



# GREIF®

## February Investor Presentation

February 2016



# Safe Harbor

## **Forward-Looking Statements**

All presentations contain certain forward-looking information 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 information currently available to management. Such forward-looking statements are subject to certain risks and uncertainties that could cause events and the Company’s actual results to differ materially from those expressed or implied. Please see the disclosure regarding forward-looking statements immediately preceding Part I of the Company’s Annual Report on the most recently filed Form 10-K. The company assumes no obligation to update any forward-looking statements.

## **Regulation G**

These presentations may include certain non-GAAP financial measures like EBITDA and other measures that exclude special items such as restructuring and other unusual charges and gains that are volatile from period to period. Management of the company uses the non-GAAP measures to evaluate ongoing operations and believes that these non-GAAP measures are useful to enable investors to perform meaningful comparisons of current and historical performance of the company. All non-GAAP data in the presentation are indicated by footnotes. Tables showing the reconciliation between GAAP and non-GAAP measures are available at the end of this presentation and on the Greif website at [www.greif.com](http://www.greif.com).



# Agenda

- 2015 Review
- Vision and 2016 Key Priorities
- People and Teams
- Customer Service Roadmap
- Transformation Update
- Review of 4 key businesses
- Gasser Sustainability Award
- Goals
- Questions



# 2015 Review



# 2015 Year in Review

Results fell short of financial expectation

- Class A EPS before special items<sup>1</sup> is \$2.18 vs. \$2.33 in 2014

Net Sales<sup>2</sup> flat vs. 2014 after adjusting for divestments and currency translation

Safety Milestones

- 1.15 Medical Case Rate

Launched three year transformation plan

- Optimizing the business portfolio
- Growth in gross margins through Greif Business System
- Fiscal discipline focused on cost and cash flow generation

Significant change in executive leadership

*Laying the foundation to generate enhanced returns*

<sup>1</sup> A summary of all special items included in the operating profit before special items and Class A EPS before special items is set forth in the appendix

<sup>2</sup> A summary of the adjustments for the impact of divestitures and currency translation is set forth in the appendix

Note: A reconciliation of the differences between all non-GAAP financial measures used in this presentation with the most directly comparable GAAP financial measures is included in the appendix to this presentation



# World's Leading Industrial Packaging Company

## Diversified Business Platform and Global Footprint



**\$3.62 Billion  
Net Sales**

**\$324.2<sup>1</sup> EBITDA**



**Rigid  
Industrial  
Packaging &  
Services**  
**\$2.586 Net Sales**  
**179.1<sup>1</sup> EBITDA**

**Flexible  
Products  
& Services**  
**\$323 Net Sales**  
**(30.3<sup>1</sup>) EBITDA**

**Paper  
Packaging**  
**\$676 Net Sales**  
**138.4<sup>1</sup> EBITDA**

**Land  
Management**  
**\$32 Net Sales**  
**37.0<sup>1</sup> EBITDA**

<sup>1</sup>EBITDA is defined as net income plus interest expense, net, plus income tax expense, less equity earnings of unconsolidated subsidiaries, net of tax plus depreciation, depletion and amortization  
Note: A reconciliation of the differences between all non-GAAP financial measures used in this presentation with the most directly comparable GAAP financial measures is included in the Appendix to this presentation

# Executive Leadership Team



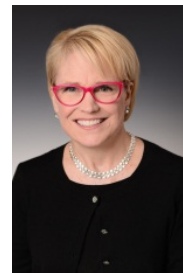
**Pete Watson**  
President and Chief Executive Officer



**Larry Hilsheimer**  
Executive Vice President  
Chief Financial Officer



**Gary Martz**  
Executive Vice President  
& General Counsel



**DeeAnne Marlow**  
Senior Vice President  
Human Resources



**Scott Griffin**  
Chief Sustainability Officer  
Vice President Communications



**Hari Kumar**  
Vice President Transformation  
/ Greif Business System



**Michael Cronin**  
President EMEA / APAC GPA  
/ Global Key Accounts



**Timothy Bergwall**  
President  
Paper Packaging / Soterra



**Ole Rosgaard**  
President  
RIPS Americas



**Dano Lister**  
President  
Flexible Products & Services



**Francesco Caforio**  
Vice President Global  
Sourcing & Supply Chain



# Vision and Key Priorities



# 2016 Vision and Strategic Priorities

Vision: In Industrial Packaging, be the best performing customer service company in the world

Three Strategic priorities to achieve our vision

- People and High Performance Teams
- Customer Service Excellence
- Transformation Performance
  - Optimize the portfolio
  - Expand gross margins
  - Fiscal discipline





# People and Teams



# People Becoming the Best Team

**The Greif Way**

**Safety**

**Purpose and Accountability**

# “My Greif” Employee Engagement Program

## What is “My Greif”

- An employee-driven, storytelling program focused on promoting the **skills and craftsmanship** of Greif employees throughout **our global network**.
- Aligns with ***The Greif Way*** and supports Greif’s vision:

*“In Industrial Packaging, be the best customer service company in the world.”*

- Promoted on **Inside Greif** and **Facebook**.
- The site with the most usable and published submissions will **win two catered meals**.

## First step in a three part My Greif Program:

- **Phase One – Craftsmanship:** We are a manufacturing company and take great pride in what we do.
- **Phase Two – Customer Focus:** Delighting the customer through world class products and services.
- **Phase Three – The Team:** Making it all work through profitable customer partnerships.



# “Champions” Employee Recognition Program

## What is the “Champions” program?

A program announced in February to recognize individuals who embody the values that advance our Transformation, demonstrate leadership, a commitment to our Transformation and inspire those around them.

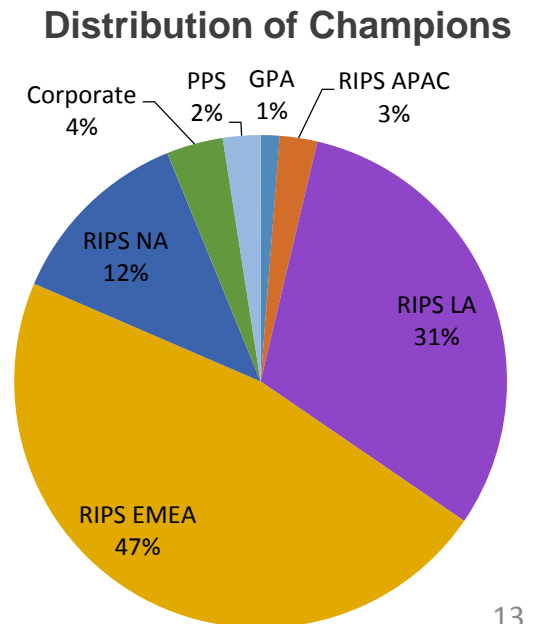
## How does it work?

- Greif leaders from around the world nominate outstanding team members
- Nominations are submitted via Inside Greif and reviewed by the approval team
- Those who demonstrate Greif values are selected & announced at Inside Greif

Q1	Q2	Q3	Q4
18	54	58	81

## Qualities of a Greif Champion:

- Drives change
- Creates “One Team” culture
- Improves work processes & decision making.
- Advances Greif’s Transformation
- Inspires others
- Demonstrates:
  - Leadership
  - A sense of purpose
  - A sense of urgency
  - A cooperative spirit
  - The Greif Way in their work





# Customer Service Excellence



# Customer Service Excellence

***We succeed if we serve the customer.  
We fail if we don't.***

***It is that simple.....and that critical!***



# Customer Service Excellence – The Why

## To create loyal customers and profitable growth

- Improves customer experience
- Customers will find it easy to do business with Greif
- Great customer experience translates to profitable growth
- Earn and keep the trust of our customers each time

## To engage our colleagues

- Customer Service Excellence is built on the relationship between our customers and colleagues
- Our colleagues working as one team – more productive, engaged and capable
- Colleagues will find more meaning and satisfaction from their work

## To improve our performance

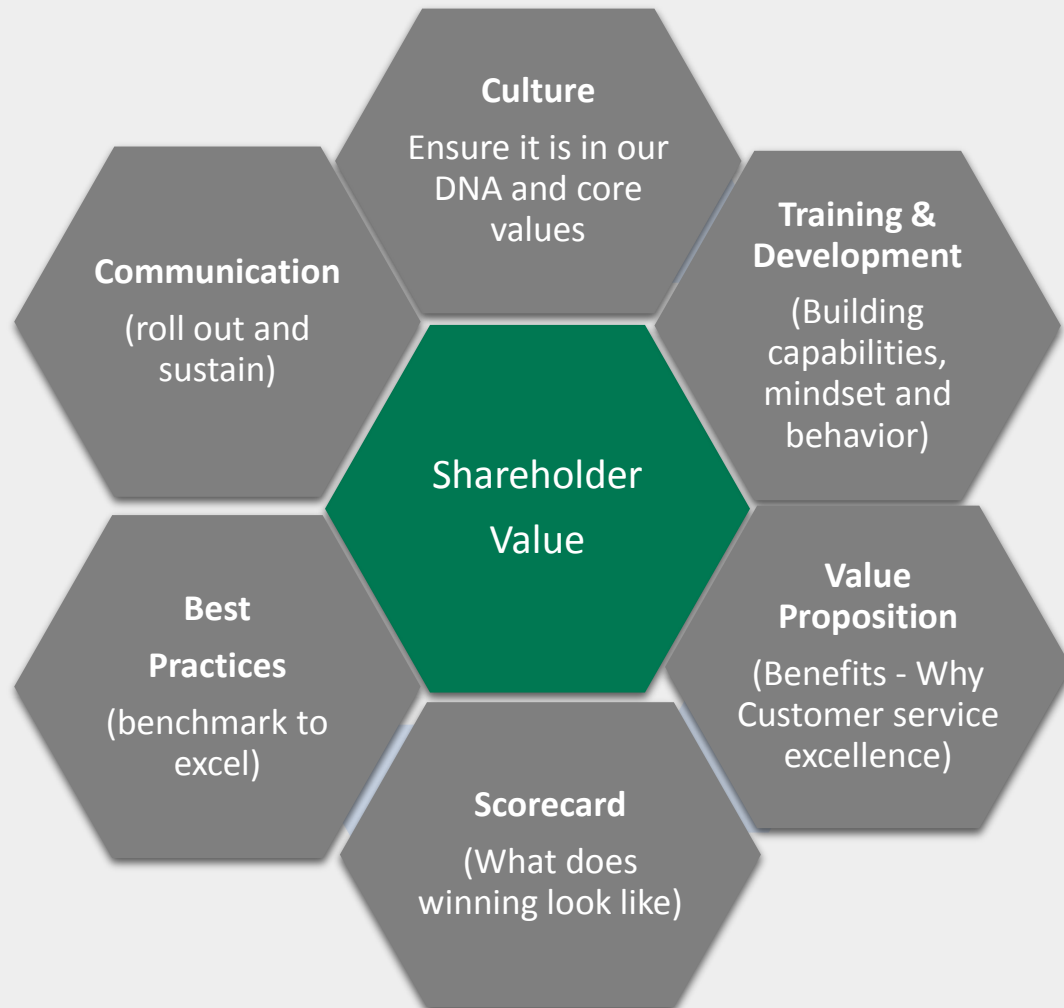
- Eliminate non value added interactions and activities
- Improve internal capabilities to be more productive and control costs
- Provide service levels that match customer needs

Think of Greif as a great customer service company that happens to manufacture and sell industrial packaging products and services



# Customer Service Excellence

## Elements of the roadmap



## Develop framework and roadmap

- ✓ Enhance customer experience in the critical touch points of the customer journey
- ✓ Create culture, mind set and behaviors
- ✓ Launch across all of Greif
- ✓ Create Shareholder Value



# Transformation Performance



# Transformational Performance

## Optimizing our Business Portfolio

### **Greif Business System**

*Engine to improve Gross Margins*

### **Fiscal Discipline**

*Cost and Cash Generation*

# 2017 Greif Commitments

	2014A	BASELINE <sup>3</sup>	2017P <sup>4</sup>
<b>Consolidated \$Ks</b>			
Net Sales	4,239,100	3,447,000	3,831,000
Gross Profit	811,000	697,000	760,000-770,000
SG&A	494,800	427,000	375,000-385,000
Operating Profit <sup>1</sup>	315,900	269,000	375,000-395,000
Free Cash Flow <sup>2</sup>	123,900	68,000	225,000-235,000

<sup>1</sup> Operating Profit excluding special items. Special items include restructuring charges, acquisition-related costs, timberland gains, non-cash asset impairment charges and gain on disposal of properties, plants, equipment and businesses, net.

<sup>2</sup> Free cash flow is defined as net cash provided by operating activities less purchases of properties, plants and equipment.

Note: A reconciliation of the differences between all non-GAAP financial measures used in this presentation with the most directly comparable GAAP financial measures is included in the Appendix to this presentation.

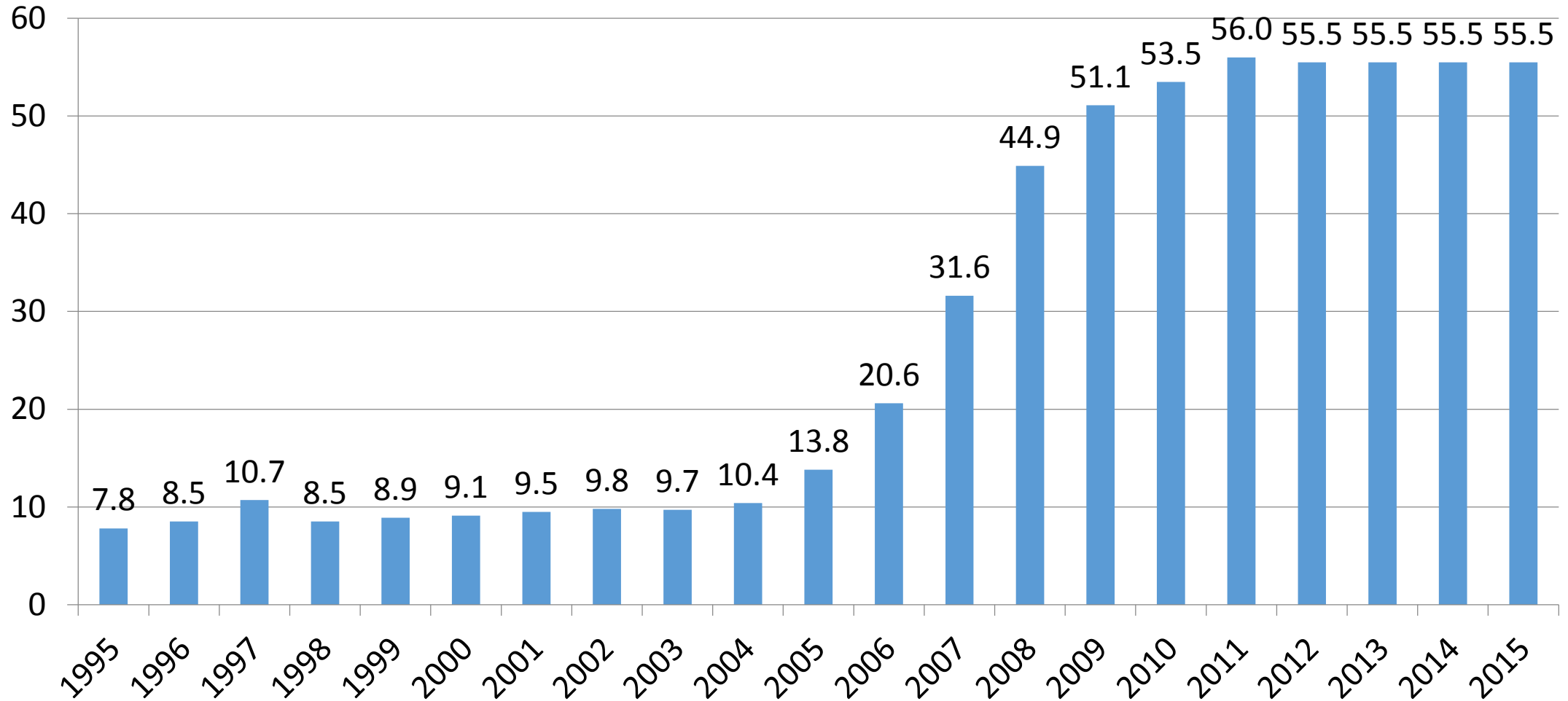
<sup>3</sup> Actual results from fiscal 2014 adjusted to reflect the impact of anticipated sales of businesses during fiscal 2015 through fiscal 2017 and adjusted to reflect the impact of foreign currency translation using rates in effect on April 30, 2015

<sup>4</sup> See key assumptions in appendix.



# Class B Shares Dividend

Dollars in Millions





# Transformation Meeting Update



**RIPS NA Goals**

**Operating Profit**  
In industrial packaging, we will be the best performing customer-service company in the world

Strategic Goal		Strategic Goal	
1	Reduce unplanned downtime to under 5%	3	Customer Service Index (CSI) increase to >95
2	Grow volume minimum 2% above market growth	4	75% CAR rate reduction (from 2015 baseline)

Working together and becoming the best team. Achieving excellence in customer service.





# Business Update



# 2015 Year in Review – Rigid Industrial Packaging

## Senior leadership changes

- Ole Rosgaard – Americas
- Michael Cronin – Europe, Middle East, Africa, Asia and GPA

APAC delivered exceptional results

Intermediate Bulk Containers achieved double digit growth in EMEA and APAC

## Transformation plan priorities

- Customer service excellence
- Cost and productivity initiatives
- Gross margin expansion
- Network consolidation







# 2015 Year in Review – Paper Packaging

Successful growth initiatives completed in Q4

- Riverville Mill Modernization
- Expansion Corr Choice sheet feeder network

Differentiated product sales grew to 9% of total revenues

New containerboard entrants pressured mill margins





# 2015 Year in Review – Land Management

Completed \$90 million multi-phase timberland transaction in Alabama

Successful completed sale of Canadian Timberlands

Increased non-timber revenue 113%

1,496 days without a lost time or recordable accident



# 2015 Year in Review – Flexible Products and Services

## Transformation Plan

- Customer Service Excellence
- Network consolidation and operational optimization 4 loop business
- Structural cost reductions
- Margin enhancement initiatives
- Growth in specialty niche markets in Europe and North America

Disappointing results but sequential performance improvement is evident





# Michael J. Gasser Sustainability Award



# Michael J. Gasser Global Sustainability Award

Recognizes the environmentally focused activities of Greif associates and superior effort and achievement in furthering the improvement of the company.

## Winner

Greif Packaging Accessories: Tri-Sure ®

## Project

- Energy: 35% reduction in total energy saving over \$4MM.
- Innovation: Commercialized and patented an innovative venting cap seal MPV3 ® utilizing an environmentally friendly design.
- Ecosystem: Developed and scaled a new tri-valent passivation that is better for the environment and creates a safer workplace for our employees, our customers and the environment in general.



## Team:

Reinier Hietink, Martin Mense, Frederic Leroy, Kees Van de Klippe, Paul Rossetto, Karl Schell, Jaime Moreno, Peter de Korte, Bobby Ang, Jack Wang, Kannan Ananthakrishnan, Forbes Simpson, Hugo van den Berg, Irene Dikken, Rakesh Takoo, Pedro de Oliveira, Ronald Beentjes, Hans Eenink, Eric Lecordier, Fanny Coquide, Gonzague Francois, Loïc Ratel, Ingrid Richard.



# Goals



# Questions



# Appendix



# GAAP to Non-GAAP Reconciliation of Net Income and Class A Earnings per Share Excluding Special Items

(Dollars in Millions, except for per share amounts)

<b>Twelve months ended October 31, 2015</b>	<u>Class A</u>	
Net Income Attributable to Greif, Inc.	\$ 71.9	\$ 1.23
Less: Gain (loss) on disposal of properties, plants, equipment and businesses, net	2.8	0.05
Less: Timberland Gains	14.9	0.25
Less: Venezuela devaluation on other income/expense	4.9	0.08
Plus: Restructuring charges	28.2	0.48
Plus: Non-cash asset impairment charges	40.7	0.69
Plus: Acquisition related costs	0.2	-
Plus: Venezuela devaluation on cost of goods sold	9.3	0.16
Net Income Attributable to Greif, Inc. Excluding Special Items	<u>\$ 127.7</u>	<u>\$ 2.18</u>

<b>Twelve months ended October 31, 2014</b>	<u>Class A</u>	
Net Income Attributable to Greif, Inc.	\$ 91.5	\$ 1.56
Less: Gain (loss) on disposal of properties, plants, equipment and businesses, net	7.3	0.13
Less: Timberland Gains	10.4	0.18
Plus: Restructuring charges	11.8	0.20
Plus: Non-cash asset impairment charges	44.7	0.76
Plus: Acquisition related costs	1.0	0.02
Net Income Attributable to Greif, Inc. Excluding Special Items	<u>\$ 131.3</u>	<u>\$ 2.23</u>

\* All special items are net of tax and noncontrolling interests

# GAAP to Non-GAAP Reconciliation of Net Sales Excluding the Impact of Divestitures and Currency Translation

(Dollars in Millions)

	Twelve months ended October 31		(Decrease) in Net Sales (\$)	(Decrease) in Net Sales (%)
	2015	2014		
<b>Net Sales</b>	\$ 3,616.7	\$ 4,239.1	\$ (622.4)	(14.7%)
Impact of Divestitures	47.7	248.6		
<b>Net Sales excluding the impact of divestitures</b>	\$ 3,569.0	\$ 3,990.5		
Currency Translation	(365.6)	N/A		
<b>Net Sales excluding the impact of divestitures and currency translation</b>	\$ 3,934.6	\$ 3,990.5	\$ (55.9)	(1.4%)

# GAAP to Non-GAAP Reconciliation of Consolidated EBITDA

(Dollars in Millions)

	<b>Twelve months</b>	
	<b>October 31</b>	
	<b>2015</b>	<b>2014</b>
Net income (loss)	\$ 67.2	\$ 44.9
Plus: interest expense, net	74.8	81.8
Plus: income tax expense	48.4	115.0
Plus: depreciation, depletion and amortization expense	134.6	155.8
Less: equity earnings of unconsolidated affiliates, net of tax	0.8	1.9
<b>EBITDA</b>	<b>\$ 324.2</b>	<b>\$ 395.6</b>
Net income (loss)	\$ 67.2	\$ 44.9
Plus: interest expense, net	74.8	81.8
Plus: income tax expense	48.4	115.0
Plus: other expense, net	3.2	9.5
Less: equity earnings of unconsolidated affiliates, net of tax	0.8	1.9
<b>Operating profit</b>	<b>192.8</b>	<b>249.3</b>
Less: other expense, net	3.2	9.5
Plus: depreciation, depletion and amortization expense	134.6	155.8
<b>EBITDA</b>	<b>\$ 324.2</b>	<b>\$ 395.6</b>

# GAAP to Non-GAAP Reconciliation of Segment EBITDA

(Dollars in Millions)

	<b>Twelve months ended October 31</b>	
	<b>2015</b>	<b>2014</b>
<b>Rigid Industrial Packaging &amp; Services</b>		
Operating profit	\$ 86.4	\$ 170.1
Less: other expense, net	1.3	6.8
Plus: depreciation and amortization expense	94.0	108.4
EBITDA	<u>\$ 179.1</u>	<u>\$ 271.7</u>
<b>Paper Packaging</b>		
Operating profit	\$ 109.3	\$ 125.8
Less: other (income) expense, net	(0.4)	-
Plus: depreciation and amortization expense	28.7	29.8
EBITDA	<u>\$ 138.4</u>	<u>\$ 155.6</u>
<b>Flexible Products &amp; Services</b>		
Operating loss	\$ (36.6)	\$ (78.6)
Less: other expense, net	2.3	2.7
Plus: depreciation and amortization expense	8.6	13.3
EBITDA	<u>\$ (30.3)</u>	<u>\$ (68.0)</u>
<b>Land Management</b>		
Operating profit	\$ 33.7	\$ 32.0
Plus: depreciation, depletion and amortization expense	3.3	4.3
EBITDA	<u>\$ 37.0</u>	<u>\$ 36.3</u>
Consolidated EBITDA	<u>\$ 324.2</u>	<u>\$ 395.6</u>



## 2017 Greif commitments and key assumptions (as of Q2 2015)

- Assumed market growth rate of 1.5%-2%<sup>1</sup>
- Raw material costs assumed flat against our baseline indices
- Major raw material price increases are passed to customers through Price Adjustment Mechanisms in contracts or otherwise with customary delay
- The FX impact was calculated using actual year to date FX rates in 2015 through April and the assumption that the rates remain constant at the April rates through the remainder of the year.
- Salary/wage increase assumed at historical rates (3.5% overall)
- For purposes of calculation of 2017 free cash flow, we have assumed an effective tax rate range of 34-37%
- Cap-Ex at \$150M for FY2015, \$130M there after
- \$75-85M restructuring costs estimated for 2015-17 period
- All divestitures completed by the end of FY2016; no material acquisitions.



# Analysis of Consolidated 2014 Operating Profit Before Special Items

(Dollars in millions)

	<b>Twelve Months Ended October 31, 2014</b>
Operating profit	\$ 249.3
Restructuring charges	16.1
Acquisition-related costs	1.6
Timberland gains	(17.1)
Non-cash asset impairment charges	85.8
Gain on disposal of properties, plants, equipment and businesses, net	(19.8)
Operating profit before special items	\$ 315.9



# Analysis of Fiscal 2014 Net Sales Excluding Divestitures and Land Management

(Dollars in millions)

	<u>Greif, Inc. As Reported</u>	<u>Divestitures</u>	<u>Greif, Inc. Excluding Divestitures</u>	<u>Land Management</u>	<u>Greif, Inc. Excluding Divestitures and Land Management</u>
Net Sales	\$ 4,239.1	\$ (126.6)	\$ 4,112.5	\$ (29.5)	\$ 4,083.0



# Reconciliation of Free Cash Flow

(Dollars in millions)

	<b>Year Ended</b> <b>October 31, 2014</b>
Net cash provided by operating activities	\$ 261.8
Purchases of properties, plants and equipment	<u>(137.9)</u>
Free cash flow	\$ 123.9



# GAAP TO Non-GAAP Reconciliation of 2014 Baseline Segment Net Sales, Gross Profit, SG&A , Operating Profit (Loss) Before Special Items and Consolidated Free Cash Flow

(Dollars in millions)

**GREIF, INC. AND SUBSIDIARY COMPANIES**  
**GAAP TO NON-GAAP RECONCILIATION**  
**BASELINE SELECTED FINANCIAL INFORMATION**  
 UNAUDITED  
 (Dollars in millions)

Year Ended  
 October 31,

	2014	Impact of Actual and Planned Divestitures	Excluding the Impact of Actual and Planned Divestitures	Impact of Foreign Currency Translation	Excluding the Impact of Foreign Currency Changes and Actual and Planned Divestitures 2015
<b>Net Sales:</b>					
Rigid Industrial Packaging & Services	\$ 3,077.0	\$ (329.6)	\$ 2,747.4	\$ (288.5)	\$ 2,458.9
Paper Packaging	706.8	(20.0)	686.8	-	686.8
Flexible Products and Services	425.8	(100.4)	325.4	(53.3)	272.1
Land Management	29.5	-	29.5	(0.2)	29.3
Consolidated	<u>\$ 4,239.1</u>	<u>\$ (450.0)</u>	<u>\$ 3,789.1</u>	<u>\$ (342.0)</u>	<u>\$ 3,447.1</u>
<b>Gross Profit:</b>					
Rigid Industrial Packaging & Services	\$ 553.4	\$ (29.2)	\$ 524.2	\$ (57.1)	\$ 467.1
Paper Packaging	182.8	(3.1)	179.7	-	179.7
Flexible Products and Services	62.7	(16.8)	45.9	(8.1)	37.8
Land Management	12.1	-	12.1	(0.1)	12.0
Consolidated	<u>\$ 811.0</u>	<u>\$ (49.1)</u>	<u>\$ 761.9</u>	<u>\$ (65.3)</u>	<u>\$ 696.6</u>
<b>SG&amp;A</b>					
Rigid Industrial Packaging & Services	\$ 350.0	\$ (11.1)	\$ 338.9	\$ (31.7)	\$ 307.2
Paper Packaging	62.1	(2.2)	59.9	-	59.9
Flexible Products and Services	80.2	(12.5)	67.7	(10.0)	57.7
Land Management	2.5	-	2.5	-	2.5
Consolidated	<u>\$ 494.8</u>	<u>\$ (25.8)</u>	<u>\$ 469.0</u>	<u>\$ (41.7)</u>	<u>\$ 427.3</u>
<b>Operating profit (loss) before special items</b>					
Rigid Industrial Packaging & Services	\$ 203.1	\$ (17.8)	\$ 185.3	\$ (25.4)	\$ 159.9
Paper Packaging	120.7	(0.9)	119.8	-	119.8
Flexible Products and Services	17.5	(4.3)	(21.8)	1.9	(19.9)
Land Management	9.6	-	9.6	(0.1)	9.5
Consolidated	<u>\$ 315.9</u>	<u>\$ (23.0)</u>	<u>\$ 292.9</u>	<u>\$ (23.6)</u>	<u>\$ 269.3</u>
<b>Consolidated Free Cash Flow</b>	<u>\$ 123.9</u>	<u>\$ (28.7)</u>	<u>\$ 95.2</u>	<u>\$ (27.3)</u>	<u>\$ 67.9</u>