

BANK OF AMERICA GLOBAL AGRICULTURE AND MATERIALS CONFERENCE

Steve Voorhees
Chief Executive Officer
February 26, 2020

FORWARD LOOKING STATEMENTS; NON-GAAP FINANCIAL MEASURES

Forward Looking Statements:

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to the statements on the slides entitled “We Have Multiple Levers to Improve Our Business Results”, “We Generate Strong Cash Flows”, “Additional Assumptions Included in Adjusted EPS Guidance” and “Key Commodity Annual Consumption Volumes” that give guidance or estimates for future periods as well as statements regarding, among other things, (1) that we expect to invest \$1 billion in strategic investments and these investments are expected to generate \$240 million in annualized EBITDA; (2) that our run-rate synergy progression related to the KapStone acquisition will be as presented on slide 7; (3) that we expect to realize more than \$200 million in annual run-rate synergies and performance improvements from the KapStone acquisition by the end of fiscal year 2021; (4) that we expect to invest approximately \$1.1 billion in capital investments in fiscal 2020 in the allocations presented on slide 8; (5) we will pay an annualized dividend in fiscal 2020 of \$1.86 per share and (6) the additional assumptions and mill maintenance schedule presented on slide 11 and key commodity annual consumption volumes presented on slide 12.

Forward-looking statements are based on our current expectations, beliefs, plans or forecasts and are typically identified by words or phrases such as “may,” “will,” “could,” “should,” “would,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “prospects,” “potential” and “forecast,” and other words, terms and phrases of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. WestRock cautions readers that a forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. WestRock’s businesses are subject to a number of general risks that would affect any such forward-looking statements, including, among others, decreases in demand for their products; increases in energy, raw materials, shipping and capital equipment costs; reduced supply of raw materials; fluctuations in selling prices and volumes; intense competition; the potential loss of certain customers; the scope, costs, timing and impact of any restructuring of our operations and corporate and tax structure; the occurrence of a natural disaster, such as hurricanes or other unanticipated problems, such as labor difficulties, equipment failure or unscheduled maintenance and repair; our desire or ability to continue to repurchase our stock; risks associated with integrating KapStone’s operations into our operations and our ability to realize anticipated synergies and productivity improvements; risks associated with completing our strategic capital projects on the anticipated timelines and realizing our anticipated EBITDA improvements; and adverse changes in general market and industry conditions. Such risks and other factors that may impact management’s assumptions are more particularly described in our filings with the Securities and Exchange Commission, including in Item 1A under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended September 30, 2019. The information contained herein speaks as of the date hereof and WestRock does not have or undertake any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures:

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

We report our financial results in accordance with accounting principles generally accepted in the United States (“GAAP”). However, management believes certain non-GAAP financial measures provide users with additional meaningful financial information that should be considered when assessing our ongoing performance. Management also uses these non-GAAP financial measures in making financial, operating and planning decisions and in evaluating our performance. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our GAAP results. The non-GAAP financial measures we present may differ from similarly captioned measures presented by other companies.

[illegible]

- #1 North America Consumer Paperboard
- #2 North America Folding Carton
- #1 North America Merchandising Displays
- #2 Beverage Multi-pack Packaging
- #2 North America Containerboard
- #2 North America Corrugated Packaging
- #2 Brazil Corrugated Packaging

THE CASE FOR WESTROCK



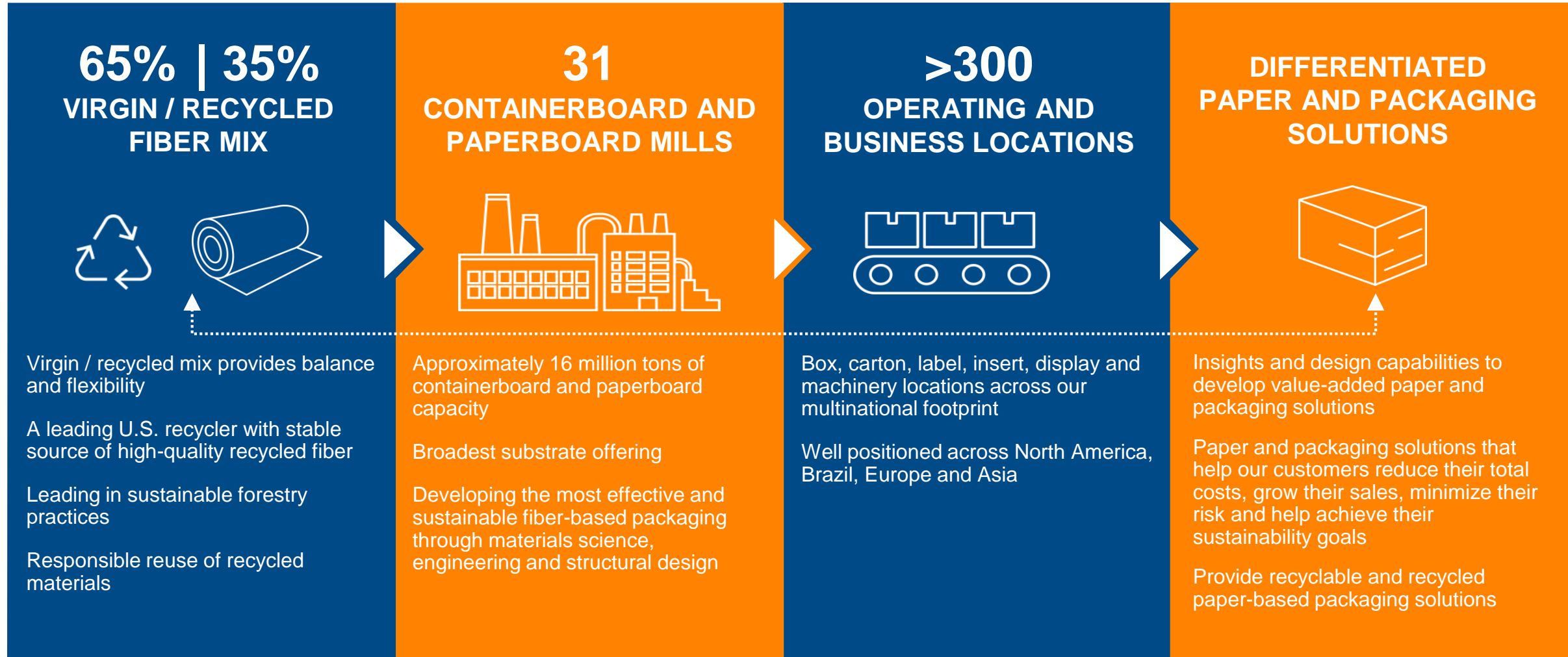
WE ARE A
LEADER IN
ATTRACTIVE
MARKETS

WE PROVIDE A
WINNING
VALUE
PROPOSITION

WE HAVE
MULTIPLE
LEVERS TO
IMPROVE OUR
RESULTS

WE GENERATE
STRONG CASH
FLOWS

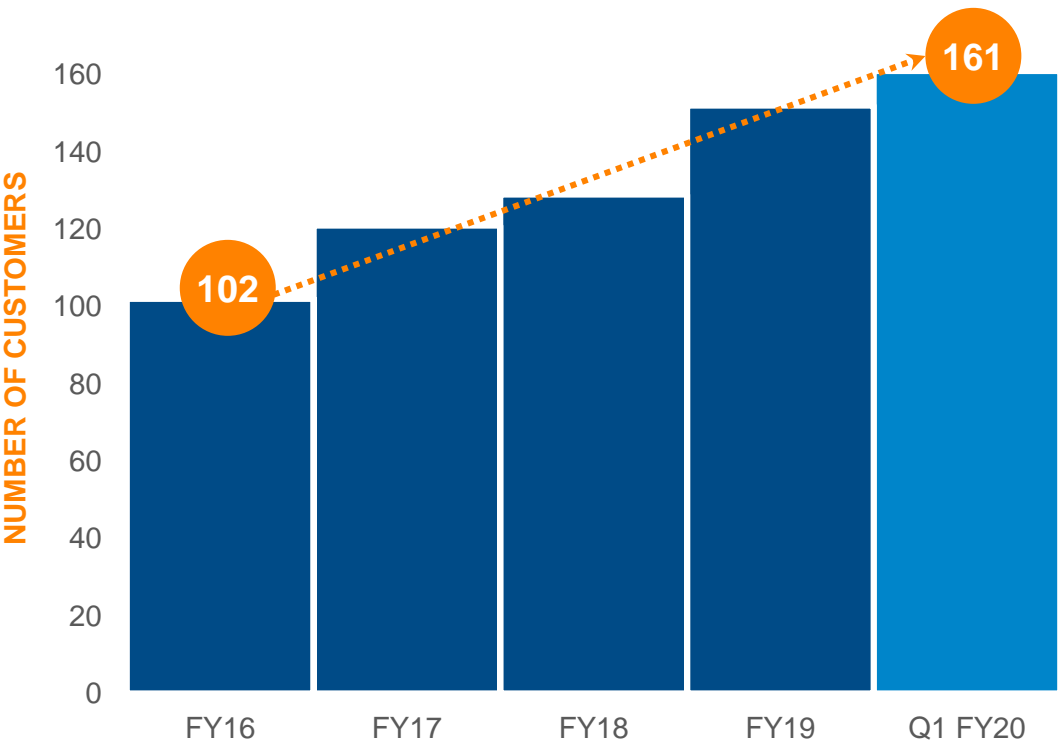
WESTROCK: THE CIRCULAR ECONOMY IN ACTION....



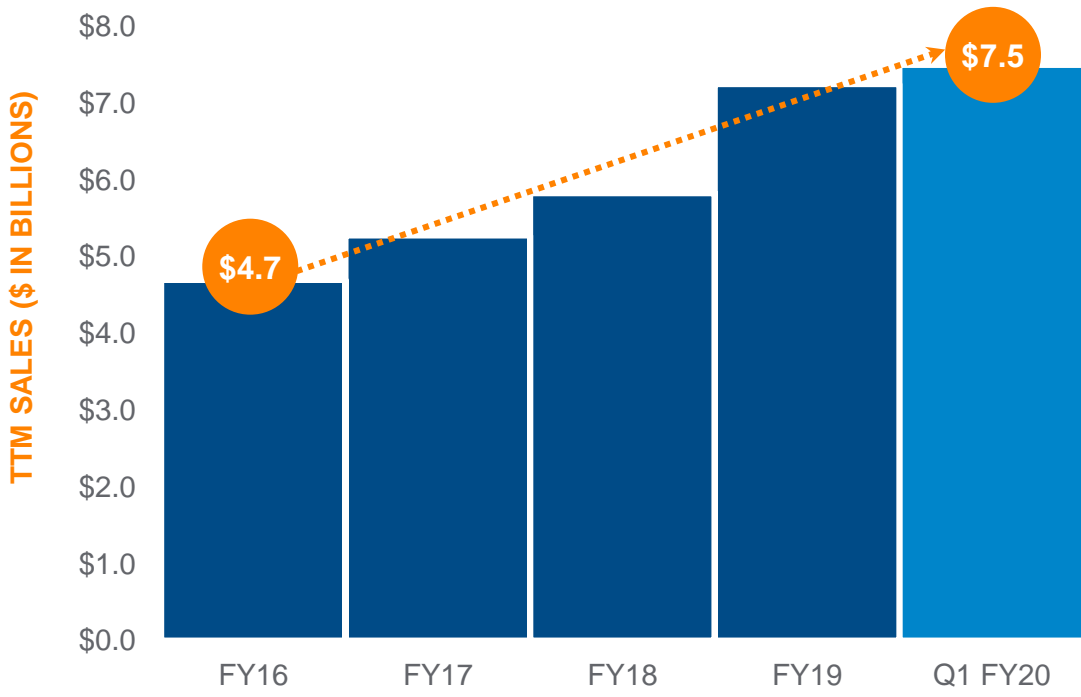
...WITH A STRATEGIC MULTINATIONAL FOOTPRINT

WE PROVIDE A WINNING VALUE PROPOSITION TO PROFITABLY GROW OUR BUSINESS

CUSTOMERS BUYING MORE THAN \$1 MILLION
FROM EACH SEGMENT



NET SALES OF CUSTOMERS BUYING MORE THAN
\$1 MILLION FROM EACH SEGMENT

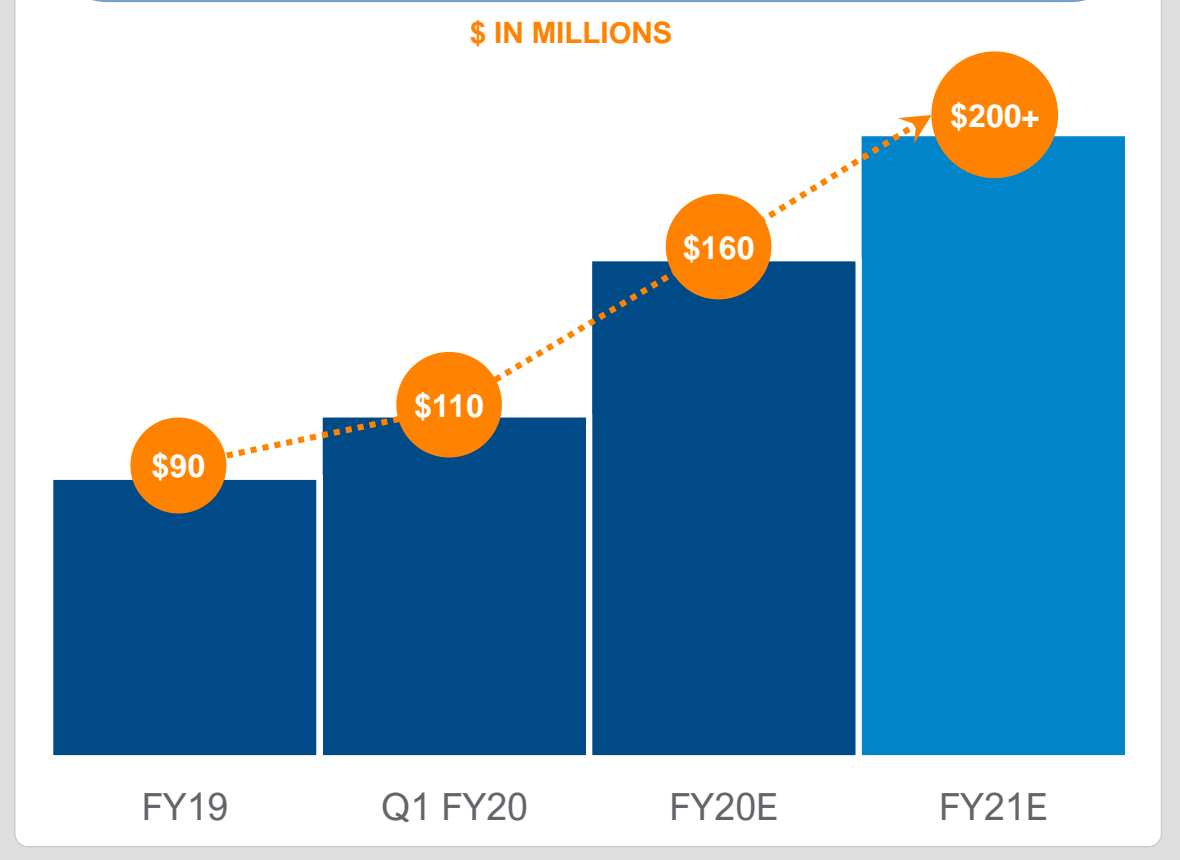


WE HAVE MULTIPLE LEVERS TO **IMPROVE OUR BUSINESS RESULTS**

**\$1 BILLION OF STRATEGIC INVESTMENTS EXPECTED
TO GENERATE \$240 MILLION IN ANNUALIZED EBITDA**



**EXPECT TO REALIZE MORE THAN \$200 MILLION IN
KAPSTONE RUN-RATE SYNERGIES BY END OF FY21**



WE GENERATE STRONG CASH FLOWS

ADJUSTED FREE CASH FLOW EXCEEDED \$1 BILLION EACH YEAR SINCE FY16⁽¹⁾

\$5.9
BILLION

MERGERS + ACQUISITIONS

ACQUISITIONS:

- SP Fiber
- Cenveo Packaging
- Star Pizza
- MPS
- U.S. Corrugated
- Island Container
- Hannapak
- Plymouth Packaging
- Schlüter Print Pharma
- KapStone
- Linkx
- UBS

JOINT VENTURE:

- Grupo Gondi

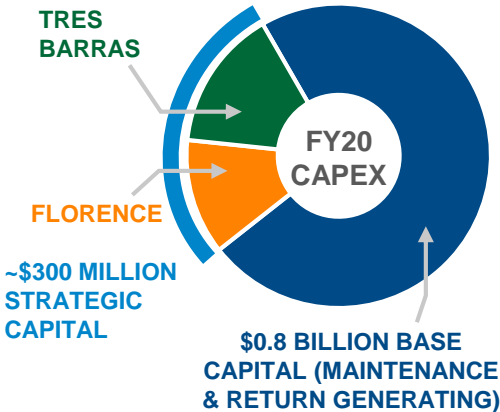
DIVESTITURES:

- L&D monetization
- HH&B
- ArborGen JV

\$4.5
BILLION

CAPITAL EXPENDITURES

Expect to invest ~\$1.1 billion in FY20

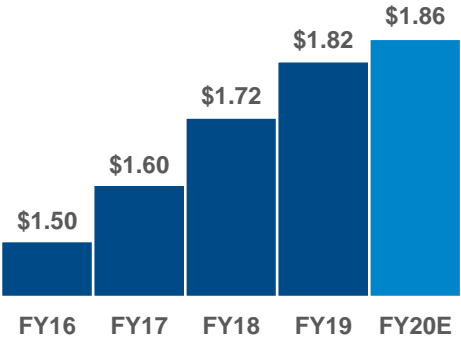


\$1.9
BILLION

DIVIDENDS

Annual dividend per share has increased 24% since the merger

(\$ PER SHARE)

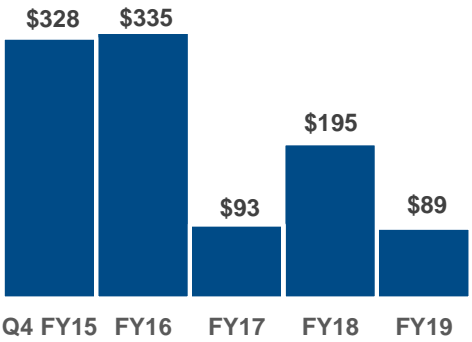


\$1.0
BILLION

SHARE REPURCHASES

Returned \$89 million to stockholders in FY19 through share repurchases

(\$ IN MILLIONS)



APPENDIX

NON-GAAP FINANCIAL MEASURES

Adjusted Operating Cash Flow and Adjusted Free Cash Flow

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

Adjusted Tax Rate

We use the non-GAAP financial measure “Adjusted Tax Rate”, also referred to as “Effective Adjusted Book Tax Rate”. We believe this non-GAAP financial measure is useful because it adjusts our GAAP effective tax rate to exclude the impact of restructuring and other costs, net, and other specific items that management believes are not indicative of the ongoing operating results of the business. “Adjusted Tax Rate” is calculated as “Adjusted Tax Expense” divided by “Adjusted Pre-Tax Income”. We believe that the most directly comparable GAAP measures to Adjusted Tax Expense and Adjusted Pre-Tax Income are “Income tax (expense) benefit” and “Income before income taxes”, respectively.

Forward-looking Guidance

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

ADDITIONAL ASSUMPTIONS INCLUDED IN ADJUSTED EPS GUIDANCE

	<u>Q2 FY20</u>	<u>Full Year FY20</u>
Depreciation & Amortization	Approx. \$375 million	Approx. \$1.5 billion
Net Interest Expense and Interest Income	Approx. \$100 million expense	Approx. \$400 million expense
Other Expense, Net	Approx. \$5 million	Approx. \$20 million
Effective Adjusted Book Tax Rate ⁽¹⁾	Approx. 27.5%	Approx. 24.5%
Adjusted Cash Tax Rate ⁽¹⁾⁽²⁾		Approx. 21%
Share Count	Approx. 260 million	Approx. 261 million
Capital Expenditures ⁽²⁾		Approx. \$1.1 billion

Mill Maintenance Schedule⁽³⁾

(tons in thousands)

North American Corrugated Packaging

	Q1	Q2	Q3	Q4	Full Year
FY20 Maintenance	110	118	102	25	355
FY19 Maintenance	50	99	94	34	277

Consumer Packaging

	Q1	Q2	Q3	Q4	Full Year
FY20 Maintenance	36	10	17	0	63
FY19 Maintenance	17	42	54	0	113

Note: Pension income (service cost and non-service income) and equity in unconsolidated entities included in Segment Income, Adjusted Segment Income⁽¹⁾, Segment EBITDA and Adjusted Segment EBITDA⁽¹⁾.

1) Non-GAAP Financial Measures.

2) Not applicable to Adjusted EPS guidance.

3) Q2, Q3 and Q4 FY20 amounts are forecasts

KEY COMMODITY ANNUAL CONSUMPTION VOLUMES

Approx. FY20 Annual Consumption Volumes

Commodity Category	Volume
Recycled Fiber (tons millions)	5.7
Wood (tons millions)	42
Natural Gas (MMBTU)	84
Electricity (kwh billions)	6.5
Polyethylene (lbs millions)	53
Caustic Soda (tons thousands)	247
Starch (lbs millions)	590

Sensitivity Analysis

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

ADJUSTED OPERATING CASH FLOW AND FREE CASH FLOW RECONCILIATION

(\$ in millions)	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
Net cash provided by operating activities	\$ 1,223.3	\$ 1,463.8	\$ 1,931.2	\$ 2,310.2
Plus: Retrospective accounting policy adoptions	465.1	436.7	489.7	-
Plus: Cash Restructuring and other costs, net of income tax benefit of \$70.4, \$36.4, \$14.5 and \$29.9	139.3	99.5	41.3	102.7
Adjusted Operating Cash Flow	\$ 1,827.7	\$ 2,000.0	\$ 2,462.2	\$ 2,412.9
Less: Capital expenditures	(796.7)	(778.6)	(999.9)	(1,369.1)
Adjusted Free Cash Flow	\$ 1,031.0	\$ 1,221.4	\$ 1,462.3	\$ 1,043.8

