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

FORM 8-K

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

September 3, 2021 (August 31, 2021)

Date of Report (Date of earliest event reported)

PACKAGING SUCCESS TOGETHER™

GREIF INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-00566**	**31-4388903**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**
425 Winter Road	**Delaware Ohio**	**43015**
(Address of principal executive offices)		**(Zip Code)**

Registrant's telephone number, including area code: (740) 549-6000

Not Applicable

(Former name or former address, if changed since last report.)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

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

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Class A Common Stock	GEF	New York Stock Exchange
Class B Common Stock	GEF-B	New York Stock Exchange

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

On September 1, 2021, Greif, Inc. ("the Company") issued a press release (the “Earnings Release”) announcing the financial results for its third quarter ended July 31, 2021. The full text of the Earnings Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The Earnings Release included the following non-GAAP financial measures (the “non-GAAP Measures”):

(i) the Company's net income, excluding the impact of adjustments, for the third quarter of 2021 and the third quarter of 2020, which is equal to the Company's consolidated net income for the applicable period plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses, net, timberland gains, net, each net of tax, noncontrolling interest and equity earnings of unconsolidated affiliates and on a consolidated basis for the applicable period;

(ii) the Company's earnings per diluted Class A share, excluding the impact of adjustments, for the third quarter of 2021 and the third quarter of 2020, which is equal to earnings per diluted Class A share of the Company for the applicable period plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses, net, timberland gains, net, each net of tax, noncontrolling interest and equity earnings of unconsolidated affiliates and on a consolidated basis for the applicable period;

(iii) the Company's consolidated adjusted EBITDA for the third quarter of 2021 and the third quarter of 2020, which is equal to the Company's consolidated net income for the applicable period plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses, net, timberland gains, net, each on a consolidated basis for the applicable period;

(iv) the Company's consolidated adjusted free cash flow for the third quarter of 2021 and the third quarter of 2020, which is equal to the Company's consolidated net cash provided by operating activities for the applicable period less cash paid for purchases of properties, plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for incremental COVID-19 costs, net, plus cash paid for acquisition and integration related Enterprise Resource Planning ("ERP") systems, each on a consolidated basis for the applicable period;

(v) the Company's net debt for the third and second quarters of 2021 and the third quarter of 2020, which is equal to the Company's consolidated total debt at the end of the applicable period ended less cash and cash equivalents at the end of the applicable period ended.

(vi) net sales excluding foreign currency translation for the Company's Global Industrial Packaging business segment for the third quarter of 2021 and the third quarter of 2020, which is equal to that business segment's net sales for the applicable quarter, after adjusting such sales for the third quarter of 2021 for foreign currency translation;

(vii) adjusted EBITDA for the Company’s Global Industrial Packaging business segment for the third quarter of 2021 and the third quarter of 2020, which is equal to that business segment’s operating profit less other (income) expense, net, less non-cash pension settlement charges, less equity earnings of unconsolidated affiliates, net of tax, plus depreciation and amortization expense, plus restructuring charges, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus gain on disposal of properties, plants, equipment and businesses, net, each for the applicable period;

(viii) net sales excluding foreign currency translation for the Company's Paper Packaging & Services business segment for the third quarter of 2021 and the third quarter of 2020, which is equal to that business segment's net sales for the applicable quarter, after adjusting such sales for the third quarter of 2021 for foreign currency translation;

(ix) adjusted EBITDA for the Company’s Paper Packaging & Services business segment for the third quarter of 2021 and the third quarter of 2020, which is equal to that business segment’s operating profit less non-cash pension settlement charges (income), less other expense (income), net, plus depreciation and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash pension settlement charges (income), plus non-cash asset impairment charges, plus incremental COVID-19 costs, net, plus loss on disposal of properties, plants, equipment and businesses, net, each for the applicable period; and

(x) adjusted EBITDA for the Company's Land Management business segment for the third quarter of 2021 and the third quarter of 2020, which is equal to that business segment's operating profit plus depreciation, depletion and amortization expense, plus restructuring charges, plus gain on disposal of properties, plants, equipment and businesses, net, plus timberland gains, net, each for the applicable period; and

(xi) the Company's leverage ratio for the third quarter of 2021 and the third quarter of 2020, which is equal to net debt divided by trailing twelve month EBITDA, each as calculated under the terms of the Company's Amended and Restated Credit Agreement dated as of February 11, 2019, which has been filed as Exhibit 10.29 to the Company's Annual Report on Form 10-K for its fiscal year ended October 31, 2020.

The Earnings Release also included the following forward-looking non-GAAP measures:

(i) the Company's fiscal year 2021 Class A earnings per share before adjustments guidance, which is equal to earnings per diluted Class A share of the Company for such period plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges (income), plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses, net, plus timberland gains, net, each net of tax, noncontrolling interest and equity earnings of unconsolidated affiliates and on a consolidated basis for the applicable period; and

(ii) the Company's fiscal year 2021 projected adjusted free cash flow guidance, which is equal to the Company's consolidated net cash provided by operating activities for such period, less cash paid for purchases of properties, plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for incremental COVID-19 costs, net, plus cash paid for acquisition and integration related ERP systems. A reconciliation of this forward-looking non-GAAP financial measure was included in the Earnings Release.

No reconciliation of the forward-looking non-GAAP financial measure to the most directly comparable GAAP financial measure for item (i) is included in the Earnings Release because, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts.

Management of the Company uses the non-GAAP Measures to evaluate ongoing operations and believes that these non-GAAP Measures are useful to investors. The exclusion of the impact of the identified adjustments (restructuring charges, acquisition and integration related costs, non-cash asset impairment charges, non-cash pension settlement charges (income), incremental COVID-19 costs, net, (gain) loss on disposal of properties, plants, equipment and businesses, net, and timberland gains, net) enable management and investors to perform meaningful comparisons of current and historical performance of the Company. Management of the Company also believes that the exclusion of the impact of the identified adjustments provides a stable platform on which to compare the historical performance of the Company and that investors desire this information. Management believes that the use of consolidated adjusted free cash flow, which excludes cash paid for capital expenditures, acquisition and integration related costs, incremental COVID-19 costs, net, and cash paid for acquisition and integration related ERP systems from the Company's consolidated net cash provided by operating activities, provides additional information on which to evaluate the cash flow generated by the Company and believes that this is information that investors find valuable. The non-GAAP Measures are intended to supplement and should be read together with our financial results. The non-GAAP Measures should not be considered an alternative or substitute for, and should not be considered superior to, our reported financial results. Accordingly, users of this financial information should not place undue reliance on the non-GAAP Measures.

Section 5 – Corporate Governance and Management

Item 5.03(a). Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On August 31, 2021, the Company's Board of Directors (the "Board") adopted the Third Amended and Restated By-Laws of Greif, Inc. (the "Third A&R By-Laws"). The Board adopted the Third A&R By-Laws to provide for a modern and streamlined structure, to add language that reflects the Board's current practices and procedures, and to provide the Board with more flexibility to conduct business. The Third A&R By-Laws are attached as Exhibit 99.2 to this Current Report on Form 8-K.

The following is a summary of the major changes made by the Third A&R By-Laws:

Section Reference	By-Law Change
1.1. Annual Meetings	Removed annual meeting requirement of the fourth Monday in February to six months from the beginning of the fiscal year. Modified to provide Board with the ability to postpone the annual stockholder meeting by public announcement.
1.2. Special Meetings	Lowered the voting percentage for stockholders to call a special meeting to 33 percent of the voting power from 50 percent of voting power.
1.5. Quorum	Modified to provide that if a stockholder quorum (majority of the voting power) is not present at the meeting, then the chairperson may adjourn the meeting until a stockholder quorum is present.
1.8. Advanced Business Notice	Modified to provide that notice of business to be brought by a stockholder must be given no later than 90 days and no earlier than 120 days from the anniversary date of the previous annual meeting. If no annual meeting held the prior year, or the annual meeting moves 30 days before or after the anniversary date, then a stockholder has 10 days from the date of notice or public announcement to provide a stockholder notice. Modified to provide that adjournment or postponement of a stockholders meeting does not commence a new time period for stockholders to give notice of proposed business. Modified to provide that, for notice by a stockholder to bring business before a meeting, certain information must be provided to the Company by the stockholder giving notice of the proposed business, (including intentions to attend in person to present business, provide information about director nominee (address, employment, and stock ownership), and any special arrangements between the stockholder and nominee. Requirement that if the stockholder does not appear at the stockholders meeting to present the proposed business, including director nomination, then such business shall be disregarded/cancelled even if votes have already been cast.
2.1. Number of Directors	Modified to create a range of 8-13 director seats which can be changed at any time within this range by resolution of the Board.
2.7. Regular Meetings	Modified to provide that, for regularly scheduled Board meetings, a notice specifying the time and place is not required.
2.9. Notice of Special Meetings	Modified to create more flexibility and reduce time constraints on calling a special board meeting. Updated methods of receiving notice of a special meeting to include notice received by email. If the notice is mailed, then there is requirement of four calendar days advanced notice, but if notice is made by telephone, in person, fax, email, then 24 hours' notice is considered properly given.
3.1. Committees of Directors	Removed the historic Executive Committee, including responsibilities and powers of the Executive Committee and replaced with a list of current Committees, including Board delegated responsibilities and powers consistent with current Board structure and practices. Removed sections titled "Nominating and Corporate Governance Committee" and "Other Committees" and incorporated the language from these sections into the new section 3.1.
3.2. Meeting Procedures	Updated meeting procedure language so that it applies to all Committees and modified procedural language to be consistently applied with procedures of board meetings.
4.1. Officers and Titles	Simplified officer title designation and provided the Board with the ability to create other officer titles not listed as needed to support the Company. Removed an old section titled "Additional Officer, Agents, Etc." and incorporated the language from this section into the new section 4.1.

4.2. Election and Terms of Office	Updated with commonly used officer departure language to cover more specific situations. Removed the Board requirement to establish officer qualifications determination. Removed officer compensation determinations as this function is conducted by the Compensation Committee.
4.3. Removal	Modified to provide that an officer may be removed from office without a Board meeting and notice requirement.
5.1. Indemnification in Non-Derivative Actions	Modified to provide indemnification for persons serving on a nonprofit entity at the request of the Board
5.3. Good Faith Defined	Modified to provide a broad definition of "good faith" and to clarify that Section 5.3 does not limit in anyway the standard of conduct defined in Sections 5.1 and 5.2.
6.10. Amendments	Modified to expressly require majority vote of the authorized number of directors to amend the By-Laws and to expressly provide for the ability of stockholders to amend the By-Laws by a majority of the voting power of the Company.

Section 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

i. Transcript of Conference Call

On September 2, 2021, management of the Company held a conference call with interested investors and financial analysts (the "Conference Call") to discuss the Company's financial results for its third quarter ended July 31, 2021. The file transcript of the Conference Call, including a correction related to potential OCC impact on revenue on page 8, is furnished as Exhibit 99.3 to this Current Report on Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release issued by Greif Inc. on September 1, 2021 announcing the financial results for its third quarter ended July 31, 2021.
99.2	Third Amended and Restated By-Laws of Greif, Inc.
99.3	File transcript of conference call with interested investors and financial analysts held by management of Greif Inc. on September 2, 2021.

SIGNATURES

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

	GREIF, INC.
Date: September 3, 2021	By /s/ Lawrence A. Hilsheimer
	Lawrence A. Hilsheimer, Executive Vice President and Chief Financial Officer

Exhibit 99.1

PACKAGING SUCCESS TOGETHER™

Contact:
Matt Eichmann
740-549-6067
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Greif Reports Third Quarter 2021 Results

DELAWARE, Ohio (September 1, 2021) – Greif, Inc. (NYSE: GEF, GEF.B), a global leader in industrial packaging products and services, today announced third quarter 2021 results.

Third Quarter Financial Highlights include (all results compared to the third quarter of 2020 unless otherwise noted)[1]:

- Record net sales of $1,490.8 million, an increase of $407.8 million compared to net sales of $1,083.0 million.
- Net income of $113.0 million or $1.89 per diluted Class A share increased compared to net income of $20.7 million or $0.35 per diluted Class A share. Net income, excluding the impact of adjustments[2], of $115.9 million or $1.93 per diluted Class A share increased compared to net income, excluding the impact of adjustments, of $50.1 million or $0.85 per diluted Class A share.
- Record Adjusted EBITDA[3] of $237.8 million, an increase of $78.4 million compared to Adjusted EBITDA of $159.4 million.
- Net cash provided by operating activities decreased by $40.1 million to a source of $94.9 million. Adjusted free cash flow[4] decreased by $42.5 million to a source of $64.1 million.
- Total debt decreased by $370.0 million to $2,267.6 million. Net debt[5] decreased by $371.3 million to $2,167.8 million and decreased by $35.2 million sequentially from the second quarter of 2021. The Company's leverage ratio[6] decreased to 2.8x compared to 3.7x.

Strategic Actions and Announcements

- Announced that President and Chief Executive Officer Pete Watson will retire on February 1, 2022 and will be succeeded by Chief Operating Officer Ole Rosgaard. Also announced that Michael Gasser, current Chairman of the Board of Directors, will not stand for re-election at the Company's 2022 annual meeting of stockholders and that Pete Watson will become Executive Chairman and Bruce Edwards will become the lead director of the Board of Directors at that time.
- Increased fiscal year 2021 guidance for Class A earnings per share before adjustments and Adjusted Free Cash Flow.
- Increased quarterly dividend by 2 cents to $0.46 per Common Class A share and by 3 cents to $0.69 per Common Class B share. These increases are effective for the next quarterly dividend payable on October 1, 2021, to stockholders of record at the close of business on September 17, 2021.
- Repaid Euro 200 million of 7.375% senior notes by drawing on $225 million of available term loan borrowing under an existing credit agreement. The new borrowing matures in July 2026 and has an interest rate of approximately 2.0%.

CEO Commentary

“The Greif team delivered an exceptional third quarter," said Pete Watson, Greif's President and Chief Executive Officer. "In addition to strong operating results, we achieved record financial performance, reduced our debt and made meaningful progress towards achieving our targeted leverage ratio. While we continue to face significant inflationary conditions, COVID-19 related constraints and labor availability challenges, our underlying end markets are strong and we are executing with discipline to offset challenges and deliver on our commitments. Looking ahead, Greif is well positioned for success as we continue to partner closely with our customers and drive enhanced value creation for our shareholders.”

(1) As previously reported, during the first quarter of 2021, the former Rigid Industrial Packaging & Services and Flexible Products & Services segments were combined into a single reportable segment now known as the Global Industrial Packaging segment. On February 24, 2021 the Company filed a Current Report on Form 8-K with the SEC to furnish certain historical GAAP and non-GAAP financial information in a revised presentation aligned with the Company's new reportable segment structure.

(2) Adjustments that are excluded from net income before adjustments and from earnings per diluted Class A share before adjustments are restructuring charges, acquisition and integration related costs, non-cash pension settlement charges (income), non-cash asset impairment charges, incremental COVID-19 costs, net, (gain) loss on disposal of properties, plants, equipment and businesses, net and timberland gains, net.

(3) Adjusted EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges (income), plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses, net, plus timberland gains, net.

(4) Adjusted free cash flow is defined as net cash provided by operating activities, less cash paid for purchases of properties, plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for incremental COVID-19 costs, net, plus cash paid for acquisition and integration related Enterprise Resource Planning (ERP) systems.

(5) Net debt is defined as total debt less cash and cash equivalents.

(6) Leverage ratio is defined as net debt divided by trailing twelve month EBITDA, each as calculated under the terms of the Company's Amended and Restated Credit Agreement dated as of February 11, 2019, filed as Exhibit 10.29 to the Company's Annual Report on Form 10-K for its fiscal year ended October 31, 2020 (the "2019 Credit Agreement").

Note: A reconciliation of the differences between all non-GAAP financial measures used in this release with the most directly comparable GAAP financial measures is included in the financial schedules that are a part of this release. These non-GAAP financial measures are intended to supplement and should be read together with our financial results. They should not be considered an alternative or substitute for, and should not be considered superior to, our reported financial results. Accordingly, users of this financial information should not place undue reliance on these non-GAAP financial measures.

Customer Service

The Company's consolidated CSI[7] score was 94.1 during the fiscal third quarter and 93.1 on a trailing four quarter basis. Our long term objective is for each business segment to achieve a CSI score of 95.0 or greater.

CSI for the Global Industrial Packaging segment was 95.2, which was 2.6% higher than the prior year quarter.

CSI for the Paper Packaging & Services segment was 92.5, which was flat to the prior year quarter.

Segment Results (all results compared to the third quarter of 2020 unless otherwise noted)

Net sales are impacted mainly by the volume of primary products[8] sold, selling prices, product mix and the impact of changes in foreign currencies against the U.S. Dollar. The table below shows the percentage impact of each of these items on net sales for our primary products for the third quarter of 2021 as compared to the prior year quarter for the business segments with manufacturing operations.

Net Sales Impact - Primary Products	Global Industrial Packaging	Paper Packaging & Services
Currency Translation	5.4 %	0.2 %
Volume	11.1 %	13.4 %
Selling Prices and Product Mix	32.8 %	16.0 %
Total Impact of Primary Products	49.3 %	29.6 %

Global Industrial Packaging

Net sales increased by $290.0 million to $907.8 million. Net sales excluding foreign currency translation increased by $256.3 million primarily due to higher volumes and higher average sale prices.

Gross profit increased by $70.7 million to $199.4 million. The increase in gross profit was primarily due to the same factors that impacted net sales, partially offset by higher raw material costs and transportation expenses.

Operating profit increased by $75.4 million to $122.0 million. Adjusted EBITDA increased by $61.7 million to $146.2 million primarily due to the same factors that impacted gross profit, as well as higher SG&A expense that was mainly attributable to higher incentive accruals, partially offset by a one-time Brazilian tax recovery of approximately $9.2 million related to taxes paid over the past two decades.

Paper Packaging & Services

Net sales increased by $119.5 million to $578.8 million. Net sales excluding foreign currency translation increased by $118.4 million primarily due to higher volumes and higher published containerboard and boxboard prices.

Gross profit increased by $29.1 million to $118.0 million. The increase in gross profit was primarily due to the same factors that impacted net sales, partially offset by higher old corrugated container and other raw material input costs and higher transportation expenses.

Operating profit increased by $34.2 million to $47.5 million. Adjusted EBITDA increased by $17.9 million to $89.9 million primarily due to the same factors that impacted gross profit, as well as higher SG&A expense that was mainly attributable to higher incentive accruals.

Land Management

Net sales decreased by $1.7 million to $4.2 million.

Operating profit increased by $1.6 million to $3.6 million. Adjusted EBITDA decreased by $1.2 million to $1.7 million.

Tax Summary

During the third quarter, the Company recorded an income tax rate of 22.2 percent. The Company’s tax rate excluding the impact of adjustments was 22.3 percent. The application of FIN 18 frequently causes fluctuations in our quarterly effective tax rates. For fiscal 2021, the Company expects its tax rate to range between 17.0 and 21.0 percent and its tax rate excluding adjustments to range between 20.0 and 23.0 percent.

Dividend Summary

On August 31, 2021, the Board of Directors declared quarterly cash dividends of $0.46 per share of Class A Common Stock and $0.69 per share of Class B Common Stock. Dividends are payable on October 1, 2021, to stockholders of record at the close of business on September 17, 2021.

Company Outlook

(in millions, except per share amounts)	**Fiscal 2021 Outlook Reported at Q3**
Class A earnings per share before adjustments	$5.10 - $5.30
Adjusted free cash flow	$335 - $365

Note: Fiscal 2021 Class A earnings per share guidance on a GAAP basis is not provided in this release due to the potential for one or more of the following, the timing and magnitude of which we are unable to reliably forecast: gains or losses on the disposal of businesses, timberland or properties, plants and equipment, net; non-cash asset impairment charges due to unanticipated changes in the business; restructuring-related activities; non-cash incremental COVID-19 costs, net; non-cash pension settlement (income) charges; or acquisition and integration costs, and the income tax effects of these items and other income tax-related events. No reconciliation of the fiscal 2021 Class A earnings per share before adjustments guidance, a non-GAAP financial measure which excludes restructuring charges, acquisition and integration costs, non-cash asset impairment charges, non-cash pension settlement (income) charges, incremental COVID-19 costs, net, loss (gain) on the disposal of properties, plants, equipment and businesses, net and timberland gains, net, is included in this release because, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible, we are unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts. A reconciliation of 2021 adjusted free cash flow guidance to forecasted net cash provided by operating activities, the most directly comparable GAAP financial measure, is included in this release.

(7) Customer satisfaction index (CSI) tracks a variety of internal metrics designed to enhance the customer experience in dealing with Greif.

(8) Primary products are manufactured steel, plastic and fibre drums; new and reconditioned intermediate bulk containers; 1&2 loop and 4 loop flexible intermediate bulk containers; linerboard, containerboard, corrugated sheets and corrugated containers; and boxboard and tube and core products.

Conference Call

The Company will host a conference call to discuss the third quarter of 2021 results on September 2, 2021, at 8:30 a.m. Eastern Time (ET). Participants may access the call using the following online registration link: http://www.directeventreg.com/registration/event/5397157. Registrants will receive a confirmation email containing dial in details and a unique conference call code for entry. Phone lines will open at 8:00 a.m. ET on September 2, 2021. A digital replay of the conference call will be available two hours following the call on the company's web site at http://investor.greif.com. To access the recording, guests can call (800) 585-8367 or (416) 621-4642 and use the conference ID 5397157.

About Greif

Greif is a global leader in industrial packaging products and services and is pursuing its vision: in industrial packaging, be the best performing customer service company in the world. The Company produces steel, plastic and fibre drums, intermediate bulk containers, reconditioned containers, flexible products, containerboard, uncoated recycled paperboard, coated recycled paperboard, tubes and cores and a diverse mix of specialty products. The Company also manufactures packaging accessories and provides filling, packaging and other services for a wide range of industries. In addition, Greif manages timber properties in the southeastern United States. The Company is strategically positioned in over 40 countries to serve global as well as regional customers. Additional information is on the Company's website at www.greif.com.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “aspiration,” “objective,” “project,” “believe,” “continue,” “on track” or “target” or the negative thereof and similar expressions, among others, identify forward-looking statements. All forward-looking statements are based on assumptions, expectations and other information currently available to management. Such forward-looking statements are subject to certain risks and uncertainties that could cause the Company’s actual results to differ materially from those forecasted, projected or anticipated, whether expressed or implied. The most significant of these risks and uncertainties are described in Part I of the Company’s Annual Report on Form 10-K for the fiscal year ended October 31, 2020. The Company undertakes no obligation to update or revise any forward-looking statements.

Although the Company believes that the expectations reflected in forward-looking statements have a reasonable basis, the Company can give no assurance that these expectations will prove to be correct. Forward-looking statements are subject to risks and uncertainties that could cause the Company’s actual results to differ materially from those forecasted, projected or anticipated, whether expressed in or implied by the statements. Such risks and uncertainties that might cause a difference include, but are not limited to, the following: (i) historically, our business has been sensitive to changes in general economic or business conditions, (ii) our global operations subject us to currency exchange and political risks that could adversely affect our results of operations, (iii) the COVID-19 pandemic could continue to impact any combination of our business, financial condition, results of operations and cash flows, (iv) the current and future challenging global economy and disruption and volatility of the financial and credit markets may adversely affect our business, (v) the continuing consolidation of our customer base and suppliers may intensify pricing pressure, (vi) we operate in highly competitive industries, (vii) our business is sensitive to changes in industry demands and customer preferences, (viii) raw material, energy and transportation price fluctuations and shortages may adversely impact our manufacturing operations and costs, (ix) the frequency and volume of our timber and timberland sales will impact our financial performance, (x) we may not successfully implement our business strategies, including achieving our growth objectives, (xi) we may encounter difficulties or liabilities arising from acquisitions or divestitures, (xii) the acquisition of Caraustar Industries, Inc. and its subsidiaries subjects us to various risks and uncertainties, (xiii) we may incur additional restructuring costs and there is no guarantee that our efforts to reduce costs will be successful, (xiv) several operations are conducted by joint ventures that we cannot operate solely for our benefit, (xv) certain of the agreements that govern our joint ventures provide our partners with put or call options, (xvi) our ability to attract, develop and retain talented and qualified employees, managers and executives is critical to our success, (xvii) our business may be adversely impacted by work stoppages and other labor relations matters, (xviii) we may be subject to losses that might not be covered in whole or in part by existing insurance reserves or insurance coverage and general insurance premium and deductible increases, (xix) our business depends on the uninterrupted operations of our facilities, systems and business functions, including our information technology and other business systems, (xx) a security breach of customer, employee, supplier or company information may have a material adverse effect on our business, financial condition, results of operations and cash flows, (xxi) changes in U.S. generally accepted accounting principles (GAAP) and SEC rules and regulations concerning the maintenance of effective internal controls could materially impact our reported financial results, (xxii) we could be subject to changes in our tax rates, the adoption of new U.S. or foreign tax legislation or exposure to additional tax liabilities, (xxiii) full realization of our deferred tax assets may be affected by a number of factors, (xxiv) our level of indebtedness could adversely affect our liquidity, limit our flexibility in responding to business opportunities, and increase our vulnerability to adverse changes in economic and industry conditions, (xxv) we have a significant amount of goodwill and long-lived assets which, if impaired in the future, would adversely impact our results of operations, (xxvi) our pension and postretirement plans are underfunded and will require future cash contributions and our required future cash contributions could be higher than we expect, each of which could have a material adverse effect on our financial condition and liquidity, (xxvii) legislation/regulation related to environmental and health and safety matters and corporate social responsibility could negatively impact our operations and financial performance, (xxviii) product liability claims and other legal proceedings could adversely affect our operations and financial performance, (xxix) we may incur fines or penalties, damage to our reputation or other adverse consequences if our employees, agents or business partners violate, or are alleged to have violated, anti-bribery, competition or other laws, (xxx) changing climate, climate change regulations and greenhouse gas effects may adversely affect our operations and financial performance. The risks described above are not all-inclusive, and given these and other possible risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. For a detailed discussion of the most significant risks and uncertainties that could cause our actual results to differ materially from those forecasted, projected or anticipated, see “Risk Factors” in Part I, Item 1A of our most recently filed Form 10-K and our other filings with the Securities and Exchange Commission. All forward-looking statements made in this news release are expressly qualified in their entirety by reference to such risk factors. Except to the limited extent required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

GREIF, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
UNAUDITED

(in millions, except per share amounts)	Three months ended July 31, 2021	Three months ended July 31, 2020	Nine months ended July 31, 2021	Nine months ended July 31, 2020
Net sales	$ 1,490.8	$ 1,083.0	$ 3,977.9	$ 3,353.7
Cost of products sold	1,172.0	863.3	3,181.0	2,670.7
Gross profit	318.8	219.7	796.9	683.0
Selling, general and administrative expenses	142.6	120.4	423.7	376.9
Restructuring charges	3.7	19.1	18.8	26.8
Acquisition and integration related costs	2.4	3.6	6.2	13.5
Non-cash asset impairment charges	—	15.5	1.5	16.9
Gain on disposal of properties, plants and equipment, net	(3.0)	(0.3)	(1.3)	(2.1)
(Gain) Loss on disposal of businesses, net	—	(0.5)	—	37.9
Timberland gains, net	—	—	(95.7)	—
Operating profit	173.1	61.9	443.7	213.1
Interest expense, net	23.9	29.8	75.8	89.8
Non-cash pension settlement charges (income)	0.4	—	9.0	(0.1)
Other (income) expense, net	(0.6)	1.1	2.2	3.5
Income before income tax expense and equity earnings of unconsolidated affiliates, net	149.4	31.0	356.7	119.9
Income tax expense	33.1	6.9	56.5	44.8
Equity earnings of unconsolidated affiliates, net of tax	(2.1)	(0.3)	(3.1)	(1.2)
Net income	118.4	24.4	303.3	76.3
Net income attributable to noncontrolling interests	(5.4)	(3.7)	(17.1)	(11.9)
Net income attributable to Greif, Inc.	$ 113.0	$ 20.7	$ 286.2	$ 64.4
Basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A common stock	$ 1.90	$ 0.35	$ 4.81	$ 1.09
Class B common stock	$ 2.85	$ 0.52	$ 7.21	$ 1.62
Diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A common stock	$ 1.89	$ 0.35	$ 4.80	$ 1.09
Class B common stock	$ 2.85	$ 0.52	$ 7.21	$ 1.62
Shares used to calculate basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A common stock	26.6	26.4	26.5	26.4
Class B common stock	22.0	22.0	22.0	22.0
Shares used to calculate diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A common stock	26.7	26.4	26.6	26.4
Class B common stock	22.0	22.0	22.0	22.0

GREIF, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED

(in millions)	July 31, 2021	October 31, 2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 99.8	$ 105.9
Trade accounts receivable	834.7	636.6
Inventories	456.5	293.6
Assets held by special purpose entities	—	50.9
Other current assets	175.9	215.8
	1,566.9	1,302.8
LONG-TERM ASSETS		
Goodwill	1,522.3	1,518.4
Intangible assets	665.4	715.3
Operating lease assets	287.5	307.5
Other long-term assets	188.5	140.0
	2,663.7	2,681.2
PROPERTIES, PLANTS AND EQUIPMENT	1,493.0	1,526.9
	$ 5,723.6	$ 5,510.9
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 657.0	$ 450.7
Short-term borrowings	57.6	28.4
Current portion of long-term debt	120.3	123.1
Current portion of operating lease liabilities	51.3	52.3
Current portion of liabilities held by special purpose entities	—	43.3
Other current liabilities	355.5	302.3
	1,241.7	1,000.1
LONG-TERM LIABILITIES		
Long-term debt	2,089.7	2,335.5
Operating lease liabilities	238.8	257.7
Other long-term liabilities	627.5	696.9
	2,956.0	3,290.1
REDEEMABLE NONCONTROLLING INTERESTS	18.4	20.0
EQUITY		
Total Greif, Inc. equity	1,448.9	1,152.2
Noncontrolling interests	58.6	48.5
	1,507.5	1,200.7
	$ 5,723.6	$ 5,510.9

GREIF, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

(in millions)	Three months ended July 31, 2021	Three months ended July 31, 2020	Nine months ended July 31, 2021	Nine months ended July 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 118.4	$ 24.4	$ 303.3	$ 76.3
Depreciation, depletion and amortization	58.1	59.9	176.2	182.4
Asset impairments	—	15.5	1.5	16.9
Pension settlement charges (income)	0.4	—	9.0	(0.1)
Timberland gains, net	—	—	(95.7)	—
Other non-cash adjustments to net income	8.0	8.5	(5.3)	71.5
Operating working capital changes	(94.8)	44.3	(138.8)	12.8
Increase (decrease) in cash from changes in other assets and liabilities	4.8	(17.6)	8.5	(105.5)
Net cash provided by operating activities	94.9	135.0	258.7	254.3
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of properties, plants and equipment	(36.5)	(33.4)	(94.2)	(98.8)
Purchases of and investments in timber properties	(4.9)	(1.2)	(7.4)	(4.0)
Proceeds on the sale of timberlands, net	—	—	145.1	—
Collections of receivables held in special purpose entities	—	—	50.9	—
Payments for issuance of loans receivable	—	—	(15.0)	—
Proceeds from the sale of properties, plant and equipment and businesses, net	—	6.1	—	90.7
Other	9.3	0.9	6.8	(2.7)
Net cash (used in) provided by investing activities	(32.1)	(27.6)	86.2	(14.8)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payments on long-term debt, net	(38.2)	(73.4)	(225.2)	(135.3)
Dividends paid to Greif, Inc. shareholders	(26.2)	(26.2)	(78.4)	(78.2)
Payments for liabilities held in special purpose entities	—	—	(43.3)	—
Other	(2.3)	(3.6)	(7.2)	(12.1)
Net cash used in financing activities	(66.7)	(103.2)	(354.1)	(225.6)
Effects of exchange rates on cash	(6.7)	21.9	3.1	7.3
Net (decrease) increase in cash and cash equivalents	(10.6)	26.1	(6.1)	21.2
Cash and cash equivalents, beginning of period	110.4	72.4	105.9	77.3
Cash and cash equivalents, end of period	$ 99.8	$ 98.5	$ 99.8	$ 98.5

GREIF, INC. AND SUBSIDIARY COMPANIES
FINANCIAL HIGHLIGHTS BY SEGMENT
UNAUDITED

(in millions)	Three months ended July 31, 2021	Three months ended July 31, 2020	Nine months ended July 31, 2021	Nine months ended July 31, 2020
Net sales:				
Global Industrial Packaging	$ 907.8	$ 617.8	$ 2,365.1	$ 1,919.5
Paper Packaging & Services	578.8	459.3	1,596.7	1,414.6
Land Management	4.2	5.9	16.1	19.6
Total net sales	$ 1,490.8	$ 1,083.0	$ 3,977.9	$ 3,353.7
Gross profit:				
Global Industrial Packaging	$ 199.4	$ 128.7	$ 499.8	$ 392.0
Paper Packaging & Services	118.0	88.9	291.5	283.9
Land Management	1.4	2.1	5.6	7.1
Total gross profit	$ 318.8	$ 219.7	$ 796.9	$ 683.0
Operating profit:				
Global Industrial Packaging	$ 122.0	$ 46.6	$ 252.4	$ 166.5
Paper Packaging & Services	47.5	13.3	89.1	40.3
Land Management	3.6	2.0	102.2	6.3
Total operating profit	$ 173.1	$ 61.9	$ 443.7	$ 213.1
EBITDA[9]:				
Global Industrial Packaging	$ 145.0	$ 66.9	$ 315.9	$ 226.5
Paper Packaging & Services	84.1	50.9	191.1	157.4
Land Management	4.4	3.2	104.8	9.4
Total EBITDA	$ 233.5	$ 121.0	$ 611.8	$ 393.3
Adjusted EBITDA[10]:				
Global Industrial Packaging	$ 146.2	$ 84.5	$ 331.9	$ 250.2
Paper Packaging & Services	89.9	72.0	214.3	229.0
Land Management	1.7	2.9	6.7	8.9
Total Adjusted EBITDA	$ 237.8	$ 159.4	$ 552.9	$ 488.1

[9] EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization. However, because the Company does not calculate net income by segment, this table calculates EBITDA by segment with reference to operating profit by segment, which, as demonstrated in the table of Consolidated EBITDA, is another method to achieve the same result. See the reconciliations in the table of Segment EBITDA.

[10] Adjusted EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges (income), plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses, plus timberland gains, net.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
CONSOLIDATED ADJUSTED EBITDA
UNAUDITED

(in millions)	Three months ended July 31, 2021	Three months ended July 31, 2020	Nine months ended July 31, 2021	Nine months ended July 31, 2020
Net income	$ 118.4	$ 24.4	$ 303.3	$ 76.3
Plus: Interest expense, net	23.9	29.8	75.8	89.8
Plus: Income tax expense	33.1	6.9	56.5	44.8
Plus: Depreciation, depletion and amortization expense	58.1	59.9	176.2	182.4
EBITDA	$ 233.5	$ 121.0	$ 611.8	$ 393.3
Net income	$ 118.4	$ 24.4	$ 303.3	$ 76.3
Plus: Interest expense, net	23.9	29.8	75.8	89.8
Plus: Income tax expense	33.1	6.9	56.5	44.8
Plus: Non-cash pension settlement charges (income)	0.4	—	9.0	(0.1)
Plus: Other (income) expense, net	(0.6)	1.1	2.2	3.5
Plus: Equity earnings of unconsolidated affiliates, net of tax	(2.1)	(0.3)	(3.1)	(1.2)
Operating profit	$ 173.1	$ 61.9	$ 443.7	$ 213.1
Less: Non-cash pension settlement charges (income)	0.4	—	9.0	(0.1)
Less: Other (income) expense, net	(0.6)	1.1	2.2	3.5
Less: Equity earnings of unconsolidated affiliates, net of tax	(2.1)	(0.3)	(3.1)	(1.2)
Plus: Depreciation, depletion and amortization expense	58.1	59.9	176.2	182.4
EBITDA	$ 233.5	$ 121.0	$ 611.8	$ 393.3
Plus: Restructuring charges	3.7	19.1	18.8	26.8
Plus: Acquisition and integration related costs	2.4	3.6	6.2	13.5
Plus: Non-cash asset impairment charges	—	15.5	1.5	16.9
Plus: Non-cash pension settlement charges (income)	0.4	—	9.0	(0.1)
Plus: Incremental COVID-19 costs, net [11]	0.8	1.0	2.6	1.9
Plus: (Gain) Loss on disposal of properties, plants, equipment, and businesses, net	(3.0)	(0.8)	(1.3)	35.8
Plus: Timberland gains, net	—	—	(95.7)	—
Adjusted EBITDA	$ 237.8	$ 159.4	$ 552.9	$ 488.1

[11] Incremental COVID-19 costs, net includes costs directly attributable to COVID-19 such as costs incurred for incremental cleaning and sanitation efforts and employee safety measures, offset by economic relief received from foreign governments.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
SEGMENT ADJUSTED EBITDA[12]
UNAUDITED

	Three months ended July 31,		Nine months ended July 31,	
(in millions)	2021	2020	2021	2020
Global Industrial Packaging				
Operating profit	122.0	46.6	252.4	166.5
Less: Other (income) expense, net	(0.6)	0.9	2.1	4.7
Less: Non-cash pension settlement charges	0.3	—	0.3	—
Less: Equity earnings of unconsolidated affiliates, net of tax	(2.1)	(0.3)	(3.1)	(1.2)
Plus: Depreciation and amortization expense	20.6	20.9	62.8	63.5
EBITDA	$ 145.0	$ 66.9	$ 315.9	$ 226.5
Plus: Restructuring charges	1.6	15.7	14.6	20.7
Plus: Non-cash asset impairment charges	—	3.1	1.5	4.5
Plus: Non-cash pension settlement charges	0.3	—	0.3	—
Plus: Incremental COVID-19 costs, net	0.5	0.2	1.3	0.6
Plus: Gain on disposal of properties, plants, equipment and businesses, net	(1.2)	(1.4)	(1.7)	(2.1)
Adjusted EBITDA	$ 146.2	$ 84.5	$ 331.9	$ 250.2
Paper Packaging & Services				
Operating profit	47.5	13.3	89.1	40.3
Less: Non-cash pension settlement charges (income)	0.1	—	8.7	(0.1)
Less: Other expense (income), net	—	0.2	0.1	(1.2)
Plus: Depreciation and amortization expense	36.7	37.8	110.8	115.8
EBITDA	$ 84.1	$ 50.9	$ 191.1	$ 157.4
Plus: Restructuring charges	2.1	3.4	4.1	6.1
Plus: Acquisition and integration related costs	2.4	3.6	6.2	13.5
Plus: Non-cash pension settlement charges (income)	0.1	—	8.7	(0.1)
Plus: Non-cash asset impairment charges	—	12.4	—	12.4
Plus: Incremental COVID-19 costs, net	0.3	0.8	1.3	1.3
Plus: Loss on disposal of properties, plants, equipment and businesses, net	0.9	0.9	2.9	38.4
Adjusted EBITDA	$ 89.9	$ 72.0	$ 214.3	$ 229.0
Land Management				
Operating profit	3.6	2.0	102.2	6.3
Plus: Depreciation, depletion and amortization expense	0.8	1.2	2.6	3.1
EBITDA	$ 4.4	$ 3.2	$ 104.8	$ 9.4
Plus: Restructuring charges	—	—	0.1	—
Plus: Gain on disposal of properties, plants, equipment and businesses, net	(2.7)	(0.3)	(2.5)	(0.5)
Plus: Timberland gains, net	$ —	$ —	$ (95.7)	$ —
Adjusted EBITDA	$ 1.7	$ 2.9	$ 6.7	$ 8.9
Consolidated EBITDA	$ 233.5	$ 121.0	$ 611.8	$ 393.3
Consolidated Adjusted EBITDA	$ 237.8	$ 159.4	$ 552.9	$ 488.1

[12] Adjusted EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges (income), plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses, plus timberland gains, net. However, because the Company does not calculate net income by segment, this table calculates adjusted EBITDA by segment with reference to operating profit by segment, which, as demonstrated in the table of consolidated adjusted EBITDA, is another method to achieve the same result.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
ADJUSTED FREE CASH FLOW[13]
UNAUDITED

(in millions)	Three months ended July 31, 2021	Three months ended July 31, 2020	Nine months ended July 31, 2021	Nine months ended July 31, 2020
Net cash provided by operating activities	$ 94.9	$ 135.0	$ 258.7	$ 254.3
Cash paid for purchases of properties, plants and equipment	(36.5)	(33.4)	(94.2)	(98.8)
Free cash flow	$ 58.4	$ 101.6	$ 164.5	$ 155.5
Cash paid for acquisition and integration related costs	2.4	3.6	6.2	13.5
Cash paid for incremental COVID-19 costs, net	0.7	1.0	2.6	1.9
Cash paid for acquisition and integration related ERP systems	2.6	0.4	6.0	1.4
Adjusted free cash flow	$ 64.1	$ 106.6	$ 179.3	$ 172.3

[13]Adjusted free cash flow is defined as net cash provided by operating activities, less cash paid for purchases of properties, plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for incremental COVID-19 costs, net, plus cash paid for acquisition and integration related ERP systems.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
NET INCOME, CLASS A EARNINGS PER SHARE AND TAX RATE BEFORE ADJUSTMENTS
UNAUDITED

(in millions, except for per share amounts)	Income before Income Tax (Benefit) Expense and Equity Earnings of Unconsolidated Affiliates, net	Income Tax (Benefit) Expense	Equity Earnings	Non-Controlling Interest	Net Income (Loss) Attributable to Greif, Inc.	Diluted Class A Earnings Per Share	Tax Rate
Three months ended July 31, 2021	$ 149.4	$ 33.1	$ (2.1)	$ 5.4	$ 113.0	$ 1.89	22.2 %
Restructuring charges	3.7	0.9	—	—	2.8	0.02	
Acquisition and integration related costs	2.4	0.6	—	—	1.8	0.03	
Non-cash pension settlement charges	0.4	—	—	—	0.4	0.03	
Incremental COVID-19 costs, net	0.8	0.1	—	0.2	0.5	0.01	
Gain on disposal of properties, plants, equipment and businesses, net	(3.0)	(0.4)	—	—	(2.6)	(0.05)	
Excluding Adjustments	$ 153.7	$ 34.3	$ (2.1)	$ 5.6	$ 115.9	$ 1.93	22.3 %
Three months ended July 31, 2020	$ 31.0	$ 6.9	$ (0.3)	$ 3.7	$ 20.7	$ 0.35	22.3 %
Restructuring charges	19.1	4.2	—	0.1	14.8	0.25	
Acquisition and integration related costs	3.6	0.8	—	—	2.8	0.04	
Non-cash asset impairment charges	15.5	3.5	—	—	12.0	0.21	
Incremental COVID-19 costs, net	1.0	0.2	—	—	0.8	0.01	
Gain on disposal of properties, plants, equipment and businesses, net	(0.8)	0.1	—	0.1	(1.0)	(0.01)	
Excluding Adjustments	$ 69.4	$ 15.7	$ (0.3)	$ 3.9	$ 50.1	$ 0.85	22.6 %
Nine months ended July 31, 2021	$ 356.7	$ 56.5	$ (3.1)	$ 17.1	$ 286.2	$ 4.80	15.8 %
Restructuring charges	18.8	4.5	—	1.3	13.0	0.19	
Acquisition and integration related costs	6.2	1.5	—	—	4.7	0.08	
Non-cash asset impairment charges	1.5	0.5	—	0.1	0.9	0.02	
Non-cash pension settlement charges	9.0	2.1	—	—	6.9	0.12	
Incremental COVID-19 costs, net	2.6	0.6	—	0.3	1.7	0.03	
Gain on disposal of properties, plants, equipment and businesses, net	(1.3)	0.3	—	—	(1.6)	(0.03)	
Timberland gains, net	(95.7)	(3.0)	—	—	(92.7)	(1.54)	
Excluding Adjustments	$ 297.8	$ 63.0	$ (3.1)	$ 18.8	$ 219.1	$ 3.67	21.2 %
Nine months ended July 31, 2020	$ 119.9	$ 44.8	$ (1.2)	$ 11.9	$ 64.4	$ 1.09	37.4 %
Restructuring charges	26.8	6.1	—	0.4	20.3	0.34	
Acquisition and integration related costs	13.5	3.2	—	—	10.3	0.17	
Non-cash asset impairment charges	16.9	3.5	—	—	13.4	0.23	
Non-cash pension settlement income	(0.1)	—	—	—	(0.1)	—	
Incremental COVID-19 costs, net	1.9	0.4	—	—	1.5	0.02	
Loss on disposal of properties, plants, equipment and businesses, net	35.8	0.5	—	0.6	34.7	0.59	
Excluding Adjustments	$ 214.7	$ 58.5	$ (1.2)	$ 12.9	$ 144.5	$ 2.44	27.2 %

The impact of income tax expense and non-controlling interest on each adjustment is calculated based on tax rates and ownership percentages specific to each applicable entity.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
NET SALES TO NET SALES EXCLUDING THE IMPACT OF CURRENCY TRANSLATION
UNAUDITED

(in millions)	Three months ended July 31, 2021	Three months ended July 31, 2020	Increase (Decrease) in Net Sales ($)	Increase (Decrease) in Net Sales (%)
Consolidated				
Net Sales	$ 1,490.8	$ 1,083.0	$ 407.8	37.7 %
Currency Translation	(34.8)	N/A		
Net Sales Excluding the Impact of Currency Translation	$ 1,456.0	$ 1,083.0	$ 373.0	34.4 %
Global Industrial Packaging				
Net Sales	$ 907.8	$ 617.8	$ 290.0	46.9 %
Currency Translation	(33.7)	N/A		
Net Sales Excluding the Impact of Currency Translation	$ 874.1	$ 617.8	$ 256.3	41.5 %
Paper Packaging & Services				
Net Sales	$ 578.8	$ 459.3	$ 119.5	26.0 %
Currency Translation	(1.1)	N/A		
Net Sales Excluding the Impact of Currency Translation	$ 577.7	$ 459.3	$ 118.4	25.8 %

(in millions)	Nine months ended July 31, 2021	Nine months ended July 31, 2020	Increase (Decrease) in Net Sales ($)	Increase (Decrease) in Net Sales (%)
Consolidated				
Net Sales	$ 3,977.9	$ 3,353.7	$ 624.2	18.6 %
Currency Translation	(75.0)	N/A		
Net Sales Excluding the Impact of Currency Translation	$ 3,902.9	$ 3,353.7	$ 549.2	16.4 %
Global Industrial Packaging				
Net Sales	$ 2,365.1	$ 1,919.5	$ 445.6	23.2 %
Currency Translation	(73.0)	N/A		
Net Sales Excluding the Impact of Currency Translation	$ 2,292.1	$ 1,919.5	$ 372.6	19.4 %
Paper Packaging & Services				
Net Sales	$ 1,596.7	$ 1,414.6	$ 182.1	12.9 %
Currency Translation	(2.0)	N/A		
Net Sales Excluding the Impact of Currency Translation	$ 1,594.7	$ 1,414.6	$ 180.1	12.7 %

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
NET DEBT
UNAUDITED

(in millions)	July 31, 2021	April 30, 2021	July 31, 2020
Total Debt	$ 2,267.6	$ 2,313.4	$ 2,637.6
Cash and cash equivalents	(99.8)	(110.4)	(98.5)
Net Debt	$ 2,167.8	$ 2,203.0	$ 2,539.1

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
LEVERAGE RATIO
UNAUDITED

Trailing Twelve Month Credit Agreement EBITDA *(in millions)*	**Trailing Twelve Months Ended 7/31/2021**	**Trailing Twelve Months Ended 7/31/2020**
Net income	$ 351.3	$ 146.1
Plus: Interest expense, net	101.8	122.2
Plus: Income tax expense	75.0	57.2
Plus: Depreciation, depletion and amortization expense	236.3	241.7
EBITDA	$ 764.4	$ 567.2
Plus: Restructuring charges	30.7	32.6
Plus: Acquisition and integration related costs	9.7	21.0
Plus: Non-cash asset impairment charges	3.1	22.6
Plus: Non-cash pension settlement charges (income)	9.4	(0.1)
Plus: Incremental COVID-19 costs, net	3.3	1.9
Plus: (Gain) loss on disposal of properties, plants, equipment, and businesses, net	(17.5)	29.7
Plus: Timberland gains, net	(95.7)	—
Adjusted EBITDA	$ 707.4	$ 674.9
Credit Agreement adjustments to EBITDA[14]	31.7	0.1
Credit Agreement EBITDA	$ 739.1	$ 675.0

Adjusted Net Debt *(in millions)*	**For the Period Ended 7/31/2021**	**For the Period Ended 7/31/2020**
Total debt	$ 2,267.6	$ 2,637.6
Cash and cash equivalents	(99.8)	(98.5)
Net debt	$ 2,167.8	$ 2,539.1
Credit Agreement adjustments to debt[15]	(88.4)	(24.7)
Adjusted net debt	$ 2,079.4	$ 2,514.4
Leverage Ratio	**2.8x**	**3.7x**

[14]Adjustments to EBITDA are specified by the 2019 Credit Agreement and include certain timberland gains, equity earnings of unconsolidated affiliates, net of tax, certain acquisition savings, deferred financing costs, capitalized interest, and other items.

[15]Adjustments to net debt are specified by the 2019 Credit Agreement and include the European accounts receivable program, letters of credit, deferred financing costs, and derivative balances.

GREIF, INC. AND SUBSIDIARY COMPANIES
PROJECTED 2021 GUIDANCE RECONCILIATION
ADJUSTED FREE CASH FLOW
UNAUDITED

	Fiscal 2021 Guidance Range	
(in millions)	Scenario 1	Scenario 2
Net cash provided by operating activities	$ 447.5	$ 488.5
Cash paid for purchases of properties, plants and equipment	(130.0)	(145.0)
Free cash flow	$ 317.5	$ 343.5
Cash paid for acquisition and integration related costs	7.0	9.0
Cash paid for incremental COVID-19 costs, net	3.0	4.0
Cash paid for acquisition and integration related ERP systems	7.5	8.5
Adjusted free cash flow	$ 335.0	$ 365.0

GREIF, INC. AND SUBSIDIARY COMPANIES
PROJECTED 2021 MODELING ASSUMPTIONS
UNAUDITED

(in millions)	Fiscal 2021 Modeling Assumptions Reported at Q3
Depreciation and amortization expense	$233 - $239
Interest expense, net	$95 - $99
Tax rate excluding the impact of special items	20% - 23%
Adjusted capital expenditures	$130 - $145

THIRD AMENDED AND RESTATED BY-LAWS

OF

GREIF, INC.

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THIRD AMENDED AND RESTATED BY-LAWS
OF
GREIF, INC

(as of August 31, 2021)

ARTICLE I

Meetings of Stockholders

Section 1.1. Annual Meetings. The annual meeting of stockholders shall be held at such time, on such date and at such place (if any) during the first six months of each fiscal year as shall be determined by the Board of Directors (the "Board of Directors") of Greif, Inc. (the "Corporation") and stated in the notice of the meeting, for the election of directors, the consideration of reports to be laid before such meeting and the transaction of such other business as may properly come before the meeting. Any meeting of stockholders as to which notice has been given may be postponed by the Board of Directors upon public announcement given before the date previously scheduled for such meeting.

Section 1.2. Special Meetings. Special meetings of the stockholders may be called only by the Chairman of the Board of Directors (the "Chairman of the Board"), the Chief Executive Officer, the directors by acting at a meeting, a majority of the directors acting without a meeting, or the holders of shares entitling them to exercise not less than thirty-three percent (33%) of the voting power of the Corporation entitled to vote thereat. Calls for such meetings shall specify the purposes thereof. No business other than that specified in the call shall be considered at any special meeting.

Section 1.3. Notices of Meetings. Written notice of each annual or special meeting of stockholders stating the date, time, place (if any), and the purposes thereof shall be given by personal delivery or by mail to each stockholder of record entitled to vote at or entitled to notice of the meeting, not more than sixty (60) days nor less than ten (10) days before any such meeting, unless waived or otherwise required by the General Corporate Law of the State of Delaware ("DGCL"). If mailed, such notice shall be directed to the stockholder at such stockholder's address as the same appears upon the records of the Corporation. Any stockholder, either before or after any meeting, may waive any notice required to be given by DGCL or under these By-Laws.

Section 1.4. Place of Meetings. Meetings of stockholders shall be held in Delaware County, Ohio, at the principal office of the Corporation unless the Board of Directors determines that a meeting shall be held at some other place within or without the State of Delaware, or determines that a meeting shall not be held at any place but rather by means of remote communication and causes the notice thereof to so state.

Section 1.5. Quorum. The holders of shares entitling them to exercise a majority of the voting power of the Corporation entitled to vote at any stockholders meeting, present in person or by proxy, shall constitute a quorum for the transaction of business to be considered at such stockholders meeting; except as otherwise provided by DGCL, by the Corporation's certificate of incorporation (the "Certificate of Incorporation") or these By-Laws. If, however, such quorum is not present or represented by proxy at any meeting of stockholders, then either (a) the chairperson of the meeting, or (b) the holders of a majority of the voting shares represented at a meeting, may adjourn such meeting from time to time, until a quorum shall be present.

Section 1.6. Record Date. The Board of Directors may fix a record date for any lawful purpose, including without limiting the generality of the foregoing, the determination of stockholders entitled to (i) receive notice of or to vote at any meeting of stockholders or any adjournment thereof, (ii) receive payment of any dividend or other distribution or allotment of any rights, (iii) receive or exercise rights of purchase or of subscription for, or exchange or conversion of, shares or other securities, subject to any contract right with respect thereto, or (iv) participate in the execution of written consents, waivers or releases. Said record date shall be not more than sixty (60) days nor less than ten (10) days preceding the date of such meeting, the date fixed for the payment of any dividend or distribution or the date fixed for the receipt or the exercise of rights, as the case may be. If no record date is fixed by the Board of Directors for the determination of stockholders who are entitled to notice of, or who are entitled to vote at, a meeting of stockholders, the record date shall be the close of business on the business day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held, as the case may be.

Section 1.7. Proxies. A stockholder may authorize another person or persons who is entitled to attend a stockholders' meeting to act for such stockholder by proxy to vote thereat, or to execute consents, waivers or releases, and exercise any of such stockholders' other rights, by proxy or proxies appointed by a writing signed by such person.

Section 1.8. Advance Notice of Business. At any annual meeting of stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in the notice of meeting (or any supplement thereto), (b) properly brought by or at the direction of the Board of Directors, or (c) properly brought by any stockholder of the Corporation (i) who is a stockholder of record on the date of giving of the notice provided for in this Section 1.8, (ii) who shall be entitled to vote at such meeting, and (iii) who complies with the notice procedures set forth in this Section 1.8.

For business to be properly brought before an annual meeting of stockholders, the stockholder must, in addition to any other applicable requirements under DGCL, have given timely notice thereof in proper written form to the secretary of the Corporation and such business must otherwise be a proper matter for stockholder action. For these purposes, business includes a proposal to nominate persons for election to the Board of Directors and only persons who are nominated in accordance with this Section 1.8 shall be eligible for election as a director of the Corporation.

To be timely, a stockholder's notice must be delivered to or mailed and received by the secretary of the Corporation at the principal executive offices of the Corporation on a date not later than the close of business on the 90th day nor earlier than the 120th day prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that no annual meeting was held in the previous year or the annual meeting is more than 30 days before or after such anniversary date, notice by the stockholder to be timely must be received no later than the close of business on the 10th day following the day on which such notice of the date of the meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever occurs first. The public disclosure of an adjournment or postponement of an annual meeting shall not commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in this Section 1.8.

To be in proper form, a stockholder's notice to the secretary shall be in writing and shall set forth as to each matter the stockholder proposes to bring before the meeting (a) a brief description of the business desired to be brought before the meeting and the text of the proposal or business and the reasons for conducting such business at the annual meeting, (b) the name and record address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of capital stock of the Corporation that are beneficially owned by the stockholder, (d) any material interest of the stockholder in such business, (e) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business specified in the notice before the meeting, (f) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the nominee, (ii) the principal occupation or employment of the nominee, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by the nominee, (iv) a description of all arrangements or understandings between the stockholder and each nominee and (g) any other information that is required to be provided by the stockholder pursuant to Regulations 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Notwithstanding the foregoing, in order to include information with respect to any stockholder proposals in the Corporation's proxy statement and form of proxy for a stockholder's meeting, the stockholder must provide notice as required by, and otherwise comply with the requirements of the Exchange Act and these By-Laws. No business shall be conducted at a stockholder meeting except in accordance with the procedures set forth in this Section 1.8. The chairperson of the meeting shall, if the facts warrant, determine and declare at the meeting that business was not properly brought before the meeting and in accordance with the provisions of these By-Laws, and if so determined, the chairperson of the meeting shall so declare that such business not properly brought before the meeting shall not be transacted. In addition to the foregoing, unless otherwise required by DGCL, if the stockholder does not appear at the annual meeting of stockholders of the Corporation to present such proposed business, including a director nomination, shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such matter may have been received by the Corporation.

Section 1.9. <u>Vote Required</u>. Any matter submitted to the stockholders at a meeting at which a quorum is present shall be decided by the vote of the holders of shares entitling them to exercise a majority of the voting power of the Corporation entitled to vote thereat, represented in person or by proxy, unless the matter is one upon which a different vote is required by Section 2.2, or otherwise required by DGCL, the Certificate of Incorporation or these By-Laws, in which case such express provision shall govern and control the decision of such matter.

Section 1.10. <u>Voting Rights</u>. Unless otherwise provided in the Certificate of Incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder.

ARTICLE II

Directors and Board Meetings

Section 2.1. <u>Number of Directors</u>. The number of directors of the Corporation shall be no less than eight (8) and no more than thirteen (13), with the exact number to be determined from time to time by resolution duly approved by the Board of Directors.

Section 2.2. <u>Election of Directors</u>. Directors shall be elected at the annual meeting of stockholders, but when the annual meeting is not held or directors are not elected thereat, they may be elected at a special meeting called and held for that purpose. Such election shall be by ballot whenever requested by any stockholder entitled to vote at such election; but, unless such request is made, the election may be conducted in any manner approved at such meeting. At each meeting of stockholders for the election of directors at which a quorum is present, the persons receiving the greatest number of votes shall be elected directors. The Chairman of the Board must be a director and shall be elected by the Board of Directors.

Section 2.3. <u>Term of Office</u>. Each director shall hold office until the annual meeting next succeeding such election and until such director's successor is elected and qualified, or until such director's earlier resignation, removal from office or death.

Section 2.4. <u>Removal</u>. All the directors or any individual director may be removed from office, without assigning any cause, by the vote of the holders of a majority of the stock entitled to vote in the election of directors. In case of any such removal, a new director may be elected at the same meeting for the remainder of the unexpired term of each director removed.

Section 2.5. <u>Vacancies</u>. If a vacancy occurs on the Board of Directors, the Board of Directors may fill the vacancy by a majority vote of the remaining directors then in office, even if less than a quorum until an election to fill such vacancies is had. Stockholders entitled to elect directors shall have the right to fill any vacancy on the Board of Directors (whether the same has been temporarily filled by the remaining directors or not) at any special meeting of the stockholders called for that purpose, and any directors elected at any such meeting of stockholders shall serve until the next annual election of directors and until their successors are elected and qualified. If there are no directors in office, then an election of directors may be held in the manner provided by DGCL.

Section 2.6. Quorum and Transaction of Business. At all meetings of the Board of Directors, a majority of the elected directors shall constitute a quorum for the transaction of business. Meetings of the directors may include participation by directors through any conference telephone or similar communications equipment if all directors participating can hear each other and such participation in a meeting shall constitute presence at such meeting. Whenever less than a quorum is present at the time and place (if any) appointed for any meeting of the Board of Directors, a majority of those present may adjourn the meeting from time to time, until a quorum shall be present. The act of not less than a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.7. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and place (if any), within or without the State of Delaware, as the Board of Directors may, from time to time determine, but no further notice of such regular meeting need be given.

Section 2.8. Special Meetings. Special meetings of the Board of Directors may be called by the Chairman of the Board, Executive Chairman, the Chief Executive Officer, or any two members of the Board of Directors, and shall be held at such time and place (if any), within or without the State of Delaware, as may be specified in such call.

Section 2.9. Notice of Special Meetings. Notice of the time and place (if any) of each special meeting shall be given to each director by the Secretary or by the person or persons calling such meeting. Such notice need not specify the purpose or purposes of the meeting and may be given in any manner or method and at such time so that the director receiving it may have reasonable opportunity to participate in the meeting. Such notice shall, in all events, be deemed to have been properly and duly given if the notice is given by personal delivery, United States mail, courier service (including, without limitation, Federal Express), facsimile transmission (directed to the facsimile transmission number at which the director has consented to receive notice), electronic mail (directed to the electronic mail address at which the director has consented to receive notice), or other form of electronic transmission pursuant to which the director has consented to receive notice. If the notice is mailed, it shall be deposited in the United States mail at least four (4) calendar days before the time of the holding of the meeting. If the notice is delivered personally or by facsimile, electronic mail, telephone or other form of electronic transmission pursuant to which the director has consented to receive notice, it shall be delivered at least twenty-four (24) hours before the time of such meeting.

Section 2.10. Compensation. The directors who are not employees of the Corporation shall be entitled to receive such reasonable compensation for their services as may be fixed from time to time by resolution of the Board of Directors, and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors or other function, in the Board of Director’s discretion. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of any Committee may by resolution of the Board of Directors be allowed such compensation for their services as the Board of Directors may deem reasonable, and additional compensation may be allowed to directors for special services rendered.

ARTICLE III

Committees

Section 3.1. Committees of Directors. The Board of Directors has established an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and a Stock Repurchase Committee, and may from time to time establish additional committees or subcommittees (the “Committees”) consisting of one or more directors, the members of which shall be elected by the Board of Directors to serve at the pleasure of the Board of Directors. The Board of Directors shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any such Committee. Each such Committee shall have such powers and perform such duties as shall be delegated to it by the Board of Directors. If the Board of Directors does not designate a chairperson of such Committee, the members of such Committee shall elect one of its members to be a chairperson. Each Committee shall keep full records and accounts of its proceedings and transactions. All actions by each Committee shall be reported to the Board of Directors at its meeting next succeeding such action and shall be subject to control, revision and alteration by the Board of Directors, provided that no rights of third persons shall be prejudicially affected thereby.

Section 3.2. Meeting Procedures. Subject to the provisions of these By-Laws, each Committee shall fix its own rules of procedure, respectively, and shall meet as provided by such rules or by resolutions of the Board of Directors, and each such Committee shall also meet at the call of the Chairman of the Board, Executive Chair, the Chief Executive Officer, the chairperson of such Committee or any two members of such Committee. Unless otherwise provided by such rules or by such resolutions, the provisions of Section 2.6 (quorum), Section 2.7 (regular meeting) Section 2.8 (special meeting), Section 2.9 (notice) and Section 2.10 (action without a meeting) shall apply to meetings of the Committees, mutatis mutandis. A majority of the elected members of a Committee shall be necessary to constitute a quorum at a meeting of such Committee. Each Committee may act in a writing, or by telephone with written confirmation, without a meeting, but no such action of such Committee shall be effective unless concurred in by all members of the Committee.

ARTICLE IV

Officers

Section 4.1. Officers and Titles. The officers of the Corporation shall be a Chief Executive Officer, a Chief Financial Officer, one or more vice presidents, a secretary, and a treasurer. In addition to the officers mentioned in the preceding sentence, the Corporation may have such other officers as the Board of Directors may deem necessary and may elect or appoint, each of whom shall hold office for such period, have such authority, and perform such duties as may be determined by the Board of Directors from time to time. Any two or more offices may be held by the same person, but no officer shall execute, acknowledge, or verify any instrument in more than one capacity if such instrument is required by DGCL, the Certificate of Incorporation, or these By-Laws to be executed, acknowledged, or verified by two or more officers.

Section 4.2. Election and Terms of Office. The officers shall be elected by the Board of Directors. Each officer shall be elected for an indeterminate term and shall hold office at the pleasure of the Board of Directors. The Board of Directors may hold annual elections of officers; in that event, each such officer shall hold office until a successor for such person is elected and qualified by the Board of Directors or until such officer's earlier death, resignation, retirement, disqualification, or removal from office by the Board of Directors. The Executive Chairman, if one is elected, shall be a director.

Section 4.3. Removal. Any officer may be removed, either with or without cause, at any time, by the Board of Directors. Any officer appointed by an officer or Committee to which the Board of Directors shall have delegated the power of appointment may be removed, either with or without cause, by the Committee or superior officer (including successors) who made the appointment, or by any Committee or officer upon whom such power of removal may be conferred by the Board of Directors.

Section 4.4 Resignations. Any officer may resign at any time by giving written notice to the Board of Directors, the Chairman of the Board, the Executive Chairman, the Chief Executive Officer, or the secretary. Any such resignation shall take effect at the time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.5. Vacancies. A vacancy in any office because of death, resignation, removal, retirement, disqualification, or otherwise, shall be filled in the manner prescribed for regular appointments or elections to such office.

Section 4.6. Powers, Authority, and Duties of Officers. Officers of the Corporation shall have the powers and authority conferred and the duties prescribed by DGCL, in addition to those specified or provided for in these By-Laws and, in the case of the Chairman of the Board, Executive Chairman, or Chief Executive Officer, such other powers, authority, and duties as may be determined by the Board of Directors from time to time, and in the case of all other officers, such other powers, authority, and duties as may be determined by the Chief Executive Officer from time to time.

ARTICLE V

Indemnification

Section 5.1. Indemnification in Non-Derivative Actions. To the fullest extent permitted by DGCL, the Corporation shall indemnify and hold harmless any person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter a "Proceeding"), other than an action by or in the right of the Corporation, by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or nonprofit entity, including service with respect to an employee benefit plan, whether the basis of such Proceeding is alleged action in an official capacity as a director, officer, employee or agent, or in any other capacity while serving as a director, officer, employee or agent, against all liability and loss suffered and expenses (including attorneys' fees, judgments, fines, ERISA excise taxes and penalties and amounts paid in settlement) actually and reasonably incurred by such person in connection with such Proceeding.

Section 5.2. Indemnification in Derivative Actions. The Corporation shall indemnify and hold harmless to the fullest extent permitted by DGCL, any person who was or is a party, or is threatened to be made a party to any threatened, pending, or completed Proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise, or nonprofit entity, including service with respect to an employee benefit plan, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation for negligence or misconduct in the performance of such person's duties to the Corporation, unless, and only to the extent that the Court of Chancery, or the court in which such Proceeding was brought, shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the Court of Chancery or such other court shall deem proper.

Section 5.3 Good Faith Defined. To the fullest extent permitted by DGCL, if a person acted in good faith and in a manner such a person reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any Proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any Proceeding, had reasonable cause to believe that such person's conduct was unlawful. The provisions of this Section 5.3 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 5.1 or 5.2 of this Article V, as the case may be.

Section 5.4. Indemnification as Matter of Right. To the extent that a director, officer, employee, or agent has been successful on the merits or otherwise in defense of any Proceeding referred to in Sections 5.1 and 5.2 of this Article V, or in defense of any claim, issue, or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 5.5. Determination of Conduct. Any indemnification under Sections 5.1 and 5.2 of this Article V, unless ordered by a court, shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Sections 5.1 and 5.2, as the case may be, of this Article V. Such determination shall be made (a) by a majority vote of those directors of the Corporation who are not parties to such Proceeding, or (b) if such a quorum is not obtainable or if a quorum of disinterested directors so directs, by independent legal counsel in written opinion, or (c) by the stockholders.

Section 5.6. Advance Payment of Expenses. Expenses incurred in defending any Proceeding may be paid by the Corporation in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount, if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article V.

Section 5.7. Nonexclusivity. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article V shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, these By-Laws, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of the persons specified in Sections 5.1 and 5.2 of this Article V shall be made to the fullest extent permitted by DGCL.

Section 5.8. Liability Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, other enterprise or nonprofit entity, including service with respect to an employee benefit plan, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or obligation to indemnify such person against such liability under the provisions of this Article V or the provisions of the DGCL.

Section 5.9. Meaning of Certain Terms. For purposes of this Article V, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was a director, officer, employee or agent of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or nonprofit entity, including service with respect to employee benefit plans, shall stand in the same position under the provisions of this Article V with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

For purposes of this Article V, references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Corporation” shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article V.

Section 5.10. Continuation of Indemnification and Advancement of Expenses. The rights indemnification and advancement of expenses provided by, or granted pursuant to, this Article V shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

ARTICLE VI

General Matters

Section 6.1. Stock Certificates. Except as provided in Section 6.2 hereof, certificates for shares, certifying the number of fully paid shares owned, shall be issued to each stockholder in such form as shall be approved by the Board of Directors. Such certificates shall be signed by the president or a vice president and by the secretary or an assistant secretary or the treasurer or an assistant treasurer; provided however, that if such certificates are countersigned by a transfer agent or registrar, the signatures of any of said officers and the seal of the Corporation upon such certificates may be facsimiles, engraved, stamped or printed. If any officer who has signed, or whose facsimile signature shall have been used, printed or stamped upon any certificate, shall have ceased to be such officer before such certificate is issued, such certificate shall nevertheless be conclusively deemed to have been issued by the Corporation with the same effect as if such officer had not ceased to be an officer of the Corporation.

Section 6.2. Uncertificated Shares. The Board of Directors, may provide by resolution that some or all of any or all classes and series of shares of the Corporation shall be uncertificated shares, provided that the resolution shall not apply to shares represented by a certificate until the certificate is surrendered to the Corporation and the resolution shall not apply to a certificated security issued in exchange for an uncertificated security. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner of the shares a written notice containing the information required to be set forth or stated on share certificates in accordance with DGCL. Except as expressly provided by DGCL, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificates representing shares of the same class and series shall be identical.

Notwithstanding the foregoing provisions of this Section 6.2, a stockholder of record shall at all times have the right to receive one or more certificates for some or all of the shares held of record by such stockholder in accordance with Section 6.1 hereof by making a written request therefor to the Corporation or any transfer agent for the applicable class of shares, accompanied by such assurances as the Corporation or such transfer agent may require as to the genuineness of such request; provided, however, that stockholders holding shares of the Corporation under one or more of the Corporation's benefit plans for officers, directors and/or employees shall have no such right to have certificates issued unless such a right is provided for under the applicable benefit plan or otherwise ordered by the Board of Directors or a Committee thereof.

Section 6.3. Registration of Transfer. Any certificate for shares of the Corporation shall be transferable in person or by attorney upon the surrender thereof to the Corporation or any transfer agent thereof (for the class of shares represented by the certificate surrendered) properly endorsed for transfer and accompanied by such assurances as the Corporation or such transfer agent may require as to the genuineness and effectiveness of each necessary endorsement. Any uncertificated shares of the Corporation shall be transferable in person or by attorney upon written request in form and substance acceptable to the Corporation or any transfer agent for the applicable class of shares, accompanied by a duly endorsed stock power and/or such other assurances as the Corporation or such transfer agent may require as to the genuineness and effectiveness thereof.

Section 6.4. Lost, Destroyed or Stolen Certificates. Subject to the provisions of Section 6.2 hereof, a new share certificate or certificates may be issued in place of any certificate theretofore issued by the Corporation which is alleged to have been lost, destroyed or wrongfully taken upon (i) the execution and delivery to the Corporation by the person claiming the certificate to have been lost, destroyed or wrongfully taken of an affidavit of that fact, specifying whether or not, at the time of such alleged loss, destruction or taking, the certificate was endorsed, and (ii) the furnishing to the Corporation of indemnity and other assurances satisfactory to the Corporation and to all transfer agents and registrars of the class of shares represented by the certificate against any and all losses, damages, costs, expenses or liabilities to which they or any of them may be subjected by reason of the issue and delivery of such new certificate or certificates or in respect of the original certificate.

Section 6.5. Registered Stockholders. A person in whose name shares are of record on the books of the Corporation, whether such shares are evidenced by a certificate or are uncertificated, shall conclusively be deemed the unqualified owner and holder thereof for all purposes and to have capacity to exercise all rights of ownership. Neither the Corporation nor any transfer agent of the Corporation shall be bound to recognize any equitable interest in or claim to such shares on the part of any other person, whether disclosed upon such certificate or otherwise, nor shall they be obliged to see to the execution of any trust or obligation.

Section 6.6 Forum for Adjudication of Disputes. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of DGCL, or (iv) any action asserting a claim governed by the internal affairs doctrine, shall be a state or federal court located within the State of Delaware, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section 6.6.

Section 6.7. Forum for Federal Securities Claims. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933. Any person or entity purchasing or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to this Section 6.7.

Section 6.8 Fiscal Year. The fiscal year of the Corporation shall end on October 31 or such other date as may be fixed from time to time by the Board of Directors.

Section 6.9 Seal. The Board of Directors may provide a suitable seal containing the name of the Corporation. If deemed advisable by the Board of Directors, duplicate seals may be provided and kept for the purposes of the Corporation.

Section 6.10 Amendments. The Board of Directors, by a majority vote of the authorized number of directors, shall have the power to adopt, amend, alter or repeal these By-Laws. In addition, these By-Laws may be adopted, amended, altered or repealed by a vote of holders of shares entitling them to exercise a majority of the voting power of the Corporation entitled to vote at any stockholder meeting.

Greif, Inc.

Third Quarter 2021 Earnings Results Conference Call

September 2, 2021

CORPORATE PARTICIPANTS

Lawrence Allen Hilsheimer *Greif, Inc. - Executive VP & CFO*

Matt Eichmann *Greif, Inc. - VP of IR, External Relations & Sustainability*

Ole G. Rosgaard *Greif, Inc. - COO*

Peter G. Watson *Greif, Inc. - President, CEO & Director*

CONFERENCE CALL PARTICIPANTS

Adam Jesse Josephson *KeyBanc Capital Markets Inc., Research Division - MD & Senior Equity Research Analyst*

Gabrial Shane Hajde *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

George Leon Staphos - *BofA Securities, Research Division - - MD and Co-Sector Head in Equity Research*

Ghansham Panjabi *Robert W. Baird & Co. Incorporated, Research Division -Senior Research Analyst*

Mark William Wilde *BMO Capital Markets Equity Research - Senior Analyst*

PRESENTATION

Operator

Good day, and thank you for standing by. Welcome to the Greif Fiscal Third Quarter 2021 Earnings Conference Call. At this time all the participants are in a listen only mode. After the speaker’s presentation, there will be a question and answer session. To ask a question during the session you will need to press star one on your telephone. Please be advised that today's conference is being recorded. If you require any further assistance please press star zero.

I would now like to hand the conference over to your speaker today, Matt Eichmann. Please go ahead.

Matt Eichmann - *Greif, Inc. - VP of IR, External Relations & Sustainability*

Thanks, Whitney, and good morning, everyone. Welcome to Greif's Third Quarter Fiscal 2021 Earnings Conference Call. This is Matt Eichmann. I'm joined by Pete Watson, Greif's President and Chief Executive Officer; Larry Hilsheimer, Greif's Chief Financial Officer; and Ole Rosgaard, Greif's Chief Operating Officer. We will take questions at the end of today's call.

In accordance with Regulation Fair Disclosure, please ask questions regarding issues you consider important because we're prohibited from discussing material, nonpublic information with you on an individual basis. Please limit yourself to one question and one follow-up before returning to the queue.

Please turn to Slide 2. As a reminder, during today's call, we will make forward-looking statements involving plans, expectations and beliefs related to future events. Actual results could differ materially from those discussed. Additionally, we'll be referencing certain non-GAAP financial measures, and reconciliations to the most directly comparable GAAP metrics can be found in the appendix of today's presentation.

And now I turn the presentation over to Pete on Slide 3.

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Okay. Thanks, Matt, and good morning, everyone. We appreciate your interest in Greif and hope that you and your families are staying both safe and healthy during the pandemic.

Greif delivered robust third quarter results. We executed with discipline to deliver record quarterly adjusted EBITDA of $238 million and adjusted Class A earnings per share of $1.93, fueled by strong volumes and ongoing strategic pricing actions as we continue to experience strong demand across our global portfolio.

Our leverage ratio fell to 2.8x, and our Board approved a $0.02 and a $0.03 increase to our Class A and Class B quarterly dividend, respectively, payable on October 1. We're also increasing our adjusted earnings per share and adjusted free cash flow guidance, reflecting our strong year-to-date results and positive outlook for the remainder of the fiscal year.

Finally, in late June, we announced a planned executive leadership transition that will occur next year. Upon my retirement on February 1, 2022, Ole Rosgaard will assume responsibility for Greif's next Chief Executive Officer. Until that time, Ole will serve as Chief Operating Officer and work closely with me and our executive leadership team on his transition.

Ole is a servant leader and a proven team builder with demonstrated commitment to customer service excellence and disciplined operational execution. Those attributes, along with his extensive manufacturing and industrial packaging experience, makes him the ideal leader to take Greif forward.

Ole, I'd like to ask you to say a few words.

Ole G. Rosgaard - *Greif, Inc. - COO*

Thanks, Pete, and good day, everyone. It's great to be with you. As Pete mentioned, my name is Ole Rosgaard, and I'm excited and humbled to be named as Greif's next CEO. I look forward to joining these calls in the quarters ahead and to working more closely with all of you in the future.

As Head of Global Industrial Packaging, my focus was on driving and delivering the operating and business results that our customers and shareholders expect. As COO, that focus continues across the wider Greif portfolio. And as Pete said, I'm working closely with the executive leadership team on our fiscal 2022 business plan and will share more about my priorities for the future after I assume my new role.

With that, I'll turn the presentation back over to Pete on Slide 4.

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Okay. Thank you, Ole. On Slide 4, the Global Industrial Packaging business delivered outstanding third quarter results. Our global steel drum volume increased by 8% per day. Our global rigid IBCs and large plastic drum volumes both rose by more than 25% per day. We also saw mid-teens improvement in our filling volumes versus the prior year quarter, with demand accelerating specifically in APAC. Third quarter average selling prices were up across all key global substrates year-over-year due to raw material pass-through arrangements and strategic pricing actions.

In North America, which features our most diverse product mix, all of our key substrates recorded low teens volume growth or better versus the prior year, thanks to generally improving industrial conditions. In Latin America, steel drum volumes rose by 15% on a per day basis versus the prior year and benefited from improved industrial trends and a strong agricultural and citrus season.

In EMEA, third quarter steel drum and rigid IBC volumes increased by roughly 5% and 28% per day, respectively, with strong improvement across most key end markets. And finally, in APAC, steel drum volumes rose by 7% per day versus the prior year. Demand was solid in China, but a little softer in Southeast Asia due to COVID-19-related lockdowns that we continue to monitor across parts of that region.

Across GIP, we see little indication of customers rebuilding inventory. Supply chain conditions remain tight, and our team is managing this challenge very well. While we have not experienced any significant raw material shortage, some of our customers have, which has negatively impacted our demand in certain regions.

Labor availability is becoming more challenging, which is not unique to Greif, and has impacted the productivity of some plants in both GIP and paper packaging. These disruptions are not material at enterprise level, but certainly present operational challenges nonetheless.

GIP's key end markets are healthy. We experienced a double-digit performance volume demand year-over-year for both chemicals, specialty chemicals and lubricants in most parts of our global portfolio. Volume demand for paints and coatings also strengthened, especially in the U.S. and EMEA. And volume demand for solid food and paste weakened versus the prior year quarter, but this was largely a result of pricing and margin decisions on our part that impacted conical demand in Southern Europe.

GIP's stronger volumes and higher average selling prices resulted in higher segment sales and gross profit year-over-year. GIP's third quarter adjusted EBITDA was a record and rose by roughly $62 million due to higher sales, partially offset by higher SG&A expense, mainly attributed to higher incentive accruals. The business also benefited from a $9 million operating tax recovery in Brazil and an $8 million FX tailwind. Please recall that GIP's Q3 2020 results included an opportunistic sourcing benefit of $5 million that did not recur. Looking ahead, GIP is off to a solid fourth quarter, with August signs comparable to our trend in July.

I'd also like to comment that our thoughts and prayers are also with those that were impacted by Hurricane Ida earlier this week. While the damage from Ida is extensive and dramatic, at this time, and what we know, we do not anticipate a material impact to our fiscal '21 fiscal results from the storm.

I'd ask you to please turn to Slide 5. Paper Packaging's third quarter sales rose by roughly $120 million versus the prior year, attributed to stronger volumes and higher selling prices due to increases in published containerboard and boxboard prices. Adjusted EBITDA rose by roughly $18 million versus the prior year due to higher sales, partially offset by higher transportation and raw material headwinds, including a $24 million OCC drag. SG&A expenses rose year-over-year, primarily due to higher incentive accruals.

We are actively executing on price increases in response to robust demand and cost inflation. Since early June, we've announced 5 price increases, including a total of $100 a ton on CRB, $120 a ton in total on URB and $70 a ton on containerboard. As of August, the published indexes recognized $50 a ton on the CRB increases, $50 a ton on the URB increases and a $50 and $60 a ton on linerboard and medium, respectively.

Demand in our current converting operations remain very, very strong. Third quarter volumes in CorrChoice, our corrugated sheet feeder system, were up roughly 27% per day versus the prior year and are anticipated to stay strong through the fiscal fourth quarter.

Third quarter specialty sales, which includes litho-laminate, triple-wall bulk packaging and coatings, were up more than 38% versus the prior year. Third quarter tube and core volumes were up nearly 18% per day versus the prior year and accelerated by mid-single digits versus Q2, thanks to improved demand for textiles and protective packaging and continued strength in the film end-market segment.

Paper Packaging is off to a solid start in August. Volumes in CorrChoice and our tube and core business are comparable to July's actuals. Similar to my comments about GIP, we do not anticipate damage caused by Hurricane Ida to have a material impact to our paper packaging results in Q4.

I'd like to now turn it over to our CFO, Larry Hilsheimer.

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Thank you, Pete. Good morning, everyone. Please turn to Slide 6 to review our quarterly financial performance. Big picture, it was an outstanding quarter. Third quarter net sales, excluding the impact of foreign exchange, rose 34% versus the prior year quarter due to stronger volumes and higher selling prices and were a record. Adjusted EBITDA rose by $78 million and was also a record.

As Pete mentioned, EBITDA results include a $9 million Brazilian tax refund from overpayment of revenue-based taxes to the government that occurred in prior periods and were wrongly levied. That refund reduced SG&A. Keep in mind, our adjusted EBITDA result overcame more than $50 million of combined OCC and incentive headwinds versus the prior year, making our performance that much more impressive.

Interest expense fell by roughly $6 million versus the prior year quarter due to lower debt balances, lower interest rates and a lower interest rate tier on our credit facility as a result of our substantial debt repayment. Our third quarter GAAP and non-GAAP tax rate were both 22% and were flat to prior year. Third quarter adjusted Class A earnings per share more than doubled to $1.93 per share. Finally, third quarter adjusted cash flow fell by roughly $43 million versus the prior year.

While profitability improved significantly, working capital was a substantial cash use compared to a source in the prior year due to the run-up in raw material prices and corresponding cost increases. That said, our team is executing with discipline and controlling what it can with superb results as trailing fourth quarter working capital as a percentage of sales improved by 190 basis points year-over-year to 10.7%.

Please turn to Slide 7 to review our outlook and key modeling assumptions. As Pete mentioned, we are increasing our adjusted earnings per share and adjusted free cash flow guidance, which reflects our strong year-to-date results and positive trajectory for the remainder of fiscal '21. At the midpoint, we anticipate generating Class A earnings per share of $5.20, which is $0.50 per share more than our guide at Q2. This improvement is largely due to stronger volumes and favorable pricing more than offsetting the additional OCC headwinds we expect to incur for the remainder of fiscal '21.

With our anticipated fiscal '21 result, we will more -- have more than doubled earnings per share since 2015 despite COVID-19's negative impact, the closure and/or divestiture of nearly 90 (corrected to 79 later in the call, see page 8 of the transcript) non-core or suboptimal plants and without any share repurchase benefit. Also keep in mind that we currently have 600,000 more shares outstanding now versus the end of 2015.

We now anticipate generating between $335 million and $365 million in adjusted free cash flow, with a bias to the upside of that range. At the midpoint, adjusted free cash flow has improved by $45 million relative to our Q2 guide due to improved earnings, slightly lower capital expenditures and cash tax savings, partially offset by higher working capital usage commensurate with our announced price increases to offset cost inflation.

Please turn to Slide 8. We employ a consistent, three-pronged capital deployment strategy focused on business reinvestment, debt reduction and capital returns. We have executed on an aggressive deleveraging plan and repaid $370 million in total debt since Q3 2020. Our compliance leverage ratio improved by nearly a full turn over that time period, and we now anticipate reaching the high end of our targeted leverage ratio range by the fiscal year-end.

Given the dramatic improvement in our leverage profile and confidence in strong future cash generation, the Board approved a 4.5% increase to our quarterly dividend effective this year. This is a first step towards a practice of steadily increasing our dividend as we discussed in prior earnings calls.

With that, I'll turn the call back to Pete for his closing comments.

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Hey, thanks, Larry. If everyone could please turn to Slide 9. I want to personally thank our global Greif team for executing with discipline to deliver an outstanding third quarter as we continue to strive towards our vision of being the best in customer service. Looking ahead, we are well positioned to benefit from ongoing strength and improving trends in our key end markets. Our extensive global portfolio, differentiated service capability and sharp focus on operational execution enable us to best serve our customer needs while generating significant shareholder value.

Thank you for your interest in Greif. And Whitney, if you could please open the line for questions.

QUESTIONS AND ANSWERS

Operator

As a reminder, to ask a question you will need to press star one on your telephone. Please limit yourself to one question and one follow-up question. To withdraw your question please press the pound key. Please stand-by while we compile the Q&A roster. Your first question is from the line of Ghansham Panjabi with Baird.

Ghansham Panjabi - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Congrats, Pete and Ole, on your new roles. I wish you best in the future. I guess on the industrial packaging side and the operating leverage you delivered, it was quite substantial. Can you give us a bit more insight into whether there was any sort of mix benefit for that segment? I'm just looking at volumes, which basically reversed the decline from 3Q 2020. So I guess I'm trying to understand what drove the extent of the margin expansion even with cost inflation to the extent you experienced.

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Yes. So I'll talk a little bit about the volume and a little bit of margin, and Larry can add. But from a volume standpoint, Ghansham, we had some low benchmark comparisons versus the prior year. But all of our end markets were very healthy. I think in our opening comments, the only end segment that we had lower volumes was the food -- solid food business. But that's more relative to a decision we made on price and margin in Southern Europe. Our volumes and all our substrates are strong. The end markets are very healthy. We don't see much change in that going forward.

And we continue to execute with discipline on some of our self-help initiatives that we've talked about. We're very disciplined in our pricing actions, both on executing on pricing for raw materials to our PAMs. We've done a really good job in that business of getting non-raw material increases. I think 55% of our contracts include an opener. The teams have done an exceptional job, and we're executing very well operationally and driving a lot of self-help initiatives through a variety of our actions to drive better margins. So we're really pleased and excited. We think there's good upside going into next year. Larry, any other thoughts?

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes. Ghansham, I'd take it down to 3 things: One, we have been maniacal on our approach to staying ahead of inflation, and our teams have executed extremely well. The annual openers that we built into the contracts over the last 4, 5 years have really provided a way to offset those other increasing costs. That's number one.

Number two is the execution of the PAMs and making them way more efficient and cutting down the lag period. That has benefited us greatly in a period of highly accelerating raw material costs. And so we've had some nice tailwinds from that.

And third is our focus on really getting rid of underperforming operations. I mentioned previously where we were. Well, we're now up to about 89 plants. We've over $500 million of revenue we've walked away from on low -- very low-margin business that was 2% of EBITDA or so. So all of those things combined are what's driven the margin where it is. We -- and we can expect to continue to execute going forward.

Ghansham Panjabi - *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*

Got it. And just for my second question, I know it's early, but any reason why we should not use the back half of this year's EPS run rate at a minimum as a baseline for fiscal year '22 EPS, adjusting for any seasonality? I mean you have a lot of pricing coming through, and volumes seem to be in a good spot. So any reason why that would not be the case?

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

No.

Operator

Your next question is from the line of George Staphos with Bank of America Securities.

George Leon Staphos - *BofA Securities, Research Division - MD and Co-Sector Head in Equity Research*

Congratulations, Ole and Pete, again. I guess to start, (inaudible) so if you can talk about the cost inflation you incurred in the quarter. You mentioned $26 million in terms of OCC, if I heard you correctly. What was the total, including OCC, of variable cost pressure year-on-year in the fiscal third quarter if I (inaudible) and other input costs?

And then -- because you had about $250 million of pricing. And then how does that -- or what's built into your assumptions for the fiscal fourth quarter, again, on variable cost inflation year-on-year, including OCC, transport and the like?

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes, George. So in the paper business, the inflationary element Q3 over Q3 was about $36 million. $24 million of that was OCC. The other was related to chemicals, adhesives, etcetera. Transport was another $13 million just on higher volumes, and another $21 million when you take into account labor, other temps and additional transport on just core volumes. So substantial in the paper business.

I don't have -- let me back up on the GIP piece. We had raw material price increases of around $46 million, currency drag of about $8 million. And then we had also manufacturing and transport of another $22 million from higher volumes, inflationary manufacturing and transport of $10 million -- I'm sorry, the $46 million was actually our price increases. I don't have a number on the raw material cost year-over-year. Do you have that, Pete?

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

It was $29 million. $24 for -- versus $5 million for others.

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes, $5 million for other pieces and $36 million in total. But our -- just to give you a sense, George, cold-rolled steel is about 3x more expensive right now than it was a year ago. And a similar ratio on resin.

George Leon Staphos - *BofA Securities, Research Division - MD and Co-Sector Head in Equity Research*

So I'm sorry, Larry, I didn't quite get that. You said the $46 million in GIP was actually selling price increases and I didn't get...

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Right, pricing. I was wrong, in non-raw price increases. I was reading the wrong line.

George Leon Staphos - *BofA Securities, Research Division - MD and Co-Sector Head in Equity Research*

Okay. Okay. Sorry. I mean I guess what I'm getting at, if I look at your guidance and I take the run rate of pricing that you got into the fiscal fourth quarter -- and I added up -- again, not labor, but all the other variable cost pressures, it seems like your guidance is fairly conservative and is building in room for maybe another $50 million, it seems like, of incremental cost inflation. I don't know if you can talk to those specific factors, but any color there would be great.

And then my other question, I'll turn it over. Pete, I heard you comment a little bit about the third quarter -- excuse me, the fiscal fourth quarter. But could you give us a bit more detail in terms of what trends you're seeing volume metrically across the businesses early in fiscal fourth?

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Yes. So on our -- what we're seeing on volumes in the market in August, which is the first month of our fiscal 4, the trends are very similar to what we saw in July. So again, healthy end markets. Our volume trends will continue to be strong. You do have to remember, our fourth quarter last year, our volume started picking up from the COVID drop-off, so the increases will not be as substantial as they were in Q3, but they'll still be pretty strong. And we feel really good about the market and the demand equation for our fourth quarter in both PPS and GIP.

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

And George, I don't have the clear data on the raw material component. We do expect that our margin in our GIP business will be slightly lower in Q4 than it was in Q3 because we don't anticipate steel costs going up as much. And so we've had a catch -- we'll have a catch-up where pricing indexes did not increase, but we have some higher-cost steel coming into our inventories, but still very healthy margins.

Operator

Your next question is from the line of Mark Wilde with the BMO Capital Markets.

Mark William Wilde - *BMO Capital Markets Equity Research - Senior Analyst*

Pete, I just want to say kind of congratulations to both you and Mike. I can remember 6 years ago, the company was in a much tougher situation when you took over. And it's nice to see you kind of getting ready to go out with such strong performance.

My questions are really, if you can help us a little bit more on what is left in terms of pricing. You talked about sort of the board price initiatives you have. But I'm also just curious in terms of kind of the lag roll-through on tubes and cores and corrugated sheets and converted products. So if you can just help us think about that issue.

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Well, thanks, Mark. And I appreciate the kind words. And I've got to tell you, we've got a very deep bench here at Greif, and we've got a great talented team. And I have very, very high belief that we're going to have a great future at Greif.

So to your question on what's left of the mill increases, as we said, containerboard is a $60 in medium, $50 in liners. And recognize we'll start getting impact in September with full impact by October. So not a full Q4 impact, but it will be accelerating through the quarter.

On URB, we have a $50 a ton increase that has been recognized. And again, the impact will start in September and be fully realized through October. What's left on URB is we announced $70 on September 13. We fully expect that to be recognized as the backlogs and demand for that product is very, very strong at this point, and don't see any change in the future.

On CRB, we announced the $50, and it was recognized in 2 pieces: 1 a $30, and 1 a $20. Our recognition or impact won't be until calendar 2022 due to contracts in that business. We have also announced a $50 a ton increase for August 30 for CRB, and we fully expect that to be recognized as well. Again, business conditions are strong. Our backlogs are long, and we're real bullish on this business right now.

Mark William Wilde - *BMO Capital Markets Equity Research - Senior Analyst*

Okay. So Pete, for my second question, I'm just curious about potential investments in the URB business. I mean you've got one really large competitor there. They picked up a very efficient machine in Wisconsin a few years ago. They're rebuilding their main complex down in the southern U.S. So to remain competitive with them as they improve their asset base, do you need to make incremental investments in your system?

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Yes. So you make a good point. And our largest competitor has done some investments. And as you know, they have taken a stranded medium machine and converted it to a wider and a very efficient URB machine. But we've got a plan for how we're going to improve our URB system, and it combines both our mill system and our converting capability. We don't see that we're going to have a significant disadvantage in cost in that.

I think what's more important is what we do and how we go to market and create a differentiated advantage, high touch from a customer service standpoint, how do we create value for our customers and grow that business through that customer service differentiation. But we are looking at ways to improve the overall cost structure and footprint of that mill system, and we'll have more to come into 2022.

Mark William Wilde - *BMO Capital Markets Equity Research - Senior Analyst*

Okay. And if I could slip just one more in. Is it possible to just remind us of sort of the roll-off on the Graphic CRB contract?

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

It is -- we're not going to go specifically into it, Mark. Only because that's between us and Graphic. But it's rolling out through the 3 different mills sequentially starting next year into late '24.

Operator

Your next question is from the line of Adam Josephson with KeyBanc Capital Markets.

Adam Jesse Josephson - *KeyBanc Capital Markets Inc., Research Division - MD & Senior Equity Research Analyst*

Pete and Ole, congratulations, and all the best of luck to both of you. Larry, one on GIP, just on your fourth quarter assumption, and then I've a full year question. So you had the 2, the FX benefit, the Brazil benefit. There is seasonality typically in that business in that profitability is normally lower 4Q versus 3Q. You mentioned that the steel price issue. Can you just help me with what your expectations are for the profitability in that business in 4Q? And then I'm going to again ask a full year-related question.

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Adam, I don't have the breakdown of that business for the elements that you just spoke of. So let me just walk through just what we anticipate and what changed in -- from our prior year guidance. I can talk broadly of the factors that are going to impact GIP, which will have lower profitability in the fourth quarter for some of the reasons you mentioned.

But we had previously guided to $4.70 a share. We're now up to a midpoint of $5.20. Just roughly, you've got $0.82 of operational improvement that's related to volume and prices, offset by about $0.42 of OCC. Interest expense is a $0.05 lift. Tax is a $0.01 lift. And then we've got other on equity, earnings and stuff that's roughly $0.04 on the midpoint. There's ranges around all of those.

But yes, we won't have any more tax refund from Brazil in this current year and likely not in the future, although there's a slight possibility we may get something further down the line. The element of steel cost catch-up, as you're accelerating rapidly, you clearly have some benefit of the inventory that you have already purchased at a lower cost as things accelerate.

The curve has started to flatten a bit, although there's been a recent cold-rolled steel cost increase again in the U.S. But the rate of increase has dramatically decreased. And so you'll have some margin squeeze as that plays through the inventory. We don't anticipate, relative to the given current economic projections by most economists, that there's going to be any kind of dramatic drop in steel cost, which would be the only thing that would really be problematic for us. But we do see a little bit of squeeze in the margin. And then the seasonality impact that you mentioned clearly plays out in the fourth quarter. So a step down in profitability in the fourth quarter for GIP is a correct assumption on your part.

Adam Jesse Josephson - *KeyBanc Capital Markets Inc., Research Division - MD & Senior Equity Research Analyst*

And just 2 more. So one on the -- so if I look at the full year, Larry, let's say that your EBITDA in that segment ends up being, call it, $450 million. If I look at the previous 4 years, it was somewhere around $300 million per year. So you'd be going from basically $300 million to $450 million, which is -- so that's a 50% jump.

Can you help us with, is that the right baseline, in your mind, to go off of for next year? I mean the improvement is truly dramatic and commendable. I'm just trying to understand if you think that is kind of the right baseline. Or are there some perhaps temporary factors such that, that is not the right baseline to go off for next year?

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

I mean our team has been doing an outstanding job of improving operational. I do want to -- Matt pointed out, I think I might have said 89 facilities closed. It's actually 79, so I misstated that. But like you said, we've walked away from a lot of unprofitable business. We've replaced virtually all of it with more profitable business by winning through our focus on customer service and improved margin business. So I think the basics of what you say, no, I cannot get into specific numbers, but are accurate.

We will, as the steel cost flattens, there will be some margin degradation. But we also have a lot of continuing self-help efforts going on. We have additional CapEx projects on blow molders and a few other operations that are going to continue to improve. So it's a good baseline to work off of, is the bottom line answer to your question.

Adam Jesse Josephson - *KeyBanc Capital Markets Inc., Research Division - MD & Senior Equity Research Analyst*

And just one more, if you don't mind. Can you -- however you want to answer this, in other words, include the price increases you've announced but haven't been recognized or just limit the answer to those that have been recognized. But if you add all of them up, containerboard, URB, CRB, what would the impact be on your revenue in paper packaging next year? And similarly, if you take the assumed 4Q OCC price and you just flat line it through next year, what would be the impact of that be?

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes, if we take all that and kind of go with the assumption that Pete and I have of recognition of the last price increases we announced, and you play it through OCC at the current level, it's about $180 million lift on the [top line revenue] (corrected by the Company after the call).

Operator

Your next question is from the line of Gabe Hajde with Wells Fargo.

Gabrial Shane Hajde - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

Pete, pleasure working with you. And Ole, I look forward to working with you going forward.

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Thanks, Gabe. Appreciate it.

Gabrial Shane Hajde - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

A lot of questions have been asked, and -- but I want to kind of come back to what Adam was dialing in on. And I think maybe instead of focusing on margins, because raw materials can play a pretty big role in what those numbers shake out to be. Even if

I go back to kind of coming out of the global financial crisis, I think the comment is just pretty consistent in that EBITDA, I think, kind of peaked out around $366 million in 2010. And so taking into account all the business that you've walked away from -- and I'm asking sort of in the context of you guys have given kind of fiscal 2022 financial objectives. Is there anything in that business that you can point to or direct us at, whether it's mix of business from a product standpoint or a geographic standpoint, that makes it structurally different than kind of what the business was before. Appreciating, obviously, you told us you walked away from $500 million in revs those.

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes, I'd make -- Gabe, I'd make some comments of it. Pete, then. So big picture, if you think about it, we've been consistently talking to all of you about the fact that we've been focused on building our business in plastics and IBCs. And that, it's a pretty big structural change relative to the margin profile, particularly after we walk away from the poor business we had.

And the other is a bigger focus on the end markets we serve. So we have shifted away where -- if you went back to that post-financial crisis time that you spoke of, we were way more heavily dependent on the chemical companies than we are today. And so those are 2 big structural shifts for us that I would mention. Pete?

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Yes, really 3 things, how we've improved the overall structure and how we lead that business. First, it's much more improved price discipline. So we've talked a lot this year about the improvements to our contracts and PAMs and shorter pass-throughs, also about the nonmaterial -- non-raw material price increases. But more importantly, we're much more coordinated in that business with one leader under Ole Rosgaard. We've centralized all pricing desk with really strong analytics.

So I think, technically, we're better at what we do. We have better overall view of the markets on a global basis, which most of our customers are global in nature. So I think we're much more consistent over our strategy of value over volume, which goes to Larry's point. We've walked away from a lot of unhealthy business, and we've gone after markets that are growing higher and have opportunities to be more profitable.

You can also look at what GIP has done from a customer service initiative. When we started in 2015, they had a 57% CSI score. Now they're above 95%. So our ability to serve our customers across a global portfolio has dramatically improved.

As Larry said, our strategic growth initiatives are into the resin-based products, IBCs, IBC reconditioning and plastic drum. If you remember, 5 years ago, I think our total percentage of products, our revenue in steel was over 60%. It's now at 51%. So that growth is in better profitable business and higher-growth markets that the plastic drums and the IBCs address.

And third, we've talked about this, and it's really important. We've had some tremendous self-help initiatives that, as Larry said, we've closed significant shops that were losing money and were at low EBITDA. We've done rooftop consolidations to reduce our fixed cost structure, and we've done some structural changes to our SG&A cost as part of running this as a global business.

So when you look at all that, Ole Rosgaard has done a really tremendous job of changing the trajectory of that business. And we feel really confident that it's sustainable and can grow. So we're real pleased with that business and the potential we have in the future.

Gabrial Shane Hajde - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

The other one is on capital allocation. I mean obviously, you guys kind of bumped the dividend here, and you've talked about that. And you talked about investing in the business on Slide 8. One of the things I think you put in prior slide decks is kind of your framework for what you kind of filter and think about inorganic or M&A. Can you remind us a little bit, maybe, Larry, as to how you think about M&A, I guess, from a financial standpoint? And sort of how does that coincide with the way management is incentivized?

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes. Thanks, Gabe. Look, we will remain committed to spending the capital needed to make sure that we feed the cash machine we have. Meaning we will spend what we should on maintenance capital. I think you'll see us doing more and more around automation given the labor components of things. So highest priority is always making sure that we save and grow what we have.

And then we will continue to focus on getting our debt leverage ratio down to where we target. But obviously, we're very close and expect to be there at the end of this fiscal year now. So we've talked previously about -- we're in the middle of a strategic plan, focusing on wrapping that up by the early part of next year. And then we'll communicate to all of you about what our go-forward look is relative to M&A and that kind of thing.

But we also recognize that we are going to be in a situation of really having a lot of excess capital very shortly. And so to the extent that we don't meet our criteria, which that same chart that we showed many years ago around the various return criteria that we have, given the risk of a potential investment, we'll continue to apply. And to the extent that we don't find opportunities that fit our appetite, then we'll be returning even more capital to our shareholders.

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Hey, Gabe, this is Pete. I just want to make one comment on that. So I think we've done a phenomenal job of deleveraging the balance sheet. But I just want to make it clear, regardless of what our debt leverage ratio is, we're going to be really disciplined in our process to capital allocation. I think that's important. We're going to stay true to our strategy and our priorities. So I feel really good about that process that we put in. And again, we're going to have a very, very disciplined approach for how we allocate capital to create the best value for the shareholders.

Gabrial Shane Hajde - *Wells Fargo Securities, LLC, Research Division - Senior Analyst*

Right. I appreciate that, gentlemen. I just -- obviously, there was an initial response to the Caraustar acquisition and questions around timing and such. So just wanted to kind of refresh as to how you guys think about it.

Operator

Again to ask a question please press star and the number one on your telephone keypad. Your next question is a follow-up from the line of George Staphos.

George Leon Staphos - *BofA Securities, Research Division - MD and Co-Sector Head in Equity Research*

Pete, I was wondering if you could talk of where your volume trends are by end market relative to what they were (inaudible) pandemic. And Larry, if you could, I think you commented a little bit on this on the last call. (inaudible) that there should continue to be growth for Greif in its end markets and for the company (inaudible) particularly looking out to fiscal '22 and fiscal '23. Because a lot of the questions, obviously, from the analysts today, ourselves included is, hey, you've had a great year, but you also have a tough comparison now. So where is the growth going to come from essentially?

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes. I think I got most of your points, George, but you broke up pretty significantly on the part that you addressed to me, but I'll try. If I don't get it, then maybe come back to you. But I'll let Pete go through your first question first on end markets and then I'll try to tack yours on what are we seeing growth in the future.

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Yes. So George, let me comment first on our paper packaging segment. So our business models to serve both integrated and independent plant -- corrugated box plants raw materials. And then in tube and core, we certainly have a direct model, pretty widely dispersed end market segment. So we -- our -- that model has really accelerated our customer service model in a really tight supply chain environment. So I think it's enhanced our paper packaging value proposition.

And with our strategic investments in that business, we've really taken advantage of the e-commerce packaging. So we've grown significantly in that segment compared to where we were 2 years ago. So I think that's one big trend.

And I also think, the pandemic, our tube and core business really damaged some of those markets. And they're coming out of it very well, as you can see by our growth of 18% year-over-year. And we see really good, strong trajectory of our end markets in our tube and core business in August and going forward. So I think we're really well positioned in the end segments there. I'd like to ask Ole to comment on those end segments' strengths in GIP, if you could, George.

Ole G. Rosgaard - *Greif, Inc. - COO*

Thanks, Pete. So we see the end markets that we serve at the moment very strong. And in particular, bulk and specialty chemicals are strong. Lubricants, oils and paints and coatings and adhesives, those end markets are strong, and we expect them to remain strong in the foreseeable future.

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Yes. I think one thing, as you look at the trend, George, from a standpoint of disinfectant and cleanliness, which I think is going to be a bigger factor post pandemic. And so some of those end products and chemicals we produce, that will continue to improve. And again, our greater access to IBCs and IBC reconditioning really positions us well to some of these growing markets.

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

And George, relative to what I -- at least what I think I heard your question of, hey, this is great. We've had a wonderful '21. Makes it for a comparable challenge and how might we be focusing on growth. And a lot of it is going to be sort of, hey, things remain the same. We are going to continue to leverage our focus on customer service. We have, we believe, gained some market share. We recovered the business that we walked away from with more profitable business. And we attribute that to winning customer share because we are a reliable supplier, and we are a value-add supplier.

And our teams have done a great job of building those relationships with the customers in both the GIP and PPS business, and we'll continue to leverage that.

Second is, back to the strategy of continuing to extend in the plastics, in the IBCs and in our plastic drum businesses and extending that. And then third, we'll be looking at over integration in our paper business. And what we continue to do, we've been very pleased with the success of Palmyra even through COVID and coming out. That's been a fantastic operation for us.

And then the last, I'd say, goes back to the process we're working on right now, which is our strategic focus in determining what is our growth plan going forward, which is sort of in the sausage works right now. And again, we'll talk about that next spring.

George Leon Staphos - *BofA Securities, Research Division - MD and Co-Sector Head in Equity Research*

Can you hear me okay? Or is it still chopping? If it is, I will...

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

That's good. It's good now, yes.

George Leon Staphos - *BofA Securities, Research Division - MD and Co-Sector Head in Equity Research*

(inaudible) I guess the question I had as a follow-on is just on plastics. You feel you have sufficient share and penetration, both in IBC and plastic so that you get the (inaudible) in both plastics and metal. I'm guessing, from your comments, you feel you do because it seems like it just (inaudible)

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes. I think, George, we have -- and you -- unfortunately, you broke up again. But I think your question was do we feel like we have a market position to begin to leverage that more fully. We've said this often before. Virtually, every one of our IBC CapEx spend has been a situation where we've been approached by customers, who want us to serve them. And we have most -- over 50% of the volume committed before we even do a project.

So we're being asked by customers, because of the great service that we're providing them, to get more into the IBC business. As we do more and more, that virtuous cycle and the recycling component really starts to drive the margin improvement. And we did the Tholu acquisition a couple of years ago. We did the investment in the recycling group here in the United States. We did another small deal in Italy.

So we continue to do the execute on that whole recycling component of IBCs and plastics. So I mean we are a significant player in plastic drums already. I mean in the U.S., we're the largest player. So we have the opportunity to expand our business in EMEA and in Asia. So there's a good growth path in front of us.

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

And George, to comment on Larry's reconditioning comment, a big part of our strategy is grow that circular business economy model. And it's very, very important to customers. We're -- not only are we supplying the new IBC, but we have a system in place to collect it and repurpose it, whether it's cleaning and reconditioning it, and sending it back out to customers, or by using it for recycled PCR, that we can go back and increase the amount of resin that's recycled in our products. And it's really important to customers.

And you'll see, going forward, we need to improve and increase our ability to do that. That, in turn, will really enhance our overall position in that market. And we're not -- we're behind some others, but we're making quick movement to catch up. And I think our customers have responded very well based on our growth rates in that business.

Matt Eichmann - *Greif, Inc. - VP of IR, External Relations & Sustainability*

We will pick up the next question. We may have lost George at this time.

Operator

Your next question is a follow-up from Mark Wilde.

Mark William Wilde - *BMO Capital Markets Equity Research - Senior Analyst*

I've got 3 quick follow-ups. First, Larry, can you give us a sense of both GIP and in paper of the year-over-year increase in the incentive accruals in the third quarter?

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes. The overall incentive increase corporate-wide, Mark, was $27 million, third quarter over third quarter. The breakdown of that ends up being about $6 million in PPS, $8 million in [GIP] (corrected by the Company after the call) and then the rest on corporate functions and other units.

Mark William Wilde - *BMO Capital Markets Equity Research - Senior Analyst*

Okay. All right. Second question, Ole, you've had a change in leadership recently at your primary competitor in GIP. And I just wondered whether you're seeing any changes in behavior there that you would -- you'd be comfortable talking about.

Ole G. Rosgaard - *Greif, Inc. - COO*

Thanks for the question. We're primarily focused on our own business, on our own customers. And my primary function is to serve our customers the best possible.

Mark William Wilde - *BMO Capital Markets Equity Research - Senior Analyst*

Okay. So no change in behavior that you've seen in the market?

Ole G. Rosgaard - *Greif, Inc. - COO*

No.

Mark William Wilde - *BMO Capital Markets Equity Research - Senior Analyst*

Okay. All right. Then the last one for Pete and Ole. I'm just curious. Any learnings from that sort of early teens experience in M&A that didn't go well as you think about sort of the strategic plan going forward, things that you've learned you don't want to do again?

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Yes. So back when we got back into an acquisitive mode in 2017 and '18, we did extensive learnings on what went right and what went wrong, both in process, which includes this risk management structure and framework and how we went about doing diligence, evaluating fits to our business and also how we execute and determined the value we can create. So I think we demonstrated that in not only the Caraustar acquisition, but a lot -- some of the other smaller acquisitions we've done. And so we're really pleased.

Part of this process we're involved in now has to do with relearning. So let's go back and look at what we did really well in the past few years, and what we need to improve on. So we're always in this mindset of continuous improvement. And again, it's really important that we stay focused on what drives shareholder value and not be excited about growth for growth's sake. It's got to be accretive to our current portfolio and to our -- the value we can deliver.

And we're learning and we're improving. And what we want to do is get the reputation that we are great executors in our business operationally and our strategic intent. And I think we're making good progress on it. Ole, anything you'd like to add to it?

Ole G. Rosgaard - *Greif, Inc. - COO*

No, Pete.

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes. I'll just add one thing, Mark. I mean I'm a big believer in checklists. Maybe it's back from my public accounting experience, but we have created a checklist of all the lessons learned. And whenever the business units have to present an opportunity to Pete and I, whether it's a CapEx project or an acquisition opportunity, every one of those items on that list that came out of all those learnings has to be addressed. So we're very formalized about it, structured. And I think it will pay off for us continuously going forward.

Peter G. Watson - *Greif, Inc. - President, CEO & Director*

Yes. I think, Mark, the other comment, what Ole has demonstrated in the last 5 years here, these really strong execution, very disciplined approach to business. So I think him going into this role will create really stronger discipline in how we evaluate acquisitions and, more importantly, how we expect them going further. So I feel really good about where we are and what we're going to do going forward, and a very disciplined approach to capital allocation.

Operator

Your last question is from the line of Adam Josephson.

Adam Jesse Josephson - *KeyBanc Capital Markets Inc., Research Division - MD & Senior Equity Research Analyst*

Larry, one on the tax rate. So if you end up at the low end of your range at 20% this year, your tax rate will have gone from 27% last year to 20% this year. Do you consider that a sustainable level thereafter? Or is there something unusual this year that you would point us to?

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes. We had some additional free-up of reserves as some tax exams were completed, but not substantial. I do believe, again, with the caveat of whatever happens in Washington and other government capitals around the world on changing rates. But if rates were to stay stable in the current tax system, then low 20s is very sustainable for us. So obviously, I can't predict -- at least I'm not willing to predict yet what's going to happen in Washington or in other places around the world. But if it were stable, we'd be very confident in staying in that rate.

Adam Jesse Josephson - *KeyBanc Capital Markets Inc., Research Division - MD & Senior Equity Research Analyst*

Yes. No, I appreciate that. And just on your OCC assumption and thought. So you're assuming, I think, a $5 increase sequentially in September/October. Some people I've talked to expect a lot more than that in September. Can you just talk about why you appear to be assuming a fairly modest increase sequentially in September, October? And what you think the sustainability of these kind of price levels is? Obviously, we're at the high end of the historical OCC price range. Box demand has been the best it's ever been. So it comes as no surprise, I guess, that OCC is at the high end of its range. But how sustainable do you think these price levels are? And why not expecting more of an increase in September?

Lawrence Allen Hilsheimer - *Greif, Inc. - Executive VP & CFO*

Yes. Obviously, we have a relatively sizable player in the recycled paper business. And so we go to our team for what they believe is going to happen. Obviously, we're not blind to what comments are being made at conferences and things that are driving some other people's views. That said, we've said we estimate $5 in the average. And as you know, we have a range. So our range contemplates the numbers that have been thrown out there by others. So we're totally comfortable with the guidance we provided if that does happen.

As to the sustainability, I think it's going to be very interesting to see how things play out. Because as you mentioned, I mean, production of containerboard and boxes and everything else is at like all-time highs. Well, that means there's a whole lot of supply out there. It's just how are we getting it collected. And obviously, the supply of OCC is not matching the supply and production of containerboard. And I think everybody would acknowledge it has a bit to do with the change in where stuff is going. Obviously, more is going to e-commerce than historically had happened.

And the big driver, we believe, is labor. And it's as much labor for collection, but also in the MRFs. And so we have active dialogues going on with the large haulers, waste and republican -- regional ones like Rumpke and others, to try to understand what's going on in their business. And what we're hearing is they're all somewhat optimistic that, as some of these unemployment supplements roll-off, that they'll have more success in getting labor back into their operations. If that happens, that should lead to more collection and more supply.

So we're, I'll say, hopeful. I wouldn't say optimistic, but hopeful and believe that OCC costs should trend back down over time as the labor component of this gets addressed, either through more employment or through more automation in their operations.

Operator

At this time, there are no further questions. I will now hand the call back to Matt Eichmann for closing remarks.

Matt Eichmann - *Greif, Inc. - VP of IR, External Relations & Sustainability*

All right. Well, thank you very much, Whitney. I'd like to thank everybody for their participation today and their questions. I hope you all have a really nice week ahead. Take care then.

Operator

That does conclude today's conference call. Thank you for joining. You may now disconnect.