

**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

December 10, 2019 (December 4, 2019)
Date of Report (Date of earliest event reported)



GREIF, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-00566
(Commission File Number)

31-4388903
(IRS Employer Identification No.)

425 Winter Road
(Address of principal executive offices)

Delaware

Ohio

43015
(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:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
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 December 4, 2019, Greif, Inc. (the “Company”) issued a press release (the “Earnings Release”) announcing the financial results for its fiscal year and fourth quarter ended October 31, 2019. The full text of the Earnings Release is attached 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 fiscal year 2019 and the fiscal year 2018, which is equal to the Company's consolidated net income for the applicable period plus restructuring charges, plus acquisition-related costs, plus debt extinguishment charges, plus non-cash asset impairment charges, plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, less the net tax expense (benefit) resulting from the Tax Cut and Jobs Act of 2017 (the "Tax Reform Act"), 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 fiscal year 2019 and the fiscal year 2018, which is equal to earnings per diluted Class A share of the Company for the applicable period plus restructuring charges, plus acquisition-related costs, plus debt extinguishment charges, plus non-cash asset impairment charges, plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, less the net tax expense (benefit) resulting from the Tax Reform Act, 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 fiscal year 2019 and the fiscal year 2018, which is equal to the Company's consolidated net income for the applicable period plus interest expense, net, including debt extinguishment charges, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition-related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, each on a consolidated basis for the applicable period;
- (iv) the Company's consolidated adjusted free cash flow for the fiscal year 2019 and the fiscal year 2018, which is equal to the Company's consolidated net cash provided by operating activities for the applicable period, plus cash paid for acquisition-related costs, plus cash paid for debt issuance costs, plus an additional one-time \$65.0 million contribution made by the Company to its U.S. defined benefit plan during the third quarter of 2018, plus cash paid for acquisition-related ERP systems, less cash paid for purchases of properties, plants and equipment for the applicable period;
- (v) the Company's net debt as of October 31, 2019 and April 30, 2019, which is equal to the Company's consolidated total debt less cash and cash equivalents for the applicable period.
- (vi) the Company's net income, excluding the impact of adjustments, for the fourth quarter of 2019 and the fourth quarter of 2018, which is equal to the Company's consolidated net income for the applicable period plus restructuring charges, plus acquisition-related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, less the net tax expense (benefit) resulting from the Tax Reform Act, each net of tax, noncontrolling interest and equity earnings of unconsolidated affiliates and on a consolidated basis for the applicable period;
- (vii) the Company's earnings per diluted Class A share, excluding the impact of adjustments, for the fourth quarter of 2019 and the fourth quarter of 2018, which is equal to earnings per diluted Class A share of the Company for the applicable period plus restructuring charges, plus acquisition-related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, less the net tax expense (benefit) resulting from the Tax Reform Act, each net of tax, noncontrolling interest and equity earnings of unconsolidated affiliates and on a consolidated basis for the applicable period;
- (viii) the Company's consolidated Adjusted EBITDA for the fourth quarter of 2019 and the fourth quarter of 2018, which is equal to the Company's consolidated net income for the applicable period plus interest expense, net, including debt extinguishment charges, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition-related costs, plus non-cash asset impairment charges,

plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, each on a consolidated basis for the applicable period;

- (ix) the Company's consolidated adjusted free cash flow for the fourth quarter of 2019 and the fourth quarter of 2018, which is equal to the Company's consolidated net cash provided by operating activities for the applicable period, plus cash paid for acquisition-related costs, plus cash paid for acquisition-related ERP systems, less cash paid for purchases of properties, plants and equipment for the applicable period;
- (x) the Company's income tax rate, excluding the impact of adjustments, for the fourth quarter of 2019, which is equal to the Company's consolidated tax expense for such period plus the tax expense (benefit) of restructuring charges, plus the tax expense (benefit) of acquisition-related costs, plus the tax expense (benefit) of non-cash asset impairment charges, plus the net tax expense (benefit) resulting from the Tax Reform Act, less the tax expense (benefit) of gains on disposal of properties, plants, equipment and businesses, net, divided by the Company's consolidated income before income tax expense and equity earnings of unconsolidated affiliates, net for such period plus restructuring charges, plus acquisition-related costs, plus non-cash impairment charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, plus the net tax expense (benefit) resulting from the Tax Reform Act, each on a consolidated basis for such period;
- (xi) net sales excluding foreign currency translation for the Company's Rigid Industrial Packaging & Services business segment for the fourth quarter of 2019 and the fourth quarter of 2018, which is equal to that business segment's net sales for the applicable quarter, after adjusting such sales for the fourth quarter of 2019 for foreign currency translation;
- (xii) Adjusted EBITDA for the Company's Rigid Industrial Packaging & Services business segment for the fourth quarter of 2019 and the fourth quarter of 2018, 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 acquisition-related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, each for the applicable period;
- (xiii) Adjusted EBITDA for the Company's Paper Packaging & Services business segment for the fourth quarter of 2019 and the fourth quarter of 2018, which is equal to that business segment's operating profit less other (income) expense, net, plus depreciation and amortization expense, plus restructuring charges, plus acquisition-related costs, plus non-cash asset impairment charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, each for the applicable period;
- (xiv) net sales excluding foreign currency translation for the Company's Flexible Products & Services business segment for the fourth quarter 2019 and the fourth quarter of 2018, which is equal to that business segment's net sales for the applicable quarter, after adjusting such sales for the fourth quarter of 2019 for foreign currency translation;
- (xv) Adjusted EBITDA for the Company's Flexible Products & Services business segment for the fourth quarter of 2019 and the fourth quarter of 2018, which is equal to that business segment's operating profit less other (income) expense, net, plus depreciation and amortization expense, plus restructuring charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, each for the applicable period; and
- (xvi) Adjusted EBITDA for the Company's Land Management business segment for the fourth quarter of 2019 and the fourth quarter of 2018, which is equal to that business segment's operating profit plus depreciation, depletion and amortization expense, less (gain) loss on disposal of properties, plants, equipment and businesses, net, each for the applicable period.

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

- (i) the Company's fiscal year 2020 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-related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus debt extinguishment charges, plus the net tax expense (benefit) resulting from the Tax Reform Act, less (gain) loss on disposal of properties, plants, equipment and businesses, net, each net of tax, noncontrolling interest and equity earnings of unconsolidated affiliates and on a consolidated basis for such period; and
- (ii) the Company's fiscal year 2020 projected adjusted free cash flow guidance, which is equal to the Company's consolidated net cash provided by operating activities for such period, plus cash paid for acquisition-related costs, plus cash paid for debt issuance costs, plus cash paid for acquisition-related ERP systems, less cash paid

for purchases of properties, plants and equipment for such period. 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 measures was included in the Earnings Release for item (i) 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 measures without unreasonable efforts.

The following table is a reconciliation of the GAAP financial measure Total Debt to the non-GAAP financial measure Net Debt.

<i>(in millions)</i>	October 31, 2019	April 30, 2019
Total Debt	\$ 2,751.9	\$ 2,942.5
Cash and cash equivalents	(77.3)	(89.8)
Net Debt⁽¹⁾	\$ 2,674.6	\$ 2,852.7

⁽¹⁾Net debt is defined as total debt less cash and cash equivalents.

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-related costs, non-cash asset impairment charges, non-cash pension settlement charges, debt extinguishment charges, disposals of properties, plants, equipment and businesses, net, and the tax benefit resulting from the Tax Reform Act) 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-related costs and cash paid for debt issuance costs 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 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

On December 5, 2019, 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 fourth quarter ended October 31, 2019. The file transcript of the Conference Call is attached as Exhibit 99.2 to this Current Report on Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by Greif, Inc. on December 4, 2019 announcing the financial results for its fiscal year and fourth quarter ended October 31, 2019.
99.2	File transcript of conference call with interested investors and financial analysts held by management of Greif, Inc. on December 5, 2019.

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.

Date: December 10, 2019

GREIF, INC.

By /s/ Lawrence A. Hilsheimer

Lawrence A. Hilsheimer,

Executive Vice President and Chief Financial Officer



Greif Reports Fiscal 2019 and Fourth Quarter Results

DELAWARE, Ohio (December 4, 2019) – Greif, Inc. (NYSE: GEF, GEF.B), a world leader in industrial packaging products and services, today announced fiscal 2019 and fourth quarter results.

Fiscal Year Highlights Include (all results compared to the fiscal year 2018 unless otherwise noted):

- Completed the acquisition of Caraustar Industries, Inc. ("Caraustar") and increased anticipated run rate synergies to at least \$70.0 million from original \$45.0 million estimate. Approximately \$24.0 million of synergies were realized in fiscal 2019.
- Net sales increased by \$721.2 million to \$4,595.0 million.
- Gross profit increased by \$171.0 million to \$959.9 million.
- Income tax expense decreased by \$2.6 million to \$70.7 million, but our effective tax rate increased from 24.4 percent to 27.0 percent.
- Net income of \$171.0 million or \$2.89 per diluted Class A share decreased compared to net income of \$209.4 million or \$3.55 per diluted Class A share. Net income, excluding the impact of adjustments⁽¹⁾, of \$234.0 million or \$3.96 per diluted Class A share increased compared to net income, excluding the impact of adjustments, of \$208.7 million or \$3.53 per diluted Class A share. Adjusted EBITDA⁽²⁾ increased by \$155.7 million to \$658.9 million.
- Net cash provided by operating activities increased by \$136.5 million to \$389.5 million. Adjusted free cash flow⁽³⁾ increased by \$89.3 million to \$267.8 million.
- Reduced net debt by \$178.1 million since April 30, 2019.

Fourth Quarter Highlights Include (all results compared to the fourth quarter 2018 unless otherwise noted):

- Net sales increased by \$244.4 million to \$1,232.1 million.
- Gross profit increased by \$54.2 million to \$259.0 million.
- Income tax expense decreased by \$29.7 million to \$12.4 million.
- Net income of \$65.0 million or \$1.09 per diluted Class A share increased compared to net income of \$40.1 million or \$0.67 per diluted Class A share. Net income, excluding the impact of adjustments, of \$73.4 million or \$1.24 per diluted Class A share increased compared to net income, excluding the impact of adjustments, of \$64.3 million or \$1.08 per diluted Class A share. Adjusted EBITDA increased by \$45.3 million to \$186.8 million.
- Net cash provided by operating activities decreased by \$1.8 million to \$195.4 million. Adjusted free cash flow increased by \$1.2 million to \$150.2 million.

"The global Greif team executed well despite a challenging industrial business environment in both the fourth quarter and fiscal 2019," said Pete Watson, Greif's President and Chief Executive Officer. "We achieved a step change in financial performance with the acquisition of Caraustar and advanced our focus on customer service excellence and disciplined operational execution around our global portfolio. As we look ahead to fiscal 2020, we are committed to managing those areas within our control to successfully navigate a continued uncertain global macro-economic environment."

(1) A summary of all adjustments that are excluded from net income before adjustments and from earnings per diluted Class A share before adjustments are set forth in the Selected Financial Highlights table following the Company Outlook in this release.

- (2) Adjusted EBITDA is defined as net income, plus interest expense, net, including debt extinguishment charges, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition-related costs, plus non-cash impairment charges, plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net.
- (3) Adjusted free cash flow is defined as net cash provided by operating activities, plus cash paid for acquisition-related costs, plus cash paid for debt issuance costs, plus an additional one-time \$65.0 million contribution made by the Company to its U.S. defined benefit plan during the third quarter of 2018, plus cash paid for acquisition-related ERP systems, less cash paid for purchases of properties, plants and equipment.

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⁽⁴⁾ score was 90.5 during the fiscal fourth quarter, and this was the first time the Company's CSI score exceeded 90.0 since data began to be tracked in fiscal 2015. Our long term objective is for each business to achieve a CSI score of 95.0 or greater.

CSI for the Rigid Industrial Packaging & Services segment was 90.1, or roughly 3% higher than prior year quarter. CSI for the Flexible Products & Services segment was 95.2, or roughly 2% higher than prior year quarter. CSI for the Paper Packaging & Services segment fell by roughly 5% to 90.7, but excluding Caraustar operations would have been 94.6 and flat to the prior year quarter.

Additionally, we completed our ninth NPS⁽⁵⁾ survey and achieved our best ever score of 61, which exceeds our aspirational NPS goal of 55 or greater. Our latest score represents a 56% improvement from Wave 1 and a 7% increase from our Wave 8 survey conducted earlier in fiscal 2019. We continue to leverage the increased customer interactions that accompany each survey into additional enhancements for our customers and better strategic insight into their business needs.

Segment Results (all results compared to the fourth quarter of 2018 unless otherwise noted)

Net sales are impacted mainly by the volume of primary products⁽⁶⁾ 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 fourth quarter of 2019 as compared to the prior year quarter for the business segments with manufacturing operations. Net sales from Caraustar's primary products are not included in the table below, but will be included in the Paper Packaging & Services segment starting in the second quarter of fiscal 2020:

<u>Net Sales Impact - Primary Products</u>	Rigid Industrial Packaging & Services	Paper Packaging & Services	Flexible Products & Services
	%	%	%
Currency Translation	(2.3)%	—	(3.1)%
Volume	(5.3)%	(7.7)%	(2.4)%
Selling Prices and Product Mix	0.0 %	(5.6)%	(0.7)%
Total Impact of Primary Products	(7.6)%	(13.3)%	(6.2)%

Rigid Industrial Packaging & Services

Net sales decreased by \$38.9 million to \$619.0 million. Net sales excluding foreign currency translation decreased by \$27.6 million due primarily to continued demand softness in Western/Central Europe, APAC and the U.S.

Gross profit decreased by \$2.7 million to \$114.0 million. The decrease in gross profit was primarily due to the same factors that impacted net sales.

Operating profit increased by \$12.2 million to \$55.0 million primarily due to gain on disposal of properties, plants, equipment and businesses, net, as well as a decrease in the segment's SG&A expense. The decrease in SG&A expense includes a one-time Brazilian tax recovery of approximately \$7.0 million related to taxes paid over the past two decades. Adjusted EBITDA decreased by \$1.5 million to \$69.5 million primarily due to the same factors that impacted net sales and partially offset by lower SG&A expenses.

Paper Packaging & Services

Net sales increased by \$290.3 million to \$535.1 million. The increase in sales was primarily due to \$322.6 million of contribution from the acquired Caraustar operations, partially offset by the impact of approximately 12,000 tons of containerboard economic downtime, approximately 6,500 tons of scheduled containerboard maintenance downtime, and lower published containerboard prices.

Gross profit increased by \$58.7 million to \$128.5 million. The increase in gross profit was primarily due to \$73.7 million of contribution from the acquired Caraustar operations, partially offset by the same factors that impacted net sales.

Operating profit increased by \$2.4 million to \$55.7 million. Adjusted EBITDA increased by \$46.6 million to \$108.7 million primarily due to \$63.6 million of contribution from the acquired Caraustar operations, partially offset by the same factors that impacted net sales.

Flexible Products & Services

Net sales decreased by \$6.6 million to \$70.9 million. Net sales excluding foreign currency translation decreased by \$4.3 million due primarily to continued demand softness in Western Europe.

Gross profit decreased by \$1.5 million to \$14.2 million primarily due to the same factors that impacted net sales, partially offset by lower manufacturing costs.

Operating profit decreased by \$2.3 million to \$3.1 million. Adjusted EBITDA increased by \$0.5 million to \$5.8 million. The increase in adjusted EBITDA was primarily due to a reduction in the segment's SG&A expense.

Land Management

Net sales decreased by \$0.4 million to \$7.1 million.

Operating profit increased by \$0.1 million to \$1.9 million. Adjusted EBITDA decreased by \$0.3 million to \$2.8 million.

Tax Summary

During the fourth quarter, the Company recorded an income tax rate of 15.2 percent and a tax rate excluding the impact of adjustments of 17.0 percent. As previously disclosed, the application of FIN 18 often causes fluctuations in our quarterly effective tax rates. For the full year, the Company recorded an income tax rate of 27.0 percent and a tax rate excluding the impact of adjustments of 25.1 percent. Both full year rates reflect fourth quarter benefits of \$6.1 million from return to provision adjustments and reserve releases due to audit settlements and statute expirations.

Dividend Summary

On December 3, 2019, the Board of Directors declared quarterly cash dividends of \$0.44 per share of Class A Common Stock and \$0.65 per share of Class B Common Stock. Dividends are payable on January 1, 2020, to stockholders of record at the close of business on December 18, 2019.

Company Outlook

(in millions, except per share amounts)

	Fiscal 2020 Outlook
Class A earnings per share before adjustments	\$3.63 - \$4.13
Adjusted free cash flow	\$245 - \$285

Note: 2020 Class A earnings per share and tax rate guidance on a GAAP basis are 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 pension settlement charges; or acquisition costs, and the income tax effects of these items and other income tax-related events. No reconciliation of the fiscal year 2020 Class A earnings per share before adjustments guidance or tax rate excluding the impact of adjustments guidance, both non-GAAP financial measures which exclude gains and losses on the disposal of businesses, timberland and properties, plants and equipment, non-cash pension settlement charges, acquisition costs, restructuring and impairment charges, 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 2020 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.

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

- (5) Net Promoter Score (NPS) is derived from a survey conducted by a third party that measures how likely a customer is to recommend Greif as a business partner. NPS scores are calculated by subtracting the percentage of detractors a business has from the percentage of its promoters.
- (6) Primary products are manufactured steel, plastic and fibre drums; intermediate bulk containers; linerboard, medium, corrugated sheets and corrugated containers; and 1&2 loop and 4 loop flexible intermediate bulk containers.

GREIF, INC. AND SUBSIDIARY COMPANIES
SELECTED FINANCIAL HIGHLIGHTS
 UNAUDITED

<i>(in millions, except for per share amounts)</i>	Three months ended October 31,		Twelve months ended October 31,	
	2019	2018	2019	2018
Selected Financial Highlights				
Net sales	\$ 1,232.1	\$ 987.7	\$ 4,595.0	\$ 3,873.8
Gross profit	259.0	204.8	959.9	788.9
Gross profit margin	21.0%	20.7%	20.9%	20.4%
Operating profit	115.7	103.3	399.1	370.5
EBITDA ⁽⁷⁾	173.9	130.6	605.5	480.7
Adjusted EBITDA ⁽⁸⁾	186.8	141.5	658.9	503.2
Net cash provided by operating activities	195.4	197.2	389.5	253.0
Adjusted Free cash flow ⁽⁹⁾	150.2	149.0	267.8	178.5
Net income attributable to Greif, Inc.	65.0	40.1	171.0	209.4
Diluted Class A earnings per share attributable to Greif, Inc.	\$ 1.09	\$ 0.67	\$ 2.89	\$ 3.55
Adjusted Diluted Class A earnings per share attributable to Greif, Inc.	\$ 1.24	\$ 1.08	\$ 3.96	\$ 3.53
Adjustments				
Restructuring charges	\$ 5.8	\$ 4.8	\$ 26.1	\$ 18.6
Acquisition-related costs	7.5	—	29.7	0.7
Debt extinguishment charges	—	—	22.0	—
Non-cash asset impairment charges	5.7	4.2	7.8	8.3
Non-cash pension settlement charges	—	0.9	—	1.3
(Gain) loss on disposal of properties, plants and equipment and businesses, net	(6.1)	1.0	(10.2)	(6.4)
Tax net expense (benefit) resulting from Tax Cuts and Jobs Act	(3.7)	14.2	(0.5)	(19.2)
Total Adjustments	\$ 9.2	\$ 25.1	\$ 74.9	\$ 3.3

	October 31, 2019	October 31, 2018
Operating working capital ⁽¹⁰⁾	\$ 587.2	\$ 342.4

⁽⁷⁾EBITDA is defined as net income, plus interest expense, net, including debt extinguishment charges, plus income tax expense, plus depreciation, depletion and amortization.

⁽⁸⁾Adjusted EBITDA is defined as net income, plus interest expense, net, including debt extinguishment charges, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition-related costs, plus non-cash impairment charges, plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net.

⁽⁹⁾Adjusted free cash flow is defined as net cash provided by operating activities, plus cash paid for acquisition-related costs, plus cash paid for debt issuance costs, plus an additional one-time \$65.0 million contribution made by the Company to its U.S. defined benefit plan during the third quarter of 2018, plus cash paid for acquisition-related ERP systems, less cash paid for purchases of properties, plants and equipment.

⁽¹⁰⁾Operating working capital is defined as trade accounts receivable plus inventories less accounts payable.

Conference Call

The Company will host a conference call to discuss the fourth quarter of 2019 results on December 5, 2019, at 8:30 a.m. Eastern Time (ET). To participate, domestic callers should call 833-231-8265. The Greif ID is 7795183. The number for international callers is +1-647-689-4110. Phone lines will open at 8:00 a.m. ET. The conference call will also be available through a live webcast, including slides, which can be accessed at <http://investor.greif.com> by clicking on the Events and Presentations tab and searching under the events calendar. A replay of the conference call will be available on the Company's website approximately two hours following the call.

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, 2019. 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) we may not successfully implement our business strategies, including achieving our transformation and growth objectives, (iii) our operations subject us to currency exchange and political risks that could adversely affect our results of operations, (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, (viii) raw material and energy price fluctuations and shortages may adversely impact our manufacturing operations and costs, (ix) changes in U.S. trade policies could impact the cost of imported goods into the U.S., which may materially impact our revenues or increase our operating costs, (x) the results of the United Kingdom's referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business, (xi) geopolitical conditions, including direct or indirect acts of war or terrorism, could have a material adverse effect on our operations and financial results, (xii) we may encounter difficulties arising from acquisitions, including the inability to realize projected synergies (xiii) in connection with acquisitions or divestitures, we may become subject to liabilities (xiv) we may incur additional restructuring costs and there is no guarantee that our efforts to reduce costs will be successful, (xv) we could be subject to changes our tax rates, the adoption of new U.S. or foreign tax legislation or exposure to additional tax liabilities, (xvi) full realization of our deferred tax assets may be affected by a number of factors, (xvii) several operations are conducted by joint ventures that we cannot operate solely for our benefit, (xviii) certain of the agreements that govern our joint ventures provide our partners with put or call options, (xix) our ability to attract, develop and retain talented and qualified employees, managers and executives is critical to our success, (xx) our business may be adversely impacted by work stoppages and other labor relations matters, (xxi) we may not successfully identify illegal immigrants in our workforce, (xxii) 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, (xxiii) we may be subject to losses that might not be covered in whole or in part by existing insurance reserves or insurance coverage, (xxiv) our business depends on the uninterrupted operations of our facilities, systems and business functions, including our information technology and other business systems, (xxv) a security breach of customer, employee,

supplier or Company information may have a material adverse effect on our business, financial condition and results of operations, (xxvi) legislation/regulation related to environmental and health and safety matters and corporate social responsibility could negatively impact our operations and financial performance, (xxvii) product liability claims and other legal proceedings could adversely affect our operations and financial performance, (xxviii) 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, (xxix) changing climate, climate change regulations and greenhouse gas effects may adversely affect our operations and financial performance, (xxx) the frequency and volume of our timber and timberland sales will impact our financial performance, (xxxi) changes in U.S. generally accepted accounting principles (U.S. GAAP) and SEC rules and regulations could materially impact our reported results, (xxxii) if the Company fails to maintain an effective system of internal control, the Company may not be able to accurately report financial results or prevent fraud, and (xxxiii) the Company has a significant amount of goodwill and long-lived assets which, if impaired in the future, would adversely impact our results of operations. 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

<i>(in millions, except per share amounts)</i>	Three months ended October 31,		Twelve months ended October 31,	
	2019	2018	2019	2018
Net sales	\$ 1,232.1	\$ 987.7	\$ 4,595.0	\$ 3,873.8
Cost of products sold	973.1	782.9	3,635.1	3,084.9
Gross profit	259.0	204.8	959.9	788.9
Selling, general and administrative expenses	130.4	91.5	507.4	397.2
Restructuring charges	5.8	4.8	26.1	18.6
Acquisition-related costs	7.5	—	29.7	0.7
Non-cash asset impairment charges	5.7	4.2	7.8	8.3
(Gain) loss on disposal of properties, plants and equipment, net	(6.8)	1.9	(13.9)	(5.6)
(Gain) loss on disposal of businesses, net	0.7	(0.9)	3.7	(0.8)
Operating profit	115.7	103.3	399.1	370.5
Interest expense, net	32.4	12.6	112.5	51.0
Non-cash pension settlement charges	—	0.9	—	1.3
Debt extinguishment charges	—	—	22.0	—
Other (income) expense, net	1.6	3.4	2.6	18.4
Income before income tax expense and equity earnings of unconsolidated affiliates, net	81.7	86.4	262.0	299.8
Income tax expense	12.4	42.1	70.7	73.3
Equity earnings of unconsolidated affiliates, net of tax	(0.5)	(1.2)	(2.9)	(3.0)
Net income	69.8	45.5	194.2	229.5
Net income attributable to noncontrolling interests	(4.8)	(5.4)	(23.2)	(20.1)
Net income attributable to Greif, Inc.	\$ 65.0	\$ 40.1	\$ 171.0	\$ 209.4
Basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A common stock	\$ 1.09	\$ 0.68	\$ 2.89	\$ 3.56
Class B common stock	\$ 1.65	\$ 1.03	\$ 4.33	\$ 5.33
Diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A common stock	\$ 1.09	\$ 0.67	\$ 2.89	\$ 3.55
Class B common stock	\$ 1.65	\$ 1.03	\$ 4.33	\$ 5.33
Shares used to calculate basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A common stock	26.3	25.9	26.2	25.9
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	26.4	26.1	26.2	26.0
Class B common stock	22.0	22.0	22.0	22.0

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

<i>(in millions)</i>	October 31, 2019	October 31, 2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 77.3	\$ 94.2
Trade accounts receivable	664.2	456.7
Inventories	358.2	289.5
Other current assets	149.3	136.3
	<u>1,249.0</u>	<u>976.7</u>
LONG-TERM ASSETS		
Goodwill	1,517.8	776.0
Intangible assets	776.5	80.6
Assets held by special purpose entities	50.9	50.9
Other long-term assets	142.2	118.7
	<u>2,487.4</u>	<u>1,026.2</u>
PROPERTIES, PLANTS AND EQUIPMENT	<u>1,690.3</u>	<u>1,191.9</u>
	<u>\$ 5,426.7</u>	<u>\$ 3,194.8</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 435.2	\$ 403.8
Short-term borrowings	9.2	7.3
Current portion of long-term debt	83.7	18.8
Other current liabilities	297.3	240.3
	<u>825.4</u>	<u>670.2</u>
LONG-TERM LIABILITIES		
Long-term debt	2,659.0	884.1
Liabilities held by special purpose entities	43.3	43.3
Other long-term liabilities	686.6	407.5
	<u>3,388.9</u>	<u>1,334.9</u>
REDEEMABLE NONCONTROLLING INTERESTS	<u>21.3</u>	<u>35.5</u>
EQUITY		
Total Greif, Inc. equity	1,133.1	1,107.8
Noncontrolling interests	58.0	46.4
	<u>1,191.1</u>	<u>1,154.2</u>
	<u>\$ 5,426.7</u>	<u>\$ 3,194.8</u>

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

<i>(in millions)</i>	Three months ended October 31,		Twelve months ended October 31,	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	\$ 69.8	\$ 45.5	\$ 194.2	\$ 229.5
Depreciation, depletion and amortization	59.3	30.4	206.1	126.9
Asset impairments	5.7	4.2	7.8	8.3
Pension settlement loss	—	0.9	—	1.3
Other non-cash adjustments to net income	4.2	39.5	11.8	(1.9)
Operating working capital changes	76.1	37.8	23.6	(34.5)
Deferred purchase price on sold receivables	—	34.4	(6.9)	2.1
Increase (decrease) in cash from changes in other assets and liabilities	(19.7)	4.5	(47.1)	(78.7)
Net cash provided by operating activities	195.4	197.2	389.5	253.0
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisitions of businesses, net of cash acquired	—	—	(1,857.9)	—
Purchases of properties, plants and equipment	(53.0)	(48.2)	(156.8)	(140.2)
Purchases of and investments in timber properties	(1.3)	(2.3)	(5.4)	(8.9)
Proceeds from the sale of properties, plants and equipment, businesses, timberland and other assets	12.5	1.0	30.2	13.9
Proceeds on insurance recoveries	0.4	—	0.6	—
Net cash used in investing activities	(41.4)	(49.5)	(1,989.3)	(135.2)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from (payments on) debt, net	(125.8)	(125.2)	1,751.1	(55.7)
Dividends paid to Greif, Inc. shareholders	(26.1)	(26.0)	(104.0)	(100.0)
Payments for extinguishment and issuance of debt	—	—	(44.1)	—
Other	—	1.9	(19.5)	(2.6)
Net cash provided by (used for) financing activities	(151.9)	(149.3)	1,583.5	(158.3)
Reclassification of cash to assets held for sale	—	—	—	—
Effects of exchange rates on cash	(0.6)	(5.1)	(0.6)	(7.6)
Net increase (decrease) in cash and cash equivalents	1.5	(6.7)	(16.9)	(48.1)
Cash and cash equivalents, beginning of period	75.8	100.9	94.2	142.3
Cash and cash equivalents, end of period	\$ 77.3	\$ 94.2	\$ 77.3	\$ 94.2

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

(in millions)	Three months ended October 31,		Twelve months ended October 31,	
	2019	2018	2019	2018
Net sales:				
Rigid Industrial Packaging & Services	\$ 619.0	\$ 657.9	\$ 2,490.6	\$ 2,623.6
Paper Packaging & Services	535.1	244.8	1,780.0	898.5
Flexible Products & Services	70.9	77.5	297.5	324.2
Land Management	7.1	7.5	26.9	27.5
Total net sales	\$ 1,232.1	\$ 987.7	\$ 4,595.0	\$ 3,873.8
Gross profit:				
Rigid Industrial Packaging & Services	\$ 114.0	\$ 116.7	\$ 460.1	\$ 490.8
Paper Packaging & Services	128.5	69.8	425.4	222.5
Flexible Products & Services	14.2	15.7	64.2	65.2
Land Management	2.3	2.6	10.2	10.4
Total gross profit	\$ 259.0	\$ 204.8	\$ 959.9	\$ 788.9
Operating profit:				
Rigid Industrial Packaging & Services	\$ 55.0	\$ 42.8	\$ 179.6	\$ 183.2
Paper Packaging & Services	55.7	53.3	184.3	158.3
Flexible Products & Services	3.1	5.4	25.3	19.4
Land Management	1.9	1.8	9.9	9.6
Total operating profit	\$ 115.7	\$ 103.3	\$ 399.1	\$ 370.5
EBITDA⁽¹¹⁾:				
Rigid Industrial Packaging & Services	\$ 71.6	\$ 59.9	\$ 251.6	\$ 249.0
Paper Packaging & Services	94.4	61.9	307.0	191.8
Flexible Products & Services	4.9	5.7	32.7	25.7
Land Management	3.0	3.1	14.2	14.2
Total EBITDA	\$ 173.9	\$ 130.6	\$ 605.5	\$ 480.7
Adjusted EBITDA⁽¹²⁾:				
Rigid Industrial Packaging & Services	\$ 69.5	\$ 71.0	\$ 269.9	\$ 273.4
Paper Packaging & Services	108.7	62.1	348.3	192.3
Flexible Products & Services	5.8	5.3	28.6	25.6
Land Management	2.8	3.1	12.1	11.9
Total Adjusted EBITDA	\$ 186.8	\$ 141.5	\$ 658.9	\$ 503.2

⁽¹¹⁾EBITDA is defined as net income, plus interest expense, net, including debt extinguishment charges, 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.

⁽¹²⁾Adjusted EBITDA is defined as net income, plus interest expense, net, including debt extinguishment charges, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition-related costs, plus non-cash impairment charges, plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net.

GREIF, INC. AND SUBSIDIARY COMPANIES
FINANCIAL HIGHLIGHTS BY GEOGRAPHIC REGION
 UNAUDITED

<i>(in millions)</i>	Three months ended October 31,		Twelve months ended October 31,	
	2019	2018	2019	2018
Net sales:				
United States	\$ 762.2	\$ 518.3	\$ 2,727.7	\$ 1,920.5
Europe, Middle East and Africa	341.2	336.3	1,350.4	1,410.9
Asia Pacific and other Americas	128.7	133.1	516.9	542.4
Total net sales	\$ 1,232.1	\$ 987.7	\$ 4,595.0	\$ 3,873.8
Gross profit:				
United States	\$ 171.6	\$ 127.6	\$ 615.1	\$ 451.5
Europe, Middle East and Africa	64.9	59.1	261.1	257.8
Asia Pacific and other Americas	22.5	18.1	83.7	79.6
Total gross profit	\$ 259.0	\$ 204.8	\$ 959.9	\$ 788.9

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
CONSOLIDATED ADJUSTED EBITDA⁽¹³⁾
 UNAUDITED

<i>(in millions)</i>	Three months ended October 31,		Twelve months ended October 31,	
	2019	2018	2019	2018
Net income	\$ 69.8	\$ 45.5	\$ 194.2	\$ 229.5
Plus: Interest expense, net	32.4	12.6	112.5	51.0
Plus: Debt extinguishment charges	—	—	22.0	—
Plus: Income tax expense	12.4	42.1	70.7	73.3
Plus: Depreciation, depletion and amortization expense	59.3	30.4	206.1	126.9
EBITDA	\$ 173.9	\$ 130.6	\$ 605.5	\$ 480.7
Net income	\$ 69.8	\$ 45.5	\$ 194.2	\$ 229.5
Plus: Interest expense, net	32.4	12.6	112.5	51.0
Plus: Debt extinguishment charges	—	—	22.0	—
Plus: Income tax expense	12.4	42.1	70.7	73.3
Plus: Non-cash pension settlement charges	—	0.9	—	1.3
Plus: Other expense, net	1.6	3.4	2.6	18.4
Plus: Equity earnings of unconsolidated affiliates, net of tax	(0.5)	(1.2)	(2.9)	(3.0)
Operating profit	115.7	103.3	399.1	370.5
Less: Other expense, net	1.6	3.4	2.6	18.4
Less: Non-cash pension settlement charges	—	0.9	—	1.3
Less: Equity earnings of unconsolidated affiliates, net of tax	(0.5)	(1.2)	(2.9)	(3.0)
Plus: Depreciation, depletion and amortization expense	59.3	30.4	206.1	126.9
EBITDA	\$ 173.9	\$ 130.6	\$ 605.5	\$ 480.7
Plus: Restructuring charges	\$ 5.8	\$ 4.8	\$ 26.1	\$ 18.6
Plus: Acquisition-related costs	7.5	—	29.7	0.7
Plus: Non-cash asset impairment charges	5.7	4.2	7.8	8.3
Plus: Non-cash pension settlement charges	—	0.9	—	1.3
Less: (Gain) loss on disposal of properties, plants, equipment, and businesses, net	(6.1)	1.0	(10.2)	(6.4)
Adjusted EBITDA	\$ 186.8	\$ 141.5	\$ 658.9	\$ 503.2

⁽¹³⁾ Adjusted EBITDA is defined as net income, plus interest expense, net, including debt extinguishment charges, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition-related costs, plus non-cash impairment charges, plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
SEGMENT ADJUSTED EBITDA⁽¹⁴⁾
UNAUDITED

(in millions)	Three months ended October 31,		Twelve months ended October 31,	
	2019	2018	2019	2018
Rigid Industrial Packaging & Services				
Operating profit	\$ 55.0	\$ 42.8	\$ 179.6	\$ 183.2
Less: Other expense, net	3.2	2.2	7.2	17.1
Less: Non-cash pension settlement charges	—	0.9	—	1.3
Less: Equity earnings of unconsolidated affiliates, net of tax	(0.5)	(1.2)	(2.9)	(3.0)
Plus: Depreciation and amortization expense	19.3	19.0	76.3	81.2
EBITDA	\$ 71.6	\$ 59.9	\$ 251.6	\$ 249.0
Plus: Restructuring charges	3.8	4.2	18.8	17.3
Plus: Acquisition-related costs	0.2	—	0.6	0.7
Plus: Non-cash asset impairment charges	0.6	4.2	2.7	8.3
Plus: Non-cash pension settlement charges	—	0.9	—	1.3
Less: (Gain) loss on disposal of properties, plants, equipment, and businesses, net	(6.7)	1.8	(3.8)	(3.2)
Adjusted EBITDA	\$ 69.5	\$ 71.0	\$ 269.9	\$ 273.4
Paper Packaging & Services				
Operating profit	\$ 55.7	\$ 53.3	\$ 184.3	\$ 158.3
Less: Other (income) expense, net	(1.3)	—	(3.4)	0.7
Plus: Depreciation and amortization expense	37.4	8.6	119.3	34.2
EBITDA	\$ 94.4	\$ 61.9	\$ 307.0	\$ 191.8
Plus: Restructuring charges	1.0	0.1	6.2	0.4
Plus: Acquisition-related costs	7.3	—	29.1	—
Plus: Non-cash asset impairment charges	5.1	—	5.1	—
Less: (Gain) loss on disposal of properties, plants, equipment, and businesses, net	0.9	0.1	0.9	0.1
Adjusted EBITDA	\$ 108.7	\$ 62.1	\$ 348.3	\$ 192.3
Flexible Products & Services				
Operating profit	\$ 3.1	\$ 5.4	\$ 25.3	\$ 19.4
Less: Other (income) expense, net	(0.3)	1.2	(1.2)	0.6
Plus: Depreciation and amortization expense	1.5	1.5	6.2	6.9
EBITDA	\$ 4.9	\$ 5.7	\$ 32.7	\$ 25.7
Plus: Restructuring charges	1.0	0.5	1.0	0.9
Less: (Gain) loss on disposal of properties, plants, equipment, and businesses, net	(0.1)	(0.9)	(5.1)	(1.0)
Adjusted EBITDA	\$ 5.8	\$ 5.3	\$ 28.6	\$ 25.6
Land Management				
Operating profit	\$ 1.9	\$ 1.8	\$ 9.9	\$ 9.6
Plus: Depreciation, depletion and amortization expense	1.1	1.3	4.3	4.6
EBITDA	\$ 3.0	\$ 3.1	\$ 14.2	\$ 14.2
Plus: Restructuring charges	—	—	0.1	—
Less: (Gain) loss on disposal of properties, plants, equipment, and businesses, net	(0.2)	—	(2.2)	(2.3)
Adjusted EBITDA	\$ 2.8	\$ 3.1	\$ 12.1	\$ 11.9
Consolidated EBITDA	\$ 173.9	\$ 130.6	\$ 605.5	\$ 480.7
Consolidated Adjusted EBITDA	\$ 186.8	\$ 141.5	\$ 658.9	\$ 503.2

⁽¹⁴⁾Adjusted EBITDA is defined as net income, plus interest expense, net, including debt extinguishment charges, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition-related costs, plus non-cash impairment charges, plus non-cash pension settlement charges, less (gain) loss on disposal of properties, plants, equipment and businesses, 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⁽¹⁵⁾
 UNAUDITED

<i>(in millions)</i>	Three months ended October 31,		Twelve months ended October 31,	
	2019	2018	2019	2018
Net cash provided by operating activities	\$ 195.4	\$ 197.2	\$ 389.5	\$ 253.0
Cash paid for purchases of properties, plants and equipment	(53.0)	(48.2)	(156.8)	(140.2)
Free Cash Flow	\$ 142.4	\$ 149.0	\$ 232.7	\$ 112.8
Cash paid for acquisition-related costs	7.5	—	29.7	0.7
Cash paid for debt issuance costs ⁽¹⁶⁾	—	—	5.1	—
Additional U.S. pension contribution	—	—	—	65.0
Cash paid for acquisition-related ERP systems ⁽¹⁷⁾	0.3	—	0.3	—
Adjusted Free Cash Flow	\$ 150.2	\$ 149.0	\$ 267.8	\$ 178.5

⁽¹⁵⁾Adjusted free cash flow is defined as net cash provided by operating activities, plus cash paid for acquisition-related costs, plus cash paid for debt issuance costs, plus an additional one-time \$65.0 million contribution made by the Company to its U.S. defined benefit plan during the third quarter of 2018, plus cash paid for acquisition-related ERP systems, less cash paid for purchases of properties, plants and equipment.

⁽¹⁶⁾Cash paid for debt issuance costs is defined as cash payments for debt issuance related expenses included within net cash used in operating activities.

⁽¹⁷⁾Cash paid for acquisition-related ERP systems is defined as capital expenditures for the integration of Carastar into Grief's global Enterprise Resource Planning System.

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

<i>(in millions, except for per share amounts)</i>	Income before Income Tax Expense and Equity Earnings of Unconsolidated Affiliates, net	Income Tax (Benefit) Expense	Equity Earnings	Noncontrolling Interest	Net Income Attributable to Greif, Inc.	Diluted Class A Earnings Per Share	Tax Rate
Three months ended October 31, 2019	\$ 81.7	\$ 12.4	\$ (0.5)	\$ 4.8	\$ 65.0	\$ 1.09	15.2%
(Gain) loss on disposal of properties, plants, equipment and businesses, net	(6.1)	(1.8)	—	—	(4.3)	(0.07)	
Restructuring charges	5.8	(0.1)	—	0.7	5.2	0.09	
Non-cash asset impairment charges	5.7	1.9	—	0.1	3.7	0.06	
Acquisition-related costs	7.5	—	—	—	7.5	0.13	
Tax net benefit resulting from the Tax Reform Act	—	3.7	—	—	(3.7)	(0.06)	
Excluding Adjustments	<u>\$ 94.6</u>	<u>\$ 16.1</u>	<u>\$ (0.5)</u>	<u>\$ 5.6</u>	<u>\$ 73.4</u>	<u>\$ 1.24</u>	<u>17.0%</u>
Three months ended October 31, 2018	\$ 86.4	\$ 42.1	\$ (1.2)	\$ 5.4	\$ 40.1	\$ 0.67	48.6%
(Gain) loss on disposal of properties, plants, equipment and businesses, net	1.0	—	—	(0.5)	1.5	0.02	
Restructuring charges	4.8	0.3	—	0.4	4.1	0.08	
Non-cash asset impairment charges	4.2	0.8	—	—	3.4	0.05	
Acquisition-related costs	—	(0.2)	—	—	0.2	—	
Non-cash pension settlement charges	0.9	0.1	—	—	0.8	0.02	
Tax net expense resulting from the Tax Reform Act	—	(14.2)	—	—	14.2	0.24	
Excluding Adjustments	<u>\$ 97.3</u>	<u>\$ 28.9</u>	<u>\$ (1.2)</u>	<u>\$ 5.3</u>	<u>\$ 64.3</u>	<u>\$ 1.08</u>	<u>29.8%</u>
Twelve months ended October 31, 2019	\$ 262.0	\$ 70.7	\$ (2.9)	\$ 23.2	\$ 171.0	\$ 2.89	27.0%
Gain on disposal of properties, plants, equipment and businesses, net	(10.2)	(2.4)	—	(2.5)	(5.3)	(0.09)	
Restructuring charges	26.1	4.4	—	0.8	20.9	0.36	
Non-cash asset impairment charges	7.8	1.9	—	0.1	5.8	0.10	
Acquisition-related costs	29.7	4.3	—	—	25.4	0.43	
Debt extinguishment charges	22.0	5.3	—	—	16.7	0.28	
Tax net benefit resulting from the Tax Reform Act	—	0.5	—	—	(0.5)	(0.01)	
Excluding Adjustments	<u>\$ 337.4</u>	<u>\$ 84.7</u>	<u>\$ (2.9)</u>	<u>\$ 21.6</u>	<u>\$ 234.0</u>	<u>\$ 3.96</u>	<u>25.1%</u>
Twelve months ended October 31, 2018	\$ 299.8	\$ 73.3	\$ (3.0)	\$ 20.1	\$ 209.4	\$ 3.55	24.4%
Gain on disposal of properties, plants, equipment and businesses, net	(6.4)	(0.9)	—	(0.5)	(5.0)	(0.09)	
Restructuring charges	18.6	3.1	—	0.6	14.9	0.26	
Non-cash asset impairment charges	8.3	1.5	—	—	6.8	0.11	
Acquisition-related costs	0.7	—	—	—	0.7	0.01	
Non-cash pension settlement charges	1.3	0.2	—	—	1.1	0.02	
Tax net benefit resulting from the Tax Reform Act	—	19.2	—	—	(19.2)	(0.33)	
Excluding Adjustments	<u>\$ 322.3</u>	<u>\$ 96.4</u>	<u>\$ (3.0)</u>	<u>\$ 20.2</u>	<u>\$ 208.7</u>	<u>\$ 3.53</u>	<u>29.9%</u>

The impact of income tax expense and noncontrolling 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

<i>(in millions)</i>	<u>Three months ended October 31,</u>		Increase (Decrease) in Net Sales (\$)	Increase (Decrease) in Net Sales (%)
	2019	2018		
Consolidated				
Net Sales	\$ 1,232.1	\$ 987.7	\$ 244.4	24.7 %
Currency Translation	(13.7)	N/A		
Net Sales Excluding the Impact of Currency Translation	\$ 1,245.8	\$ 987.7	\$ 258.1	26.1 %
Rigid Industrial Packaging & Services				
Net Sales	\$ 619.0	\$ 657.9	\$ (38.9)	(5.9)%
Currency Translation	(11.3)	N/A		
Net Sales Excluding the Impact of Currency Translation	\$ 630.3	\$ 657.9	\$ (27.6)	(4.2)%
Flexible Products & Services				
Net Sales	70.9	77.5	\$ (6.6)	(8.5)%
Currency Translation	(2.3)	N/A		
Net Sales Excluding the Impact of Currency Translation	\$ 73.2	\$ 77.5	\$ (4.3)	(5.5)%

<i>(in millions)</i>	<u>Twelve months ended October 31,</u>		Increase in Net Sales (\$)	Increase in Net Sales (%)
	2019	2018		
Consolidated				
Net Sales	\$ 4,595.0	\$ 3,873.8	\$ 721.2	18.6 %
Currency Translation	(99.8)	N/A		
Net Sales Excluding the Impact of Currency Translation	\$ 4,694.8	\$ 3,873.8	\$ 821.0	21.2 %
Rigid Industrial Packaging & Services				
Net Sales	\$ 2,490.6	\$ 2,623.6	\$ (133.0)	(5.1)%
Currency Translation	(83.9)	N/A		
Net Sales Excluding the Impact of Currency Translation	\$ 2,574.5	\$ 2,623.6	\$ (49.1)	(1.9)%
Flexible Products & Services				
Net Sales	297.5	324.2	\$ (26.7)	(8.2)%
Currency Translation	(15.6)	N/A		
Net Sales Excluding the Impact of Currency Translation	\$ 313.1	\$ 324.2	\$ (11.1)	(3.4)%

GREIF, INC. AND SUBSIDIARY COMPANIES
PROJECTED 2020 GUIDANCE RECONCILIATION
ADJUSTED FREE CASH FLOW
 UNAUDITED

<i>(in millions)</i>	Fiscal 2020 Guidance Range	
	Scenario 1	Scenario 2
Net cash provided by operating activities	\$ 395.0	\$ 450.0
Cash paid for purchases of properties, plants and equipment	(181.0)	(201.0)
Free cash flow	\$ 214.0	\$ 249.0
Cash paid for acquisition-related costs	10.0	15.0
Cash paid for acquisition-related ERP systems	21.0	21.0
Adjusted free cash flow	\$ 245.0	\$ 285.0

GREIF, INC. AND SUBSIDIARY COMPANIES
PROJECTED 2020 MODELING ASSUMPTIONS
 UNAUDITED

<i>(in millions)</i>	Fiscal 2020 Modeling Assumptions
Depreciation & amortization expense	\$247 - \$257
Interest expense, net	\$119 - \$124
Other expense, net	\$2.5 - \$7.5
Net income attributable to noncontrolling interest	\$17 - \$22
Tax rate excluding the impact of adjustments	27% - 31%
Capital expenditures excluding cash paid for acquisition-related ERP systems	\$160 - \$180

Greif, Inc.
Fourth Quarter 2019 Earnings Results Conference Call
December 5, 2019

CORPORATE PARTICIPANTS

Lawrence Allen Hilsheimer *Greif, Inc. - Executive VP & CFO*
Matt Eichmann *Greif, Inc. - VP of IR & Corporate Communications*
Peter G. Watson *Greif, Inc. - President, CEO & Director*

CONFERENCE CALL PARTICIPANTS

Adam Jesse Josephson *KeyBanc Capital Markets Inc., Research Division - Director and Senior Equity Research Analyst*
Gabrial Shane Hajde *Wells Fargo Securities, LLC, Research Division - Associate Analyst*
George Leon Staphos *BofA Merrill Lynch, Research Division - MD and Co-Sector Head in Equity Research*
Ghansham Panjabi *Robert W. Baird & Co. Incorporated, Research Division - Senior Research Analyst*
Justin Laurence Bergner *Gabelli Funds, LLC - Research Analyst*
Steven Pierre Chercover *D.A. Davidson & Co., Research Division - MD & Senior Research Analyst*

PRESENTATION

Operator

Ladies and gentlemen, thank you for standing by, and welcome to the Greif Fourth Quarter and Fiscal 2019 Earnings Conference Call. At this time all participants are on a listen only mode. After the speaker's presentation there will be a question and answer session. To ask a question during this 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 & Corporate Communications*

Thank you, Sharon, and good morning, everyone. Welcome to Greif's Fourth Quarter and Fiscal 2019 Earnings Conference Call. On the call today are Pete Watson, Greif's President and Chief Executive Officer; and Larry Hilsheimer, Greif's Chief Financial Officer. Pete and Larry are available to answer questions at the end of today's call.

In accordance with Regulation Fair Disclosure, we encourage you to ask questions regarding issues you consider material because we are prohibited from discussing significant nonpublic items with you on an individual basis. Please limit yourself to 1 question and 1 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 reconciliation 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*

Thank you, Matt, and good morning, everyone. It's been a really eventful year at Greif and I'm really proud of what our Greif team has accomplished in a very challenging market environment. We recorded a step-change improvement in financial performance fueled by the successful acquisition and ongoing integration of Caraustar Industries and made notable progress in each of our strategic priorities.

For fiscal 2019, net sales rose by nearly 19% to \$4.6 billion. We generated nearly \$660 million in adjusted EBITDA and most importantly, drove adjusted free cash flow significantly higher by 50% to \$268 million despite a very challenging market

environment. We use that free cash flow to fund our capital maintenance and operations to delever our balance sheet, to invest in profitable growth investments and to fund our industry-leading dividend.

We are laser-focused on controlling the areas that we control, customer service excellence and disciplined operational execution. This will help us build additional momentum as we head into fiscal year 2020.

I'd please ask you to turn to Slide 4. Our fourth quarter adjusted EBITDA, adjusted Class A earnings per share and adjusted free cash flow all rose versus the prior year quarter. The story for the fourth quarter is very similar to what we relayed at fiscal Q3. And that is, we are operating extremely well despite continued weak demand from a slowing industrial economy and uncertainty caused by trade tensions. Caraustar continues to exceed deal assumptions and global intermediate bulk container volumes continue to grow.

I'd like to now review our business performance by segment. And if you could just please turn to Slide 5. The Rigid Industrial Packaging segment continues to face weak demand due to declining industrial manufacturing environments and trade uncertainty. Our global IBC volumes grew by roughly 1.4% versus the prior year quarter, and we were negatively impacted by softer market conditions, predominantly in North America.

Global steel volumes declined by roughly 4% versus the prior year quarter. And it's important to note that volumes vary by region, and that demand softness is not a global phenomenon. Our steel volumes in the Middle East, North Africa and Eastern Europe, which accounts for roughly 19% of our RIPS global steel volume in 2019, were up nearly 10% versus the prior quarter, thanks to growing industrial demand in those regions and capital growth projects. That strong performance could not outpace steel demand softness in trade-sensitive regions such as the U.S. Gulf Coast and Central and Western Europe. Those 2 regions account for roughly 32% of RIPS global steel volume this year and were down almost 7% versus the prior year quarter.

RIPS fourth quarter sales were roughly \$39 million lower versus the prior year quarter. And on a currency-neutral basis, RIPS sales fell by approximately \$28 million due to volume softness, while fourth quarter gross profit margin improved by roughly 70 basis points versus the prior year due to lower raw material cost and improved price product mix management. RIPS fourth quarter adjusted EBITDA fell by \$1.5 million versus the prior year quarter due to lower sales, a \$2.6 million FX headwind and \$2.5 million of less favorable opportunistic sourcing opportunities, partially offset by a onetime \$7 million tax recovery in Brazil that's recorded as income in SG&A.

Looking into fiscal 2020, we anticipate continued weak demand and trade-related softness in parts of the world. We anticipate RIPS steel volume to be roughly flat compared to fiscal 2019 due to a slowing industrial economy and particularly in the U.S.

We anticipate IBC volume growth in the low double digits, thanks to new projects coming fully online in North America and Europe and also due to a full year contribution from Tholu, our new IBC reconditioning business. Those IBC projects will help us further penetrate less cyclical end markets such as food and agrochem. We also continue to examine a range of cost reduction activities in light of prolonged demand softness, including shift reductions, hiring freezes, potential rooftop consolidations and targeted SG&A reductions.

I'd please ask you to turn to Slide 6. Our Flexible Products & Services segment delivered solid results despite the continuation of weak demand in Western Europe. Fourth quarter segment sales were roughly 9% lower than prior year quarter, but on a currency-neutral basis, fell by 6%. Fourth quarter adjusted EBITDA increased over 9% versus the prior year quarter, and it overcame a \$1.5 million FX headwind. Margins improved by 140 basis points, primarily due to better operating efficiencies.

In fiscal 2020, we expect Flexible Products' adjusted EBITDA to be roughly flat versus fiscal year 2019. We anticipate market softness in our 4-Loop Western European business to continue and 1-Loop volumes, which predominantly serves ag and fertilizer customers, got off to a slow start this fiscal year due to wet weather in parts of Western Europe.

I'd ask you to please turn to Slide 7. Paper Packaging's fourth quarter sales grew by \$290 million versus the prior year quarter due to Caraustar's contribution, partially offset by lower published prices in our containerboard business. Volumes were negatively impacted by 12,000 tons of containerboard economic downtime and by 6,500 tons of planned containerboard maintenance downtime at Massillon, Ohio mill that last year occurred in fiscal 3, and this year, we took the scheduled downtime in Q4.

Paper Packaging's fourth quarter adjusted EBITDA rose by roughly 75% versus the prior year. Caraustar continues to demonstrate its merit and outpaced our assumptions for the second consecutive quarter with quarterly adjusted EBITDA of roughly \$64 million.

In fiscal 2020, Paper Packaging will benefit from the additional 3.5 months of Caraustar and from various new capital growth projects coming online, including our new corrugated sheet feeder in Palmyra, Pennsylvania. We'll face a headwind from lower

published containerboard prices that occurred midway through this past year, which will only be offset partially by lower input costs. Our assumption for OCC costs will remain lower for longer with an average of \$46 on a blended rate in fiscal 2020, down slightly from the fiscal 2019 average of \$50 a ton.

I'd like to please turn to Slide 8. Carastar's integration is progressing to plan, and we realized roughly \$24 million of synergy in fiscal 2019. Recall that we originally expected to capture \$15 million in the first 12 months following the deal close. The positive synergy delta was generated by accelerated SG&A activity, internalization and cross-selling opportunities and by accelerated productivity and footprint optimization, including our decision to shut down 1 paper machine in our Mobile, Alabama uncoated recycled boxboard mill complex. We expect to achieve synergies of at least \$70 million by the end of fiscal 2022, and capture an incremental \$26 million in fiscal 2020, which is factored into our guidance.

By Q2 2020, we expect our payroll systems, sourcing, financial reporting systems to be on one common platform, which will drive deeper integration between Greif and legacy Carastar and serve as a catalyst for future SG&A savings. We currently have over 190 synergy opportunities still to be assessed and quantified, although most are smaller in nature as we prioritize larger opportunities first.

Finally, we have not yet completed the consumer packaging business strategic review. We originally expected that assessment to be completed by fiscal year-end. However, we are still actively engaged in that process. We expect to conclude this review in early 2020.

I'd like to now turn the presentation over to Chief Financial Officer, Larry Hilsheimer.

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

Thank you, Pete. Good morning, everyone.

Please turn to Slide 9 to review our quarterly financial performance.

Big picture, we delivered a very solid fourth quarter, considering the weakened industrial economy and trade-related headwinds we faced.

Fourth quarter net sales, excluding the impact of foreign exchange, rose by 26% versus the prior year quarter due to Carastar's contribution, partially offset by demand softness in RIPS and in FPS.

Legacy PPS similar -- experienced softer market demand and lower year-over-year published containerboard pricing.

Fourth quarter adjusted EBITDA grew by 32% versus the prior year quarter, primarily due to Carastar's contribution, partially offset by lower EBITDA in our legacy paper business, roughly \$4 million of FX headwinds and \$2.5 million of fewer opportunistic sourcing opportunities.

For fiscal 2019, FX was a roughly \$9 million headwind, and we had \$10 million less in opportunistic sourcing benefits.

As Pete mentioned in his remarks, RIPS adjusted EBITDA includes a onetime \$7 million tax recovery in Brazil. That recovery was from overpayment of taxes to the government that occurred in prior periods and were wrongly administered. That item will not recur in fiscal 2020.

Below the operating profit line, interest expense rose by roughly \$20 million, while other expense was slightly lower versus the prior year quarter.

Adjusted Class A earnings per share rose by roughly 15% versus the prior year quarter to \$1.24 per share. Our fourth quarter adjusted tax rate was 17% and benefited from \$6 million of onetime items such as return to provision adjustments and reserve releases as a result of examination and statute closures.

For fiscal 2019, we delivered adjusted Class A earnings per share of \$3.96, well above our stated guidance range. That \$3.96 per share includes \$0.15 a share of onetime tax benefits, including \$0.05 a share from a recycling tax credit disclosed at Q3 and \$0.10 a share from the onetime items in the fourth quarter. It also includes an \$0.08 per share benefit from the onetime Brazilian tax recovery we received that was recorded in SG&A. Finally, it incorporates an \$0.11 per share inventory step-up headwind disclosed at Q2 that we did not back out of our results. None of those items will recur in fiscal 2020.

Fourth quarter adjusted free cash flow was roughly flat to the prior year quarter. Fiscal 2019 adjusted free cash flow rose by roughly \$89 million versus the prior fiscal year and was driven primarily by Carastar's contribution and by stronger working

capital dollars -- working capital performance. As conveyed at the third quarter, we were biased to the upside of our free cash flow range, and we outperformed.

Please turn to Slide 10 to review our fiscal 2020 guidance and key modeling assumptions. We expect to generate between \$3.63 and \$4.13 in adjusted Class A earnings per share in fiscal 2020. Our range is wider than usual to account for the significant macroeconomic uncertainty our customers face.

To bridge fiscal 2019's actual results to fiscal 2020's midpoint of \$3.88 per share start with the \$3.96 that we printed, back out \$0.12 per share for the net nonrecurring items we experienced in fiscal 2019, which takes you to \$3.84 per share. From there, we anticipate between a \$0.13 and a 29 -- \$0.13 headwind to a \$0.29 per share tailwind from operational performance to include Caraustar's incremental contribution and our new strategic growth projects.

We also expect between \$0.05 to \$0.09 per share lift, primarily from lower year-over-year noncontrolling interest and non-GAAP tax, excluding the fiscal onetime tax items -- fiscal '19 onetime tax items, partially offset by other -- higher other expense. We also expect between \$0.13 and \$0.09 per share headwind for the year on year-over-year higher interest expense.

We anticipate 2020 adjusted free cash flow between \$245 million and \$285 million, including anticipated adjusted capital expenditures of between \$160 million and \$180 million. We paid roughly \$71 million of cash tax in fiscal 2019 and anticipate it will be higher in fiscal 2020, mostly due to additional pretax income.

Finally, we anticipate working capital to be a use of cash between \$0 and \$20 million, primarily related to the Northeast Pennsylvania corrugator inventory needs. As is typically the case at Greif, we anticipate our adjusted EBITDA to be stronger in the second half of the year versus the first. The results from the timing of various agricultural seasons around the world drive that delay.

We will continue to break out Caraustar's financial performance in the body of our earnings release until fiscal -- until Q2 fiscal 2020. We do expect Caraustar's EBITDA to decline sequentially in fiscal Q1 due to winter construction industry slowdown typically seen in the business that time of the year.

Finally, we assume OCC prices of \$46 per ton for fiscal 2020 versus the \$50 per ton average for fiscal 2019. As a reminder, every \$10 per ton movement in OCC equates to roughly \$1.2 million change in EBITDA per month.

Turning to capital priorities on Slide 11. Investing in our existing business through appropriate maintenance projects and organic growth opportunities remains our top priority since that cash will fund our deleveraging plan.

We've repaid roughly \$178 million in net debt since fiscal Q2. And our compliance leverage ratio at the end of Q4 was roughly 3.5x. We have no plans to alter our industry-leading dividend, which today pays a compelling yield of roughly 4% and offers investors a steady source of income to augment market returns.

With that, I'll turn the call back to Pete for his closing comments before our Q&A.

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

Okay. Thank you, Larry. And if everyone could please turn to Slide 12. Our Greif team delivered a very strong fourth quarter and fiscal 2019 performance despite a very challenging macroeconomic environment. And personally, I'd like to thank our team for the efforts that they put together this year.

As we proceed into fiscal 2020, we're well positioned to serve a variety of attractive markets through our industry-leading product portfolio and also our commitment to customer service excellence. We're advancing lower risk growth opportunities close to our core and Caraustar continues to demonstrate its value as a driver of significant free cash flow expansion in the future.

I want to thank you all for participating this morning, and we appreciate your interest in Greif. Sharon, 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. To withdraw your question, please press the pound or hash key. As a reminder, please limit yourself to one question and one follow up. Your first question comes from George

Staphos with Bank of America.

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

Apologies for the background noise. Two questions on RIPS. And again, thanks for all the details. First of all, it would appear that pricing was negative in this quarter in RIPS North America. It had been running more positively, as I recall. I'm guessing some of it's probably just pass-through, but can you comment what was driving the lower pricing? Was any of it related to competitive activity?

And then the bigger picture question on RIPS from us right now. Pete, you've done a great job, obviously, trying to integrate and trying to keep profitability stable in what's been a very difficult environment. Nonetheless, if I look at RIPS' profitability over a number of years, it's really been fairly stable. There really hasn't been an upward trajectory despite all the cost reduction actions and so on. Is there anything else more structurally that needs to be done? You mentioned that you're going to be looking at new initiatives, but why will this be any different in terms of what we get out of it, which is just flat performance?

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

Yes. So George, thanks for the question. I'll answer the first one around pricing. So you're right, RIPS North America pricing is down. It's really a reflection of lower raw material costs. And to give you a perspective, the raw material cost on steel are down over 20%. And as you can see, their price is down much significantly less than that. So I think they're doing a very good job one passing through pricing as we normally do during raw material changes. But they're also doing a really good job of managing their price and mix product management.

Your question on the other regarding RIPS overall. I think, the big, big challenge we have is -- in this quarter and the fiscal year is demand. And there's really 2 stories. The big story is the weakness in North America which you can see in the performance. And I would tell you that our demand and our volume performance and our operating performance in Latin America, EMEA and APAC is significantly better this year. So the drag is really in North America, and it's related to 2 things. It's volume and also opportunistic steel sourcing that we had not had in the past years.

And your point on overall, what -- is there any fundamental structural changes to that business. We are pivoting to plastic substrates, both IBC and IBC reconditioning and plastic drums. And as you know, now, about 60% of our revenue in that business is steel drums, and that is a low growth, more challenging environment on a regional basis.

So as we rationalize our portfolio and what you see in the footprint rationalization is really around our steel drum business because of the demand outlook that we see, we are growing, and we are investing in our plastics business. We're expanding our IBC and reconditioning business quite dramatically. That's one of our big strategic growth drivers. That has the potential for a higher profit generation. We also have, in certain regions, the plastic drum business that shows greater profitability and better volume potential. So we are shifting the portfolio away from steel to a more diversified platform. And that just doesn't take -- you can't just do that overnight.

So I think when you look at our capital allocations from a strategic investment standpoint in that business, it's really generated to plastic and IBC and IBC reconditioning. And that's the direction we're taking. But it does cause some pain right now. And it's particularly emphasized higher because of the volume demand weaknesses, particularly in North America and Western Europe.

Operator

Next question comes from Ghansham Panjabi with Baird.

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

I guess, first off, can you, Pete, provide -- just give us a bit more color on end-market volumes in RIPS segment during the fourth quarter. Were volumes particularly weak at any point in the quarter? And can you give us a sense as to how November also tracked? And just more broadly, what are customers sort of managing -- calling out in terms of inventory management through year-end this year, calendar year-end?

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

Sure. Ghansham, thanks for the question. I'll go real quick around the globe for you, and then make some comments on the -- within the quarter and then November.

So again, if you look at the big story, not only in RIPS but all of Greif, is really weak demand in North America. And that's impacted both paper and our rigid business. And you can see the double-digit reduction in our volumes in RIPS. If you look in Europe, EMEA were up 1.7%. That's really led by really good strength in Eastern Europe. In the Middle East and North Africa, with really strong growth driven by lubes, specialty chemicals. And those businesses also from a profitability standpoint, had excellent years.

China, while it shows negative on the charts, if you look at same-store sales, as you remember, we closed some operations last year. They're flat versus a year ago. So we're making progress in that business. We've changed leadership in that business. And we're starting to see some improvement.

And then Latin America had 2.3% improvement in volumes for the quarter and really led by Brazil and Argentina, which had excellent volumes really relative to strong ag and food sectors. If you look at inside the quarter, I think the demand was fairly consistent through the 3 months in each of the quarters. And quite frankly, in November, we're not seeing a whole different scenario in our volumes in RIPS that we saw through the quarter.

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

Great. And then for PPS, how much in aggregate did downtime cost you through fiscal year '19 on an EBITDA basis?

And then separately, specific to Caraustar, how did that business perform during the quarter on a volume basis and legacy EBITDA? What was the baseline for EBITDA in 4Q fiscal year '18? And setting aside the synergies, where did you come in for 4Q of fiscal year '19?

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

Yes. So we took the 12,000 tons of economic downtime in our containerboard mills and then we had 6,500 tons of planned and scheduled maintenance downtime, which happened in Q4 this year, Q3 a year ago, and you're roughly talking about \$12 million to \$14 million of EBITDA of those 2 events in containerboard.

When you pivot over to Caraustar, very pleased with the performance of that business. There are certainly some volume challenges as there is everywhere in North America. Every substrate we have in North America had some volume challenges, but really pleased with, one, the ability of those teams to drive integration and get greater synergies.

If you look at the weakness in our containerboard business in the entire market, that certainly is reflected over in our tube and core business as that's a large segment of their business, and some of their weakness is in -- is your tube and core's reflection of that end-market exposure to the paper mills.

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

Yes, Ghansham, I'll just supplement one thing and just to clarify. The \$12 million or \$13 million kind of number is for the economic downtime we had for the year on the 39,000 tons or so. The -- with respect to Caraustar, we're really pleased. I mean, while there were some volume droppage that Pete mentioned in the URB space, a lot tied into the containerboard business. On comparison to the EBITDA upon which we bought it, they performed actually above our budget. Now they did have the tailwind of OCC. But then the synergy lift, obviously, was also very, very helpful.

Operator

Next question comes from Adam Josephson with KeyBanc Capital Markets.

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

Larry, on the EPS bridge -- thanks for giving that bridge, '19 to '20, by the way. You mentioned that the \$3.96 less the \$0.12 from nonrecurring benefits in '19. And then you mentioned, I think, the operational performance range of anywhere from a drag of \$0.13 to a benefit of \$0.29, if I heard correctly, which averages out to an \$0.08 benefit, which would be about \$7 million of EBITDA, if I'm doing my math correctly. Given that you have 3.5 additional months of Caraustar plus the synergies, I mean, that's a lot of additional EBITDA coming your way, but I think, again, if I -- correct me if I heard this wrong, but that you're talking about single-digit million of EBITDA improvement in fiscal '20. Can you just help me understand kind of that bucket along with that \$0.05 to \$0.09 lift from a variety of things that I couldn't quite make out?

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

Sure. I'd say at that top level, Adam, the key thing, if you go back and you look at our discussions in this call a year ago, we started talking then about seeing industrial weakness. It has just gotten worse throughout the year in North America, in particular. Pete mentioned it, but a lot of elsewhere in the world, we're seeing some positive trends, but nothing's really exciting in terms of the uplift. So when we are building that out, the weakness that we saw in the fourth quarter in our RIPS business, and as Pete mentioned, also replicated in November, we're playing out throughout the year. And so yes, there's a drag year-over-year in that RIPS business relative to what we saw in the first couple of quarters last year that's offsetting the lift that we're getting from the PPS business, and particularly, the Carastar side.

We're also forecasting flat on FPS, as was mentioned, just because it has been lagging a little bit the impacts that it sees in its primary market in Northern Europe. So those are the things that combine. You've got it right. I mean, there's a lift from the Carastar acquisition, the enhanced synergies, drags on PPS also from the price decreases that we saw in this year and a little bit on the back end where we've got OCC trending up in the third and fourth quarter of this year. And remember, when we talk about the 50 versus the 46, we didn't have Carastar in the first quarter last year, too. So you work through the math on how all of this works, and it gets you to those range.

But the primary driver is just the severe weakness that we're seeing in the industrial economy in North America, which is certainly evidenced by the PMI data that we've been seeing.

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

And just to follow-up on that. I think of the \$0.05 to \$0.09 lift from the kind of a hodgepodge of items, what was that exactly, Larry?

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

The -- well, you mentioned -- I mean, it's primarily driven by what we're getting out of the acquisition of Carastar by having it in the full year and also the enhanced synergies is the big driver.

Now we've got other capital projects that are driving additional incremental EPS as well. As Pete mentioned, the play out of some of our IBC plant investments and also our acquisition of Tholu. But those are relatively minor.

Matt Eichmann - *Greif, Inc. - VP of IR & Corporate Communications*

But on that \$0.05 to \$0.09 later in the bridge, Adam, it's primarily lower NCI, right? A little bit higher other expense, so primarily lower NCI.

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

Yes. I missed the question.

Operator

Next question comes from Justin Bergner with G.research.

Justin Laurence Bergner - *Gabelli Funds, LLC - Research Analyst*

Couple of questions. You mentioned cash taxes. That number came at me a little quickly. Can you remind me what it was in 2019?

Matt Eichmann - *Greif, Inc. - VP of IR & Corporate Communications*

\$71 million or so, Justin.

Justin Laurence Bergner - *Gabelli Funds, LLC - Research Analyst*

I'm sorry, \$71 million?

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

Yes.

Matt Eichmann - *Greif, Inc. - VP of IR & Corporate Communications*

Right.

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

Yes. \$71 million or so.

Justin Laurence Bergner - *Gabelli Funds, LLC - Research Analyst*

Okay. And I mean that's running below your, I guess, adjusted taxes, which, in turn, benefits those onetime items. Is cash tax going to consistently stay below book tax in the coming years even if they increase from current levels?

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

No. You need to -- that's what, as a tax adviser, you're always trying to defer taxes as much as you can. But at some point, it flips for you. So I wouldn't count on it always being below our tax expense. Now we expect cash taxes in fiscal 2020 to be roughly \$25 million to \$30 million higher than in fiscal '19.

Operator

Once again, if you would like to ask a question, please press star, one on your telephone and as a reminder please limit yourself to one question and one follow up. Next question comes from Gabe Hajde with Wells Fargo Securities.

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

I was curious if you could elaborate a little bit, Pete, I know it's maybe a little bit premature, but just given sort of where we've seen a lot of the more volume weakness in the RIPS business, is it safe to assume that any sort of, I guess, rooftop consolidation might happen or be more U.S.-centric?

And then can you comment at all in terms of what that might look like maybe on a consolidated basis, maybe a cash drag or something like that? And is that contemplated in your free cash flow outlook?

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

Yes. So I'll make some comments on the consolidation we've already done and what we may consider doing, and then I'll let Larry comment on the cash tax drag.

But so far, in the past year, we've done 7 consolidations across our global portfolio. That's been predominantly around steel drum and fiber drum, also a few smaller operations in paper around our Carastar acquisition.

But if you look at volume trajectories that we had in this year and what we project for next year, we expect to grow our IBC and IBC reconditioning and our plastic drum volume. And so consolidation, probably, is not going to happen there unless we can get rooftop efficiencies and run more volumes in a certain region out of less facilities.

But I think what you've seen and what you should -- we would evaluate going forward is in a declining steel drum market, how do we operate at a lower cost basis, which means lower rooftops. And you can say the same thing in North America about fiber. So that's really -- strategically, it aligns to our volume trajectory. And then we'll evaluate in 2020 what our volume demand looks like and our customer requirements are, and that will drive our decision-making about any future rooftop consolidations. I'll ask Larry to comment on cash tax.

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

Yes. Gabe, on the potential restructuring cash outlay, we're estimating \$20 million to \$30 million, and that is incorporated into our guidance range.

Operator

Next question comes from Justin Bergner with G.research.

Justin Laurence Bergner - *Gabelli Funds, LLC - Research Analyst*

I didn't get my follow-ups in first go around. For the RIPS, you talked about new capacity in the IBC side allowing you to deliver flat volumes. What would the volume trajectory look like without that new capacity?

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

We actually grew last quarter, Justin, 1.5%, and that is a little lower than what we've been doing. We've been growing high single digits. And that gap in Q4 was partially related to some of the weak demand in North America. It also had some operating inefficiencies in 2 of our operations. But that market typically grows annually in low single-digit growth basis, on a global basis. So it's a very strong, vibrant business. It's becoming a very good choice for packaging in a bulk format, and we expect that volume to continue to grow, and that's obviously why we're continuing to invest in that business.

Justin Laurence Bergner - *Gabelli Funds, LLC - Research Analyst*

Okay. My question was more around like looking into the current fiscal year, fiscal year '20. You expect volumes in RIPS to be flat, but then you mentioned the new capacity in IBC is contributing to that. And I was curious if you could sort of give us a rough estimate as to how much that new capacity is contributing to get you to that flat volume expectation.

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

Yes. Justin, just to clarify, the flat was steel drums. So...

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

And the new capacity in IBCs, it's ramping up. So you'll see more of an impact next year on that new volume capacity. And we've layered in capacity increases for the last 3 years on that. So it sequentially improves it. So it's really hard to just say that you've got 2 new plants. We've layered in 1 or 2 every year. So over a 3- or 4-year period, they contribute in a sequential basis.

Justin Laurence Bergner - *Gabelli Funds, LLC - Research Analyst*

Okay. But does that mean then that if steel is supposed to be flat, that you expect positive RIPS volumes overall in 2020 fiscal year?

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

Yes.

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

Yes.

Justin Laurence Bergner - *Gabelli Funds, LLC - Research Analyst*

Okay. Maybe if I can, one more question on the CRB strategic review. Just help us understand maybe are there other options you're considering for that business that maybe you were initially considering when you entered the strategic review? Or is the delay -- should we read anything into the delay?

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

You shouldn't read anything into the delay, Justin. I mean it's just that we were too optimistic about how quickly we would work through the process. We ended up having more interest and some of it did not come initially out of the gate, came longer. We're trying to assess what's the best answer for our shareholders, and it's just taking a little longer, but nothing different about our approach to it.

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

Yes. I wouldn't read into the timing delay because we're making good progress in the evaluation.

Operator

Next question comes from Steve Chercover with Davidson.

Steven Pierre Chercover - *D.A. Davidson & Co., Research Division - MD & Senior Research Analyst*

So my first question, hopefully, is fairly easy. Your 2020 assumption on OCC is \$46, and that's about \$10 higher than the current levels. So are you using a different reference point from Southeast for your 2 main corrugated mills?

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

No. We just correlated around what the industry forecast data is and talking through it with our team, Steve, and basically filtered in a \$15 increase in quarter 3 and -- at the beginning of quarter 3 and a \$25 at the beginning of quarter 4.

Steven Pierre Chercover - *D.A. Davidson & Co., Research Division - MD & Senior Research Analyst*

Okay, great. And then at your Analyst Day in late June, you outlined some 2022 financial targets. And since then, you reported a couple of quarters. Are the 2020 financial targets in line with the trajectory for the 3-year objectives? Or we don't need to know now would that change?

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

Steve, what I would say, and we said the same thing in Investor Day, is that we don't anticipate the 2022 economy to be in an industrial recession like we believe we're in now. So I would say that things are in line.

When we even announced the Carastar deal, we talked about the fact that we analyzed our ability to pay down debt and those kind of things in an environment without a recession. While the broad economy might not be in a recession, it appears clear to us that the industrial economy is. And we said that in June, we still believe it today.

So it impacts things on trajectory. But in terms of what we laid out in June, we believe that if the economy is back to a more stable -- and that doesn't have to be vibrant, but a more stable economy, and normal operating procedures, that we feel comfortable with those commitments. Obviously, they're based on some underlying assumptions that are still key to that. And we'll revisit that probably in the June area and just try to look at things where we see it at that point. But at this point, there's nothing that would concern us other than just the economic malaise that we find ourselves in at the current time.

Operator

Next question comes from Adam Josephson with KeyBanc Capital.

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

Larry, just a couple more on guidance. Is there any more containerboard market-related downtime factored into your '20 guidance or, for that matter, any additional containerboard price erosion or, for that matter, any URB price erosion, just given how weak demand is and given how low OCC costs are?

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

Yes. And as you know, Adam, we don't comment on pricing, and we don't forecast what things are going to go on in the containerboard market. But we obviously look at when we're establishing a range that there's -- there are economic things that could play out. And obviously, you've got a lot of different economists. There are many saying, they think we're in the trough of the industrial drop right now, who knows whether they're right. So when I said at the beginning, we established a fairly wide range to accommodate the macroeconomic uncertainty that we're in. And when we do that, we contemplate all kinds of things. But we don't forecast economic downtime. We plan to run to demand, as we always do, but we try to put enough range in there to accommodate those factors.

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

And just one more on the '20 guidance. So I ran some numbers, I think, last week, and I estimated that 3.5 months of Carastar plus additional synergies should have EBITDA up close to \$100 million. And I guess, what you're assuming is that weakness in Paper Packaging, particularly in containerboard and then weak -- continued weakness in Rigid, will mostly offset that, call it, \$90 million to \$100 million benefit from higher Carastar EBITDA. Am I thinking about it roughly the right way?

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

Well, if I just went roughly -- if I just went -- first of all, let me comment on this. The quarter that was not in our results this year is the first quarter, which, as we mentioned in our comments today, has a little bit of a downtime annually for that business because of construction is generally slower in the winter months. And so you have a little less robust. And if you go back to our deal assumptions, we bought it based on \$220 million of run rate EBITDA. If you divide that by 4, it's \$55 million, take it down a little bit for that seasonality and then bump it up a little bit for some of the synergies that'll come and add a little bit of OCC benefit, you're not going to get anywhere near \$100 million.

Operator

Once again, to ask a question, please press star, one on your telephone keypad and please limit yourself to one question and one follow up. We have a question from George Staphos with Bank of America.

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

First, just a point of clarification, Pete. So on pricing in RIPS in the quarter that just passed, that was largely lower input costs, we understand. Obviously, tough volume environment. Was there anything inordinate in terms of competitive activity that would have also contributed to pricing? Or is it almost entirely cost pass-through?

The second question, you might have mentioned already, apologies if you did. Can you talk about what the exit rates were in paper and containerboard inasmuch as what you're seeing in terms of volume right now, to date, not asking you to forecast going forward, but to date, have you taken any downtime in the current quarter? And good luck in the quarter, guys.

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

Yes. So back -- and I apologize, I didn't answer that part of your question. So the 4% price reduction in North America was really all around pass-through and lower raw material cost. And there's nothing from a competitive market that would be anywhere close to material to our results.

And in regard to November, we took no containerboard downtime in November for our Paper Packaging business.

Operator

And at this time, I will turn the call over to Mr. Eichmann.

Matt Eichmann - *Greif, Inc. - VP of IR & Corporate Communications*

Well, thank you very much, Sharon. We appreciate everyone's time this morning, and we hope that you have a good holiday season ahead. Thank you.

Operator

Ladies and gentlemen, this concludes today's conference call. Thank you for participating. You may now disconnect.