Veritiv

FIRST QUARTER 2023 FINANCIAL RESULTS

May 9, 2023

OPENING REMARKS

SCOTT PALFREEMAN

Vice President of Finance and Investor Relations

Safe Harbor Provision

Certain statements contained in this presentation regarding Veritiv Corporation’s (the "Company") future operating results, performance, strategy, business plans, prospects and guidance, statements related to customer demand, supply and demand imbalances, the expected competitive landscape, the expected impact of COVID-19 and any other statements not constituting historical fact are "forward-looking statements" subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. Where possible, the words "believe," "expect," "anticipate," "continue," "intend," "will," "may," "should," "could," "would," "plan," "estimate," "predict," "potential," "goal," "outlook," or the negative of such terms, or other comparable expressions, have been used to identify such forward-looking statements. All forward-looking statements reflect only the Company’s current beliefs and assumptions with respect to future results and other matters, and are based on information currently available to the Company. Accordingly, the statements are subject to significant risks, uncertainties and contingencies, which could cause the Company’s actual operating results, performance, strategy, business plans, prospects or guidance to differ materially from those expressed in, or implied by, these statements.

Factors that could cause actual results to differ materially from current expectations include the risks and other factors described under "Risk Factors" and elsewhere in our Annual Report on Form 10-K and in the Company's other publicly available reports filed with the Securities and Exchange Commission ("SEC"). Such risks and other factors, which in some instances are beyond the Company's control, include: the industry-wide decline in demand for paper and related products; increased competition from existing and non-traditional sources; procurement and other risks in obtaining packaging, facility products and paper from our suppliers for resale to our customers; changes in prices for raw materials; changes in trade policies and regulations; increases in the cost of fuel and third-party freight and the availability of third-party freight providers; the loss of multiple significant customers; adverse developments in general business and economic conditions that could impair our ability to use net operating loss carryforwards and other deferred tax assets; our ability to adequately protect our material intellectual property and other proprietary rights, or to defend successfully against intellectual property infringement claims by third parties; our ability to attract, train and retain appropriately qualified employees; our pension and health care costs and participation in multi-employer pension, health and welfare plans; the effects of work stoppages, union negotiations and labor disputes; our ability to generate sufficient cash to service our debt; our ability to comply with the covenants contained in our debt agreements; costs to comply with laws, rules and regulations, including environmental, health and safety laws, and to satisfy any liability or obligation imposed under such laws; our ability to adequately address environmental, social and governance matters; changes in tax laws; adverse results from litigation, governmental investigations or audits, or tax-related proceedings or audits; regulatory changes and judicial rulings impacting our business; adverse impacts from the COVID-19 pandemic; the impact of adverse developments in general business and economic conditions as well as conditions in the global capital and credit markets on demand for our products and services, our business including our international operations, and our customers; foreign currency fluctuations; inclement weather, widespread outbreak of an illness, anti-terrorism measures and other disruptions to our supply chain, distribution system and operations; our dependence on a variety of information technology and telecommunications systems and the Internet; our reliance on third-party vendors for various services; cybersecurity risks; and other events of which we are presently unaware or that we currently deem immaterial that may result in unexpected adverse operating results.

The Company is not responsible for updating the information contained in this presentation beyond the published date. This presentation should be read together with the Company’s press release furnished to the SEC earlier today through a Form 8-K. The Company’s Quarterly Report on Form 10-Q for the three months ended March 31, 2023 to be filed with the SEC may contain updates to the information included in this release.

BUSINESS UPDATE

SAL ABBATE

Chief Executive Officer

Financial Results

First Quarter 2023 Compared to Prior Year

Record first quarter Adjusted EBITDA margin and strong first quarter Free Cash Flow despite industry-wide headwinds and economic uncertainty.

NET SALES	NET INCOME	DILUTED EPS	ADJ. EBITDA[1]	ADJ. EBITDA MARGIN[1]	FREE CASH FLOW[1]
$1.5B	$68.7M	$5.00	$103.8M	6.9%	$68.0M
-18.7% DOWN -$347.9M	-12.5% DOWN -$9.8M	-2.3% DOWN $-0.12 /share	-13.1% DOWN -$15.7M	+50 bps FROM 6.4%	UP $83.3M

Organic Sales[1]
-7.8%

1. Please see the appendix for reconciliations of non-GAAP measures to the most comparable U.S. GAAP measures.

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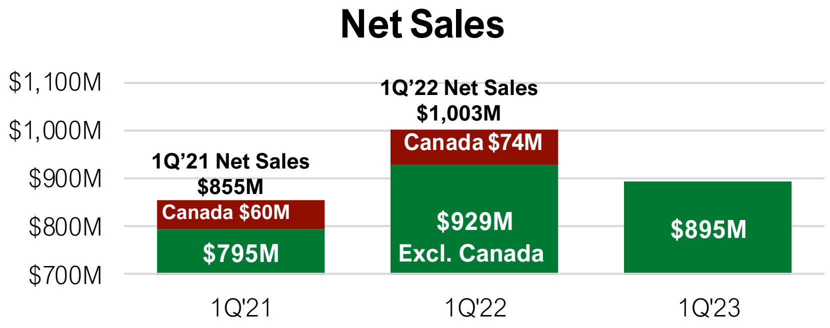
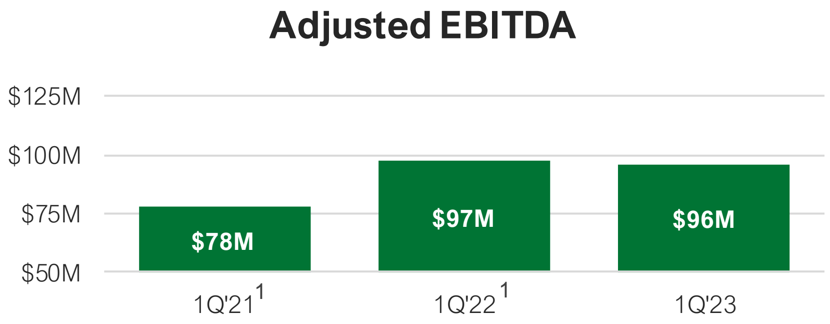
Business Update

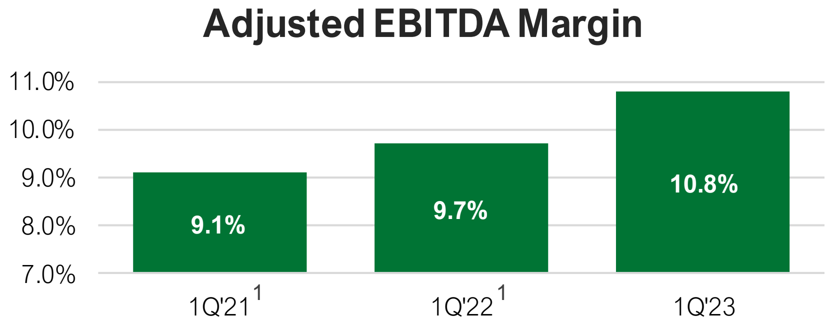
Comments:

- Inventory destocking and soft demand resulted in lower first quarter net sales
- Multi-year commercial strategy supported strong diluted EPS and resilient Adjusted EBITDA margin performance
- Working capital improvement efforts resulted in strong free cash flow
- Strength in Facility Solutions highlighted complementary nature of segment mix

Packaging Segment Performance





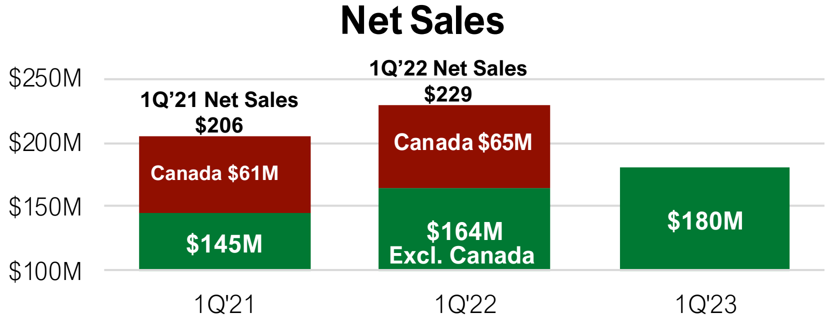


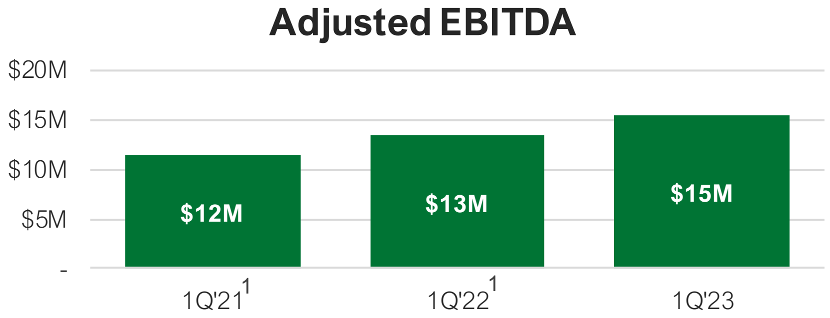
First Quarter 2023 Comments:

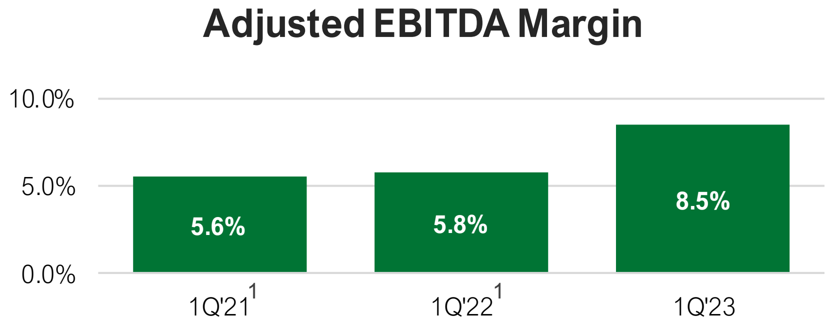
- Favorable market pricing more than offset by organic volume weakness
- Packaging Net Sales declined 3.6% on an organic basis
- Corrugated volume performance better than market[2]
- Adjusted EBITDA of $96 million, despite Canada divestiture, and Adjusted EBITDA margin of 10.8%
  - Canada contributed ~$4 million to Adjusted EBITDA in 1st quarter 2022

1. Includes contribution from Canada business prior to its divestiture on May 2, 2022.
2. Based on 1Q'23 FBA box shipments decline of -8.5%.

Facility Solutions Segment Performance







First Quarter 2023 Comments:

- Facility Solutions Net Sales increased 9.3% on an organic basis
- Continued strength in Away-from-home industry verticals
- Adjusted EBITDA of $15 million, despite Canada divestiture, and Adjusted EBITDA margin of 8.5%
  - Canada contributed ~$4 million to Adjusted EBITDA in 1st quarter 2022

1. Includes contribution from Canada business prior to its divestiture on May 2, 2022.

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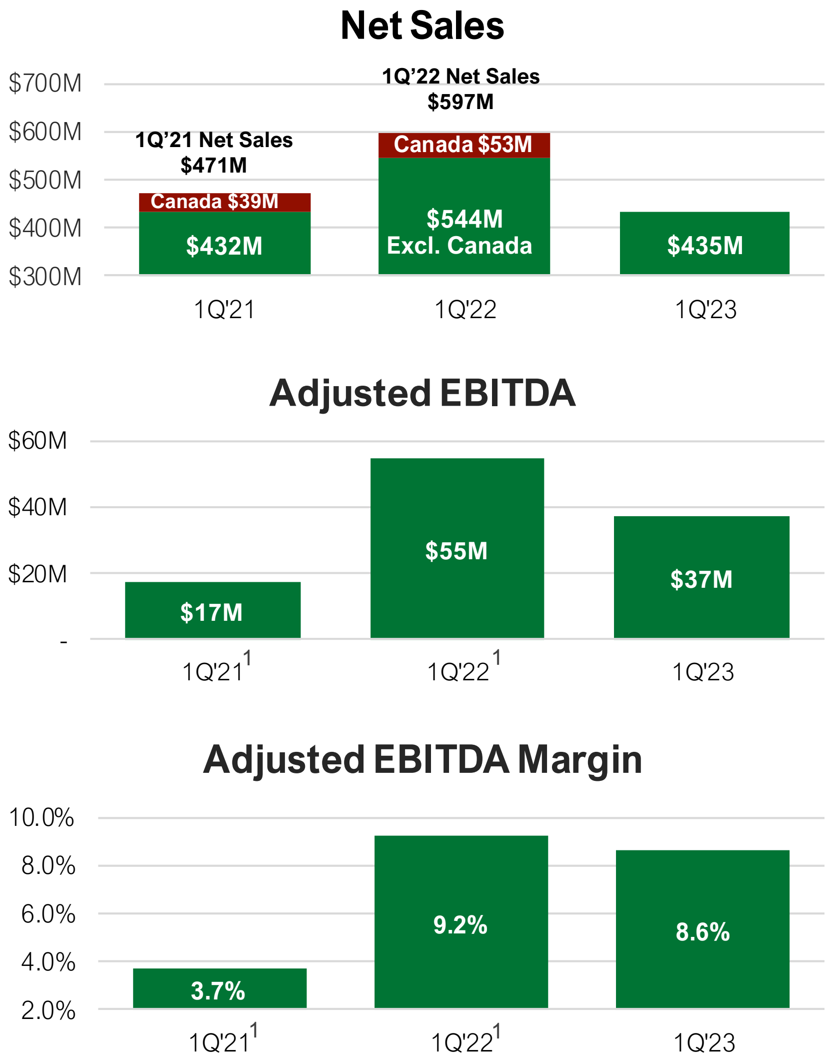
Print Solutions Segment Performance



First Quarter 2023 Comments:

- Volume pressure across all grades due to customer inventory destocking
- Print Solutions Net Sales declined 20.1% on an organic basis
- Adjusted EBITDA of $37 million, despite Canada divestiture, and Adjusted EBITDA margin of 8.6%
    - Canada contributed ~$6 million to Adjusted EBITDA in 1st quarter 2022

1. Includes contribution from Canada business prior to its divestiture on May 2, 2022.

FINANCIAL RESULTS

ERIC GUERIN

Chief Financial Officer

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Segment and Consolidated Financial Results

First Quarter 2023

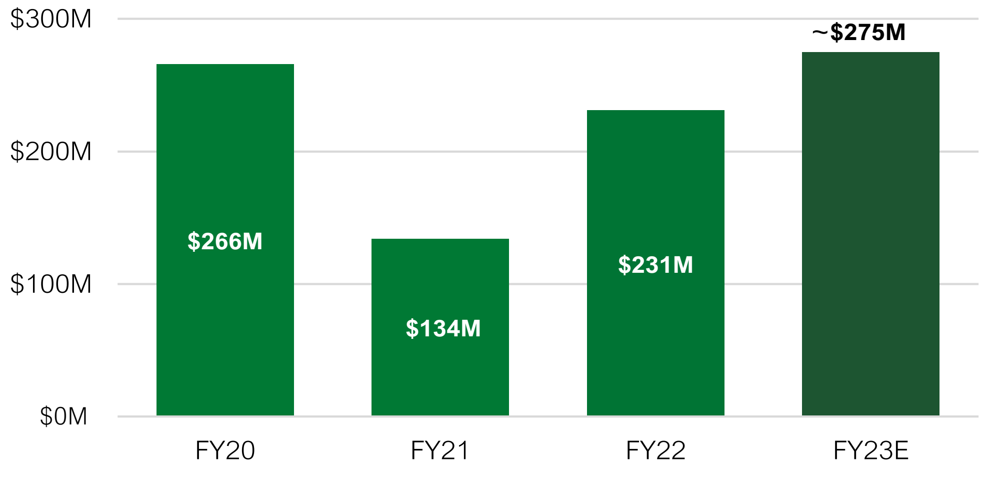
	1Q 2023	
	Adj. EBITDA *Change from PY*	**Adj. EBITDA Margin** *Change from PY*
Packaging	**$96M** *-1.0%*	**10.8%** *+110 bps*
Facility Solutions	**$15M** *+14.9%*	**8.5%** *+270 bps*
Print Solutions	**$37M** *-31.9%*	**8.6%** *-60 bps*
Corporate & Other	($45M)	
Veritiv Consolidated	**$104M**[1,2] *-13.1%*	**6.9%** *+50 bps*

1. Please see the appendix for reconciliations of non-GAAP measures to the most comparable U.S. GAAP measures.
2. Adjusted EBITDA may not sum due to rounding.

Cash Flow; Low Leverage

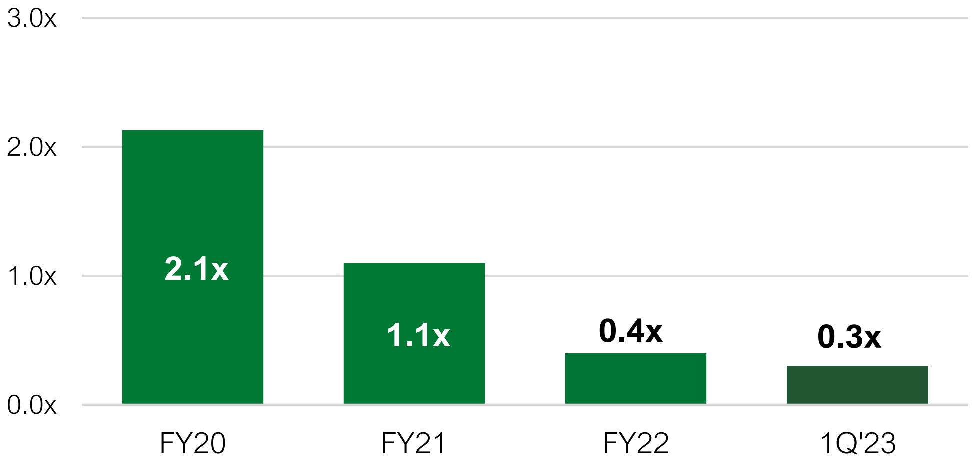
Significant net leverage reduction since 2020 driven by healthy free cash flow generated from increased earnings and working capital reductions

Free Cash Flow[2,3]



- FY20:
  - Working capital improvements
  - Secular decline in Print
- FY21:
  - Investment in growth
- FY22:
  - Strong earnings performance
- FY23E:
  - Sustained Earnings
  - Working capital improvements

Net Leverage Ratio[1, 3]



1. Calculated as net debt divided by trailing twelve months of Adjusted EBITDA.
2. Cash flow from operations less capital expenditures.
3. See appendix for reconciliations of non-GAAP measures to the most comparable U.S. GAAP measures.

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Capital Allocation

Record low net leverage, well below long-term target of 3x, provides both financial and strategic optionality.

Capital Allocation Priorities:

- Invest in the business:
  - Organic
  - Inorganic
- Return value to shareholders

2023 Capital investments[1]:
Approximately $45 million

Scope and/or scale acquisitions
Disciplined approach

Quarterly Dividend
$8.5 million in dividend payments in 1Q'23

1. Capital expenditures of approximately $30 million are reported in cash flow from investing activities and cloud computing arrangements of $15 million are reported in cash flow from operating activities for full year 2023.

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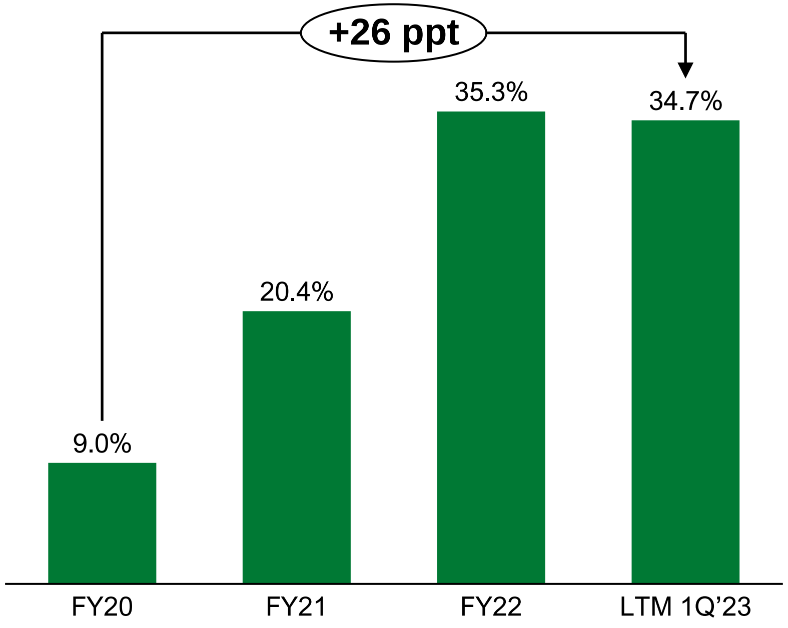
ROIC Improvement

Commercial and operational efficiency initiatives combined with working capital improvements have significantly improved ROIC since 2020

Return on Invested Capital[1]



Drivers of ROIC Improvement:

- Overall earnings improvement
- Exited lower-margin, lower-ROIC businesses and channels
- Prioritized capital to higher-ROIC Packaging business
- Strategically reduced customer risk resulting in a large reduction of bad debt expense
- Reduced number of warehouses

1. See appendix for reconciliations of non-GAAP measures to the most comparable U.S. GAAP measures.

Outlook

Full Year 2023

Net Income
$265 – $305 Million
(estimated 26 – 28% effective tax rate)

Diluted Earnings per Share
$19.00 – $22.00
(approximately 13.9 million shares)

Adjusted EBITDA[1]
$430 – $490 Million

Free Cash Flow[1,2]
Approximately $275 Million

Capital Investments[3]
Approximately $45 Million

Comments:

- Reaffirming Full Year 2023 Guidance
- Packaging and Facility Solutions Adjusted EBITDA margins expected to be above prior year levels
- Print market expected to remain uncertain
- Print Solutions expected to retain majority of recent Adjusted EBITDA margin improvement
- Working capital expected to improve, contributing to higher Free Cash Flow
- Capital investments include approximately $30 million of traditional capital expenditures and approximately $15 million of cloud computing arrangements

1. Please see the appendix for reconciliations of non-GAAP measures to the most comparable U.S. GAAP measures.
2. Cash flow from operations less capital expenditures.
3. Capital expenditures are reported in cash flow from investing activities and cloud computing arrangements are reported in cash flow from operating activities

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INITIATIVES UPDATE

SAL ABBATE

Chief Executive Officer

Initiatives Update

Strategic Sourcing

- Partnerships with strategic suppliers providing best combination of quality and price

Front and Back-end Technology

- Investments in front and back-end technology expected to improve customer experience and contribute to top-line revenue

Next Generation Supply Chain

- Evaluating what the next generation of our supply chain may look like

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ESG Scorecard

ESG WORKING GROUP SCORECARD EXTERNAL

WORKING GROUP	GOAL	KPI	TARGET	CURRENT MEASUREMENT As of December 31, 2022
PRODUCTS AND SERVICES	Grow line of products with sustainability attribute(s), from 40% of Net Sales (U.S. Merchant Business) in 2021, to 50% by the end of 2023.	% of Net Sales	50%	45%
FACILITIES AND FLEET	Increase diversion rate to 40% by the end of 2023	% of Waste Diverted	40%	32%
	Improve fuel efficiency of truck fleet to 7.9 MPG through the introduction of newer and more fuel-efficient vehicles.	MPG	7.9	7.35
ENVIRONMENTAL HEALTH AND SAFETY	Implement Truckers Against Trafficking training/certification, in accordance with FMCSA, for all U.S. Commercial Motor Vehicle drivers by the end of 2023.	% of U.S. Drivers Trained & Certified	100%	80%
	Implement Environmental Management System (EMS) Program in all U.S. facilities which handle hazardous waste by the end of 2025.	# of Required Facilities with EMS Program Implemented	84	10
DIVERSITY, EQUITY AND INCLUSION	Increase employee engagement with Employee Resource Groups (ERGs)	% of ERG Members vs. All Employees	8%	8.25%
	Develop and deploy DEI Learning Modules by the end of 2Q2023	# of DEI Learning Courses Offered and % Employee Participation	3/25%	Starting 2Q-2023
HUMAN CAPITAL	Implement programs that define our culture by maintaining (or increasing) the current number of Veritiv Cultural Allies (VCAs) throughout the 2023 ally term.	# of VCAs	129	129
	Implement programs that improve the employee experience by increasing the percentage of monthly active users on BRAVO! by the end of 2023.	% Monthly Active Users	65%	69%
COMMUNITY RELATIONS	Increase talent engagement of employee volunteers	# of Skills-Based Volunteers in 2023	2,000	244
	Increase time engagement of employee volunteers	# of Volunteer Hours in 2023	4,000	650
GOVERNANCE AND REPORTING	Earn "Bronze Medal" rating from EcoVadis by the end of 2023.	EcoVadis Score	50-64	48

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*Please refer to Veritiv's 2023 Corporate Social Responsibility Report for additional information regarding the measurements provided in this scorecard

Targets for 2023 and Beyond:

- Improve % of Net Sales from products with sustainability attributes
- Increase waste diversion rate
- Improve fuel efficiency of truck fleet
- Increase volunteer hours of employees
- Improve EcoVadis rating

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Questions

Appendix
Reconciliation of Non-GAAP Financial Measures

We supplement our financial information prepared in accordance with U.S. GAAP with certain non-GAAP measures including organic sales (net sales on an average daily sales basis, excluding revenue from sold businesses and revenue from acquired businesses for a period of 12 months after we complete the acquisition), Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, restructuring charges, net, integration and acquisition expenses and other similar charges including any severance costs, costs associated with warehouse and office openings or closings, consolidation, and relocation and other business optimization expenses, stock-based compensation expense, changes in the LIFO reserve, non-restructuring asset impairment charges, non-restructuring severance charges, non-restructuring pension charges (benefits), fair value adjustments related to contingent liabilities assumed in mergers and acquisitions and certain other adjustments), free cash flow and other non-GAAP measures such as the Net Leverage Ratio (calculated as net debt divided by trailing twelve months of Adjusted EBITDA) and Return on Invested Capital “ROIC” (calculated as Net Operating Profit After Tax divided by the sum of net working capital and property and equipment. Net Operating Profit After Tax is defined as Adjusted EBITDA less depreciation and amortization times 1 minus the standard tax rate[1]). We believe investors commonly use Adjusted EBITDA, free cash flow and these other non-GAAP measures as key financial metrics for valuing companies; we also present organic sales to help investors better compare period-over-period results. In addition, the credit agreement governing our Asset-Based Lending Facility (the "ABL Facility") permits us to exclude the foregoing and other charges in calculating "Consolidated EBITDA", as defined in the ABL Facility. Consolidated EBITDA and ROIC are also used as a basis for certain compensation programs sponsored by the Company.

Organic sales, Adjusted EBITDA, free cash flow, Return on Invested Capital and these other non-GAAP measures are not alternative measures of financial performance or liquidity under U.S. GAAP. Non-GAAP measures do not have definitions under U.S. GAAP and may be defined differently by, and not be comparable to, similarly titled measures used by other companies. As a result, we consider and evaluate non-GAAP measures in connection with a review of the most directly comparable measure calculated in accordance with U.S. GAAP. We caution investors not to place undue reliance on such non-GAAP measures and to consider them with the most directly comparable U.S. GAAP measures. Organic sales, Adjusted EBITDA, free cash flow, ROIC and these other non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analyzing our results as reported under U.S. GAAP. Please see the following tables for reconciliations of non-GAAP measures to the most comparable U.S. GAAP measures.

[1]The Company uses a standard tax rate of 26%.

Appendix

Reconciliation of Non-GAAP Financial Measures

Table I
VERITIV CORPORATION
NET INCOME TO ADJUSTED EBITDA; ADJUSTED EBITDA MARGIN
(in millions, unaudited)

	Three Months Ended March 31,	
	2023	**2022**
Net income	$ 68.7	$ 78.5
Interest expense, net	4.7	3.5
Income tax expense	20.5	5.8
Depreciation and amortization	10.1	12.7
EBITDA	104.0	100.5
Restructuring charges, net	—	2.7
Facility closure charges, including (gain) loss from asset disposition	(0.1)	(0.6)
Stock-based compensation	1.8	2.8
LIFO reserve (decrease) increase	(2.5)	11.0
Non-restructuring severance charges	0.3	1.7
Non-restructuring pension charges (benefits)	0.2	—
Other	0.1	1.4
Adjusted EBITDA	$ 103.8	$ 119.5
Net sales	$ 1,510.2	$ 1,858.1
Adjusted EBITDA as a % of net sales	6.9 %	6.4 %

Appendix

Reconciliation of Non-GAAP Financial Measures

Table I.a.

VERITIV CORPORATION

ADJUSTED EBITDA GUIDANCE

(in millions, unaudited)

	Forecast for Year Ending December 31, 2023	
	Low	**High**
Net income	**$ 265**	**$ 305**
Interest expense, net	15	15
Income tax expense	95	110
Depreciation and amortization	40	40
Other reconciling items	15	20
Adjusted EBITDA	**$ 430**	**$ 490**

Appendix
Reconciliation of Non-GAAP Financial Measures

Table II
VERITIV CORPORATION
FREE CASH FLOW
(in millions, unaudited)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
Net cash provided by (used for) operating activities	$ 70.9	$ (5.9)
Less: Capital expenditures	(2.9)	(9.4)
Free cash flow	$ 68.0	$ (15.3)

Appendix
Reconciliation of Non-GAAP Financial Measures

Table II.a
VERITIV CORPORATION
FREE CASH FLOW GUIDANCE
(in millions, unaudited)

	Forecast for Year Ending December 31, 2023
Net cash provided by (used for) operating activities	approximately $305
Less: Capital expenditures	approximately ($30)
Free cash flow	**approximately $275**

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Appendix

Reconciliation of Non-GAAP Financial Measures

Table II.b
VERITIV CORPORATION
FREE CASH FLOW
(in millions, unaudited)

	Quarter Ended March 31,	Year Ended December 31,		
	2023	**2022**	**2021**	**2020**
Net cash provided by (used for) operating activities	$ 70.9	$ 252.4	$ 154.7	$ 289.2
Less: Capital expenditures	(2.9)	(21.9)	(20.4)	(23.6)
Free cash flow	$ 68.0	$ 230.5	$ 134.3	$ 265.6

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Appendix
Reconciliation of Non-GAAP Financial Measures

Table III
VERITIV CORPORATION
NET DEBT TO ADJUSTED EBITDA
(in millions, unaudited)

		March 31, 2023
Amount drawn on ABL Facility	$	199.9
Less: Cash and cash equivalents		(33.0)
Net debt	$	166.9
Last Twelve Months Adjusted EBITDA	$	502.2
Net debt to Adjusted EBITDA		0.3x

		Last Twelve Months March 31, 2023
Net income	$	328.1
Interest expense, net		18.9
Income tax expense		108.7
Depreciation and amortization		43.0
EBITDA		498.7
Restructuring charges, net		(0.7)
Gain on sale of businesses		(29.7)
Facility closure charges, including (gain) loss from asset disposition		0.5
Stock-based compensation		8.5
LIFO reserve (decrease) increase		18.6
Non-restructuring severance charges		2.9
Non-restructuring pension charges (benefits)		(1.9)
Other		5.3
Adjusted EBITDA	$	502.2
Net sales	$	6,798.4
Adjusted EBITDA as a % of net sales		7.4%

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Appendix

Reconciliation of Non-GAAP Financial Measures

Table III.a
VERITIV CORPORATION
NET DEBT TO ADJUSTED EBITDA
(in millions, unaudited)

	Year Ended December 31,		
	2022	**2021**	**2020**
Amount drawn on ABL Facility	$ 229.2	$ 440.8	$ 520.2
Less: Cash and cash equivalents	(40.6)	(49.3)	(120.6)
Net debt	$ 188.6	$ 391.5	$ 399.6
Last twelve months Adjusted EBITDA	$ 517.9	$ 342.6	$ 187.6
Net debt to Adjusted EBITDA	0.4x	1.1x	2.1x

Last Twelve Months December 31,	**2022**	**2021**	**2020**
Net income	$ 337.9	$ 144.6	$ 34.2
Interest expense, net	17.7	17.2	25.1
Income tax expense	94.0	52.9	8.8
Depreciation and amortization	45.6	55.2	57.7
EBITDA	495.2	269.9	125.8
Restructuring charges, net	2.0	15.4	52.2
Gain on sale of businesses	(29.7)	(3.1)	-
Facility closure charges, including (gain) loss from asset disposition	0.0	0.1	(3.7)
Stock-based compensation	9.5	7.4	17.7
LIFO reserve (decrease) increase	32.1	43.6	(1.5)
Non-restructuring severance charges	4.3	7.8	4.1
Non-restructuring pension charges (benefits)	(2.1)	0.5	7.2
Fair value adjustment on Tax Receivable Agreement contingent liability	-	-	(19.1)
Fair value adjustment on contingent consideration liability	-	-	1.0
Escheat audit contingent liability	-	-	(0.2)
Other	6.6	1.0	4.1
Adjusted EBITDA	$ 517.9	$ 342.6	$ 187.6
Net sales	$ 7,146.3	$ 6,850.5	$ 6,345.6
Adjusted EBITDA as a % of net sales	7.2%	5.0%	3.0%

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Appendix
Reconciliation of Non-GAAP Financial Measures

Table IV
VERITIV CORPORATION
REPORTED NET SALES TO ORGANIC SALES
(in millions, unaudited)

Three Months Ended March 31,

	Total Company		Packaging		Facility Solutions		Print Solutions		Corporate & Other	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Reported net sales	$ 1,510.2	$ 1,858.1	$ 895.4	$ 1,003.1	$ 180.2	$ 229.4	$ 434.6	$ 596.6	$ -	$ 29.0
Impact of change in selling days[1]	-	-	-	-	-	-	-	-	-	-
Net sales (on an average daily sales basis)	1,510.2	1,858.1	895.4	1,003.1	180.2	229.4	434.6	596.6	-	29.0
Business divestitures[2]	-	(220.6)	-	(74.2)	-	(64.5)	-	(52.9)	-	(29.0)
Organic sales	**$ 1,510.2**	**$ 1,637.5**	**$ 895.4**	**$ 928.9**	**$ 180.2**	**$ 164.9**	**$ 434.6**	**$ 543.7**	**$ -**	**$ -**
Business Days	63	63	63	63	63	63	63	63	63	63

1. Adjustment for differences in the number of selling days, if any.
2. Represents the net sales of each of the following divested businesses prior to its respective divestiture: Veritiv Canada, Inc. (May 2, 2022) and the logistics solutions business (September 1, 2022).

Appendix

Reconciliation of Non-GAAP Financial Measures

Table V
VERITIV CORPORATION
RETURN ON INVESTED CAPITAL (ROIC)
(in millions, unaudited)

	Last Twelve Months March 31,	Year Ended December 31,		
	2023	**2022**	**2021**	**2020**
Adjusted EBITDA	$ 502.2	$ 517.9	$ 342.6	$ 187.6
Depreciation and amortization	43.0	45.6	55.2	57.7
Adjusted EBIT	459.2	472.3	287.4	129.9
Taxes at standard rate[1]	(119.4)	(122.8)	(74.7)	(33.8)
Net Operating Profit After Tax	$ 339.8	$ 349.5	$ 212.7	$ 96.1
Property and equipment, net[2]	$ 129.6	$ 132.8	$ 170.9	$ 205.7
Accounts receivable[2]	902.5	941.2	926.4	841.9
Inventories[2]	442.0	426.2	486.7	491.1
Accounts payable[2]	(493.5)	(510.5)	(540.7)	(476.3)
Net Invested Capital	$ 980.6	$ 989.7	$ 1,043.3	$ 1,062.4
ROIC	34.7%	35.3%	20.4%	9.0%

1. The Company uses a standard tax rate of 26%.
2. Average invested capital is calculated using the balances at the end of each quarter for the last 12 months.

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FIRST QUARTER 2023 FINANCIAL RESULTS

May 9, 2023