



FIRST QUARTER 2018 RESULTS

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SAFE HARBOR & NON-GAAP



USE OF FORWARD LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of, and subject to the safe harbor created by, Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the business, strategy and plans of the Company and its expectations relating to future financial condition and performance. Readers are cautioned not to place undue reliance on these forward-looking statements and any such forward-looking statements are qualified in their entirety by reference to the following cautionary statements. All forward-looking statements speak only as of the date of this presentation and are based on current expectations and involve a number of assumptions, risks and uncertainties that could cause the actual results to differ materially from such forward-looking statements. Words such as “believes”, “anticipates”, “estimates”, “expects”, “intends”, “aims”, “potential”, “will”, “would”, “could”, “may”, “considered”, “likely”, and variations of these words and similar future or conditional expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Such forward-looking statements are only predictions and involve known and unknown risks and uncertainties. The Company does not undertake to and specifically disclaims any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect future events or circumstances after the date of such statement or to reflect the occurrence of anticipated or unanticipated events. These factors include such risks and uncertainties detailed in the Company’s periodic public filings with the SEC, including but not limited to, those discussed under the “Risk Factors” section in the Company’s Form 10-K for the fiscal year ended December 31, 2017 and other filings with the SEC and in other investor communications from the Company from time to time.



NON-GAAP FINANCIAL INFORMATION

This document contains non-GAAP financial measures, including non-GAAP adjusted income from operations, non-GAAP adjusted margin, non-GAAP effective tax rate, non-GAAP adjusted diluted EPS and net organic sales. The Company believes that these non-GAAP measures, when presented in conjunction with comparable GAAP measures, provide useful information about its operating results and enhance the overall ability to assess the Company’s financial performance. Internally, the company uses this non-GAAP information as an indicator of business performance, and evaluates management’s effectiveness with specific reference to these indicators. These measures should be considered in addition to, not a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. A reconciliation of GAAP to non-GAAP financial measures can be found in our periodic filings with the Securities and Exchange Commission and in the investors section of our website, www.rrd.com.

FIRST QUARTER OVERVIEW

Highlights

- Results provided on recently announced new segment basis - Marketing Solutions, a preeminent provider of multichannel marketing activation programs and Business Services, a premier global provider of business communications services
- Company reaffirms its full year guidance
- Net sales grew 2.9% and organic sales grew 1.3% for the first quarter 2018 - represents second consecutive quarter of organic growth
- GAAP and non-GAAP income from operations down from prior year - both include unfavorable foreign exchange losses of approximately \$12 million and an \$8.3 million charge for a retail client bankruptcy
- Announced pending sale of print logistics and mail services portion of logistics business



Revenue

- Consolidated
 - Reported: **2.9%**
 - Organic: **1.3%**
- Organic by Segment
 - Marketing Solutions: **3.3%**
 - Business Services: **1.0%**



Profitability

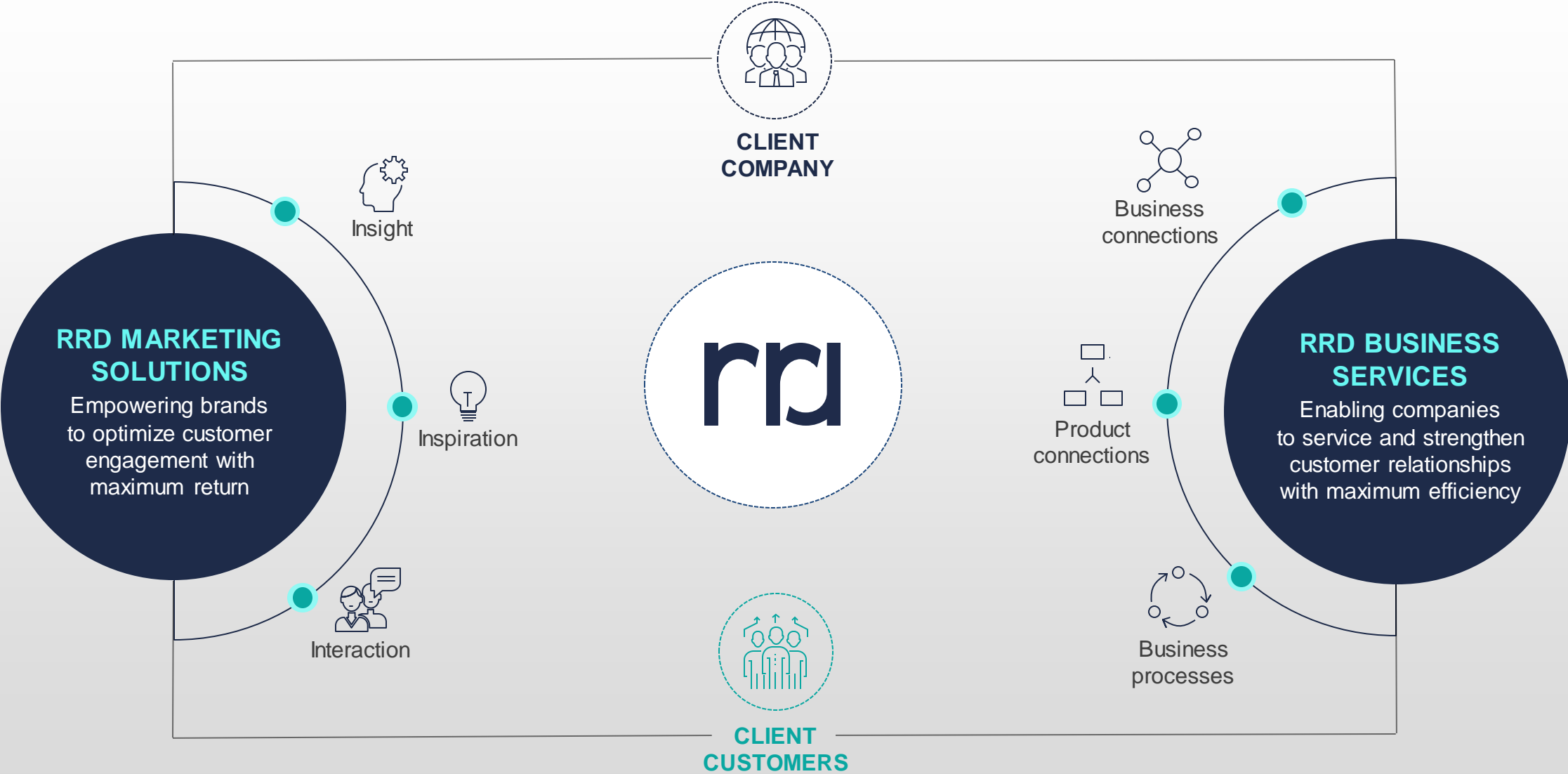
- Non-GAAP adjusted income from operations: **Down (\$21.6m)**
- Interest expense: **Lower \$6.6m**
- Non-GAAP effective tax rate: **(134.5%)**
- Diluted EPS
 - GAAP: **(\$0.14)**
 - Non-GAAP: **(\$0.10)**



Cash/Debt

- Cash used in operating activities: **\$140.3m**
- CapEx: **\$21.5m**
- Total debt: **\$2.2b**
- Cash and cash equivalents: **\$235.2m**

RRD – A MARKETING AND BUSINESS COMMUNICATIONS COMPANY



RRD MARKETING SOLUTIONS

Innovative offerings to help our clients acquire new and repeat customers



Data Management Advanced Analytics Customer Journeys	Precision Dialogue Data Teams
Creative Services Content Management	Creative Digital Solutions
Online Offline In-Store	Direct Mail In-Store Marketing Digital Print and Fulfillment

RRD BUSINESS SERVICES

Comprehensive capabilities to help our clients inform, service and transact with their customers



Commercial Print	Customer Communications	Business Forms
Packaging		Labels
Supply Chain Management	Business Process Outsourcing	Logistics

FIRST QUARTER NET SALES PERFORMANCE

(\$ in millions)

Marketing Solutions

	Q1 2018	YOY Change
Direct Mail	\$149.6	11.5%
Digital Print & Fulfillment	\$110.8	(1.1%)
Digital & Creative	\$31.3	(13.8%)
Total - Reported	\$291.7	3.3%
Total - Organic		3.3%

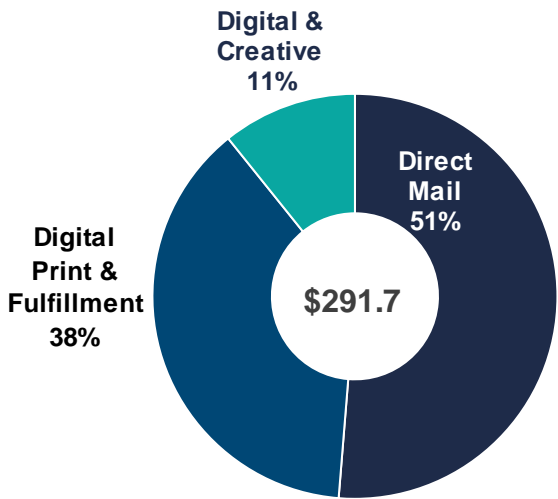
Business Services

	Q1 2018	YOY Change
Commercial Print	\$462.2	(7.4%)
Logistics	\$327.2	10.5%
Statements	\$159.8	1.3%
Packaging	\$141.4	30.1%
Labels	\$117.5	3.9%
Supply Chain Management	\$79.8	5.7%
Forms	\$67.0	(8.1%)
Business Process Outsourcing	\$61.2	15.0%
Total - Reported	\$1,416.1	2.9%
Total - Organic		1.0%

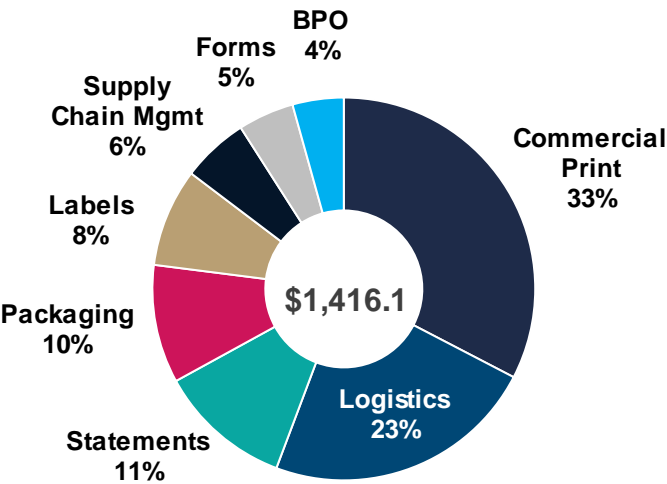
Consolidated

	Q1 2018	YOY Change
US	\$1,280.1	(0.4%)
Asia	\$213.4	25.5%
Europe	\$122.8	12.1%
Other	\$91.5	(3.3%)
Total - Reported	\$1,707.8	2.9%
Total - Organic		1.3%

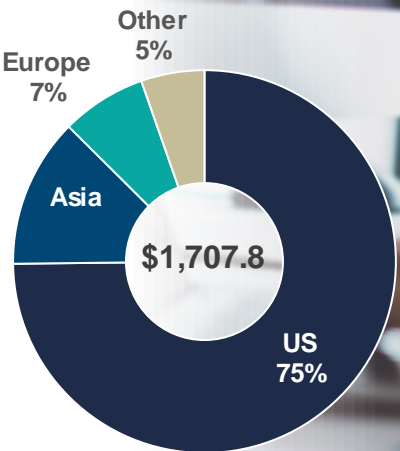
By Products and Services



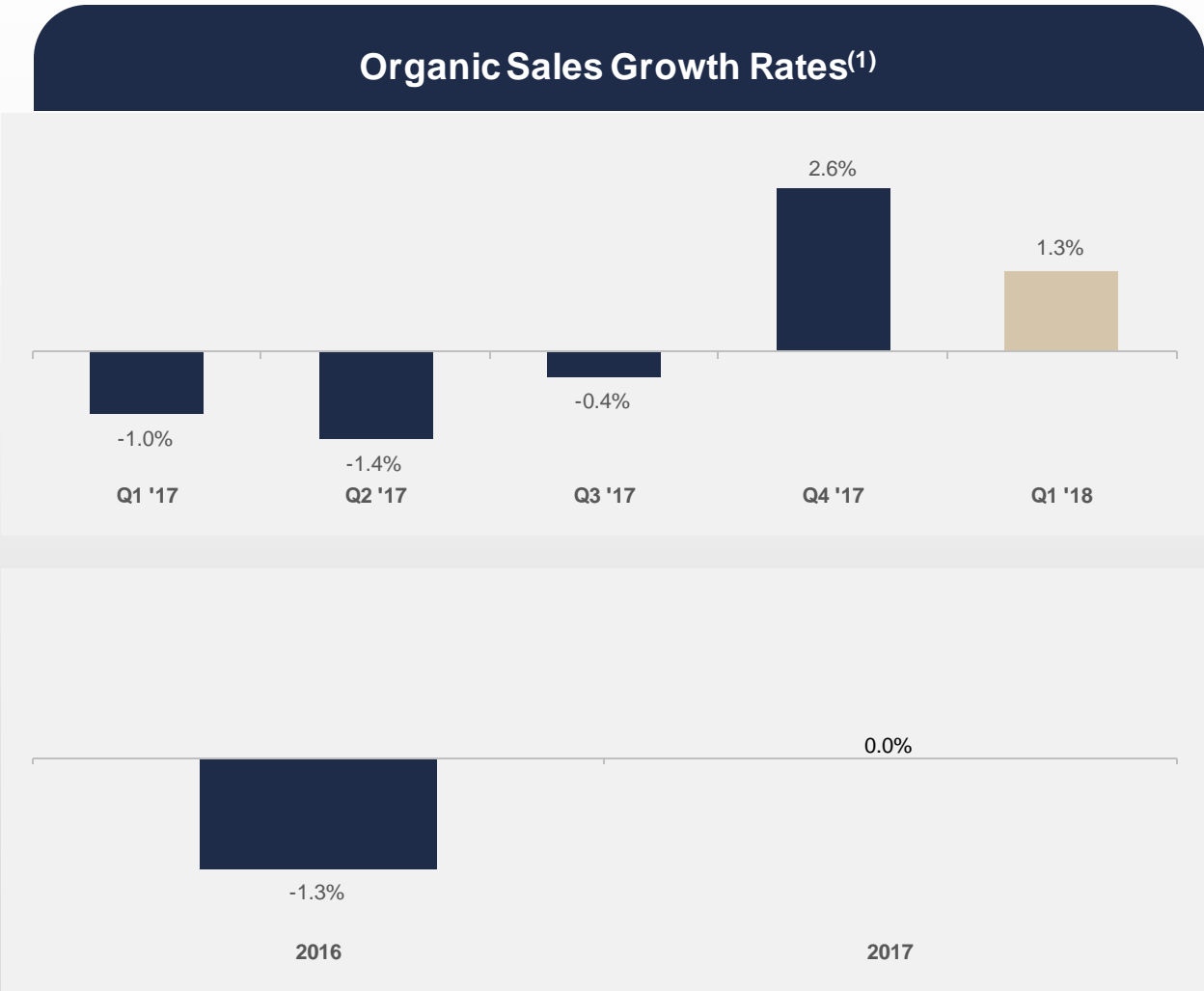
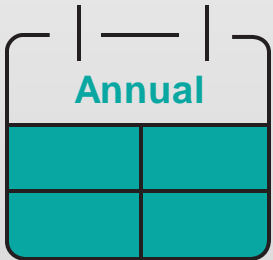
By Products and Services



By Geography



FINANCIAL TRENDS – ORGANIC SALES

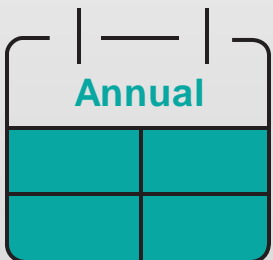


Comments on Q1 Performance

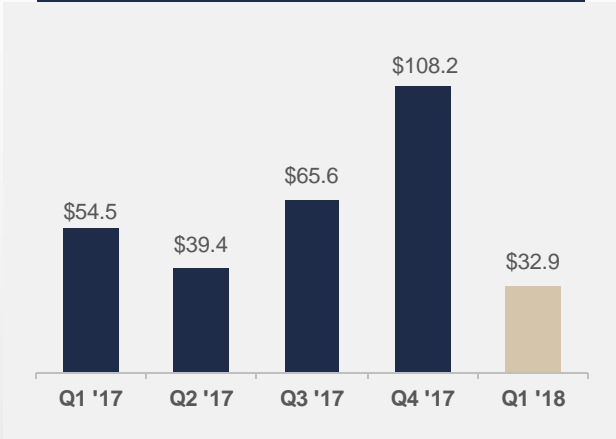
- Second consecutive quarter of both reported and organic growth – exceeded expectations for the quarter
- Organic growth by segment
 - Marketing Solutions – 3.3%
 - Business Services – 1.0%
- Volume increased in both segments
 - Recent new client wins
 - Increased volume from existing clients
 - Many product categories reported growth

(1) A reconciliation of GAAP to non-GAAP financial measures can be found in our periodic filings with the SEC and in the investors section of our website, www.rrd.com, including in the Form 8-K furnished with the SEC on April 18, 2018.

FINANCIAL TRENDS – PROFITABILITY



Non-GAAP Adjusted Income from Operations⁽¹⁾ (\$ in millions)

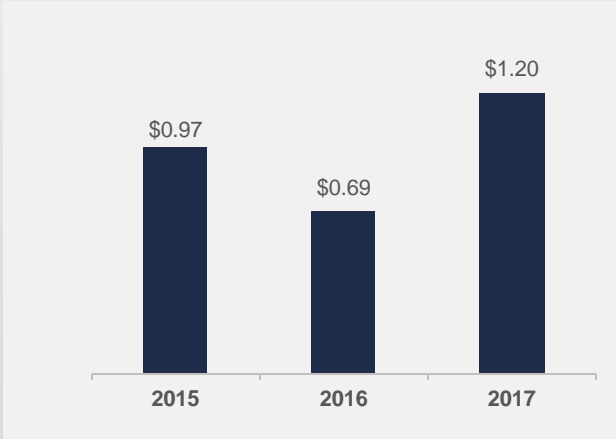


Non-GAAP Adjusted EPS⁽¹⁾



Comments on Q1 Performance

- Continuing to aggressively implement business improvement initiatives to help offset ongoing headwinds
 - Additional market price increases
 - Supplier mix changes
 - Productivity improvements
- Lower interest expense of \$6.6m in 2018
- Higher Effective tax rate in 2018
 - 2017 included discrete benefits of nearly \$0.05 per share
 - 2018 includes impact of tax reform and unfavorable mix



⁽¹⁾ A reconciliation of GAAP to non-GAAP financial measures can be found in our periodic filings with the SEC and in the investors section of our website, www.rrd.com, including in the Forms 8-K furnished with the SEC on May 3, 2017, August 1, 2017, October 31, 2017 and February 27, 2018.

MARKETING SOLUTIONS SEGMENT



Innovative offerings to help our clients acquire new and repeat customers



Segment Solutions

- Direct mail
- Digital print and fulfillment, including in-store marketing
- Digital and creative
 - Creative services
 - Content creation
 - Data management
 - Advanced analytics
 - Digital marketing



First Quarter Highlights

(\$ in millions)	Q1 2018	Q1 2017
Net Sales	\$291.7	\$282.5
Adj Income From Ops ⁽¹⁾	\$13.8	\$7.0
Adjusted Margin ⁽¹⁾	4.7%	2.5%

(1) A reconciliation of GAAP to non-GAAP financial measures can be found in our periodic filings with the SEC and in the investors section of our website, www.rrd.com, including the Form 8-K furnished with the SEC on May 1, 2018.

BUSINESS SERVICES SEGMENT



Comprehensive capabilities to help our clients inform, service and transact with their customers



Segment Solutions

- Commercial Print
- Logistics
- Statements
- Packaging
- Labels
- Supply Chain Management
- Forms
- Business Process Outsourcing



First Quarter Highlights

(\$ in millions)	Q1 2018	Q1 2017
Net Sales	\$1,416.1	\$1,376.4
Adj Income From Ops ⁽¹⁾	\$38.1	\$64.1
Adjusted Margin ⁽¹⁾	2.7%	4.7%

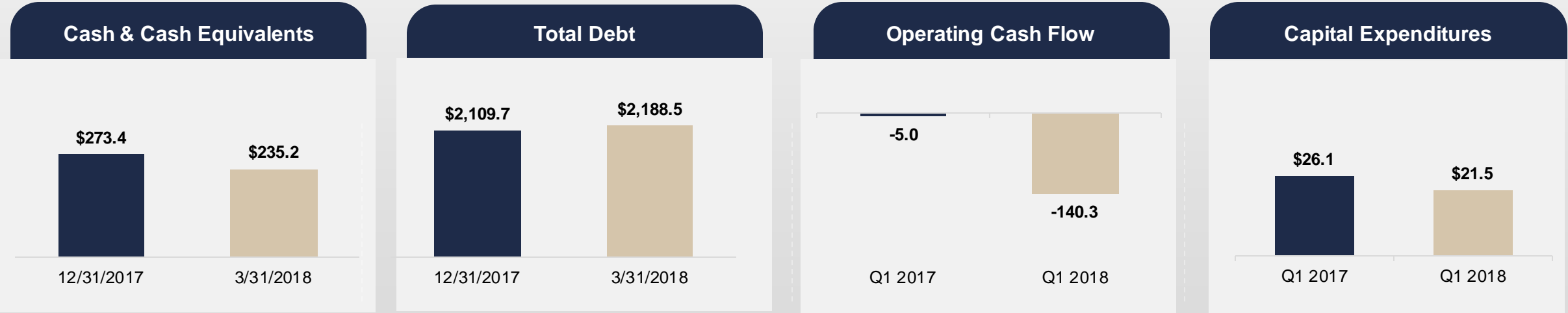
⁽¹⁾ A reconciliation of GAAP to non-GAAP financial measures can be found in our periodic filings with the SEC and in the investors section of our website, www.rrd.com, including the Form 8-K furnished with the SEC on May 1, 2018.

BALANCE SHEET AND CASH FLOW

Key capital allocation priorities include strategic investments, debt pay down and dividends

- Management’s capital priorities focus:
 - Invest in the core business/pursue growth opportunities
 - Debt pay down/leverage reduction
 - Continue to return capital through modest dividend program
- Next debt maturity of \$172 million in the first quarter of 2019
- Asset based lending agreement
 - \$800 million facility with maturity of 2022
 - \$258 million drawn; \$477 million available as of March 31, 2018

(\$ in millions)



FULL YEAR 2018 GUIDANCE

	Full Year 2018 Guidance ⁽¹⁾
Net Sales	\$6.80 billion to \$7.00 billion
Non-GAAP diluted EPS ⁽²⁾	\$0.90 to \$1.20
Cash flow from operations	\$190 million to \$225 million
Depreciation and amortization	\$185 million to \$190 million
Interest expense	\$165 million to \$170 million
Non-GAAP effective tax rate ⁽²⁾	Approximately 40%
Capital expenditures	\$100 million to \$115 million

(1) Guidance shown as of May 1, 2018 only.

(2) Certain components of the guidance given in the table above are provided on a non-GAAP basis only, without providing a reconciliation to guidance provided on a GAAP basis. Information is presented in this manner, consistent with SEC rules, because the preparation of such a reconciliation could not be accomplished without "unreasonable efforts." The Company does not have access to certain information that would be necessary to provide such a reconciliation, including non-recurring items and other items that are not indicative of the Company's ongoing operations. Such items include, but are not limited to, restructuring charges, impairment charges, pension settlement charges, acquisition-related expenses, gains or losses on investments and business disposals, losses on debt extinguishment, OPEB curtailment and other similar gains or losses not reflective of the Company's ongoing operations. The Company does not believe that excluding such items is likely to be significant to an assessment of the Company's ongoing operations, given that such excluded items are not believed to be indicators of business performance.



KEY TAKEAWAYS



We reaffirm our full year guidance



Organic sales momentum continued as we have won new clients and expanded relationships with existing clients



Our new organizational alignment will allow us to further leverage our extensive business portfolio to help our clients



We continue to take a disciplined approach to capital management with a focus on investment in growth opportunities, debt pay down, and return of capital through dividends



We are focused on improving our cost structure and driving long-term value for our stockholders