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

March 2, 2020 (February 26, 2020)
Date of Report (Date of earliest event reported)

PACKAGING SUCCESS TOGETHER™

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

Delaware	**001-00566**	**31-4388903**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

425 Winter Road	**Delaware**	**Ohio**	**43015**
(Address of principal executive offices)			**(Zip Code)**

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

Not Applicable
(Former name or former address, if changed since last report.)

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

Emerging growth company ☐

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

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

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

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

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

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

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

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

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

On February 26, 2020, Greif, Inc. (the "Company") issued a press release (the "Earnings Release") announcing the financial results for its first quarter ended January 31, 2020. 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 first quarter of 2020 and the first quarter of 2019, which is equal to the Company's consolidated net income for the applicable period plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement (income) charges, plus the net tax benefit resulting from the Tax Cut and Jobs Act of 2017 (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 the applicable period;

(ii) the Company's earnings per diluted Class A share, excluding the impact of adjustments, for the first quarter of 2020 and the first quarter of 2019, which is equal to earnings per diluted Class A share of the Company for the applicable period plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement (income) charges, plus the net tax 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 the applicable period;

(iii) the Company's consolidated adjusted EBITDA for the first quarter of 2020 and the first quarter of 2019, which is equal to the Company's consolidated net income for the applicable period plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement (income) 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 first quarter of 2020 and the first quarter of 2019, which is equal to the Company's consolidated net cash provided by (used in) operating activities for the applicable period less cash paid for purchases of properties plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for acquisition and integration related ERP systems.

(v) the Company's income tax rate, excluding the impact of adjustments, for the first quarter of 2020, 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 and integration related costs, plus the tax expense (benefit) of non-cash asset impairment charges, plus the tax expense (benefit) of non-cash pension settlement (income) charges, 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 and integration related costs, less (gain) loss on disposal of properties, plants, equipment and businesses, net, each on a consolidated basis for such period;

(vi) net sales excluding foreign currency translation for the Company's Rigid Industrial Packaging & Services business segment for the first quarter of 2020 and the first quarter of 2019, which is equal to that business segment's net sales for the applicable quarter, after adjusting such sales for the first quarter of 2020 for foreign currency translation;

(vii) adjusted EBITDA for the Company's Rigid Industrial Packaging & Services business segment for the first quarter of 2020 and the first quarter of 2019, which is equal to that business segment's operating profit less other (income) expense, net, less equity earnings of unconsolidated affiliates, net of tax, plus depreciation and amortization expense, plus restructuring charges, plus acquisition and integration 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;

(viii) adjusted EBITDA for the Company's Paper Packaging & Services business segment for the first quarter of 2020 and the first quarter of 2019, which is equal to that business segment's operating profit less other (income) expense, net, less non-cash pension settlement (income) charges, plus depreciation and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash pension settlement (income) charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, each for the applicable period;

(ix) net sales excluding foreign currency translation for the Company's Flexible Products & Services business segment for the first quarter of 2020 and the first quarter of 2019, which is equal to that business segment's net sales for the applicable quarter, after adjusting such sales for the first quarter of 2020 for foreign currency translation;

(x) adjusted EBITDA for the Company’s Flexible Products & Services business segment for the first quarter of 2020 and the first quarter of 2019, which is equal to that business segment’s operating profit less other (income) expense, net, plus depreciation and amortization expense, plus restructuring charges, each for the applicable period; and

(xi) adjusted EBITDA for the Company’s Land Management business segment for the first quarter of 2020 and the first quarter of 2019, 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 and related costs, plus non-cash asset impairment charges, plus non-cash pension settlement (income) charges, 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 tax rate guidance, excluding the impact of adjustments, 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 and related costs, plus the tax expense (benefit) of non-cash asset impairment charges, plus the tax expense (benefit) of non-cash pension settlement (income) charges, 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 and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement (income) charges, less (gain) loss on disposal of properties, plants, equipment and businesses, net, each on a consolidated basis for such period; and

(iii) the Company's fiscal year 2020 projected adjusted free cash flow guidance, which is equal to the Company's consolidated net cash provided by (used in) operating activities for such period, less cash paid for purchases of properties, plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for acquisition and integration related ERP systems. A reconciliation of this forward-looking non-GAAP financial measure was included in the Earnings Release.

No reconciliation of the forward-looking non-GAAP financial measures were included in the Earnings Release for items (i) and (ii) 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.

Management of the Company uses the non-GAAP Measures to evaluate ongoing operations and believes that these non-GAAP Measures are useful to investors. The exclusion of the impact of the identified adjustments (restructuring charges, acquisition and integration related costs, non-cash asset impairment charges, non-cash pension settlement (income) 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 and integration related costs and cash paid for acquisition and integration related ERP systems from the Company's consolidated net cash provided by (used in) operating activities, provides additional information on which to evaluate the cash flow generated by the Company and believes that this is information that investors find valuable. The non-GAAP Measures are intended to supplement and should be read together with our financial results. The non-GAAP Measures should not be considered an alternative or substitute for, and should not be considered superior to, our reported financial results. Accordingly, users of this financial information should not place undue reliance on the non-GAAP Measures.

Section 5 – Corporate Governance and Management

Item 5.07. Submission of Matters to a Vote of Security Holders.

The Annual Meeting of Stockholders (the "Annual Meeting") of the Company was held on February 25, 2020. At the Annual Meeting, the holders of the Company's Class B Common Stock voted on the following proposals and cast their votes as described below.

Proposal 1

To elect as directors for one-year terms Vicki L. Avril, Bruce A. Edwards, Mark A. Emkes, John F. Finn, Michael J. Gasser, Daniel J. Gunsett, Judith D. Hook, John W. McNamara and Peter G. Watson, the nine persons recommended by the Nominating and Corporate Governance Committee, all of whom are currently directors of the Company.

PROPOSAL 001 ELECTION OF DIRECTORS

***	FOR	WITHHELD
Vicki L. Avril	17,725,135	355,744
Bruce A. Edwards	17,916,713	164,166
Mark A. Emkes	17,714,417	366,462
John F. Finn	17,566,080	514,799
Michael J. Gasser	16,745,226	1,335,653
Daniel J. Gunsett	16,367,876	1,713,003
Judith D. Hook	17,450,080	630,799
John W. McNamara	17,961,989	118,890
Peter G. Watson	18,049,872	31,007

Proposal 2

To consider and vote upon the following resolution concerning the compensation of the Company’s named executive officers:

> *“Resolved, that the Class B Common Stockholders hereby approve, on an advisory basis, the compensation, as disclosed in the Compensation Discussion and Analysis section and compensation tables, as well as the other narrative executive compensation disclosures, contained in the Company’s Proxy Statement for its 2020 Annual Meeting of Stockholders (the "Proxy Statement"), of the Company’s named executive officers identified in the Proxy Statement.”*

PROPOSAL 002 ADVISORY VOTE ON APPROVAL OF COMPENSATION OF NAMED EXECUTIVE OFFICERS

***	FOR	AGAINST	ABSTAIN
TOTAL SHARES VOTED	17,906,083	89,349	85,447

Proposal 3

To consider and act upon a proposal to amend the Company's current Long-Term Incentive Plan to cap at 750,000, the number of shares that may be issued under plan.

PROPOSAL 003 APPROVAL OF AMENDMENT TO MATERIAL TERM OF CURRENT LONG-TERM INCENTIVE PLAN

***	FOR	AGAINST	ABSTAIN
TOTAL SHARES VOTED	17,629,302	366,628	84,949

Proposal 4

To consider and act upon a proposal to approve a new Long-Term Incentive Plan for the Company.

PROPOSAL 004 APPROVAL OF NEW 2020 LONG-TERM INCENTIVE PLAN

***	FOR	AGAINST	ABSTAIN
TOTAL SHARES VOTED	16,389,458	1,679,571	11,850

Proposal 5

To consider and act upon a proposal to amend the Company's 2001 Management Equity Incentive and Compensation Plan to extend the time period under which awards may be granted under the plan.

PROPOSAL 005 APPROVAL OF AMENDMENT TO A MATERIAL TERM 2001 MANAGEMENT EQUITY INCENTIVE PLAN

***	FOR	AGAINST	ABSTAIN
TOTAL SHARES VOTED	16,008,941	1,984,848	87,090

Section 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

On February 27, 2020, 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 first quarter ended January 31, 2020. The file transcript of the Conference Call is attached as Exhibit 99.2 to this Current Report on Form 8-K.

Section 8 – Other Events

Item 8.01. Other Events.

On February 27, 2020, the Company issued a press releasing announcing that the Company had entered into a definitive agreement to sell its Consumer Packaging Group ("CPG") business for $85.0 million in cash to Graphic Packaging Holding Company. The full text of this press release is attached as Exhibit 99.3 to this Current Report on Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release issued by Greif Inc. on February 26, 2020 announcing the financial results for its first quarter ended January 31, 2020.
99.2	File transcript of conference call with interested investors and financial analysts held by management of Greif Inc. on February 27, 2020.
99.3	Press release issued by Greif, Inc. on February 27, 2020.

SIGNATURES

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

	GREIF, INC.
Date: March 2, 2020	By /s/ Lawrence A. Hilsheimer
	Lawrence A. Hilsheimer, Executive Vice President and Chief Financial Officer

Exhibit 99.1

Contact:
Matt Eichmann
740-549-6067
matt.eichmann@greif.com

Greif Reports First Quarter 2020 Results

DELAWARE, Ohio (February 26, 2020) – Greif, Inc. (NYSE: GEF, GEF.B), a world leader in industrial packaging products and services, today announced first quarter 2020 results.

First Quarter Highlights include (all results compared to the first quarter of 2019 unless otherwise noted):

- Net sales increased by $215.4 million to $1,112.4 million.
- Gross profit increased by $49.8 million to $222.6 million.
- Net income of $32.3 million or $0.55 per diluted Class A share increased compared to net income of $29.7 million or $0.51 per diluted Class A share. Net income, excluding the impact of adjustments(1), of $37.9 million or $0.64 per diluted Class A share decreased compared to net income, excluding the impact of adjustments, of $38.3 million or $0.65 per diluted Class A share. Adjusted EBITDA(2) increased by $41.1 million to $147.4 million.
- Net cash provided by operating activities increased by $29.1 million to $19.5 million. Adjusted free cash flow(3) increased by $22.3 million to a use of $13.3 million.

“Greif’s performance in the first quarter was strong across all strategic priorities,” said Pete Watson, Greif’s President and Chief Executive Officer. “Adjusted EBITDA rose by 39% to $147.4 million, driven by strong performance in our Rigid Industrial Packaging & Services segment and the acquired Caraustar operations. Our internal customer satisfaction index score improved to an all-time high and we received several recognitions for our sustainability leadership. While we continue to face a challenging industrial market, our global Greif team is successfully managing those areas within our control to deliver strong performance.”

(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, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement (income) 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 (used in) operating activities, less cash paid for purchases of properties, plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for acquisition and integration related Enterprise Resource Planning (ERP) systems.

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 93.9 during the fiscal first quarter 2020. 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 93.7, or approximately 3% higher than the prior year quarter. CSI for the Flexible Products & Services segment was 93.6, which was flat compared to the prior year quarter. CSI for the Paper Packaging & Services segment fell by approximately 3% to 92.8, but excluding Caraustar operations would have been 95.6 and flat to the prior year quarter.

Sustainability

The Company continues to make strong strides towards enhancing its sustainability performance. During the first fiscal quarter 2020, the Company received the following recognitions related to sustainability leadership:

- MSCI upgraded the Company's Environmental, Social and Governance (ESG) rating to “A” from “BBB.” The "A" rating reflects Greif's concerted efforts towards reducing its environmental impact and advancing responsible business practices. This is the highest rating achieved by the Company to date.
- Newsweek named Greif to its 2020 list of America’s Most Responsible Companies for the first time. The list of 300 companies was compiled from a detailed analysis of more than 2,000 public companies, honoring businesses that give back to the communities in which they operate and excel in corporate social responsibility and citizenship efforts.

In addition, in early February 2020, the non-profit organization CDP (formerly the Carbon Disclosure Project) awarded Greif a Supplier Engagement Rating (SER) of “A” as a part of their annual climate change assessment of companies globally. This rating earned the Company a position on the Supplier Engagement Leaderboard, which consists of the top 3% of 4,800 companies assessed by CDP for their actions and strategies to reduce emissions and manage climate risks in their supply chain.

Accounting Standard Changes

On November 1, 2019, the Company adopted Accounting Standard Update 2016-02 Leases (Topic 842) and related updates. The update included significant changes to the accounting treatment for leases including the required capitalization of certain operating leases on the balance sheet and expanded disclosures. As of January 31, 2020, the Company's right of use asset and corresponding lease liabilities related to the capitalized operating leases were $327.2 million and $331.7 million, respectively. The adoption had no impact to the Company's net financial position, results of operations, or cash flows.

Segment Results (all results compared to the first quarter of 2019 unless otherwise noted)

Net sales are impacted mainly by the volume of primary products[5] 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 first quarter of 2020 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:

Net Sales Impact - Primary Products	Rigid Industrial Packaging & Services	Paper Packaging & Services	Flexible Products & Services
	%	%	%
Currency Translation	(1.5)%	—	(1.5)%
Volume	(1.3)%	(8.6)%	(14.2)%
Selling Prices and Product Mix	(1.8)%	(7.0)%	1.8 %
Total Impact of Primary Products	(4.6)%	(15.6)%	(13.9)%

Rigid Industrial Packaging & Services

Net sales decreased by $29.2 million to $568.7 million. Net sales excluding foreign currency translation decreased by $24.7 million primarily due to continued demand softness in the U.S. and APAC and lower average sale prices primarily due to contractual price adjustment mechanisms related to raw material price decreases, partially offset by strategic pricing actions.

Gross profit increased by $9.2 million to $107.8 million. The increase in gross profit was primarily due to the timing of contractual pass through arrangements for raw material price decreases.

Operating profit increased by $19.5 million to $42.8 million. Adjusted EBITDA increased by $13.8 million to $62.5 million primarily due to the same factors that impacted gross profit and a reduction in the segment's SG&A expense.

Paper Packaging & Services

Net sales increased by $256.4 million to $473.7 million. The increase in sales was primarily due to $288.2 million of contribution from the acquired Caraustar operations, partially offset by demand softness and lower published containerboard prices. The Company took approximately 21,000 tons of economic downtime across its containerboard operations during the quarter.

Gross profit increased by $46.2 million to $100.1 million. The increase in gross profit was primarily due to $57.4 million of contribution from the acquired Caraustar operations and lower old corrugated container input costs, partially offset by the same factors that impacted net sales.

Operating profit decreased by $2.8 million to $32.5 million. Adjusted EBITDA increased by $31.4 million to $77.9 million primarily due to $47.2 million of contribution from the acquired Caraustar operations, partially offset by the same factors that impacted gross profit and higher Caraustar related SG&A expense.

Flexible Products & Services

Net sales decreased by $12.1 million to $63.0 million. Net sales excluding foreign currency translation decreased by $11.0 million primarily due to continued demand softness in Western Europe.

Gross profit decreased by $5.1 million to $12.3 million primarily due to the same factors that impact net sales.

Operating profit decreased by $4.0 million to $2.0 million. Adjusted EBITDA decreased by $3.8 million to $4.1 million primarily due to the same factors that impacted net sales, partially offset by a reduction in the segment's SG&A expense.

Land Management

Net sales increased by $0.3 million to $7.0 million.

Operating profit decreased by $0.7 million to $1.9 million. Adjusted EBITDA decreased by $0.3 million to $2.9 million.

Tax Summary

During the first quarter, the Company recorded an income tax rate of 24.1 percent and a tax rate excluding the impact of adjustments of 24.3 percent. As previously disclosed, the application of FIN 18 may cause fluctuations in our quarterly effective tax rates. For Fiscal 2020, the Company expects its tax rate to range between 28-32 percent and its tax rate excluding adjustments to range between 27-31 percent.

Dividend Summary

On February 25, 2020, the Board of Directors declared quarterly cash dividends of $0.44 per share of Class A Common Stock and $0.66 per share of Class B Common Stock. Dividends are payable on April 01, 2020, to stockholders of record at the close of business on March 18, 2020.

Company Outlook

(in millions, except per share amounts)	**Fiscal 2020 Outlook Reported at Q4**	**Fiscal 2020 Outlook Reported at Q1**
Class A earnings per share before adjustments	$3.63 - $4.13	$3.55 - $3.91
Adjusted free cash flow	$245 - $285	$265 - $305

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 (income) charges; or acquisition and integration costs, and the income tax effects of these items and other income tax-related events. No reconciliation of the fiscal 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 (income) charges, acquisition and integration 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) Primary products are manufactured steel, plastic and fibre drums; new and reconditioned intermediate bulk containers; linerboard, medium, corrugated sheets and corrugated containers; and 1&2 loop and 4 loop flexible intermediate bulk containers.

Conference Call

The Company will host a conference call to discuss the first quarter of 2020 results on February 27, 2020, at 8:30 a.m. Eastern Time (ET). To participate, domestic callers should call 833-231-8265. The Greif ID is 2086583. 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 growth objectives, (iii) our level of indebtedness could adversely affect our liquidity, limit our flexibility in responding to business opportunities, and increase our vulnerability to adverse changes in economic and industry conditions, (iv) our operations subject us to currency exchange and political risks that could adversely affect our results of operations, (v) the current and future challenging global economy and disruption and volatility of the financial and credit markets may adversely affect our business, (vi) the continuing consolidation of our customer base and suppliers may intensify pricing pressure, (vii) we operate in highly competitive industries, (viii) our business is sensitive to changes in industry demands, (ix) raw material and energy price fluctuations and shortages may adversely impact our manufacturing operations and costs, (x) 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, (xi) 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, (xii) geopolitical conditions, including direct or indirect acts of war or terrorism, could have a material adverse effect on our operations and financial results, (xiii) we may encounter difficulties arising from acquisitions, (xiv) in connection with acquisitions or divestitures, we may become subject to liabilities, (xv) the acquisition of Caraustar Industries, Inc. and its subsidiaries subjects us to various risks and uncertainties, (xvi) we may incur additional restructuring costs and there is no guarantee that our efforts to reduce costs will be successful, (xvii) we could be subject to changes to our tax rates, the adoption of new U.S. or foreign tax legislation or exposure to additional tax liabilities, (xviii) full realization of our deferred tax assets may be affected by a number of factors, (xix) several operations are conducted by joint ventures that we cannot operate solely for our benefit, (xx) certain of the agreements that govern our joint ventures provide our partners with put or call options, (xxi) our ability to attract, develop and retain talented and qualified employees, managers and executives is critical to our success, (xxii) our business may be adversely impacted by work stoppages and other labor relations matters, (xxiii) we may not successfully identify illegal immigrants in our workforce, (xxiv) 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, (xxv) we may be subject to losses that might not be covered in whole or in part by existing insurance reserves or insurance coverage, (xxvi) our business depends on the uninterrupted operations of our facilities, systems and business functions, including our information technology and other business systems, (xxvii) 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, (xxviii) legislation/regulation related to environmental and health and safety matters and corporate social responsibility could negatively impact our operations and financial performance, (xxix) product liability claims and other legal proceedings could adversely affect our operations and financial performance, (xxx) 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, (xxxi) our global operations subject us to the public health epidemics affecting countries or regions in which we have operations or do business, such as the coronavirus first identified in China, which, if sustained, could impact our employees, customers, supply chain and production in affected regions, (xxxii) changing climate, climate change regulations and greenhouse gas effects may adversely affect our operations and financial performance, (xxxiii) the frequency and volume of our timber and timberland sales will impact our financial performance, (xxxiv) changes in U.S. generally accepted accounting principles (GAAP) and SEC rules and regulations could materially impact our reported results, (xxxv) if we fail to maintain an effective system of internal control, we may not be able to accurately report financial results or prevent fraud, and (xxxvi) we have 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

(in millions, except per share amounts)	Three months ended January 31, 2020	2019
Net sales	$ 1,112.4	$ 897.0
Cost of products sold	889.8	724.2
Gross profit	222.6	172.8
Selling, general and administrative expenses	135.4	98.1
Restructuring charges	3.3	3.7
Acquisition and integration related costs	5.1	2.6
Non-cash asset impairment charges	0.1	2.1
Gain on disposal of properties, plants and equipment, net	(0.5)	(0.9)
Operating profit	79.2	67.2
Interest expense, net	30.7	11.7
Non-cash pension settlement income	(0.1)	—
Other (income) expense, net	1.3	(0.2)
Income before income tax expense and equity earnings of unconsolidated affiliates, net	47.3	55.7
Income tax expense	11.4	20.0
Equity earnings of unconsolidated affiliates, net of tax	(0.2)	(0.1)
Net income	36.1	35.8
Net income attributable to noncontrolling interests	(3.8)	(6.1)
Net income attributable to Greif, Inc.	$ 32.3	$ 29.7
Basic earnings per share attributable to Greif, Inc. common shareholders:		
Class A common stock	$ 0.55	$ 0.51
Class B common stock	$ 0.81	$ 0.75
Diluted earnings per share attributable to Greif, Inc. common shareholders:		
Class A common stock	$ 0.55	$ 0.51
Class B common stock	$ 0.81	$ 0.75
Shares used to calculate basic earnings per share attributable to Greif, Inc. common shareholders:		
Class A common stock	26.3	26.0
Class B common stock	22.0	22.0
Shares used to calculate diluted earnings per share attributable to Greif, Inc. common shareholders:		
Class A common stock	26.4	26.0
Class B common stock	22.0	22.0

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

(in millions)	January 31, 2020	October 31, 2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 90.8	$ 77.3
Trade accounts receivable	641.7	664.2
Inventories	370.9	358.2
Assets held by special purpose entities	50.9	—
Other current assets	153.3	149.3
	1,307.6	1,249.0
LONG-TERM ASSETS		
Goodwill	1,522.1	1,517.8
Intangible assets	758.9	776.5
Assets held by special purpose entities	—	50.9
Operating lease assets	327.2	—
Other long-term assets	140.9	142.2
	2,749.1	2,487.4
PROPERTIES, PLANTS AND EQUIPMENT	1,664.8	1,690.3
	$ 5,721.5	$ 5,426.7
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 389.8	$ 435.2
Short-term borrowings	5.3	9.2
Current portion of long-term debt	83.8	83.7
Current portion of operating lease liabilities	60.3	—
Current portion of liabilities held by special purpose entities	43.3	—
Other current liabilities	241.7	297.3
	824.2	825.4
LONG-TERM LIABILITIES		
Long-term debt	2,719.0	2,659.0
Liabilities held by special purpose entities	—	43.3
Operating lease liabilities	271.4	—
Other long-term liabilities	666.4	686.6
	3,656.8	3,388.9
REDEEMABLE NONCONTROLLING INTERESTS	17.8	21.3
EQUITY		
Total Greif, Inc. equity	1,163.8	1,133.1
Noncontrolling interests	58.9	58.0
	1,222.7	1,191.1
	$ 5,721.5	$ 5,426.7

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

(in millions)	Three months ended January 31, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 36.1	$ 35.8
Depreciation, depletion and amortization	61.3	31.3
Asset impairments	0.1	2.1
Pension settlement income	(0.1)	—
Other non-cash adjustments to net income	7.6	(2.4)
Operating working capital changes	(27.7)	(45.5)
Deferred purchase price on sold receivables	—	(6.9)
Increase (decrease) in cash from changes in other assets and liabilities	(57.8)	(24.0)
Net cash provided by (used in) operating activities	19.5	(9.6)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of properties, plants and equipment	(37.5)	(26.0)
Purchases of and investments in timber properties	(1.6)	(0.9)
Proceeds from the sale of properties, plants and equipment, businesses, timberland and other assets	1.5	2.3
Proceeds on insurance recoveries	—	0.2
Net cash used in investing activities	(37.6)	(24.4)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (payments on) debt, net	58.5	61.0
Dividends paid to Greif, Inc. shareholders	(25.9)	(25.7)
Other	(0.8)	(12.3)
Net cash provided by (used in) financing activities	31.8	23.0
Reclassification of cash to assets held for sale	—	(0.4)
Effects of exchange rates on cash	(0.2)	1.7
Net increase (decrease) in cash and cash equivalents	13.5	(9.7)
Cash and cash equivalents, beginning of period	77.3	94.2
Cash and cash equivalents, end of period	$ 90.8	$ 84.5

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

(in millions)	Three months ended January 31, 2020	2019
Net sales:		
Rigid Industrial Packaging & Services	$ 568.7	$ 597.9
Paper Packaging & Services	473.7	217.3
Flexible Products & Services	63.0	75.1
Land Management	7.0	6.7
Total net sales	$ 1,112.4	$ 897.0
Gross profit:		
Rigid Industrial Packaging & Services	$ 107.8	$ 98.6
Paper Packaging & Services	100.1	53.9
Flexible Products & Services	12.3	17.4
Land Management	2.4	2.9
Total gross profit	$ 222.6	$ 172.8
Operating profit:		
Rigid Industrial Packaging & Services	$ 42.8	$ 23.3
Paper Packaging & Services	32.5	35.3
Flexible Products & Services	2.0	6.0
Land Management	1.9	2.6
Total operating profit	$ 79.2	$ 67.2
EBITDA[6]:		
Rigid Industrial Packaging & Services	$ 60.0	$ 43.2
Paper Packaging & Services	73.0	44.0
Flexible Products & Services	3.6	7.9
Land Management	2.9	3.7
Total EBITDA	$ 139.5	$ 98.8
Adjusted EBITDA[7]:		
Rigid Industrial Packaging & Services	$ 62.5	$ 48.7
Paper Packaging & Services	77.9	46.5
Flexible Products & Services	4.1	7.9
Land Management	2.9	3.2
Total Adjusted EBITDA	$ 147.4	$ 106.3

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

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
CONSOLIDATED ADJUSTED EBITDA[8]
UNAUDITED

(in millions)	Three months ended January 31, 2020	2019
Net income	$ 36.1	$ 35.8
Plus: Interest expense, net	30.7	11.7
Plus: Income tax expense	11.4	20.0
Plus: Depreciation, depletion and amortization expense	61.3	31.3
EBITDA	$ 139.5	$ 98.8
Net income	$ 36.1	$ 35.8
Plus: Interest expense, net	30.7	11.7
Plus: Income tax expense	11.4	20.0
Plus: Non-cash pension settlement income	(0.1)	—
Plus: Other expense, net	1.3	(0.2)
Plus: Equity earnings of unconsolidated affiliates, net of tax	(0.2)	(0.1)
Operating profit	$ 79.2	$ 67.2
Less: Other expense, net	1.3	(0.2)
Less: Non-cash pension settlement income	(0.1)	—
Less: Equity earnings of unconsolidated affiliates, net of tax	(0.2)	(0.1)
Plus: Depreciation, depletion and amortization expense	61.3	31.3
EBITDA	$ 139.5	$ 98.8
Plus: Restructuring charges	3.3	3.7
Plus: Acquisition and integration related costs	5.1	2.6
Plus: Non-cash asset impairment charges	0.1	2.1
Plus: Non-cash pension settlement income	(0.1)	—
Less: Gain on disposal of properties, plants, equipment, and businesses, net	(0.5)	(0.9)
Adjusted EBITDA	$ 147.4	$ 106.3

[8] Adjusted EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash impairment charges, plus non-cash pension settlement (income) 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[9]
UNAUDITED

(in millions)	Three months ended January 31, 2020	2019
Rigid Industrial Packaging & Services		
Operating profit	42.8	23.3
Less: Other (income) expense, net	2.6	(0.1)
Less: Equity earnings of unconsolidated affiliates, net of tax	(0.2)	(0.1)
Plus: Depreciation and amortization expense	19.6	19.7
EBITDA	$ 60.0	$ 43.2
Plus: Restructuring charges	1.8	3.6
Plus: Acquisition and integration related costs	—	0.1
Plus: Non-cash asset impairment charges	0.1	2.1
Less: (Gain) loss on disposal of properties, plants, equipment, and businesses, net	0.6	(0.3)
Adjusted EBITDA	$ 62.5	$ 48.7
Paper Packaging & Services		
Operating profit	32.5	35.3
Less: Other (income) expense, net	(1.2)	0.1
Less: Non-cash pension settlement income	(0.1)	—
Plus: Depreciation and amortization expense	39.2	8.8
EBITDA	$ 73.0	$ 44.0
Plus: Restructuring charges	1.0	0.1
Plus: Acquisition and integration related costs	5.1	2.5
Plus: Non-cash pension settlement income	(0.1)	—
Less: Gain on disposal of properties, plants, equipment, net	(1.1)	(0.1)
Adjusted EBITDA	$ 77.9	$ 46.5
Flexible Products & Services		
Operating profit	2.0	6.0
Less: Other income, net	(0.1)	(0.2)
Plus: Depreciation and amortization expense	1.5	1.7
EBITDA	$ 3.6	$ 7.9
Plus: Restructuring charges	0.5	—
Adjusted EBITDA	$ 4.1	$ 7.9
Land Management		
Operating profit	1.9	2.6
Plus: Depreciation, depletion and amortization expense	1.0	1.1
EBITDA	$ 2.9	$ 3.7
Less: Gain on disposal of properties, plants, equipment, net	—	(0.5)
Adjusted EBITDA	$ 2.9	$ 3.2
Consolidated EBITDA	$ 139.5	$ 98.8
Consolidated Adjusted EBITDA	$ 147.4	$ 106.3

[9] Adjusted EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash impairment charges, plus non-cash pension settlement (income) 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[10]
UNAUDITED

	Three months ended January 31,	
(in millions)	**2020**	**2019**
Net cash provided by (used in) operating activities	$ 19.5	$ (9.6)
Cash paid for purchases of properties, plants and equipment	(37.5)	(26.0)
Free cash flow	$ (18.0)	$ (35.6)
Cash paid for acquisition and integration related costs	4.1	—
Cash paid for acquisition and integration related ERP systems	$ 0.6	$ —
Adjusted free cash flow	$ (13.3)	$ (35.6)

[10]Adjusted free cash flow is defined as net cash provided by (used in) operating activities, less cash paid for purchases of properties, plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for acquisition and integration related ERP systems.

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

(in millions, except for per share amounts)	Income before Income Tax (Benefit) Expense and Equity Earnings of Unconsolidated Affiliates, net	Income Tax (Benefit) Expense	Equity Earnings	Non-Controlling Interest	Net Income Attributable to Greif, Inc.	Diluted Class A Earnings Per Share	Tax Rate
Three months ended January 31, 2020	$ 47.3	$ 11.4	$ (0.2)	$ 3.8	$ 32.3	$ 0.55	24.1%
Gain on disposal of properties, plants, equipment and businesses, net	(0.5)	(0.1)	—	—	(0.4)	(0.01)	
Restructuring charges	3.3	0.9	—	0.3	2.1	0.04	
Acquisition and integration related costs	5.1	1.2	—	—	3.9	0.06	
Non-cash asset impairment charges	0.1	—	—	—	0.1	—	
Non-cash pension settlement income	(0.1)	—	—	—	(0.1)	—	
Excluding Adjustments	$ 55.2	$ 13.4	$ (0.2)	$ 4.1	$ 37.9	$ 0.64	24.3%
Three months ended January 31, 2019	$ 55.7	$ 20.0	$ (0.1)	$ 6.1	$ 29.7	$ 0.51	35.9%
Gain on disposal of properties, plants, equipment and businesses, net	(0.9)	(0.2)	—	(0.1)	(0.6)	(0.01)	
Restructuring charges	3.7	0.9	—	—	2.8	0.04	
Acquisition and integration related costs	2.6	0.1	—	—	2.5	0.04	
Non-cash asset impairment charges	2.1	—	—	—	2.1	0.04	
Tax net benefit resulting from the Tax Reform Act	—	(1.8)	—	—	1.8	0.03	
Excluding Adjustments	$ 63.2	$ 19.0	$ (0.1)	$ 6.0	$ 38.3	$ 0.65	30.1%

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

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

(in millions)	Three months ended January 31, 2020	Three months ended January 31, 2019	Increase in Net Sales ($)	Increase in Net Sales (%)
Consolidated				
Net Sales	$ 1,112.4	$ 897.0	$ 215.4	24.0 %
Currency Translation	5.5	N/A		
Net Sales Excluding the Impact of Currency Translation	$ 1,117.9	$ 897.0	$ 220.9	24.6 %
Rigid Industrial Packaging & Services				
Net Sales	$ 568.7	$ 597.9	$ (29.2)	(4.9)%
Currency Translation	4.5	N/A		
Net Sales Excluding the Impact of Currency Translation	$ 573.2	$ 597.9	$ (24.7)	(4.1)%
Flexible Products & Services				
Net Sales	$ 63.0	$ 75.1	$ (12.1)	(16.1)%
Currency Translation	1.1	N/A		
Net Sales Excluding the Impact of Currency Translation	$ 64.1	$ 75.1	$ (11.0)	(14.6)%

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

(in millions)	Fiscal 2020 Guidance Range Scenario 1	Fiscal 2020 Guidance Range Scenario 2
Net cash provided by operating activities	$ 415.0	$ 470.0
Cash paid for purchases of properties, plants and equipment	(181.0)	(201.0)
Free cash flow	$ 234.0	$ 269.0
Cash paid for acquisition and integration related costs	10.0	15.0
Cash paid for acquisition and integration related ERP systems	21.0	21.0
Adjusted free cash flow	$ 265.0	$ 305.0

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

(in millions)	**Fiscal 2020 Modeling Assumptions Reported at Q1**
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 and integration related ERP systems	$160 - $180

Exhibit 99.2

Greif, Inc.
First Quarter 2020 Earnings Results Conference Call
February 27, 2020

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*

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

Matthew T. Krueger *Robert W. Baird & Co. Incorporated, Research Division - Junior 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, Inc. Q1 2020 Earnings Conference Call. At this time all participants are on a listen only mode. After the speakers presentation there will be a question-and-answer session. To ask a question during this session, you will need to please 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 Matt Eichmann. Thank you. Please go ahead.

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

Thank you, Denise, and good morning, everyone. Welcome to Greif's First Quarter Fiscal 2020 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 one question and one follow-up question 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 will be referencing certain non-GAAP financial measures and reconciliations to the most directly comparable GAAP metrics can be found in the appendix of today's presentation.

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

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

Thank you, Matt, and good morning, everyone. We continue to make strong progress across all of our strategic priorities. From a financial performance standpoint, our first quarter adjusted EBITDA and adjusted free cash flow both improved versus the prior year quarter. We also recorded our 11th consecutive quarter of customer satisfaction index score improvement and received recognition from several third-party organizations for our strong sustainability performance.

Finally, we announced today that we have agreed to sell our consumer packaging group business to Graphic Packaging for $85 million in cash. We continue to experience challenging industrial markets across our portfolio and the overall demand environment remains soft. Conditions in several important regions in RIPS improved over the last several months, especially versus the prior year quarter, but it's premature to tell whether those trends are sustainable.

Caraustar performed better than internal expectations, and our global intermediate bulk container volumes are growing double digits, in line with our strategy.

I'd like to now review our performance by segment. And if you could please turn to Slide 4. The Rigid Industrial Packaging & Services segment delivered a strong first quarter, benefiting from better demand in key markets, favorable raw material costs and strong cost control. Our global IBC volumes grew by 23.5% versus the prior year quarter, partially due to our strategic investments that include the Tholu acquisition, an IBC reconditioner in Europe, and new IBC projects delivering positive results in Houston, Texas and Russia.

Overall, global steel drum volumes declined by 1.7% versus the prior year quarter. Steel drum demand in EMEA, which is our largest steel drum region, grew by nearly 3% as customers reported a more stable outlook, and we achieved new customer growth. Steel drum volumes in the Middle East and North Africa also grew by roughly 7%, thanks to solid chemical and lube demand and by roughly 1% in the Eastern Europe. Steel drum volume in the U.S. remained soft, especially in the trade-sensitive Gulf Coast, while volumes in Southeast Asia were negatively impacted by competition and by price margin decisions.

In China on a same store basis, steel drum volumes were up low single digits versus the prior year quarter. RIPS' first quarter sales were roughly $25 million lower versus the prior year quarter on a currency-neutral basis due to lower volumes and lower average selling prices tied to contractual adjustments related to raw material price declines, partially offset by strategic pricing decisions.

RIPS' first quarter adjusted EBITDA rose by roughly $14 million versus the prior year quarter due to lower-cost raw materials and aggressive back office cost reduction activities, partially offset by the impact of lower sales.

Our Q1 2019 adjusted EBITDA was adversely impacted by a $1.5 million correction adjustment that was previously disclosed related to a divestiture. We continue to assume that RIPS' steel drum volume would be roughly flat to fiscal 2019 with IBC volume growth in the low double digits. While pleased with the demand uptick we saw in EMEA, we expect economic growth in Europe to remain subdued overall and vary by country.

I'd ask you to please turn to Slide 5. The Flexible Products & Services segment experienced a challenging first quarter, was negatively impacted by weak demand in Western Europe and by a delayed fertilizer season due to weather, which is not expected to be fully recovered. First quarter segment sales were roughly 16% lower than the prior year quarter and 15% lower on a currency-neutral basis. Weak volumes were the main driver to lower sales. First quarter adjusted EBITDA fell by roughly $4 million versus the prior year due to lower volumes, only partially offset by lower SG&A expense. We are reducing our variable cost structure in light of weaker volumes executing on SG&A and other cost savings opportunities. And please keep in mind that FPS is a 50-50 joint venture to the bottom line impact from soft end markets is small.

Before transitioning to paper packaging, I'd like to say a few words on the impact of the coronavirus. We have over 900 Greif colleagues in China working in both our Rigid and Flexible Packaging segments. China accounts for roughly 3% of our overall annual and consolidated revenue and all of our plants were operational as of February 17th. To our knowledge today, none of our colleagues have contracted the virus, and we have extensive precautions in place to safeguard their health and well-being. While we've incorporated a minor coronavirus drag into our guidance of $1.5 million, it is way too early to assess the ultimate impact the virus may have on global macroeconomic conditions and to our global customers.

I'd ask that you turn to Slide 6, please. Paper Packaging's first quarter sales grew by $256 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 primarily by 21,000 tons of containerboard economic downtime and by softer demand from integrated customers in our legacy business.

Paper Packaging's first quarter adjusted EBITDA rose by roughly 68% versus the prior year. Caraustar outperformed our internal expectations during the quarter, which is a seasonally slower period for them. Looking ahead, we incorporated January's published $10 a ton linerboard and $15 a ton medium declines as well as February's $30 a ton boxboard price decline into our guidance range.

Finally, we have agreed to sell our consumer packaging group business consisting of 7 folding carton facilities to Graphic Packaging for $85 million. This sale excludes the 3 CRB mills acquired in the Caraustar acquisition in which we have multiyear supply agreements in place. Given our industrial focus, we are not the rightful owner of the consumer packaging group business. This divestiture helps us delever our balance sheet, optimize our capital allocation plans and refocuses our business on our core industrial franchise and strategic growth priorities. We expect the divestiture to close by March 31, and I'd like to thank our CPG colleagues for their contribution to growth for the past 12 months. Their is a sincere commitment to safety and to customer service excellence will serve them well in the future. We wish them nothing but the best in the transition ahead.

If you could please turn to Slide 7. We have owned the Caraustar business now for just over a year and continue to be very pleased. The businesses enhance our overall margins and anticipated synergies have been revised by more than 55% higher since the deal closing. Most importantly, we have a 99% colleague retention rate through its strong cultural fit and alignment, which is a large driver to the success of our integration. We continue to expect to achieve run rate synergies of at least $70 million by the end of fiscal 2022. And there is no material impact to our synergy estimates from the consumer packaging group divestiture.

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

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

Thank you, Pete. Good morning, everyone. Please turn to Slide 8 to review our quarterly financial performance. Before I get into the quarter's details, allow me to add to what Pete stated earlier about the CPG divestiture. We are very excited about the transaction announced this morning with Graphic Packaging. We view this as a win-win deal. It is consistent with the strategies of each organization and has unique benefits to each side. For us, when we acquired Caraustar, we did so on the basis of a run rate EBITDA of $220 million. The business we just sold contributed no EBITDA in that $220 million run rate nor were there any estimated synergies attributable to that operation. I want to wish our CPG colleagues, the best of luck and thank them for their work at Greif over the last year.

On to first quarter specifics. Overall, Greif generated very solid results in a challenged industrial economy. First quarter net sales, excluding the impact of foreign exchange rose by nearly 25% versus the prior year quarter due to Caraustar's contribution and strategic pricing decisions in RIPS, partially offset by demand softness and lower PAM-driven pricing in RIPS, weak FPS volumes. Legacy PPS also experienced softer demand and lower year-over-year published containerboard pricing. First quarter adjusted EBITDA grew by roughly 39% versus the prior year quarter, primarily due to Caraustar's contribution and the improvement in RIPS, partially offset by lower EBITDA in our legacy paper business and weak demand in FPS. Below the operating profit line, interest expense rose as anticipated by roughly $20 million, while other expense was essentially flat to prior year. First quarter Class A adjusted earnings per share was roughly flat to the prior year quarter at $0.64 per share due to higher year-over-year depreciation and interest expense offsetting the Caraustar acquisition-driven lift to earnings. Our first quarter non-GAAP tax rate was 24.3% and benefited from a $2 million resolution of an open item with tax authorities. We expect our non-GAAP rate to range between 27% and 31% in fiscal 2020.

Finally, first quarter adjusted free cash flow improved by $22 million versus the prior year quarter to a use of roughly $13 million as a result of increased EBITDA and improved working capital management despite increased capital expenditures.

Please turn to Slide 9 to review our fiscal 2020 guidance and key modeling assumptions. We now expect to generate between $3.55 and $3.91 in adjusted Class A earnings per share in fiscal 2020. We've kept the guidance range deliberately wide given continued macroeconomic uncertainty and the still unquantifiable impact of the coronavirus on our global operations. To bridge to our new fiscal year 2020 midpoint of $3.73 per share from what we previously provided, please start with our original $3.88 per share midpoint shared at Q4. From there, we anticipate a $0.09 per share headwind from softer economic conditions and mix erosion in PPS for the remainder of the year, partly offset by OpEx improvements in RIPS and several key raw material sourcing wins. We also assume a $0.09 per share headwind from the price cost squeeze in paperboard that includes the $30 reduction in boxboard prices published last week, only partially offset by slightly lower fiscal OCC expectations. Offsetting those headwinds is a $0.02 per share lift from slightly lower fiscal year interest expense as a result of a farm credit system rebate and our belief that our fiscal year non-GAAP tax rate will trend towards the lower end of our 27% to 31% range. We now forecast our 2020 adjusted free cash flow of between $265 million and $305 million as lower anticipated EBITDA is more than offset by improved working capital and lower cash taxes. We continue to expect capital expenditures of between $160 million and $180 million, excluding integration CapEx and anticipate working capital to be a cash source of between $0 and $20 million, primarily due to lower sales and working capital optimization programs.

Turning to capital priorities on Slide 10. Our capital allocation priorities include funding organic CapEx delevering our balance sheet, maintaining steady dividends and pursuing our strategic growth priorities in IBCs, IBC reconditioning and containerboard integration. At quarter end, our compliance leverage ratio stood roughly 3.7x. We remain well within our stated covenants and expect to be back within our targeted leverage ratio range by 2023. Our industry-leading dividend yields more than 4% today 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*

Right. Thank you, Larry, and please turn to Slide 11. The Greif team delivered a solid first quarter despite a challenging macroeconomic environment. As we progress through fiscal 2020, we remain well positioned to serve a variety of end markets through our industry-leading product portfolio and our commitment to customer service excellence. We're advancing lower risk growth opportunities close to our core and the Caraustar integration continues to track the plan. We appreciate your participation this morning.

And operator, please open the lines for questions.

QUESTIONS AND ANSWERS

Operator

As a reminder, to ask a question please press star and then the number one on your telephone keypad. To withdraw your question, press the pound key. Please limit yourself to one question and one follow up and rejoin the queue for any additional questions.

Your first question comes from Ghansham Panjabi with Baird.

Matthew T. Krueger - *Robert W. Baird & Co. Incorporated, Research Division - Junior Analyst*

This is actually Matt Krueger sitting in for Ghansham. So I was just hoping that we could get your updated thoughts on your volume expectations by segment for 2020. Along with any details underlying the regional economic assumptions that coincide with that volume outlook, including any impact on the various regions from the coronavirus.

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

Yes. So first, I'll talk about the coronavirus and the impact. So as we mentioned, none of our colleagues are infected that we know at this time and anything we comment on regarding the coronavirus is what we know today, we really can't speculate a future impact. We expect, as we said, $1.5 million impact from the coronavirus due to mainly extended shutdowns in our Chinese operations, we're about 70% operating capacity today and beyond China, our Italian operations have not been impacted by the coronavirus. We're operating all facilities at full capacity. From a broader supply chain, we have not had any adverse impact in Greif, in our supply chain and our ability to meet our customer needs. We're not restrained in raw materials or parts supply across our entire global supply chain, but there's no question the coronavirus will clearly have an impact on certain business segments and that interconnectivity to the global supply chain that we've already read, and you've read about negative impacts to parts of the economy. In regards to our global customers, we are seeing some shift in production from China to other regions in our global footprint. But again, it's premature to make any concrete determinations on what that longer-term impact may be. I would tell you, today, we're really well positioned to serve our global customers as they do that, because we have a very wide and diverse manufacturing capabilities across the globe. In regard to volumes as we see it, in for the balance of the year, let's start with RIPS. So on a global basis, we expect our steel drum volumes to be roughly flat to fiscal 2019. We see the EMEA region continues to be an improving store. It's more stabilized in Brazil, the Middle East also are doing well. I think the offset of that is the slow industrial economic conditions in the U.S. and then we have the uncertainty around what the long-term effect is going to be in the coronavirus in Asia. We expect our large plastic drum business to grow low single digits, which is consistent with what we've done in the past year, and we've had several strategic investments in the U.S., it aids that. And again, we're very happy with the growth in our IBC and IBC reconditioning volumes, and we expect to continue to grow low double digits in that global platform as it's a big strategic priority for us. Again, those 2020 assumptions do not include any broader impact of future coronavirus impact. When you look at paper packaging, we still see continued softer demand conditions and we don't see any changes from what our current environment is for the balance of 2020.

Matthew T. Krueger - *Robert W. Baird & Co. Incorporated, Research Division - Junior Analyst*

That's definitely helpful. And I guess that leads me into my next question. I was hoping that you could outline the net impact from the 21,000 tons in containerboard economic downtime across your business during the first quarter? And then maybe provide some detail on what's baked into guidance for the remainder of the year in terms of downtime for that business?

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

Yes, the 21,000 tons downtime is roughly $8 million to $8.5 million of impact. In the remainder of the year's guidance, we've built in a range. As you noticed, our range is fairly wide to consider potential impacts of the continued macroeconomic factors impacting all of our businesses right now, including our legacy paper business.

Operator

Your next question comes from Mark Wilde with Bank of America.

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

Pete, I wonder if it's possible to talk a little bit more about sort of the volumes in RIPS, particularly if we kind of exclude the IBC business. And then within the IBC business, how much of that 23.5% is the result of the acquisition?

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

So the IBC question first, Mark. The 23.5% improvement, 10% of that roughly is as a result of the Tholu acquisition in Europe reconditioning. We're really pleased with that. And I think it's aid to our platform as we grow that reconditioning business. When you take steel drum, if you just look from a region standpoint, EMEA continues to really have positive growth. We grew by 3% in the quarter. In North America, demand was continued to be weak in the first quarter, we did see signs of improvement in January and February. But again, I think it's too premature to say whether that's a continuing trend. And just to get a perspective, because there's really no public comparison in the rigid business like we have in paper. But in North America, in 2019, an industry association produces annual drum -- steel drum results and the industry in North America was down 15% in 2019, and we are down significantly less than that. So it's a challenged substrate, mainly due to the trade conflicts, and a large percentage of that volume resides in that Gulf Coast.

If you look at Latin America, we had really good steel drum growth of about 7%, and that's really a result of improvements in our operations and manufacturing in Brazil. Our new leader there has done an excellent job of improving our operations, so we can better serve our growing customer base there.

And in APAC, as we've talked about, our Chinese steel drum volumes, if you look at a same-store basis, and if you remember, we closed a plant in Ningbo, a year ago, we're up 5%. That's pre-coronavirus. That will change in February, obviously, because we had 10 to 18 days of extended downtime due to the shutdown. And the only other comment I'll make in Asia, in Southeast Asia and predominantly Singapore, we're experiencing weaker demand because of weaker export markets, but there's been a really intensive competitive environment in Singapore. There's been some added capacity from new steel drum manufacturers that entered the market. So that's an overall view of the steel drum volume in RIPS, Mark.

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

Okay. That's really helpful, Pete. I guess for my follow-on, I'm just curious about the three coated recycled mills, which weren't part of the asset sales. I think Larry mentioned that you have some multi year contracts. Can you just give us a little perspective on the contracts and on sort of like how much of the volume from those 3 mills, the contracts would cover and whether you would be precluded at this point from pursuing a sale of those mills with somebody else? Or maybe even rationalizing capacity at some point?

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

Yes. So as we talked about, we have long-term agreements in place for those 3 mills. And our integration, when we owned the consumer packaging business, was about 40%. So that 40% is covered under long-term supply agreements. But we also feel really positive because the sale of these assets allow us to be a non-conflict channel partner to the folding carton industry, both to independent and integrated partners and so we feel comfortable with that. In regard to what we may do in the future, we have no concrete plans. So we intend to run those mills, we feel very comfortable with the long-term agreements in place. And I think, again, to comment, we were not the rightful owner of those assets in the folding carton industry, and Graphic Packaging certainly is and allows us to focus our capital allocations on our industrial franchise, and we grow our integration, vertical integration, our paper packaging business, as well as grow our IBC and IBC reconditioning business.

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

And Mark, just a follow-on, although we don't have any current plans. You asked whether we have any restrictions on selling those mills. And the answer is, no.

Operator

Your 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, just one on the cash flow guidance. You mentioned working cap is better. Is that because of lower volume expectations or lower raw material cost expectations? And then with respect to the lower cash taxes, is that just simply a function of your profit forecast going down? Or is there something else going on there?

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

Yes, good questions, Adam. Let me give you a high level, just a walk first, and then I'll answer your question specifically. So we had a midpoint guidance of $265 million, we would drop it by about $13 million relative to operations. Increased $3 million because of CapEx that related to those CPG plans we just disposed of, pick up about $19 million or so roughly on working capital. Taxes is about $11.5 million and the interest expense and other things is about roughly just short of $1 million.

So that walks you from $265 million to $285 million. On the OWC, it is a combination of, yes, when you're projecting lower sales, you need to carry lower working capital, obviously, disposing the CPG plants, eliminates the need for carrying working capital there. But it also is kudos, it goes to our teams. We have had a focused effort, as we've talked about for years of really being better on managing our working capital, and we continue to see improvements in that. And we forecast more improvements through the remainder of the year. So you have really good efforts going on across the board in that space. In the taxes, again, it's a situation of our tax group doing an outstanding job of some effective tax planning that is going to allow us to reduce our out-of-pocket cash tax payments this year. It's as simple as that. And there is also obviously a component to the extent operating income drops, your taxes drop as well. But it's also some effective tax planning.

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

Thanks, Larry. And then just one on your OCC -- updated OCC forecast. So when you gave it in December, I believe it was -- OCC was pretty much at rock bottom levels. And it's inched up since then. And it's reportedly up a fair bit in February, yet you guys fairly significantly reduced your OCC forecast for the year. And if memory serves, you previously were thinking it would be flattish in the first 2 quarters and then there would be a spike in the second half. And so we've been going up a bit in the first half. So I'm a bit confused as to why you would sharply cut your full year OCC price forecast now in light of the fact that OCC is actually going up right now. So I'm hoping you could just kind of help me understand that.

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

Sure. As we've gotten further in the market and work with Greg Cotrell and his team and our RFG Group, we believe we have a much higher confidence level relative to the remainder of the year. And we had it trending up pretty dramatically at the beginning of the year. But we had a range of alternatives in our very wide range of guidance earlier in the year, Adam. There were some of us who felt more confident that the OCC cost would not be going up towards the end of the year. It was influenced by some external forecast as well. So we had it going up to $72 in the third quarter. We do not feel that's in the cards. And so what we've got is $42 or so in Q2, $32 to $47 in our range in Q3 and in Q4. So it brings it to an average for the year of $39 per ton in the midpoint.

Operator

Again, to ask a question, please press star, one on your telephone keypad. Your next question comes from Steve Chercover with Davidson.

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

So hopefully, I haven't missed this somehow. But with respect to the guidance and the Caraustar consumer packaging, first of all, the free cash flow has got nothing to do with the $85 million. That's carved out?

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

Correct. That's correct.

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

Good answer. That's what I thought. And then you said that there's no EBITDA contribution from the 7 folding carton facilities. So I guess, it was the 3 mills that were generating the $37 million that you discussed on the Investor Day, it might not still be that, but is that still a decent number?

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

We've obviously captured synergies, Steve. So it's north of that. We're very pleased with the operations of those mills at this point. So yes, you heard me correct, it was at the time of that acquisition, there was no EBITDA in those businesses as part of that $220 million.

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

That's terrific. And can you just remind us at the 3 facilities, is there any URB that's commingled? Like are there multiple machines? Are those 3 facilities totally dedicated to URB?

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

Yes, Steve, this is Pete. So we have 1 mill that runs CRB and URB and some gypsum. And that has the flexibility to change the product mix based on market conditions and what we may do strategically across our entire mill system.

Operator

Your next question comes from Gabe Hajde with Wells Fargo Securities.

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

I was hoping you can maybe help us, maybe Larry will tackle this, but we'll see phasing of the price flow-through from the February price adjustment. If memory serves, I think that business is mostly kind of tied to that benchmark price in some way, shape or form, but just curious if there's sort of any kind of lag that we should expect. And then really kind of try to help think about 2021 as well.

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

Yes, let me start -- I'm sorry, go ahead, Gabe.

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

No, I'm sorry. And then could you also comment, just to the extent you're able to commercially, I think the URB price decrease, and it caught me by surprise a little bit. Just curious what you're seeing out there in the marketplace, if you can comment broadly.

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

Yes. I would tell you, Gabe, both URB and CRB price decreases caught us by a huge surprise. It's not even remotely close to what we've been experiencing in the market really, really disturbing when things are that far off. And so we'll work on that going forward as best we can. But in terms of your cost question on phasing, some of those price contract mechanisms in the CRB space will stretch out into July before they're fully in place. It's customer by customer. And in some, they're not even tied to the index. And so it won't have an impact in our CRB space. But I can walk you through just that sort of impact-wise, if we look at just -- maybe this will help. From our $3.88 midpoint, and I did this on the call, but you have the non-pricing, just operational softness stuff about $0.09 a share. And then the $0.09 on price cost impact as elements. Primarily, it's the URB and CRB in our containerboard space. We had already really built that into our original guidance, anticipating some softness there. And so you have about a nickel or so on CRB and about a nickel on URB, offset by about the penny on OCC benefit.

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

All right. And then, Pete, you had commented about kind of still expecting sluggish or weak volume environment in legacy containerboard operations. I was curious, I mean, I think volumes have kind of been down in that high single-digit range. Now that we're lapping that, should we expect it to maybe be down more consistent with the industry. Or was that commented to guide is still down maybe mid-single digits? Just trying to get a sense for what that's looking like?

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

Yes, Gabe, I would tell you it will be consistent to what our experience has been in the first quarter, although -- let me make 2 caveats. In February, we have seen some improvements compared to our first quarter. But again, it's premature to say that's a trend for us. And secondly, as we ramp up our new corrugated sheet feeder in Palmyra, Pennsylvania, we will see continued improvement there. I would also tell you that we do a lot of business with integrated systems, when you have an environment like we're in now. A lot of those customers tend to internalize their business within their system. So we tend to underperform volume-wise in markets like this and over perform in normal or upmarket. So it's -- while we might not like it, it's not surprising where we are today.

Operator

As a reminder, please limit yourself to one question and one follow up. Your next question comes from Mark Wilde with Bank of Montreal.

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

Yes, just kind of continuing on Gabe's. I wondered if it's possible, Pete, for you to just kind of talk broadly with the strategy of dealing with this overall slower demand growth in the containerboard market in North America. And the fact that we've got some significant supply coming in yet for the next probably 18 months.

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

No, you're right. So we'll debate that, obviously. But our strategy is to expand our vertical integration in our containerboard business. We've done that with significant capital investments, made around the new sheet feeder in Pennsylvania, enhancing our triple wall operation in Louisville, adding asitrade, and we're continuing to pursue opportunities in that space. And that's what we can control. We can't necessarily control what's being added and what people are doing. But our goal is to go from a low 80% integration, where we are now on 1 million-ton system up toward 100% vertical integration. That's what our focus is and to make sure that we serve our customers in those targeted ways to our service value propositions.

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

Yes. And Pete, is it possible in that business to get a sense for how large exports are is just a proportion of that 1 million tons a year of mill production and whether that's really where you're kind of throttling back at this point because this is like kind of offshore prices are down quite a bit more than domestic prices?

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

Yes, they are, Mark, we've always been a really small player in the export market. We do some in Latin America with some targeted accounts, but it's really not material to our overall strategy. We tend to have higher volumes early in the year, but phase out through the balance of the year. But again, we're very, very small with regard to export markets.

Operator

Your 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*

Pete, just one more on -- just related to Mark's and Gabe's questions for that matter. Just within your full year guidance, what are you thinking in terms of U.S. box demand for you guys as well as URB demand? I asked just because box demand was flat last year. URB production, I think, was down about 2% and the calendar year that is, which is obviously different than your fiscal year. But are you expecting those trends either in terms of U.S. box demand or URB demand to deviate much from what they were last calendar year?

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

Well, we're expecting for the rest of the year virtually be unchanged from what we're experiencing now.

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

In both containerboard and -- but your containerboard volumes will be better, but you're saying for the industry, you would expect flattish to remain the norm.

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

Yes, the only unknown you have is the broader impact of what the coronavirus may do. We don't know that.

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

Right, sure. Just in terms of the leverage, you pushed out the reduction target from '22, '23. Your cash has been, I think, in line with what you were expecting. So that would leave profit as having been lower than what you were initially expecting. Is that more coming? I know it's volume weakness, broad-based. But is it more -- is the shortfall relative to your initial expectations in Rigid or in paper packaging. Just so I understand where -- kind of where profits have trended versus your expectations when you announced Caraustar?

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

It's across both, Adam. I mean clearly, the industrial recession that we have experienced was not something that we were aware of when we announced the deal in December of '18. But we started talking about seeing some weakness in our first quarter call last year, we attributed that to the government shutdown and a few other things. But then as we got into Q2, started to talk about seeing more weakness, particularly globally in Europe and elsewhere that was deeper than what we had been experiencing. And then at Investor Day, we -- you might recall us saying, hey, we believe we're in an industrial recession. And all of the data statistics have proven that since. And so we started taking actions to try to deal with that. But the operating profits of RIPS were obviously less than what we thought at the time we announced the deal. And then you had the price decreases in paper that -- we had put a range around things. But yes, it was less than what we had expected or hoped. So it's a broad impact that has driven down the operating earnings that would have provided that. But I'll also go back to when we announced the deal, we talked about the fact that we did a recessionary analysis, I've mentioned that our Board was very sensitive to that and asked us to look at it. We had already done it, so it was easy to show to them. But what that -- in that recessionary analysis, we said all it would do is push us out about 12 months, and we're staying exactly to that.

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

Sure. I understand. And just one last on the tax rate. I know last year, the tax rate came in a fair bit below, I think, your initial guidance. And this year, it seems like it's more of the same. Is there something overarching going on that's enabling you to kind of achieve appreciably lower tax rate than what you're expecting? Or is it really a bunch of onetime items that you think post fiscal '20, you'll revert to what you thought your tax rate was going to be over the past couple of years?

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

Yes. If you look back at the comments I made in my opening remarks, you'll find that we actually said that we're still going to be within the range that we gave at the beginning of the year, just at the lower end of it. First quarter fluctuated around because we had a settlement of a $2 million item on the lower income in the first quarter is relatively impactful. I've made this comment last year as well. You don't ever know exactly when you're going to end up settling disputes with taxing authorities. Those things can come and go and can impact you positively or negatively over time. And so you're going to have those kind of fluctuations. But no, I don't think our tax rate is going to revert up. We believe, over time, we'll end up being lower than the guidance range we're at right now. We've said that looking back in our historical comments as well. We've got a great tax group. They continue to generate new dots and staying on top of the things that are moving on around the world.

Now all that said, we've got a lot of things that can change tax rates legislatively. Obviously, we've got a group of candidates on one side of the ledger that would have plans to raise rates. If that happens, then things change. So right now though, if things don't change, we would expect over time that our ranges will move down a couple of points.

Operator

Your next question comes from Gabe Hajde with Wells Fargo Securities.

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

Perhaps I'm overthinking this, but I'm looking at the FPS business. And I appreciate it's relatively small, the overall impact, but you called out the poor start to a fertilizer season. And after coming, I guess, off 2 years of pretty poor crop yields, I'm curious if this is like an inventory hangover issue or if there's something else going on in the market that you can make us aware of or that you see?

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

Yes, Go ahead Pete.

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

Yes, Gabe. It's really around the 1-Loop business, which is a relatively small part of the FPS business and it's predominantly in Western Europe. And it's just a lot of rain, and it's delayed it, and our customers don't see a big bounce back from it. So...

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

Yes, the bigger impact from a bottom line standpoint, Gabe, other fertilizer business is impacting the first quarter that drag on 4-Loop business, which is the higher end one by the down economy in Europe. And you might remember we said last quarter, that business lagged into the weakness, and it will probably lag coming out of -- your turning around out of it. So we're starting to see some better things in our EMEA business, although the majority of that is really in the Middle East and Eastern Europe, which is not a big market for our Flexible business. So it's being impacted by the industrial economy drag on the 4-Loop business.

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

Okay. So what I'm hearing is don't extend this to maybe weakness again in the conical business or anything like that, that you serve on the RIPS side.

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

Yes.

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

Very different end markets take different ag sector totally.

Operator

Your last question comes from Mark Wilde with Bank of Montreal.

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

Yes, just one other one on volumes. Is it possible to get a sense of how Caraustar's tube and core volumes did on kind of a like-for-like basis?

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

Yes. So we don't report out those volumes, but it's very consistent with what the industry has reported and we actually are starting to see some improvement in that business in February, again, it's premature to say that it's a lasting trend. But we've got a really good go-to-market value proposition and we like the business, and we're very optimistic about the go-forward approach in that segment.

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

And Pete, how much of that business approximately would you figure goes into kind of housing-related things, whether it's carpeting or vinyl flooring, things like that?

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

Yes, I don't have the exact percentage, but that is along with paper mills, and some processed goods are part of that. And we have a chart -- bubble chart that shows the percentage, but it's...

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

Yes, the construction part of it, broadly, Mark, is about 8%.

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

Okay, smaller percentage than I might have thought.

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

Yes.

Operator

There are no further questions queued up at this time. I'll turn the call back over to Matt Eichmann.

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

Thanks a lot, Denise. We appreciate your interest in Greif, and we hope you have a great remainder to your week. Thank you.

Operator

This concludes today's conference call. You may now disconnect.

Exhibit 99.3

Press Release: Greif, Inc. Enters Into Definitive Agreement to Sell Consumer Packaging Group for $85 Million

On February 27, 2020, Greif, Inc. (NYSE: GEF, GEF.B) ("Greif"), a world leader in industrial packaging products and services, announced that it has entered into a definitive agreement to sell its Consumer Packaging Group ("CPG") business for $85 million in cash to Graphic Packaging Holding Company (NYSE: GPK). Greif expects to use the proceeds for debt repayment.

"We are pleased with the conclusion of the CPG strategic review process," said Pete Watson, Greif's President and Chief Executive Officer. "The sale of CPG allows us to de-lever our balance sheet and optimize capital allocation plans. By divesting these assets, we can refocus our business on our core industrial franchise and our stated strategic growth priorities in Intermediate Bulk Container production and reconditioning and containerboard integration."

Greif's CPG business consists of seven converting facilities that manufacture folding cartons for consumer packaged goods businesses. Subject to the satisfaction of customary closing conditions, the companies expect to complete the transaction by March 31st, 2020.

Greif expects no material impact to its Fiscal 2020 outlook or Fiscal 2022 financial commitments from this divestiture and reaffirms its expectation of at least $70 million synergies over 36 months from the closing of the Caraustar acquisition.

Goldman Sachs & Co. LLC served as exclusive financial advisor to Greif for this transaction. Allen & Overy LLP served as Greif's exclusive legal advisor.

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.

Cautions Concerning Forward-Looking Statements

Except for historical information, all other information in this release consists of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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, Item 1A under "Risk Factors" of the Company's most recently filed Form 10-K, as amended by the Company's subsequent 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.

For more information, please contact:

Investors: Matt Eichmann, Vice President, Investor Relations & Corporate Communications, 740-549-6067