and the acquisition of Bell Incorporated in September 2023. Core 2023 (\$43 million), innovation sales growth (\$37 million) driven by conversions to our sustainable consumer packaging volumes solutions and favorable foreign currency exchange. Lower packaging sales in food and household markets were lower in beverage, cereal, dry foods, frozen foods, dairy, pet care, frozen pizza, healthcare, and convenience partially offset by higher packaging volumes sales in foodservice, foodservice and beverage markets.

Income from Operations

The components of the change in Income from Operations are as follows:

In millions	Three Months Ended September 30,							Decrease	Percent Change		
	2022	Variances									
		Price	Volume/Mix	Inflation	Exchange	Other (a)	2023				
Consolidated	\$ 293	\$ 92	\$ (66)	\$ (11)	\$ 3	\$ (24)	\$ 287	\$ (6)	(2)%		

(a) Includes the Company's cost reduction initiatives, market downtime costs, planned mill maintenance costs, expenses related to acquisitions and integration activities, exit activities and shutdown and other special charges.

Income from Operations for the three months ended **September 30, 2023** **March 31, 2024** decreased **\$6 million** **\$52 million** or **2%** **16%** to **\$287** million **\$278** million from **\$293** million **\$330** million for the three months ended **September 30, 2022** **March 31, 2023** primarily due to accelerated depreciation lower production, pricing and charges related to the Company's decision to decommission its K3 CRB machine in Kalamazoo, Michigan and the discontinuation sales of the Texarkana swing capacity project, unfavorable other inflation (primarily labor and benefits), higher level of market downtime, lower open market volume, lower organic sales, bleached paperboard. Lower packaging volumes, mix, and higher accelerated depreciation related to the closure of two smaller CRB mills, charges related to the closures of folding carton plants several packaging and paperboard facilities of \$10 million (refer to "Note 13 - Exit Activities Activities" in the Notes to Condensed Consolidated Financial Statements for additional information), decreased Income from Operations, and additional impairment charges related to the Company's commitment to sell its Russian operations, partially was offset by higher pricing, performance, primarily due to cost savings from continuous improvements and other programs, new product introductions, and productivity improvements, including benefits from capital projects. Inflation was relatively flat due to favorable commodity deflation (primarily external board and favorable foreign exchange).

Inflation increased for the three months ended **September 30, 2023** energy, partially offset by \$11 million, compared to the three months ended **September 30, 2022** due to increased secondary fiber) and unfavorable other inflation (primarily labor and benefits (\$22 million) and other costs, net (\$21 million), offset by commodity deflation costs (\$32 million) benefits). Commodity deflation was primarily due to energy (\$24 million), secondary fiber (\$14 million), freight (\$8 million), wood (\$4 million), and converting chemicals (\$1 million) offset by factoring (\$10 million), external board (\$4 million), mill chemicals (\$2 million), and other costs (\$3 million).

Interest Expense, Net

Interest Expense, Net was \$62 million \$59 million and \$53 million \$58 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. Interest Expense, Net increased due 2023, respectively, relatively flat as compared to higher interest rates, partially offset by lower debt balances, the prior year. As of September 30, 2023 March 31, 2024, approximately 23% 24% of the Company's total debt was subject to floating interest rates.

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Income Tax Expense

During the three months ended September 30, 2023 March 31, 2024, the Company recognized Income Tax Expense of \$54 million \$53 million on Income before Income Taxes of \$224 million \$218 million. The effective tax rate for the three months ended September 30, 2023 March 31, 2024 is different from the statutory rate primarily due to the discrete tax impact of the charges associated with the planned divestiture of the Company's operations in Russia that results in no corresponding adjustments including a tax benefit U.S. federal provision to return true up tax benefits of \$3 million decrease related to excess tax benefits on restricted stock units that vested during the period in the Company's valuation allowance against the net deferred tax assets in the Netherlands and addition to the mix of earnings between foreign and domestic jurisdictions, including those with and without valuation allowances.

During the three months ended September 30, 2022 March 31, 2023, the Company recognized Income Tax Expense of \$49 million \$64 million on Income before Income Taxes of \$242 million \$271 million. The effective tax rate for the three months ended September 30, 2022 March 31, 2023 was different from the statutory rate primarily due to discrete tax benefits of \$7 million associated with the recognition of differences between the Company's outside tax basis in its investment in GPIP and the Company's inside tax basis in individual assets and liabilities due to the internal restructuring that was completed during the quarter, and provision to return tax benefits of \$2 million. In addition, the recognition of deferred tax assets and liabilities on unrealized FX activity related to intercompany loans where the entity functional currency and the loan denomination is different than the tax reporting currency, resulted in an increase in the effective tax rate for the period.

Based on the final 2022 U.S. federal income tax return, the Company's remaining U.S. federal net operating loss carryforward was approximately \$292 million. As such, based on the remaining net operating loss carryforward as well as tax credit carryforwards, which are available to offset future U.S. federal income tax, the Company expects its U.S. federal cash tax liability in 2023 to be reduced by approximately \$112 million.

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FIRST NINE MONTHS OF 2023 COMPARED WITH FIRST NINE MONTHS OF 2022

Net Sales

The components of the change in Net Sales are as follows:

In millions	Nine Months Ended September 30,						Percent Change	
	2022	Variances			2023	Increase		
		Price	Volume/Mix	Exchange				
Consolidated	\$ 7,054	\$ 516	\$ (382)	\$ (9)	\$ 7,179	\$ 125	2 %	

The Company's Net Sales for the nine months ended September 30, 2023 increased by \$125 million or 2% to \$7,179 million from \$7,054 million for the nine months ended September 30, 2022 due to higher pricing and new product introductions partially offset by lower volumes of open market sales, lower organic sales and unfavorable foreign exchange, primarily the Canadian dollar, Australian Dollar and Japanese Yen partially offset by the Mexican Peso. Core packaging volumes were lower in beverage, cereal, dry foods, frozen foods, dairy, convenience, and healthcare partially offset by higher packaging volumes in foodservice, frozen pizza, tissue and beauty.

Income from Operations

The components of the change in Income from Operations are as follows:

In millions	Nine Months Ended September 30,								
	Variances								
	2022	Price	Volume/Mix	Inflation	Exchange	Other (a)	2023	Increase	Percent Change
Consolidated	\$ 638	\$ 516	\$ (137)	\$ (149)	\$ (15)	\$ 31	\$ 884	\$ 246	39 %

(a) Includes the Company's cost reduction initiatives, market downtime costs, planned mill maintenance costs, expenses related to acquisitions and integration activities, exit activities and shutdown and other special charges.

Income from Operations for the nine months ended September 30, 2023 increased \$246 million or 39% to \$884 million from \$638 million for the nine months ended September 30, 2022 due to higher pricing, cost savings from continuous improvement and other programs and new product introductions partially offset by lower open market volume, unfavorable commodity inflation and other inflation (primarily labor and benefits), higher level of maintenance and market downtime, unfavorable foreign exchange, lower organic sales, accelerated depreciation related to the closure of three smaller CRB mills, charges related to the closures of folding carton plants (refer to "Note 13 - Exit Activities" in the Notes to Condensed Consolidated Financial Statements for additional information) and accelerated depreciation and charges related to the Company's decision to decommission its K3 CRB machine in Kalamazoo, Michigan and the discontinuation of the Texarkana swing capacity project during the third quarter of 2023. Income from Operations also increased due to a reduction in impairment charges in the first nine months of 2023 compared to 2022 related to the Company's planned divestiture of its Russian operations. Refer to "Note 14 - Impairment and Divestiture of Russian Business" in the Notes to Condensed Consolidated Financial Statements for additional information.

Inflation increased for the nine months ended September 30, 2023 by \$149 million, compared to the first nine months of 2022 due to higher commodity inflation costs (\$18 million), labor and benefits (\$74 million) and other costs, net (\$57 million). Commodity inflation was primarily due to external board (\$53 million), mill chemicals (\$40 million), factoring (\$32 million), converting chemicals (\$5 million), and other costs (\$15 million) offset by secondary fiber (\$56 million), energy (\$32 million), freight (\$26 million), and wood (\$13 million).

Interest Expense, Net

Interest Expense, Net was \$180 million and \$143 million for the nine months ended September 30, 2023 and 2022, respectively. Interest Expense, Net increased due to higher interest rates, partially offset by lower debt balances.

Income Tax Expense

During the nine months ended September 30, 2023, the Company recognized Income Tax Expense of \$175 million on Income before Income Taxes of \$702 million. The effective tax rate for the nine months ended September 30, 2023 is different from the statutory rate primarily due to the tax impact of the charges associated with the planned divestiture of the Company's operations in Russia that result in no corresponding tax benefit, adjustments including a tax benefit of \$2 million related to excess tax benefits on restricted stock units that vested during the period U.S. federal provision in addition to return true up tax benefits of \$3 million, an increase in the Company's valuation allowance against a portion of its net deferred tax assets in Sweden along with a decrease in the Company's valuation allowance against the net deferred tax assets in the Netherlands, and the mix of earnings between foreign and domestic jurisdictions, including those with and without valuation allowances.

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During the nine months ended September 30, 2022, the Company recognized Income Tax Expense of \$134 million on Income before Income Taxes of \$500 million. The effective tax rate for the nine months ended September 30, 2022 is different than the statutory rate primarily due to the impairment charges associated with the Company's Russia business that results in no corresponding tax benefit. Additionally, discrete tax adjustments were recorded during the period, including discrete tax benefits of \$7 million associated with the recognition of differences between the Company's outside tax basis in its investment in GPIP and the Company's inside tax basis in individual assets and liabilities due to the internal restructuring that was completed during the period, provision to return tax benefit of \$2 million, a tax benefit of \$2 million recorded to reflect the decrease in the state statutory tax rate, tax expense of \$10 million, recorded to release the lingering tax expense remaining in Other Comprehensive Income after the settlement of certain swaps and a tax benefit of \$2 million related to excess tax benefits on restricted stock that vested during the period. In addition, the recognition of deferred tax assets and liabilities on unrealized foreign currency activity related to intercompany loans where the entity's functional currency and the loan denomination currency are different than the tax reporting currency resulted in a decrease in the effective tax rate for the period.

Segment Reporting

The Company has three reportable segments as follows:

Americas Paperboard Mills Packaging includes paperboard packaging sold primarily to consumer packaged goods ("CPG") companies serving the food, beverage, and consumer product markets and cups, lids and food containers sold primarily to foodservice companies and quick-service restaurants ("QSR") in the Americas.

Europe Paperboard Packaging includes paperboard packaging sold primarily to CPG companies serving the food, beverage and consumer product markets, including healthcare and beauty, primarily in Europe.

Paperboard Manufacturing includes the seven North American paperboard mills manufacturing facilities that produce primarily CRB, CUK, recycled, unbleached and SBS, bleached paperboard, which is consumed internally to produce paperboard consumer packaging for the Americas and Europe Packaging segments. Paperboard not consumed internally is sold externally to a wide variety of paperboard packaging converters and brokers. The Paperboard Mills segment's Net Sales represent the sale of paperboard only to external customers only. The effect of intercompany transfers to the paperboard packaging segments has been eliminated from the Paperboard Mills segment to reflect the economics of the integration of these segments.

Americas Paperboard Packaging includes paperboard packaging, primarily folding cartons, sold primarily to consumer packaged goods ("CPG") companies, and cups, lids and food containers sold primarily to foodservice companies and quick-service restaurants ("QSR") serving the food, beverage, and consumer product markets in the Americas.

Europe Paperboard Packaging includes paperboard packaging, primarily folding cartons, sold primarily to CPG companies serving the food, beverage and consumer product markets, including healthcare and beauty products, primarily in Europe.

The Company allocates certain mill paperboard manufacturing and corporate costs to the reportable segments to appropriately represent the economics of these segments. The Corporate and Other caption includes the Pacific Rim and Australia operating segments and unallocated corporate and one-time costs.

These segments are evaluated by the chief operating decision maker based primarily on Income from Operations, as adjusted for depreciation and amortization. The accounting policies of the reportable segments are the same as those described above in **"Note 1 - General Information" Information** in the Notes to Condensed Consolidated Financial Statements.

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,		Three Months Ended March 31,	
		Three Months Ended March 31,		Three Months Ended March 31,	
<i>In millions</i>					
<i>In millions</i>		2023	2022	2023	2022
NET SALES:		NET SALES:		NET SALES:	
Paperboard Mills		\$ 236	\$ 345	\$ 804	\$ 933
NET SALES:					
NET SALES:					
Americas Paperboard Packaging					
Americas Paperboard Packaging					
Americas Paperboard Packaging	Americas Paperboard Packaging	1,569	1,577	4,684	4,533

Europe Paperboard Packaging	Europe Paperboard Packaging	498	488	1,553	1,467
Europe Paperboard Packaging					
Europe Paperboard Packaging					
Paperboard Manufacturing					
Paperboard Manufacturing					
Paperboard Manufacturing					
Corporate/Other/Eliminations ^(a)					
Corporate/Other/Eliminations ^(a)					
Corporate/Other/Eliminations ^(a)	Corporate/Other/Eliminations ^(a)	46	41	138	121
Total	Total	\$ 2,349	\$ 2,451	\$ 7,179	\$ 7,054
Total					
Total					
(LOSS) INCOME FROM OPERATIONS:					
Paperboard Mills ^{(b)(c)}		\$ (36)	\$ 12	\$ (42)	\$ 17
INCOME (LOSS) FROM OPERATIONS:					
INCOME (LOSS) FROM OPERATIONS:					
INCOME (LOSS) FROM OPERATIONS:					
Americas Paperboard Packaging ^{(b)(c)}					
Americas Paperboard Packaging ^{(b)(c)}					
Americas Paperboard	Americas Paperboard				
Packaging ^{(b)(c)}	Packaging ^{(b)(c)}	286	229	829	589
Europe Paperboard Packaging ^(d)	Europe Paperboard Packaging ^(d)	38	40	85	31
Europe Paperboard Packaging ^(d)					
Europe Paperboard Packaging ^(d)					
Paperboard Manufacturing ^{(b)(c)}					
Paperboard Manufacturing ^{(b)(c)}					
Paperboard Manufacturing ^{(b)(c)}					
Corporate and Other ^(c)	Corporate and Other ^(c)	(1)	12	12	1
Corporate and Other ^(c)					
Corporate and Other ^(c)					
Total					
Total					
Total	Total	\$ 287	\$ 293	\$ 884	\$ 638

(a) Includes revenue from customers for the Australia and Pacific Rim operating segments.

(b) Includes accelerated depreciation related to exit activities in 2023 2024 and 2022 2023. See "Note 13 - Exit Activities" in the Notes to Condensed Consolidated Financial Statements for further information.

(c) Includes expenses related to business combinations, shutdown exit activities and other special charges, and exit activities charges. See "Note 1 - General Information" in the Notes to Condensed Consolidated Financial Statements for further information.

(d) Includes impairment charges related to Russia. Russia in 2023. See "Note 14 - Impairment and Divestiture of Russian Business Divestitures" in the Notes to Condensed Consolidated Financial Statements for further information.

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2023 2024 COMPARED WITH 2022 2023

Third First Quarter 2023 2024 Compared to Third First Quarter 2022

Paperboard Mills

Net Sales decreased due to lower open market volume partially offset by higher pricing.

Income from Operations decreased due to lower open market volume, higher levels of market downtime, accelerated depreciation related to the closure of two smaller CRB mills (refer to "Note 13 - Exit Activities" in the Notes to Condensed Consolidated Financial Statements for additional information), and accelerated depreciation and charges related to the Company's decision to decommission its K3 CRB machine in Kalamazoo, Michigan and the discontinuation of the Texarkana swing capacity project. The decrease is partially offset by higher pricing, favorable commodity deflation and productivity improvements, including benefits from capital projects. 2023

Americas Paperboard Packaging

Net Sales decreased due to lower organic sales, packaging volumes driven by the timing of the Easter holiday and fewer shipping days, partially offset by higher pricing, new product introductions, innovation sales growth driven by conversions to our fiber-based sustainable consumer packaging solutions, and the acquisition of Bell Incorporated in September 2023. 2023 and favorable foreign currency exchange. Lower packaging volumes sales in beverage, cereal, dry foods, frozen foods, dairy, pet care, food and frozen pizza household markets were partially offset by higher packaging volumes sales in foodservice. In foodservice and beverage packaging volumes decreased in big beer and soft drinks partially offset by increased volumes in craft beer and specialty beverages. markets.

Income from Operations increased due to higher pricing and performance, primarily due to cost savings from continuous improvement and other programs, productivity improvements, including benefits from capital projects, innovation sales growth, and commodity deflation (primarily energy and external board offset by secondary fiber). These increases were partially offset by lower packaging volumes, other inflation (primarily labor and benefits), and other costs offset by commodity deflation, higher levels of market downtime, accelerated depreciation and charges related to the closure of folding carton plants several packaging facilities (refer to "Note 13 - Exit Activities" in the Notes to Condensed Consolidated Financial Statements for additional information). The commodity deflation was primarily due to energy, secondary fiber, freight and wood offset by factoring and external board.

Europe Paperboard Packaging

Net Sales increased decreased due to higher lower pricing mix including pass through of lower input costs, lower packaging volumes driven by the timing of the Easter holiday and new product introductions, fewer shipping days, and the divestiture of our two packaging facilities in Russia in 2023. The decrease in Net Sales is partially offset by innovation sales growth driven by conversions to our fiber-based sustainable consumer packaging solutions and favorable foreign currency exchange partially offset by lower exchange. Lower packaging volumes sales in food, beverage, household and healthcare markets were partially offset by higher packaging sales in beverage and foodservice sales. markets.

Income from Operations decreased due to commodity inflation primarily related to energy and external board, other inflation (primarily labor and benefits), lower pricing and lower organic sales, packaging volumes, partially offset by higher pricing and commodity deflation, cost savings from continuous improvement and other programs, programs and favorable foreign currency exchange. The commodity deflation was primarily related to external board, which is passed through to our customers, partially offset by other inflation (primarily labor and benefits). Income from Operations was also decreased due to an increase favorably impacted by a reduction in impairment charges in the third quarter of 2023 compared to 2022 related to the Company's planned divestiture sale of its our Russian operations. operations in 2023. Refer to "Note 14 - Impairment and Divestiture of Russian Business Divestitures" in the Notes to Condensed Consolidated Financial Statements for additional information.

First Nine Months of 2023 Compared to First Nine Months of 2022

Paperboard Mills Manufacturing

Net Sales decreased due to lower open market volume partially offset by higher pricing. paperboard volumes and pricing primarily related to bleached paperboard.

Income from Operations decreased due to lower pricing, production and sales of open market volume, higher levels of maintenance paperboard primarily bleached and market downtime, accelerated depreciation related to the closure of the three CRB mills (refer to "Note 13 - Exit Activities" in the Notes to Condensed Consolidated Financial Statements for additional information), commodity and other inflation (primarily secondary fiber and labor and benefits) offset by energy and accelerated depreciation and charges related to the Company's decision to decommission its K3 CRB machine and the discontinuation of the Texarkana swing capacity project. chemicals). The decrease was partially offset by higher pricing, productivity improvements, including benefits from capital projects, and commodity deflation, primarily secondary fiber, energy, wood and freight partially offset by chemicals.

Americas Paperboard Packaging

Net Sales increased due to higher pricing and new product introductions driven by conversions to our fiber-based packaging solutions and the acquisition of Bell Incorporated in September 2023, partially offset by lower organic sales. Lower packaging volumes in beverage, cereal, dry foods, frozen foods, and dairy were partially offset by higher packaging volumes in foodservice, frozen pizza and tissue. In beverage, packaging volumes decreased in big beer, craft beer, specialty beverages and soft drinks.

Income from Operations increased due to higher pricing and cost savings from continuous improvement and other programs, partially offset by commodity inflation and other inflation (primarily labor and benefits) and higher levels of maintenance and market downtime. The commodity inflation was primarily due to higher prices for external board, chemicals, and factoring partially offset by secondary fiber, energy, freight and wood.

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Europe Paperboard Packaging

Net Sales increased due to higher pricing, mix, new product introductions driven by conversions to our fiber-based packaging solutions partially offset by unfavorable foreign currency exchange and lower organic sales in beverage, convenience, healthcare and food partially offset by higher volumes in foodservice and beauty.

Income from Operations increased due to higher pricing and cost savings from continuous improvement and other programs partially offset by commodity inflation primarily related to external board and energy, other inflation (primarily labor and benefits), unfavorable foreign currency exchange and lower organic sales. Income from Operations also increased due to a reduction in impairment charges in the first nine months of 2023 compared to 2022 related to the Company's planned divestiture of its Russian operations. Refer to "Note 14 - Impairment and Divestiture of Russian Business" in the Notes to Condensed Consolidated Financial Statements for additional information.projects.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company broadly defines liquidity as its ability to generate sufficient funds from both internal and external sources to meet its obligations and commitments. In addition, liquidity includes the ability to obtain appropriate debt and equity financing and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Therefore, liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service commitments.

Cash Flows

Nine Months			
Ended			
September			
30,			
Three Months	Ended March 31,		
In millions		Three Months Ended March 31,	
In millions	2023	2022	In millions

Net Cash Provided by Operating Activities	Net Cash Activities	\$702	\$620
Net Cash Used in Investing Activities	Net Cash Activities	(875)	(367)
Net Cash Provided by (Used In) Financing Activities		188	(331)
Net Cash Provided by Financing Activities			

Net cash provided by operating activities for the first **nine** **three** months of **2023** **2024** totaled **\$702 million** **\$3 million** compared to **\$620 million** **\$60 million** for the same period in **2022** **2023**. The favorable increase decrease was mainly due to an increase in lower income from operations offset by higher levels less use of cash for working capital. Pension contributions for the first **nine** **three** months of **2024** and **2023** were **\$2 million** and **2022** were **\$13 million** and **\$21 million** **\$1 million**, respectively. In the first quarter

[Table of 2022, the Company made a \\$6 million contribution to its remaining U.S. defined benefit plan by effectively utilizing the excess balance related to its U.S. defined benefit plan terminated in 2020.](#) [Contents](#)

Net cash used in investing activities for the first **nine** **three** months of **2023** **2024** totaled **\$875 million** **\$311 million** compared to **\$367 million** **\$273 million** for the same period in **2022** **2023**. The Company completed the acquisition had capital spending of Tama, a CRB mill located **\$331 million** (**\$278 million** was capitalized) and **\$196 million** (**\$181 million** was capitalized) in Tama, Iowa on January 31, 2023, from Greif Packaging LLC for approximately **\$100 million**. The Company also completed the acquisition of Bell Incorporated, adding three packaging facilities in Sioux Falls, South Dakota **2024** and Groveport, Ohio for **\$264 million** on September 8, 2023 including cash acquired of **\$3 million**. For further discussion of the Company's newly acquired CRB mill and Converting facilities, see "Note 3 - Business Combinations" in the Notes to the Condensed Consolidated Financial Statements. Capital spending was **\$592 million** and **\$445 million** in **2023**, and **2022**, respectively. The increase in capital spending has been driven by the construction of the Company's new CRB mill recycled paperboard manufacturing facility in Waco, Texas. For more information on the construction further discussion of the Company's new CRB mill recycled paperboard manufacturing facility and continued investments made as part of the integration of acquisitions, see "Note 13 - Exit Activities" in Waco, Texas, refer the Notes to the Capital Investment section below. Condensed Consolidated Financial Statements. Net cash receipts related to the accounts receivable securitization and sale programs were **\$83 million** and **\$20 million** **\$24 million** in **2024** and **2023**, and **2022**, respectively. In the prior year the Company completed the acquisition of Tama on January 31, 2023, from Greif Packaging LLC for approximately **\$100 million**. For further discussion of the Company's CRB mill acquisition, see "Note 3 - Business Combinations" in the Notes to the Condensed Consolidated Financial Statements.

Net cash provided by financing activities for the first **nine** **three** months of **2024** and **2023** totaled **\$188 million** compared to net cash used in financing activities of **\$331 million** for the same period in **2022**, **\$287 million** and **\$177 million** respectively. Current year financing activities include a debt drawing of the new incremental term facilities which consist of a **\$50 million** Incremental Term A-5 Facility (the "Incremental A-5 Loan") and a **\$200 million** Incremental Term A-6 Facility (the "Incremental Term A-6 Loan"). The net proceeds were used by the Company to repay a portion of the outstanding borrowings under its senior secured revolving credit facility. For further discussion of the Company's newly acquired debt, see "Note 4 - Debt" in the Notes to the Condensed Consolidated Financial Statements. Other current year activities include borrowings under revolving credit facilities primarily for capital spending, repurchase of common stock of **\$37 million** and payments on debt of **\$18 million** **\$10 million**. The Company also paid dividends of **\$92 million** **\$31 million** and withheld **\$22 million** of restricted stock units to satisfy tax withholding obligations

related to the payout of restricted stock units. In the prior year the Company also made borrowings under revolving credit facilities primarily for capital spending, and interest repurchase of common stock of \$28 million, and payments on debt of \$10 million \$5 million. The Company also paid dividends and distributions of \$69 million \$31 million and withheld \$18 million \$20 million of restricted stock units to satisfy tax withholding payments related to the payout of restricted stock units.

Supplemental Guarantor Financial Information

As discussed in "Note 4 - Debt" in the Notes to Condensed Consolidated Financial Statements, the Senior Notes issued by **GPIL** (the **Graphic Packaging International, LLC** ("GPIL" or the "Issuer") are guaranteed by certain domestic subsidiaries (the "Subsidiary Guarantors"), which consist of all material 100% owned subsidiaries of **GPIL** other than its foreign subsidiaries, and in certain instances by the Company (a Parent guarantee) (collectively **"the Guarantors"**). GPIL's remaining subsidiaries (the "Nonguarantor Subsidiaries") include all of GPIL's foreign subsidiaries and immaterial domestic subsidiaries. The Subsidiary Guarantors are jointly and severally, fully and unconditionally liable under the guarantees.

The results of operations, assets, and liabilities for GPHC and GPIL are substantially the same. Therefore, the summarized financial information below is presented on a combined basis, consisting of the Issuer and Subsidiary Guarantors (collectively, the "Obligor Group"), and is presented after the elimination of: (i) intercompany transactions and balances among the Issuer and Subsidiary Guarantors, and (ii) equity in earnings from and investments in the Nonguarantor Subsidiaries.

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In millions	Nine Months Ended September 30, 2023 March 31, 2024
SUMMARIZED STATEMENTS OF OPERATIONS	
Net Sales ^(a)	\$ 5,446 1,755
Cost of Sales	4,151 1,321
Income from Operations	799 262
Net Income	482 153

(a) Includes Net Sales to Nonguarantor Subsidiaries of \$397 \$151 million.

Noncurrent assets	Noncurrent assets	6,310	5,852
Intercompany receivables from Nonguarantor	Intercompany receivables from Nonguarantor	1,341	1,399
Current liabilities	Current liabilities	1,949	1,355
Noncurrent liabilities	Noncurrent liabilities	5,549	5,360

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Liquidity and Capital Resources

The Company expects its material cash requirements for the next **three** **nine** months will be **for** **for**: capital expenditures, periodic required **estimated** income tax payments, periodic interest and debt service payments on associated debt, as discussed in **"Note 5 - Debt"** **"Debt"** of the Notes to the Consolidated Financial Statements of the Company's **2022** **2023** Annual Report on Form 10-K, lease agreements which have fixed lease payment obligations, as discussed in **"Note 6 - Leases"** **"Leases"** of the Notes to the Consolidated Financial Statements of the Company's **2022** **2023** Annual Report on Form 10-K, and minimum purchase commitments as discussed in **"Note 13 - Commitments"** **"Commitments"** of the Notes to the Consolidated Financial Statements of the Company's **2022** **2023** Annual Report on Form 10-K along with ongoing operating costs, working capital, share repurchases and dividend payments. The Company expects its primary sources of liquidity to be cash flows from sales and operating activities in the normal course of operations and availability from its revolving credit facilities, as needed. **In addition, the Company expects a future source of liquidity from the proceeds of the Augusta sale (refer to "Note 14 - Divestitures" in the Notes to Condensed Consolidated Financial Statements for further information).** The Company expects that these sources will be sufficient to fund **our** ongoing cash requirements for the foreseeable future, including at least the next twelve months.

Principal and interest payments under the term loan facilities and the revolving credit facilities, together with principal and interest payments on the Company's 0.821% Senior Notes due 2024, 4.125% Senior Notes due 2024, 1.512% Senior Notes due 2026, 4.75% Senior Notes due 2027, 3.50% Senior Notes due 2028, 3.50% Senior Notes due 2029, 2.625% Senior Notes due 2029 and 3.75% Senior Notes due 2030 (the **"Indentures"** **"Notes"**), represent liquidity requirements for the Company. Based upon current levels of operations, anticipated cost savings and expectations as to future growth, the Company believes that cash generated from operations, together with amounts available under its revolving credit facilities and other available financing sources, will be adequate to permit the Company to meet its debt service obligations, necessary capital expenditure program requirements and ongoing operating costs and working capital needs, although no assurance can be given in this regard. The Company's future financial and operating performance, ability to service or refinance its debt and ability to comply with the covenants and restrictions contained in its debt agreements (see **"Covenant Restrictions"** below) will be subject to future economic conditions, including conditions in the credit markets, and to financial, business and other factors, many of which are beyond the Company's control, and will be substantially dependent on the selling prices and demand for the Company's products, raw material and energy costs, and the Company's ability to successfully implement its overall business and profitability strategies.

Accounts receivable are stated at the amount owed by the customer, net of an allowance for estimated uncollectible accounts, returns and allowances, and cash discounts. The allowance for doubtful accounts is estimated based on historical experience, current economic conditions and the creditworthiness of customers. Receivables are charged to the allowance when determined to be no longer collectible.

The Company has entered into agreements to sell, on a revolving basis, certain trade accounts receivable to third party financial institutions. Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the **Transfers and Servicing** topic of the Financial Accounting Standards Board (**"FASB"**) **"(FASB)"** Accounting Standards Codification (the **"Codification"** **"Codification"**). The loss on sale is **not material and is included in Other Expense, Net** **on** **in** the Condensed Consolidated Statements of Operations. The following table summarizes the activity under these programs for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, respectively:

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		Nine Months Ended September 30,			
		Three Months Ended March 31,		Three Months Ended March 31,	
In millions	In millions	2023	2022	In millions	2024
Receivables	Receivables				
Sold and	Sold and				
Derecognized	Derecognized	\$2,811	\$2,422		
Proceeds	Proceeds				
Collected on	Collected on				
Behalf of	Behalf of				
Financial	Financial				
Institutions	Institutions	2,697	2,230		
Net Proceeds Received From					
Financial Institutions		59	212		
Deferred Purchase Price at					
September 30(a)		19	7		
Pledged Receivables at					
September 30		173	161		
Net Proceeds					
(Paid to)					
Received					
From					
Financial					
Institutions					
Deferred					
Purchase					
Price at March					
31(a)					
Pledged					
Receivables					
at March 31					

(a) Included in Other Current Assets on the Condensed Consolidated Balance Sheets and represents a beneficial interest in the receivables sold to the financial institutions, which is a Level 3 fair value measure.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, were \$827 \$797 million and \$753 \$770 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

The Company also participates in supply chain financing arrangements offered by certain customers that qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the ~~nine~~ three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company sold receivables of \$869 \$250 million and \$824 \$301 million, respectively, under related to these arrangements.

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The Company has arranged a supplier finance program ("SFP" ("SFP") with a financial intermediary, which provides certain suppliers the option to be paid by the financial intermediary earlier than the due date on the applicable invoice. The transactions are at the sole discretion of both the suppliers and financial institution, and **GPHC** the Company is not a party to the agreements and has no economic interest in the supplier's decision to sell a receivable. The range of payment terms negotiated by the Company with its suppliers is consistent, irrespective of whether a supplier participates in the program. The agreement with the financial intermediary does not require the Company to provide assets pledged as security or other forms of guarantees for the supplier finance program. Amounts due to the Company's suppliers that elected to participate in the SFP program are included in Accounts Payable on the Company's Condensed Consolidated Balance Sheets and payments made under the SFP program are reflected in Cash Flows from Operating Activities in the Company's Condensed Consolidated Statements of Cash Flows. Accounts payable included \$32 \$30 million and \$34 \$30 million payable to suppliers who elected to participate in the SFP program as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

Covenant Restrictions

Covenants contained in the Current Credit Agreement and the Indentures may, among other things, limit the Company's ability to incur additional indebtedness, restrict the ability of the Company to dispose of assets, incur guarantee obligations, prepay other indebtedness, repurchase shares, pay dividends and make other restricted payments, create liens, make equity or debt investments, make acquisitions, modify terms of the indentures under which the Notes are issued, engage in mergers or consolidations, change the business conducted by the Company and its subsidiaries, and engage in certain transactions with affiliates. Such restrictions, together with as well as disruptions in the credit markets, could limit the Company's ability to respond to changing market conditions, fund its capital spending program, provide for unexpected capital investments or take advantage of business opportunities.

Under the terms of the Current Credit Agreement, the Company must comply with a maximum Consolidated Total Leverage Ratio covenant and a minimum Consolidated Interest Expense Ratio covenant. The Current Credit Agreement, which contains the definitions of these covenants, was filed as an exhibit to the Company's Form 8-K filed on April 1, 2021.

The Current Credit Agreement requires that the Company maintain a maximum Consolidated Total Leverage Ratio of less than 4.25 to 1.00. At September 30, 2023 March 31, 2024, the Company was in compliance with such covenant and the ratio was 2.74 2.83 to 1.00.

The Company must also comply with a minimum Consolidated Interest Expense Ratio of 3.00 to 1.00. At September 30, 2023 March 31, 2024, the Company was in compliance with such covenant and the ratio was 7.98 7.68 to 1.00.

As of September 30, 2023 March 31, 2024, the Company's credit was rated BB+ by Standard & Poor's and Ba1 by Moody's Investor Services. Standard & Poor's and Moody's Investor Services' ratings on the Company included a stable outlook.

Capital Investment

The Company's capital investments in the first nine months of 2023 were \$587 million (\$592 million was paid) compared to \$313 million (\$445 million was paid) in the first nine months of 2022. The capital investments incurred during the first nine months of 2023 were for plant, machinery, and equipment. The increase is primarily driven by the ongoing construction of the Company's new CRB mill in Waco, Texas. For further discussion of the Company's new CRB mill and continued investments made as part of the integration of acquisitions, see "Note 13 - Exit Activities" in the Notes to the Condensed Consolidated Financial Statements. For the first nine months of 2022, capital investments were primarily due to planned asset upgrades at the U.S.-based mills, including the now completed CRB paper machine in Kalamazoo, Michigan.

Interest is capitalized on assets under construction for one year or longer with an estimated spending of \$1 million or more. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. During the first nine months ended September 30, 2023, the Company incurred \$3 million in costs as it relates to capitalized interest. For the nine months ended September 30, 2022, \$4 million in capitalized interest costs were incurred.

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Environmental Matters

Some of the Company's current and former facilities are the subject of environmental investigations and remediations resulting from historical operations and the release of hazardous substances or other constituents. Some current and former facilities have a history of industrial usage for which investigation and remediation obligations may be imposed in the future or for which indemnification claims may be asserted against the Company. Also, closures or sales of facilities may necessitate further investigation and may result in remediation at those facilities. The Company has established reserves for those facilities or issues where a liability is probable and the costs are reasonably estimable. The Company believes that the amounts accrued for its loss contingencies, and the reasonably possible loss beyond the amounts accrued, are not material to the Company's consolidated financial position, results of operations or cash flows.

For further discussion of the Company's environmental matters, see ["Note 9 - Environmental and Legal Matters"](#) in the Notes to Condensed Consolidated Financial Statements.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from these estimates, and changes in these estimates are recorded when known. The critical accounting policies used by management in the preparation of the Company's condensed consolidated financial statements are those that are important both to the presentation of the Company's financial condition and results of operations and require significant judgments by management with regard to estimates used.

The Company's most critical accounting policies, which require significant judgment or involve complex estimations, are described in the Company's [2022 Annual Report on Form 10-K](#) for the year ended [December 31, 2022](#).

The Company performed its annual goodwill impairment tests as of [October 1, 2022](#). The Company concluded that all reporting units with goodwill have a fair value that exceeds their carrying value, and thus goodwill was not impaired. The [Foodservice and Europe reporting units](#) had a fair value that exceeded its respective carrying value by 83% and 42% respectively, whereas all other reporting units exceeded by more than 50%. The [Foodservice and Europe reporting units](#) had goodwill totaling \$4376 million and \$462 million, respectively at [September 30, 2023](#) [March 31, 2024](#).

In 2022, the Company began the process of divesting its interests in its two packaging plants in Russia. The Company reviewed the goodwill assigned to these facilities for impairment and recorded a \$12 million non-cash impairment charge, thereby reducing the carrying value of goodwill for these facilities to zero. Refer to ["Note 14 - Impairment and Divestiture of Russian Business"](#) in the Notes to Condensed Consolidated Financial Statements for additional information.

NEW ACCOUNTING STANDARDS

For a discussion of recent accounting pronouncements impacting the Company, see ["Note 1 - General Information"](#) in the Notes to Condensed Consolidated Financial Statements.

BUSINESS OUTLOOK

Total capital investment for 2023 is expected to be approximately \$800 million.

The Company also expects the following in 2023:

- Depreciation and amortization expense between \$615 million and \$625 million.
- Pension plan contributions between \$10 million and \$20 million.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

For a discussion of certain market risks related to the Company, see Part II, "Item 7A, Quantitative and Qualitative Disclosure about Market Risk", in the Company's 2022 2023 Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

The Company is exposed to changes in interest rates, primarily as a result of its short-term and long-term debt, which include both fixed and floating rate debt. The Company uses interest rate swap agreements effectively to fix the SOFR rate on certain variable rate borrowings. At September 30, 2023 March 31, 2024, the Company had active interest rate swap agreements with a notional amount of \$750 million expiring April 1, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management has carried out an evaluation, with the participation of its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange Act of 1934, as amended. Based upon such evaluation, management has concluded that the Company's disclosure controls and procedures were effective as of September 30, 2023 March 31, 2024.

Changes in Internal Control over Financial Reporting

There was no change in the Company's internal control over financial reporting that occurred during the fiscal quarter ended September 30, 2023 March 31, 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is a party to a number of lawsuits arising in the ordinary conduct of its business. Although the timing and outcome of these lawsuits cannot be predicted with certainty, the Company does not believe that disposition of these lawsuits will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. For more information see **"Note 9 - Environmental and Legal Matters"** in the Notes to Condensed Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in the Company's 2022 2023 Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

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

The Company purchases shares of its common stock from time to time pursuant to the 2023 and 2019 share repurchase program announced on July 27, 2023 and January 28, 2019, respectively. Management is Each program authorized management to purchase up to \$500 million of the Company's issued and outstanding common stock per the 2023 and 2019 share repurchase programs, respectively.

stock. During the third first quarter of 2023, 2024, the Company purchased did not repurchase any shares of its common stock under the 2019 program. As of March 31, 2024, 70.2 million shares had been repurchased as part of a publicly announced program. The maximum number of shares that may be purchased under the 2019 share repurchase program through a broker in the open market as follows:

Issuer Purchases of Equity Securities

Period (2023)	Total Number of Shares Purchased ^(a)	Average Price Paid for Shares	Total Number of Shares Purchased as Part of the Publicly Announced Plan or Program	Maximum Number of Shares That May Yet Be Purchased Under the Publicly Announced Program ^(a)
July 1, through July 31,	—	\$ —	69,007,381	3,700,893
August 1, through August 31,	141,004	21.78	69,148,385	3,888,968
September 1, through September 30,	219,279	21.91	69,367,664	3,666,318
Total	360,283	\$ 21.86		

^(a) Related to the 2019 Share repurchase program and future is 2.2 million based on the closing price of the Company's common stock as of the end of each period. **March 31, 2024.**

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

During the quarter ended **September 30, 2023** **March 31, 2024**, no director or officer adopted or terminated any contract, instruction or written plan for the purchase or sale of securities of the Company intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any non-Rule 10b5-1 trading arrangement (as defined in Regulation S-K Item 408(c)).

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ITEM 6. EXHIBITS

Exhibit Number	Description
10.1	Third Amendment to the GPI Savings Plan (as amended and restated effective as of January 1, 2023) dated January 18, 2024.
10.2	Incremental Facility Amendment to the Fourth Amended and Restated Credit Agreement, dated as of March 22, 2024, by and among Graphic Packaging International, LLC, as Borrower, Bank of America, N.A., in its capacity as the Administrative Agent under the Credit Agreement, and CoBank, ACB, as sole lead arranger and bookrunner and sole lender under the New Incremental Term Facilities.
10.3	Asset Purchase Agreement, dated February 20, 2024, by and between Graphic Packaging International, LLC and Clearwater Paper Corporation. Filed as Exhibit 2.1 to Clearwater Paper Corporation's Current Report on Form 8-K filed on February 21, 2024 and incorporated herein by reference.
31.1	Certification required by Rule 13a-14(a).
31.2	Certification required by Rule 13a-14(a).
32.1	Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2	Certification required by Section 1350 of Chapter 63 of Title 18 of the United States Code.
101.INS	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document (included in Exhibit 101).

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GRAPHIC PACKAGING HOLDING COMPANY

(Registrant)

<u>/s/ STEPHEN R. SCHERGER</u>	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	October 31, 2023 April 30, 2024
Stephen R. Scherer		
<u>/s/ CHARLES D. LISCHER</u>	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	October 31, 2023 April 30, 2024
Charles D. Lischer		

**THIRD AMENDMENT TO THE
GPI SAVINGS PLAN**
(As Amended and Restated Effective January 1, 2023)

WHEREAS, Graphic Packaging International, LLC (the "Company") maintains for the benefit of its employees the GPI Savings Plan (the "Plan");

WHEREAS, Section 13.1 of the Plan authorizes the Board of Directors of Graphic Packaging Holding Company (the "Board") to amend the Plan at any time;

WHEREAS, the Board has delegated to the Retirement Committee of Graphic Packaging International, LLC (the "Retirement Committee") the responsibility to make certain amendments to the Plan; and

WHEREAS, the Retirement Committee deems it desirable to amend the Plan as provided herein to provide for automatic rollovers of small account balances upon a Participant's severance from employment.

NOW, THEREFORE, BE IT RESOLVED, that Section 10.1(b)(2) of the Plan is hereby amended, effective January 22, 2024, as follows:

(2) Cashout of Small Accounts. Notwithstanding the foregoing provisions of this subsection (b), in the event that the vested portion of the Account of any Participant who severs from the employment of all Affiliates is less than or equal to \$7,000, the full vested amount of such benefit automatically will be paid to such Participant in one single-sum, cash-out distribution or, as described below, directly rolled over into an individual retirement plan as soon as practicable after the date the Participant severs from employment. In addition, in the event that the vested portion of the Account of any Participant who has previously severed from the employment of all Affiliates is less than or equal to \$7,000, the Administrative Committee may, in its sole discretion and at such time(s) as it may determine, provide that the full vested amount of such benefit will automatically be paid to such Participant in one single-sum, cash-out distribution or, as described below, directly rolled over into an individual retirement plan. In the event a Participant has no vested interest in his Account at the time of his severance from employment, he will be deemed to have received a cash-out distribution of his Account at the time of his severance from employment, and the forfeiture provisions of Section 8.5 will apply. In the event of a mandatory distribution greater than \$1,000, if the Participant does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Participant in a direct rollover or to receive the distribution directly, then the Administrative Committee will pay the distribution in a direct rollover to an individual retirement plan designated by the Administrative Committee, provided that for purposes of applying this \$1,000 threshold,

SGR/70002774.1

the portion of the Participant's Account representing Roth amounts will be treated separately from the remainder of his Account.

BE IT FURTHER RESOLVED, that the Retirement Committee has approved this Amendment to the GPI Savings Plan this 18th day of January, 2024.

GRAPHIC PACKAGING INTERNATIONAL, LLC RETIREMENT COMMITTEE
MEMBERS

By: /s/ Stephen R. Scherger
Stephen R. Scherger

By: /s/ Elizabeth Spence
Elizabeth Spence

By: /s/ Brad Ankerholz
Brad Ankerholz

By: /s/ Charles D. Lischer
Charles D. Lischer

By: /s/ Janet Hunt
Janet Hunt

SGR/70002774.1

Execution Version

INCREMENTAL FACILITY AMENDMENT

by and among

GRAPHIC PACKAGING INTERNATIONAL, LLC,
as Borrower,

THE GUARANTORS PARTY HERETO,

THE NEW INCREMENTAL TERM LOAN LENDER PARTY HERETO

and

BANK OF AMERICA, N.A.,
as Administrative Agent

Dated as of March 22, 2024

COBANK, ACB,
as the New Incremental Term Loan Lead Arranger

\$250,000,000 NEW INCREMENTAL TERM FACILITIES

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INCREMENTAL FACILITY AMENDMENT

This Incremental Facility Amendment (this "**Agreement**"), dated as of March 22, 2024 (the "**New Incremental Term Facilities Effective Date**"), is made by and among GRAPHIC PACKAGING INTERNATIONAL, LLC, a Delaware limited liability company (the "**Borrower**"), the Guarantors signatory hereto, BANK OF AMERICA, N.A., a national banking association organized and existing under the laws of the United States ("**Bank of America**"), in its capacity as Administrative Agent under the Credit Agreement described below (in such capacity, the "**Administrative Agent**") and COBANK, ACB, a federally chartered instrumentality under the Farm Credit Act of 1971, as amended ("**CoBank**"), as sole lead arranger and bookrunner for the New Incremental Term Facilities referred to below (in such capacity, the "**New Incremental Term Loan Lead Arranger**"), and, as sole lender under the New Incremental Term Facilities (in such capacity, the "**New Incremental Term Loan Lender**").

RECITALS:

A. The Borrower, the other borrowers from time to time party thereto, the Administrative Agent, and the banks and other financial institutions from time to time party thereto have entered into that certain Fourth Amended and Restated Credit Agreement, dated as of April 1, 2021 (as amended, supplemented or otherwise modified, the "**Credit Agreement**"; capitalized terms used in this Agreement not otherwise defined herein shall have the respective meanings given thereto in the Credit Agreement).

B. The Borrower and the Guarantors have entered into that certain Fourth Amended and Restated Guarantee and Collateral Agreement dated as of April 1, 2021 (as in effect on the date hereof, the "**Guarantee and Collateral Agreement**") (i) pursuant to which the Guarantors have guaranteed the payment and performance of the obligations of the Borrower and the other borrowers from time to time party thereto under the Credit Agreement and the other Loan Documents, and (ii) which secures the Obligations of the Loan Parties under the Credit Agreement and other Loan Documents.

C. The Borrower has requested that CoBank, as New Incremental Term Loan Lead Arranger, arrange and, as New Incremental Term Loan Lender, provide senior Farm Credit System incremental term loan facilities in an aggregate principal amount of \$250,000,000, to consist of a \$50,000,000 Incremental Term A-5 Facility (the "**Incremental Term A-5 Facility**", the loans thereunder, the "**Incremental Term A-5 Loans**") and a \$200,000,000 Incremental Term A-6 Facility (the "**Incremental Term A-6 Facility**", the loans thereunder, the "**Incremental Term A-6 Loans**", and together with the Incremental Term A-5 Loans, each a "**New Incremental Term Loan**" and collectively, the "**New Incremental Term Loans**", the Incremental Term A-5 Facility, together with the Incremental Term A-6 Facility, each a "**New Incremental Term Facility**" and collectively, the "**New Incremental Term Facilities**"). The New Incremental Term Facilities are to be documented as incremental term loan tranches under the Credit Agreement pursuant to this Agreement, all as set forth herein.

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D. The New Incremental Term Loan Lender is willing to provide the New Incremental Term Facilities, on the terms and conditions contained in this Agreement and in subsection 2.6 of the Credit Agreement.

In furtherance of the foregoing, the parties agree as follows:

1. Amendment. Subject to the covenants, terms and conditions set forth herein and in reliance upon the representations and warranties set forth herein, the Credit Agreement is hereby amended by adding the following new sentence at the end of Subsection 4.2(d) of the Credit Agreement:

"Notwithstanding the foregoing, any prepayment amount required to be applied from time to time to that certain Incremental Term A-5 Loan and/or Incremental Term A-6 Loan (each as defined below) in accordance with the first sentence of this subsection 4.2(d) shall be applied to the principal installment payment of the Incremental Term A-5 Loan and Incremental Term A-6 Loan, as applicable, due at maturity. For purposes hereof, "Incremental Term A-5

Loan" and "Incremental Term A-6 Loan" shall have the meanings assigned thereto under that certain Incremental Facility Amendment dated as of March 22, 2024 by and among the Company, as borrower, the Guarantors signatory thereto, the Administrative Agent and CoBank, as sole lead arranger and bookrunner, and, as sole lender."

The amendments to the Credit Agreement are limited to the extent specifically set forth above and no other terms, covenants or provisions of the Credit Agreement are intended to be affected hereby.

2. Agreements related to New Incremental Term Facilities.

(a) **Incremental Term A-5 and A-6 Facilities.** Pursuant to subsection 2.6 of the Credit Agreement, the Incremental Term A-5 Facility and the Incremental Term A-6 Facility are each hereby established under the Credit Agreement on the terms set forth below.

(b) **Principal Amount.** The aggregate principal amount of the New Incremental Term Loan Lender's commitment (i) with respect to the Incremental Term A-5 Loan is **FIFTY MILLION DOLLARS (\$50,000,000)** and (ii) with respect to the Incremental Term A-6 Loan is **TWO HUNDRED MILLION DOLLARS (\$200,000,000)**. The Borrower's obligations with respect to the New Incremental Term Loans shall constitute Obligations under the Credit Agreement, and the New Incremental Term Loans will be guaranteed and will rank *pari passu* in right of payment and security with the Loans outstanding as of the date hereof.

(c) **Availability/Borrowing.** Each New Incremental Term Loan shall be funded in a single drawing on the New Incremental Term Facilities Effective Date. The Borrower shall provide the Administrative Agent and the New Incremental Term Loan Lead Arranger a duly executed borrowing notice for each New Incremental Term Facility substantially consistent (where applicable) with Exhibit G (Loan Notice) to the Credit Agreement not later than (x) 1:00

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p.m. two (2) Business Days prior to the requested date of Borrowing for a New Incremental Term Loan that shall consist of a Term SOFR Loan and (y) 12:00 noon one Business Day prior to the requested date of any Borrowing if the New Incremental Term Loan shall consist of a Base Rate Loan. The obligation of the New Incremental Term Loan Lender to honor such Request for Credit Extension is subject to the satisfaction or waiver of the conditions precedent set forth in subsections 6.2(a), (b) and (c) of the Credit Agreement. Once repaid, no New Incremental Term Loan may be reborrowed.

(d) **Maturity Date; Repayment.** The maturity date for the New Incremental Term Loans shall be June 1, 2029 (the "**New Incremental Term Loan Maturity Date**"). The Borrower shall repay in full the unpaid principal amount of each New Incremental Term Loan on the New Incremental Term Loan Maturity Date.

(e) **Interest Rate.** Each New Incremental Term Loan shall bear interest at a rate equal to (i) the Base Rate plus the Applicable Margin set forth in the Pricing Grid below or (ii) the Term SOFR Screen Rate, plus 0.10%, plus the

Applicable Margin set forth in the Pricing Grid below, as selected by the Borrower. Each Base Rate Loan shall bear interest for each day that it is outstanding at a rate per annum equal to the Base Rate for such day plus the Applicable Margin in effect for such day. Each Term SOFR Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Term SOFR Screen Rate determined for such day, plus 0.10%, plus the Applicable Margin in effect for such day.

Consolidated Total Leverage Ratio	Applicable Margin for Base Rate Loans	Applicable Margin for Term SOFR Loans
Greater than or equal to 4.00 to 1.00	1.250%	2.250%
Greater than or equal to 3.50 to 1.00, but less than 4.00 to 1.00	1.000%	2.000%
Greater than or equal to 2.50 to 1.00, but less than 3.50 to 1.00	0.750%	1.750%
Less than 2.50 to 1.00	0.625%	1.625%

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During the period from the New Incremental Term Facilities Effective Date until the first Adjustment Date occurring after April 1, 2024, the Applicable Margin shall equal (A) with respect to Base Rate Loans, 0.750% per annum, and (B) with respect to Term SOFR Loans, 1.750% per annum. The Applicable Margins will be adjusted on each subsequent Adjustment Date to the applicable rate per annum set forth under the heading "Applicable Margin for Base Rate Loans" or "Applicable Margin for Term SOFR Loans" on the Pricing Grid which corresponds to the Consolidated Total Leverage Ratio determined from the financial statements and compliance certificate relating to the end of the fiscal quarter immediately preceding such Adjustment Date; provided that in the event that the financial statements required to be delivered pursuant to subsection 7.1(a) or 7.1(b) of the Credit Agreement as applicable, and the related compliance certificate required to be delivered pursuant to subsection 7.2(a) of the Credit Agreement are not delivered when due, then:

- (i) if such financial statements and certificate are delivered after the date such financial statements and certificate were required to be delivered (without giving effect to any applicable cure period) and the Applicable Margin increases from that previously in effect as a result of the delivery of such financial statements, then the Applicable Margin during the period from the date upon which such financial statements were required to be delivered (without giving effect to any applicable cure period) until the date upon which they actually are delivered shall, except as otherwise provided in clause (iii) below, be the Applicable Margin as so increased;

(ii) if such financial statements and certificate are delivered after the date such financial statements and certificate were required to be delivered and the Applicable Margin decreases from that previously in effect as a result of the delivery of such financial statements, then such decrease in the Applicable Margin shall not become applicable until the date upon which the financial statements and certificate actually are delivered; and

(iii) if such financial statements and certificate are not delivered prior to the expiration of the applicable cure period, then, effective upon such expiration, for the period from the date upon which such financial statements and certificate were required to be delivered (after the expiration of the applicable cure period) until two Business Days following the date upon which they actually are delivered, the Applicable Margin shall be 1.250% per annum in the case of Base Rate Loans, and 2.250% per annum in the case of Term SOFR Loans (it being understood that the foregoing shall not limit the rights of the Administrative Agent and the Lenders set forth in Section 9 of the Credit Agreement).

In addition, at all times while an Event of Default shall have occurred and be continuing, the Applicable Margin shall not decrease from that previously in effect as a result of the delivery of such financial statements and certificate.

(f) Default Rate. If all or a portion of (i) the principal amount of any New Incremental Term Loan, (ii) any interest payable thereon or (iii) any unused commitment fee or

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other amount payable under this Agreement shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum determined in accordance with Section 2(e) of this Agreement as of such date plus an additional margin of 2% per annum from the date of such non-payment until such amount is paid in full (as well after as before judgment). While any Event of Default specified in subsection 9(f) of the Credit Agreement exists, the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at an interest rate per annum determined in accordance with Section 2(e) of this Agreement as of such date plus an additional margin of 2% per annum to the fullest extent permitted by applicable Laws. In each case, such adjusted rate shall constitute a Default Rate under the Credit Agreement.

(g) Interest Payment Dates.

(i) As to any Term SOFR Loan, the last day of each Interest Period applicable to such Loan and the Termination Date of the Facility under which such Loan was made; provided, however, that if any Interest Period for a Term SOFR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates.

(ii) As to any Base Rate Loan, the first Business Day of each January, April, July and October and the Termination Date of the Facility under which such Loan was made.

(iii) Interest shall be payable in arrears on each Interest Payment Date and the New Incremental Term Loan Maturity Date, commencing with the first such date to occur after the New Incremental Term Facilities Effective Date, provided that the interest accruing pursuant to section 2(f) of this Agreement shall be payable from time to time on demand; provided, further, that, with respect to the borrowing of each of the Incremental Term A-5 Loan and the Incremental Term A-6 Loan on the New Incremental Term Facilities Effective Date (the “Effective Date Borrowing”), the Interest Period for such Effective Date Borrowing shall commence on the New Incremental Term Facilities Effective Date and end on April 1, 2024, which end date shall be an Interest Payment Date.

(h) Prepayment; Indemnity.

(i) The Borrower may any time and from time to time, upon notice to the Administrative Agent and the New Incremental Term Loan Lead Arranger pursuant to delivery to the Administrative Agent and the New Incremental Term Loan Lead Arranger of a duly executed notice of loan prepayment substantially consistent (where applicable) with Exhibit L (Notice of Loan Prepayment) to the Credit Agreement, prepay any New Incremental Term Loan made to it, in whole or in part, without penalty or premium; provided, that all such voluntary prepayments shall be subject to Section 4.10 of the Credit Agreement, provided, further, that such notice must be received by the Administrative Agent and the New Incremental Term Loan Lead Arranger three (3)

Business Days prior to the date fixed for such prepayment. Each such notice shall specify the date and amount of prepayment and the interest to be paid on the prepayment date with respect to such principal amount being prepaid. Upon the receipt of any such notice the New Incremental Term Loan Lead Arranger shall promptly notify the New Incremental Term Loan Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with the amounts due pursuant to Section 4.10 of the Credit Agreement and accrued interest to such date on the amount prepaid. Notwithstanding the foregoing, the Borrower may rescind or postpone any notice of prepayment under this clause (h)(i) if such prepayment would have resulted from a refinancing of the New Incremental Term Loans, which refinancing shall not have been consummated or shall have otherwise been delayed. Partial prepayments pursuant to this clause (h) shall be in a principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof.

(ii) In connection with any mandatory prepayment under subsection 4.2(b) of the Credit Agreement and in accordance with subsection 4.2(c) of the Credit Agreement, the Borrower shall ensure (whether through an additional optional prepayment or otherwise) that each New Incremental Term Loan is prepaid on a ratable basis with the outstanding Term A-1 Loans, Term A-2 Loans and Incremental Term A-3 Loans (as defined below) pursuant to subsection 4.2(d) of the Credit Agreement; it being understood that the amount of the prepayment required by subsection 4.2(b) to be applied to any New Incremental Term Loan shall be reduced by the portion of Net Cash Proceeds required to make corresponding mandatory prepayments of any Term A-1 Loans, any Term A-2 Loans, any Incremental Term A-3 Loans, any *pari passu* Incremental Term Loans and any other *pari passu*

Indebtedness incurred pursuant to subsection 8.2(e)(i) or (e)(ii) of the Credit Agreement then outstanding that requires such corresponding mandatory prepayment; provided that (x) such prepayment of any New Incremental Term Loan shall be applied to the principal installment payment of such New Incremental Term Loan due at maturity and (y) any such mandatory prepayment shall be subject to subsection 4.2(g) of the Credit Agreement. Notwithstanding anything to the contrary in this Agreement or in the Credit Agreement, Section 4.10 of the Credit Agreement shall apply to any mandatory prepayment of any portion of the applicable Incremental Term A-5 Facility or Incremental Term A-6 Facility pursuant to subsection 4.2(b) of the Credit Agreement and to any payment of any portion of the applicable Incremental Term A-5 Facility or Incremental Term A-6 Facility following an acceleration of the Loans pursuant to Section 9 of the Credit Agreement. For purposes hereof, "Incremental Term A-3 Loans" shall have the meaning assigned thereto under that certain Incremental Facility Amendment dated as of July 22, 2021, by and among the Company, as borrower, the Guarantors signatory thereto, the Administrative Agent and CoBank, as sole lead arranger and bookrunner, and as sole lender.

(i) Use of Proceeds. The proceeds of (a) the Incremental Term A-5 Loans shall be used by the Borrower to refinance previous Renewable Energy Investments (or financings thereof or indebtedness incurred in connection therewith) or to finance new Renewable Energy

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Investments and (b) the Incremental Term A-6 Loans shall be used by the Borrower to make new investments, or refinance previous investments, that allow its mills that are located in rural areas with populations of no more than 20,000 and that utilize waste and waste product (including from the recovery of "black liquor") as inputs for their operations.

(j) CoBank Capital Plan. Each party hereto acknowledges that CoBank's Bylaws and Capital Plan (as each may be amended from time to time) shall govern (i) the rights and obligations of the parties with respect to the CoBank Equities (as hereinafter defined) and any patronage refunds or other distributions made on account thereof or on account of the Borrower's patronage with CoBank, (ii) the Borrower's eligibility for patronage distributions from CoBank (in the form of CoBank Equities and cash) and (iii) patronage distributions, if any, in the event of a sale of a participation interest.

(k) CoBank Equity. The Borrower will maintain its status as an entity eligible to borrow from CoBank. So long as CoBank is the New Incremental Term Loan Lender hereunder, the Borrower will acquire equity in CoBank in such amounts and at such times as CoBank may require in accordance with CoBank's Bylaws and Capital Plan (as each may be amended from time to time), except that the maximum amount of equity that the Borrower may be required to purchase in CoBank in connection with the New Incremental Term Loans made by CoBank may not exceed the maximum amount permitted by the Bylaws and the Capital Plan at the time this Agreement is entered into. The Borrower acknowledges receipt of a copy of (i) CoBank's most recent annual report, and if more recent, CoBank's latest quarterly report, (ii) CoBank's Notice to Prospective Stockholders and (iii) CoBank's Bylaws and Capital Plan, which describe the nature of all of the Borrower's cash patronage, stock and other equities in CoBank acquired in connection with its patronage loan from CoBank (the "**CoBank Equities**") as well as capitalization requirements, and agrees to be bound by the terms thereof.

(I) Incremental Facility Amendment. The parties hereto agree and acknowledge that for all purposes (i) this Agreement shall be considered an "Incremental Facility Amendment", (ii) each New Incremental Term Facility provided herein shall be considered an "Incremental Term Facility", (iii) the New Incremental Term Loan Lender shall be considered an "Incremental Term Lender", (iv) each borrowing to be made hereunder shall be considered an "Incremental Term Borrowing", (v) the commitment of the New Incremental Term Loan Lender hereunder to make each New Incremental Term Loan pursuant to the terms hereof shall be considered an "Incremental Term Commitment" and (vi) each Loan made pursuant to this Section 2 shall be considered an "Incremental Term Loan", in each case as such terms are defined in and used in the Credit Agreement. Furthermore, (x) the parties hereto agree and acknowledge that for all purposes, (i) the Obligations in respect of the New Incremental Term Loans as provided herein shall be considered "Credit Agreement Obligations" and (ii) each New Incremental Term Facility as provided herein shall be considered one of the "Credit Facilities", in each case as such terms are defined in the Intercreditor Agreement, and (y) the parties hereto agree and acknowledge that for all purposes each New Incremental Term Facility as provided herein constitutes a "Credit Facility" under and as defined in the Indentures (as defined in the Credit Agreement).

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(m) Promissory Notes. The Borrower agrees that, in order to evidence the New Incremental Term Loan Lender's New Incremental Term Loans, upon the request of the New Incremental Term Loan Lender, the Borrower will execute and deliver to the New Incremental Term Loan Lender a promissory note for each New Incremental Term Facility in form and substance as reasonably requested by the New Incremental Term Loan Lead Arranger, with appropriate insertions as to payee, date and principal amount, payable to the New Incremental Term Loan Lender and in a principal amount equal to the unpaid principal amount of each New Incremental Term Loan made by the New Incremental Term Loan Lender to the Borrower.

3. Effectiveness of Agreement and Commitments. This Agreement and the Commitments herein provided shall become effective upon the receipt by the Administrative Agent and the New Incremental Term Loan Lead Arranger of each of the following:

(a) Documents. The Administrative Agent and the New Incremental Term Loan Lead Arranger shall have received (i) counterparts of this Agreement, duly executed by the Borrower, the Administrative Agent, each Guarantor and the New Incremental Term Loan Lender; (ii) if requested, a promissory note for each New Incremental Term Facility in form and substance as reasonably requested by the New Incremental Term Loan Lead Arranger executed by the Borrower in favor of the New Incremental Term Loan Lender; and (iii) a certificate, dated the New Incremental Term Facilities Effective Date and signed by a Responsible Officer of the Borrower, certifying that, before and after giving effect to the New Incremental Term Facilities, (x) the Loan Parties are in compliance with the conditions set forth in subsections 6.2(a) and (b) of the Credit Agreement, it being understood that all references to "the date of such Borrowing" in such subsection 6.2 of the Credit Agreement shall be deemed to refer to the New Incremental Term Facilities Effective Date and (y) the Borrower shall be in Pro Forma Compliance.

(b) Legal Opinions. The Administrative Agent and the New Incremental Term Loan Lead Arranger shall have received the following executed legal opinions (each in form and substance reasonably satisfactory to the Administrative Agent and the New Incremental Term Loan Lead Arranger):

(i) the executed legal opinion of Alston & Bird LLP, special counsel to each of Intermediate Holding, the Borrower and the other Loan Parties; and

(ii) the executed legal opinion of Lauren S. Tashma, counsel to each of Intermediate Holding, the Borrower and certain other Loan Parties.

(c) Corporate Proceedings of the Borrower and the Guarantors. The Administrative Agent and the New Incremental Term Loan Lead Arranger shall have received a copy of the resolutions, in form and substance reasonably satisfactory to the Administrative Agent and the New Incremental Term Loan Lead Arranger, of the board of directors or comparable body of the Borrower and each Guarantor authorizing (i) the execution, delivery and performance of this Agreement, the promissory notes, if any, and the other Loan Documents to be executed by such Loan Party in connection with this Agreement, and (ii) the use of the Credit Extensions to the Borrower to occur on the New Incremental Term Loan Funding Date, in each case certified by

the Secretary or an Assistant Secretary (or other individual providing similar duties) of such Loan Party as of the New Incremental Term Facilities Effective Date, which certificate shall be in form and substance reasonably satisfactory to the Administrative Agent and the New Incremental Term Loan Lead Arranger and shall state that the resolutions thereby certified have not been amended, modified (except as any later such resolution may modify any earlier such resolution), revoked or rescinded and are in full force and effect.

(d) Governing Documents. The Administrative Agent and the New Incremental Term Loan Lead Arranger shall have received (i) copies of the certificate or articles of incorporation and by-laws of the Borrower and each Guarantor, certified as of the New Incremental Term Facilities Effective Date as complete and correct copies thereof by the Secretary or an Assistant Secretary (or other individual providing similar duties) of such Loan Party or (ii) certifications of the Secretary or an Assistant Secretary (or other individual providing similar duties) of such Loan Party as to the absence of any amendment or change to such governing documents since the Effective Date.

(e) KYC Information. The New Incremental Term Loan Lender and the New Incremental Term Loan Lead Arranger shall have received, at least five (5) Business Days prior to the New Incremental Term Facilities Effective Date (or such shorter time as agreed by the New Incremental Term Loan Lead Arranger), all documentation and other information requested by the New Incremental Term Loan Lender in writing at least five (5) Business Days prior to such date and required by regulatory authorities under applicable "Know Your Customer" and antimoney laundering rules and regulations, including, without limitation, the USA PATRIOT Act and beneficial ownership regulations.

(f) Fees and Expenses. All of the fees and expenses payable on the New Incremental Term Facilities Effective Date shall have been paid in full (without prejudice to final settling of accounts for such fees and expenses).

4. Consent of the Guarantors. Each Guarantor hereby consents, acknowledges and agrees to the amendments, agreements and acknowledgements set forth herein and hereby confirms and ratifies in all respects the Guarantee and Collateral Agreement (including without limitation the continuation of such Guarantor's payment and performance obligations thereunder upon and after the effectiveness of this Agreement and the amendments, agreements and acknowledgements contemplated hereby, including without limitation, such Guarantor's payment and performance obligations with respect to the New Incremental Term Loans made pursuant to each New Incremental Term Facility) and the enforceability of the Guarantee and Collateral Agreement against such Guarantor in accordance with its terms. Notwithstanding the foregoing, the parties hereto acknowledge and agree that any Liens granted under any Security Documents on any property also granted to or held by the Administrative Agent under any Loan Document shall be released on any Collateral Release Date as provided in the Credit Agreement.

5. Representations and Warranties. In order to induce the Administrative Agent and the Lenders to enter into this Agreement, each Loan Party represents and warrants to the Administrative Agent and the Lenders as follows:

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(a) Each of the representations and warranties made by any Loan Party pursuant to the Credit Agreement or any other Loan Document (or in any amendment, modification or supplement thereto) to which it is a party, and each of the representations and warranties contained in any certificate furnished at any time by or on behalf of any Loan Party pursuant to the Credit Agreement or any other Loan Document, shall (except to the extent that they relate to a particular date, in which case they shall remain true and correct as of such particular date) be true and correct in all material respects (or in all respects if otherwise already qualified by materiality or Material Adverse Effect) on and as of the date hereof as if made on and as of the date hereof, provided that for purposes of this Section 5(a), the representations and warranties contained in subsection 5.1 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to subsection 7.1(a) and (b) of the Credit Agreement, respectively.

(b) The Persons appearing as Subsidiary Guarantors on the signature pages to this Agreement constitute all Persons who are required to be Subsidiary Guarantors pursuant to the terms of the Credit Agreement and the other Loan Documents, including without limitation all Persons who became Subsidiaries or were otherwise required to become Subsidiary Guarantors after the Effective Date, and each of such Persons has become and remains a party to the Guarantee and Collateral Agreement as a "Guarantor".

(c) This Agreement has been duly authorized, executed and delivered by Intermediate Holding, the Borrower and the Subsidiary Guarantors and constitutes a legal, valid and binding obligation of such parties, except as may be limited by general principles of equity or by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar law affecting creditors' rights generally.

(d) No Default or Event of Default has occurred and is continuing.

6. **Entire Agreement.** This Agreement, together with all the Loan Documents, the mandate letter dated as of February 22, 2024, between the Borrower and CoBank and fee letters executed in connection with this Agreement (collectively, the "**Relevant Documents**"), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relating to such subject matter. No promise, condition, representation or warranty, express or implied, not set forth in the Relevant Documents shall bind any party hereto, and no such party has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made by any party to the other in relation to the subject matter hereof or thereof. None of the terms or conditions of this Agreement may be changed, modified, waived or canceled orally or otherwise, except in writing and in accordance with subsection 11.1 of the Credit Agreement.

7. **Full Force and Effect of Agreement.** Except as hereby specifically amended, modified or supplemented, the Credit Agreement and all other Loan Documents are hereby confirmed and ratified in all respects and shall be and remain in full force and effect according to their respective terms.

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8. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which shall together constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by telecopy or in any other electronic format (such as .pdf format) shall be effective as delivery of a manually executed original counterpart of this Agreement. Subject to Section 11.21 of the Credit Agreement, execution of this Agreement shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper based recordkeeping system, as the case may be.

9. **Governing Law.** This Agreement shall in all respects be governed by, and construed and interpreted in accordance with, the laws of the State of New York, and shall be further subject to the provisions of subsection 11.15 of the Credit Agreement.

10. **Enforceability.** Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable as to one or more of the parties hereto, all other provisions nevertheless shall remain effective and binding on the parties hereto.

11. **References.** All references in any of the Loan Documents to the "Credit Agreement" shall mean the Credit Agreement, as modified hereby and as further amended, supplemented or otherwise modified from time to time, and this

Agreement shall constitute a Loan Document.

12. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Borrower, the Guarantors, the Administrative Agent, the New Incremental Term Loan Lender and each of their respective successors, legal representatives, and assignees to the extent such assignees are permitted assignees as provided in subsection 11.6 of the Credit Agreement.

[Signature pages follow.]

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWER:

GRAPHIC PACKAGING INTERNATIONAL, LLC

By: /s/ Bradford G. Ankerholz

Name: Bradford G. Ankerholz

Title: Senior Vice President and Treasurer

GUARANTORS:

GRAPHIC PACKAGING INTERNATIONAL PARTNERS, LLC

By: /s/ Bradford G. Ankerholz

Name: Bradford G. Ankerholz

Title: Senior Vice President and Treasurer

FIELD CONTAINER QUERETARO (USA), L.L.C.

By: /s/ Bradford G. Ankerholz

Name: Bradford G. Ankerholz

Title: Senior Vice President and Treasurer

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ DeWayne D. Rosse

Name: DeWayne D. Rosse

Title: Assistant Vice President

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NEW INCREMENTAL TERM LOAN LEAD ARRANGER AND NEW INCREMENTAL TERM LOAN LENDER:

COBANK, ACB,

By: /s/ Robert Prickett

Name: Robert Prickett

Title: Vice President

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Exhibit 31.1

CERTIFICATION

I, Michael P. Doss certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Graphic Packaging Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael P. Doss

Michael P. Doss,
President and Chief Executive Officer
(Principal Executive Officer)

October 31, 2023 April 30, 2024

Exhibit 31.2

CERTIFICATION

I, Stephen R. Scherger certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Graphic Packaging Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Stephen R. Scherger

Stephen R. Scherger Executive Vice President and Chief Financial

Officer

(Principal Financial Officer)

October 31, 2023 April 30, 2024

Exhibit 32.1

CERTIFICATION

**Pursuant to 18 United States Code Section 1350,
As adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002**

The undersigned hereby certifies that, to my knowledge, the Quarterly Report on Form 10-Q for the period ended **September 30, 2023** **March 31, 2024** of Graphic Packaging Holding Company (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael P. Doss

Name: Michael P. Doss,

Title: President and Chief Executive Officer

October 31, 2023 April 30, 2024

CERTIFICATION
Pursuant to 18 United States Code Section 1350,
As adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002

The undersigned hereby certifies that, to my knowledge, the Quarterly Report on Form 10-Q for the period ended **September 30, 2023** **March 31, 2024** of Graphic Packaging Holding Company (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stephen R. Scherer

Name: Stephen R. Scherer

Title: Executive Vice President and Chief Financial Officer

October 31, 2023 **April 30, 2024**

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