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

FORM 8-K

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

December 13, 2022 (December 7, 2022)

Date of Report (Date of earliest event reported)

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 December 7, 2022, Greif, Inc. (the “Company”) issued a press release (the “Earnings Release”) announcing the financial results for its fourth quarter and fiscal year ended October 31, 2022. 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 fourth quarter of 2022 and the fourth quarter of 2021, which is equal to the Company's consolidated net income for the applicable period plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses net, 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 fourth quarter of 2022 and the fourth quarter of 2021, which is equal to the Company's consolidated net income for the applicable period plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses net, 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 fourth quarter of 2022 and the fourth quarter of 2021, which is equal to the Company's consolidated net income for the applicable period plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses, net, each on a consolidated basis for the applicable period;

(iv) the Company's consolidated adjusted free cash flow for the fourth quarter of 2022 and the fourth quarter of 2021, which is equal to the Company's consolidated net cash provided by operating activities for the applicable period, less cash paid for purchases of properties, plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for incremental COVID-19 costs, net, plus cash paid for integration related Enterprise Resource Planning ("ERP") systems, plus cash proceeds redeployment related to non-operating corporate asset, each on a consolidated basis for the applicable period;

(v) the Company's net debt for the fourth and third quarters of 2022 and the fourth quarter of 2021, which is equal to the Company's consolidated total debt at the end of the applicable period ended less cash and cash equivalents at the end of the applicable period ended.

(vi) the Company's leverage ratio for the fourth and third quarters of 2022 and the fourth quarter of 2021, which is equal to net debt divided by trailing twelve-month EBITDA, each as calculated under the terms of the Company's Second Amended and Restated Credit Agreement dated as of March 1, 2022, which has been filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2022.

(vii) the Company's net income, excluding the impact of adjustments, for the fiscal year of 2022 and the fiscal year of 2021, which is equal to the Company's consolidated net income for the applicable period plus restructuring charges, plus debt extinguishment charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses net, plus timberland gains, net, each net of tax, noncontrolling interest and equity earnings of unconsolidated affiliates and on a consolidated basis for the applicable period;

(viii) the Company's earnings per diluted Class A share, excluding the impact of adjustments, for the fiscal year of 2022 and the fiscal year of 2021, which is equal to the Company's consolidated net income for the applicable period plus restructuring charges, plus debt extinguishment charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses net, plus timberland gains, net, each net of tax, noncontrolling interest and equity earnings of unconsolidated affiliates and on a consolidated basis for the applicable period;

(ix) the Company's consolidated adjusted EBITDA for the fiscal year of 2022 and the fiscal year of 2021, which is equal to the Company's consolidated net income for the applicable period plus interest expense, net, plus debt extinguishment charges, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses, net, plus timberland gains, net each on a consolidated basis for the applicable period;

(x) the Company's consolidated adjusted free cash flow for the fiscal year of 2022 and the fiscal year of 2021, which is equal to the Company's consolidated net cash provided by operating activities for the applicable period, less cash paid for purchases of properties, plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for incremental COVID-19 costs, net, plus cash paid for integration related ERP systems, plus cash paid for debt issuance costs, plus cash proceeds redeployment related to replacement of non-operating corporate asset, each on a consolidated basis for the applicable period;

(xi) adjusted EBITDA for the Company's Global Industrial Packaging business segment for the fourth quarter of 2022 and the fourth quarter of 2021, which is equal to that business segment's operating profit less other expense, net, less non-cash pension settlement charges, less equity earnings of unconsolidated affiliates, net of tax, plus depreciation and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses, net, each for the applicable period;

(xii) adjusted EBITDA for the Company's Paper Packaging & Services business segment for the fourth quarter of 2022 and the fourth quarter of 2021, which is equal to that business segment's operating profit less other (income) expense, net, less non-cash pension settlement charges, plus depreciation and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus incremental COVID-19 costs, net, plus (gain) loss on disposal of properties, plants, equipment and businesses, net, each for the applicable period;

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

(i) the Company's fiscal 2023 Adjusted EBITDA guidance, which is equal to the Company's consolidated net income for such period plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization expense, plus restructuring charges, plus acquisition and integration related costs, plus non-cash asset impairment charges, plus non-cash pension settlement charges, plus (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 fiscal year 2023 projected adjusted free cash flow guidance, which is equal to the Company's consolidated net cash provided by operating activities for such period, less cash paid for purchases of properties, plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for integration related ERP systems and equipment for such period. A reconciliation of this forward-looking non-GAAP financial measure was included in the Earnings Release.

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

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

Section 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

On December 8, 2022, management of the Company held a conference call with interested investors and financial analysts (the "Conference Call") to discuss the Company's financial results for its fourth quarter and fiscal year ended October 31, 2022. The file transcript of the Conference Call, is attached as Exhibit 99.2 to this Current Report on Form 8-K.

Subsequent to the issuance of the Earnings Release, the Company updated certain of its deferred tax balances that resulted in, with respect to the Company's Condensed Consolidated Balance Sheet as of October 31, 2022, a $9.6 million increase in both "other current assets" and "other long-term liabilities" and, with respect to the Company's Condensed Statement of Cash Flows for the three months and twelve months ended October 31, 2022, a $9.6 million increase in "deferred income tax expense (benefit)" and a corresponding $9.6 million decrease in "increase (decrease) in cash from changes in other assets and liabilities." The Company views these changes as not material. The changes to the Condensed Consolidated Balance Sheet and the Condensed Statement of Cash Flows are shown in 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 December 7, 2022 announcing the financial results for its fourth quarter and fiscal year ended October 31, 2022.
99.2	File transcript of conference call with interested investors and financial analysts held by management of Greif, Inc. on December 8, 2022.
99.3	Revised (marked) Condensed Consolidated Balance Sheet as of October 31, 2022, and revised (marked) Condensed Statement of Cash Flows for the three months and twelve months ended October 31, 2022.

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: December 13, 2022

By /s/ Lawrence A. Hilsheimer

Lawrence A. Hilsheimer,
Executive Vice President and Chief Financial Officer

Greif Reports Fourth Quarter and Fiscal 2022 Results

DELAWARE, Ohio (December 7, 2022) – Greif, Inc. (NYSE: GEF, GEF.B), a world leader in industrial packaging products and services, today announced fourth quarter and fiscal 2022 results.

Fourth Quarter Results Include (all results compared to the fourth quarter 2021 unless otherwise noted):

- Net income of $99.5 million or $1.67 per diluted Class A share compared to net income of $104.5 million or $1.74 per diluted Class A share. Net income, excluding the impact of adjustments(1), of $109.0 million or $1.83 per diluted Class A share compared to net income, excluding the impact of adjustments, of $115.4 million or $1.93 per diluted Class A share.
- Adjusted EBITDA(2) of $218.7 million, an increase of $7.4 million compared to Adjusted EBITDA of $211.3 million.
- Net cash provided by operating activities increased by $149.3 million to $286.6 million. Adjusted free cash flow(3) increased by $139.7 million to a single quarter record of $234.5 million.
- Total debt decreased by $309.5 million to $1,916.1 million. Net debt(4) decreased by $332.0 million to $1,769.0 million. The Company's leverage ratio(5) decreased to 1.73x from 1.99x sequentially, which is below our targeted leverage ratio range of 2.0x - 2.5x, and from 2.49x in the prior year quarter.

Fiscal Year Results Include (all results compared to the fiscal year 2021 unless otherwise noted):

- Net income of $376.7 million or $6.30 per diluted Class A share compared to net income of $390.7 million or $6.54 per diluted Class A share. Net income, excluding the impact of adjustments, of $471.2 million or $7.87 per diluted Class A share compared to net income, excluding the impact of adjustments, of $334.5 million or $5.60 per diluted Class A share.
- Adjusted EBITDA of $917.5 million, an increase of $153.3 million compared to Adjusted EBITDA of $764.2 million.
- Net cash provided by operating activities increased by $261.5 million to $657.5 million. Adjusted free cash flow increased by $232.2 million to a full year record of $506.3 million.
- The Company paid $111.3 million in cash dividends to stockholders in fiscal 2022.

Strategic Actions and Announcements

- Announced acquisition of Lee Container Corporation, Inc. a leader in the North American blow molded jerrycan industry in an all-cash transaction for $300.0 million, subject to customary closing conditions including regulatory clearances and before taking into consideration tax benefits with an estimated net present value of approximately $30.0 million.
- Repurchased approximately $11.0 million of Class B shares under the existing open market share repurchase program during the quarter.

CEO Commentary

“I am extremely proud of the results our colleagues delivered in 2022. This year has easily been the most successful in financial terms in Greif’s history, highlighted by our free cash flow generation of over $500 million, which serves as evidence of our powerful value creation engine through execution of the Build to Last strategy. We believe these outstanding results are driven by the high engagement among our teams, our focus on delivering legendary customer service, and our consistent commitment to a value over volume approach,” commented Ole Rosgaard, President and Chief Executive Officer of Greif. “I am also inspired by our team’s commitment to advancing our Build to Last strategy, and we made substantial progress on our missions this year. The expected acquisition of Lee Container will help further drive margin-accretive growth. I am excited about this new opportunity and look forward to the year ahead with our new Lee colleagues, following closing in December.”

Build to Last Mission Progress

Customer satisfaction surveys are a key component of our mission to deliver Legendary Customer Service. Our long-term objective is a trailing twelve-month CSI[6] score of 95.0 or greater. Our consolidated CSI score was 93.8 at the end of the fourth quarter 2022, as compared to 92.2 in the prior year. CSI for the Global Industrial Packaging segment was 93.5, as compared to 93.1 in the prior year. CSI for the Paper Packaging & Services segment was 94.1, as compared to 91.8 in the prior year.

In addition, during the quarter we completed our twelfth NPS[7] survey and achieved a score of 65.0, representing a five point improvement from our prior year survey. This result during a period of substantial economic volatility demonstrates the value of Greif's customer service culture to sustain strong business relationships through the business cycle. The Company is proud of this result, and will continue to drive high quality customer engagement that advances our mission to Legendary Customer Service.

Creating a leading diversity, equity, and inclusion culture is a core component of our mission to Create Thriving Communities and is essential to the Company's thought leadership and winning the war for talent. During the fourth quarter, the Company launched two new Colleague Resource Groups ("CRGs"), for a total of six CRGs, in an effort to further develop this leadership. During the quarter, our thriving internal culture was recognized by Newsweek, which ranked the Company #58 on its 2022 America's Most Loved Workplaces publication.

Continuing to progress on the mission to Protect our Future, the Company expects to release our science-aligned 2030 sustainability targets before the end of the calendar year. Once released, these targets will be available at our sustainability page at https://www.greif.com/sustainability. During the quarter the Company received various accolades for sustainability leadership including: an AA ESG rating by MSCI, a Gold EcoVadis ranking, and #49 ranking on the Investor's Business Daily Top 100 Best ESG Companies.

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

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

(3) Adjusted free cash flow is defined as net cash provided by operating activities, less cash paid for purchases of properties, plants and equipment, plus cash paid for acquisition and integration related costs, plus cash paid for incremental COVID-19 costs, net, plus cash paid for integration related Enterprise Resource Planning ("ERP") systems, plus cash proceeds redeployment related to replacement of non-operating corporate asset.

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

(5) Leverage ratio for the periods indicated is defined as net debt divided by trailing twelve month EBITDA, each as calculated under the terms of the Company's Second Amended and Restated Credit Agreement dated as of March 1, 2022, filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2022 (the "2022 Credit Agreement").

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

(7) Net Promoter Score ("NPS") is derived from a survey conducted by a third party that measures how likely a customer is to recommend Greif as a business partner. NPS scores are calculated by subtracting the percentage of detractors a business has from the percentage of its promoters.

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.

Segment Results (all results compared to the fourth quarter of 2021 unless otherwise noted)

Net sales are impacted mainly by the volume of primary products[8] sold, selling prices, product mix and the impact of changes in foreign currencies against the U.S. dollar. The table below shows the percentage impact of each of these items on net sales for our primary products for the fourth quarter of 2022 as compared to the prior year quarter for the business segments with manufacturing operations.

Net Sales Impact - Primary Products	Global Industrial Packaging	Paper Packaging & Services
	%	%
Currency Translation	(6.0)%	(0.1)%
Volume	(5.6)%	(10.4)%
Selling Prices and Product Mix	6.1 %	19.0 %
Total Impact of Primary Products	(5.5)%	8.5 %

Global Industrial Packaging

Net sales decreased by $126.7 million to $824.9 million primarily due to approximately $84.0 million of prior year net sales attributable to the Flexibles Products & Services business that was sold on April 1, 2022, negative foreign currency translation impacts of $84.1 million and lower volumes, offset by higher average selling prices.

Gross profit decreased by $31.8 million to $152.5 million. The decrease in gross profit was primarily due to the same factors that impacted net sales, partially offset by lower raw material, labor, and transportation costs.

Operating profit decreased by $30.3 million to $67.5 million primarily due to the same factors that impacted gross profit. Adjusted EBITDA decreased by $25.4 million to $96.0 million primarily due to the same factors that impacted operating profit.

Paper Packaging & Services

Net sales increased by $43.9 million to $665.6 million primarily due to higher published containerboard and boxboard prices, partially offset by lower volumes.

Gross profit increased by $45.8 million to $155.6 million. The increase in gross profit was primarily due to the same factors that impacted net sales and lower raw material costs, partially offset by higher labor and manufacturing costs.

Operating profit increased by $41.5 million to $83.4 million primarily due to the same factors that impacted gross profit. Adjusted EBITDA increased by $33.1 million to $120.8 million primarily due to the same factors that impacted operating profit.

Tax Summary

During the fourth quarter, we recorded an income tax rate of 23.9 percent and a tax rate excluding the impact of adjustments of 25.9 percent. As previously disclosed, the application of FIN 18 often causes fluctuations in our quarterly effective tax rates. For the full year, we recorded an income tax rate of 26.1 percent and a tax rate excluding the impact of adjustments of 23.9 percent.

Dividend Summary

On December 6, 2022, the Board of Directors declared quarterly cash dividends of $0.50 per share of Class A Common Stock and $0.74 per share of Class B Common Stock. Dividends are payable on January 1, 2023, to stockholders of record at the close of business on December 16, 2022.

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

Company Outlook

(in millions, except per share amounts)	**Fiscal 2023 Outlook**
Adjusted EBITDA	$820 - $906
Adjusted free cash flow	$410 - $460

Note: The range of fiscal 2023 net income guidance, the most directly comparable GAAP financial measure to Adjusted EBITDA is not provided in this release due to the potential for one or more of the following, the timing and magnitude of which we are unable to reliably forecast: gains or losses on the disposal of businesses 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; and acquisition and integration related costs. No reconciliation of the range of fiscal 2023 Adjusted EBITDA guidance, a non-GAAP financial measure which excludes restructuring charges, acquisition and integration related costs, non-cash asset impairment charges, non-cash pension settlement charges, and (gain) loss on the disposal of properties, plants, equipment and businesses, net, is included in this release because, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible, we are unable to quantify certain amounts that would be required to be included in net income, the most directly comparable GAAP financial measure, without unreasonable efforts. A reconciliation of the range of fiscal 2023 adjusted free cash flow guidance to the range of fiscal 2023 forecasted net cash provided by operating activities, the most directly comparable GAAP financial measure, is included in this release.

Conference Call

The Company will host a conference call to discuss the fourth quarter and fiscal 2022 results on December 8, 2022, at 8:30 a.m. Eastern Time (ET). Participants may access the call using the following online registration link: https://register.vevent.com/register/BIa55c2265541948adbdda1c2747ab1d59. Registrants will receive a confirmation email containing dial in details and a unique conference call code for entry. Phone lines will open at 8:00 a.m. ET on December 8, 2022. A digital replay of the conference call will be available two hours following the call on the Company's web site at http://investor.greif.com.

Investor Relations contact information

Matt Leahy, Vice President, Corporate Development & Investor Relations, 740-549-6158. Matthew.Leahy@Greif.com

About Greif

Greif is a global leader in industrial packaging products and services and is pursuing its vision: to 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, the Company manages timber properties in the southeastern United States. The Company is strategically positioned in over 35 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, 2022. The Company undertakes no obligation to update or revise any forward-looking statements.

Although the Company believes that the expectations reflected in forward-looking statements have a reasonable basis, the Company can give no assurance that these expectations will prove to be correct. Forward-looking statements are subject to risks and uncertainties that could cause the Company’s actual results to differ materially from those forecasted, projected or anticipated, whether expressed in or implied by the statements. Such risks and uncertainties that might cause a difference include, but are not limited to, the following: (i) historically, our business has been sensitive to changes in general economic or business conditions, (ii) our global operations subject us to political risks, instability and currency exchange that could adversely affect our results of operations, (iii) the current and future challenging global economy and disruption and volatility of the financial and credit markets may adversely affect our business, (iv) the COVID-19 pandemic could continue to impact any combination of our business, financial condition, results of operations and cash flows, (v) the continuing consolidation of our customer base and suppliers may intensify pricing pressure, (vi) we operate in highly competitive industries, (vii) our business is sensitive to changes in industry demands and customer preferences, (viii) raw material, price fluctuations, global supply chain disruptions and increased inflation may adversely impact our results of operations, (ix) energy and transportation price fluctuations and shortages may adversely impact our manufacturing operations and costs, (x) we may not successfully implement our business strategies, including achieving our growth objectives, (xi) we may encounter difficulties or liabilities arising from acquisitions or divestitures, (xii) we may incur additional rationalization costs and there is no guarantee that our efforts to reduce costs will be successful, (xiii) several operations are conducted by joint ventures that we cannot operate solely for our benefit, (xiv) certain of the agreements that govern our joint ventures provide our partners with put or call options, (xv) our ability to attract, develop and retain talented and qualified employees, managers and executives is critical to our success, (xvi) our business may be adversely impacted by work stoppages and other labor relations matters, (xvii) we may be subject to losses that might not be covered in whole or in part by existing insurance reserves or insurance coverage and general insurance premium and deductible increases, (xviii) our business depends on the uninterrupted operations of our facilities, systems and business functions, including our information technology and other business systems, (xix) a security breach of customer, employee, supplier or Company information and data privacy risks and costs of compliance with new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows, (xx) 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, (xxi) full realization of our deferred tax assets may be affected by a number of factors, (xxii) we have a significant amount of goodwill and long-lived assets which, if impaired in the future, would adversely impact our results of operations, (xxiii) 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, (xxiv) changing climate, global climate change regulations and greenhouse gas effects may adversely affect our operations and financial performance, (xxv) we may be unable to achieve our greenhouse gas emission reduction targets by 2030, (xxvi) legislation/regulation related to environmental and health and safety matters and corporate social responsibility could negatively impact our operations and financial performance, (xxvii) product liability claims and other legal proceedings could adversely affect our operations and financial performance, (xxviii) we may incur fines or penalties, damage to our reputation or other adverse consequences if our employees, agents or business partners violate, or are alleged to have violated, anti-bribery, competition or other laws.

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 October 31, 2022	Three Months Ended October 31, 2021	Twelve Months Ended October 31, 2022	Twelve Months Ended October 31, 2021
Net sales	$ 1,495.8	$ 1,578.2	$ 6,349.5	$ 5,556.1
Cost of products sold	1,185.7	1,282.1	5,064.1	4,463.1
Gross profit	310.1	296.1	1,285.4	1,093.0
Selling, general and administrative expenses	140.4	142.2	581.0	565.9
Restructuring charges	2.7	4.3	13.0	23.1
Acquisition and integration related costs	2.9	2.9	8.7	9.1
Non-cash asset impairment charges	7.9	7.4	71.0	8.9
Gain on disposal of properties, plants and equipment, net	—	(2.4)	(8.1)	(3.7)
Loss (gain) on disposal of businesses, net	2.8	0.2	(1.4)	0.2
Timberland gains, net	—	—	—	(95.7)
Operating profit	153.4	141.5	621.2	585.2
Interest expense, net	16.9	16.9	61.2	92.7
Non-cash pension settlement charges	—	0.1	—	9.1
Debt extinguishment charges	—	—	25.4	—
Other expense, net	4.0	2.6	8.9	4.8
Income before income tax expense and equity earnings of unconsolidated affiliates, net	132.5	121.9	525.7	478.6
Income tax expense	31.7	13.1	137.1	69.6
Equity earnings of unconsolidated affiliates, net of tax	(1.8)	(1.1)	(5.4)	(4.2)
Net income	102.6	109.9	394.0	413.2
Net income attributable to noncontrolling interests	(3.1)	(5.4)	(17.3)	(22.5)
Net income attributable to Greif, Inc.	$ 99.5	$ 104.5	$ 376.7	$ 390.7
Basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A common stock	$ 1.70	$ 1.76	$ 6.36	$ 6.57
Class B common stock	$ 2.55	$ 2.63	$ 9.53	$ 9.84
Diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A common stock	$ 1.67	$ 1.74	$ 6.30	$ 6.54
Class B common stock	$ 2.55	$ 2.63	$ 9.53	$ 9.84
Shares used to calculate basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A common stock	25.6	26.6	26.3	26.5
Class B common stock	22.0	22.0	22.0	22.0
Shares used to calculate diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A common stock	26.3	26.7	26.6	26.7
Class B common stock	22.0	22.0	22.0	22.0

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

(in millions)	October 31, 2022	October 31, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 147.1	$ 124.6
Trade accounts receivable	749.1	889.5
Inventories	403.3	499.2
Other current assets	190.3	150.8
	1,489.8	1,664.1
LONG-TERM ASSETS		
Goodwill	1,464.5	1,515.4
Intangible assets	576.2	648.4
Operating lease assets	254.7	289.4
Other long-term assets	220.1	177.3
	2,515.5	2,630.5
PROPERTIES, PLANTS AND EQUIPMENT	1,455.0	1,521.2
	$ 5,460.3	$ 5,815.8
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 561.3	$ 704.5
Short-term borrowings	5.7	50.5
Current portion of long-term debt	71.1	120.3
Current portion of operating lease liabilities	48.9	54.0
Other current liabilities	360.9	384.8
	1,047.9	1,314.1
LONG-TERM LIABILITIES		
Long-term debt	1,839.3	2,054.8
Operating lease liabilities	209.4	239.5
Other long-term liabilities	553.6	607.7
	2,602.3	2,902.0
REDEEMABLE NONCONTROLLING INTERESTS	15.8	24.1
EQUITY		
Total Greif, Inc. equity	1,761.3	1,514.3
Noncontrolling interests	33.0	61.3
	1,794.3	1,575.6
	$ 5,460.3	$ 5,815.8

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

(in millions)	Three Months Ended October 31, 2022	Three Months Ended October 31, 2021	Twelve Months Ended October 31, 2022	Twelve Months Ended October 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 102.6	109.9	$ 394.0	$ 413.2
Depreciation, depletion and amortization	51.2	58.2	216.6	234.4
Asset impairments	7.9	7.4	71.0	8.9
Pension settlement charges	—	0.1	—	9.1
Timberland gains, net	—	—	—	(95.7)
Deferred income tax expense (benefit)	8.9	(5.6)	3.8	(47.2)
Other non-cash adjustments to net income	14.1	(1.2)	25.4	35.1
Debt extinguishment charges	—	—	22.6	—
Operating working capital changes	90.1	(83.9)	(9.3)	(222.7)
Increase (decrease) in cash from changes in other assets and liabilities	11.8	52.4	(66.6)	60.9
Net cash provided by operating activities	286.6	137.3	657.5	396.0
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of properties, plants and equipment	(64.1)	(46.5)	(176.3)	(140.7)
Purchases of and investments in timber properties	(2.1)	0.8	(6.7)	(6.6)
Proceeds on the sale of timberlands, net	—	—	—	145.1
Collections of receivables held in special purpose entities	—	—	—	50.9
Payments for issuance of loans receivable	—	—	—	(15.0)
Proceeds from the sale of properties, plants and equipment and businesses	3.3	6.4	159.5	18.9
Other	—	(0.1)	(4.7)	(5.8)
Net cash (used in) provided by investing activities	(62.9)	(39.4)	(28.2)	46.8
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payments on long-term debt, net	(139.7)	(40.8)	(289.1)	(266.0)
Dividends paid to Greif, Inc. shareholders	(29.3)	(27.4)	(111.3)	(105.8)
Payments for liabilities held in special purpose entities	—	—	—	(43.3)
Payments for debt extinguishment and issuance costs	—	—	(20.8)	—
Payments for share repurchases	(11.1)		(71.1)	—
Forward contract for accelerated share repurchases	—		(15.0)	—
Other	(7.1)	(0.6)	(23.7)	(7.8)
Net cash used for financing activities	(187.2)	(68.8)	(531.0)	(422.9)
Reclassification of cash to assets held for sale	—	0.5	—	0.5
Effects of exchange rates on cash	(16.9)	(4.8)	(75.8)	(1.7)
Net increase in cash and cash equivalents	19.6	24.8	22.5	18.7
Cash and cash equivalents, beginning of period	127.5	99.8	124.6	105.9
Cash and cash equivalents, end of period	$ 147.1	$ 124.6	$ 147.1	$ 124.6

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

(in millions)	Three Months Ended October 31, 2022	Three Months Ended October 31, 2021	Twelve Months Ended October 31, 2022	Twelve Months Ended October 31, 2021
Net sales:				
Global Industrial Packaging	$ 824.9	$ 951.6	$ 3,652.4	$ 3,316.7
Paper Packaging & Services	665.6	621.7	2,675.1	2,218.4
Land Management	5.3	4.9	22.0	21.0
Total net sales	$ 1,495.8	$ 1,578.2	$ 6,349.5	$ 5,556.1
Gross profit:				
Global Industrial Packaging	$ 152.5	$ 184.3	$ 692.6	$ 684.1
Paper Packaging & Services	155.6	109.8	584.5	401.3
Land Management	2.0	2.0	8.3	7.6
Total gross profit	$ 310.1	$ 296.1	$ 1,285.4	$ 1,093.0
Operating profit:				
Global Industrial Packaging	$ 67.5	$ 97.8	$ 313.7	$ 350.2
Paper Packaging & Services	83.4	41.9	298.5	131.0
Land Management	2.5	1.8	9.0	104.0
Total operating profit	$ 153.4	$ 141.5	$ 621.2	$ 585.2
EBITDA[9]:				
Global Industrial Packaging	$ 82.4	$ 116.8	$ 383.5	$ 432.7
Paper Packaging & Services	116.9	78.8	439.0	269.9
Land Management	3.1	2.5	11.8	107.3
Total EBITDA	$ 202.4	$ 198.1	$ 834.3	$ 809.9
Adjusted EBITDA[10]:				
Global Industrial Packaging	$ 96.0	$ 121.4	$ 458.2	$ 453.3
Paper Packaging & Services	120.8	87.7	450.5	302.0
Land Management	1.9	2.2	8.8	8.9
Total Adjusted EBITDA	$ 218.7	$ 211.3	$ 917.5	$ 764.2

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

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

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

(in millions)	Three Months Ended October 31, 2022	Three Months Ended October 31, 2021	Twelve Months Ended October 31, 2022	Twelve Months Ended October 31, 2021
Net income	$ 102.6	$ 109.9	$ 394.0	$ 413.2
Plus: Interest expense, net	16.9	16.9	61.2	92.7
Plus: Debt extinguishment charges	—	—	25.4	—
Plus: Income tax expense	31.7	13.1	137.1	69.6
Plus: Depreciation, depletion and amortization expense	51.2	58.2	216.6	234.4
EBITDA	$ 202.4	$ 198.1	$ 834.3	$ 809.9
Net income	$ 102.6	$ 109.9	$ 394.0	$ 413.2
Plus: Interest expense, net	16.9	16.9	61.2	92.7
Plus: Debt extinguishment charges	—	—	25.4	—
Plus: Income tax expense	31.7	13.1	137.1	69.6
Plus: Other expense, net	4.0	2.6	8.9	4.8
Plus: Non-cash pension settlement charges	—	0.1	—	9.1
Plus: Equity earnings of unconsolidated affiliates, net of tax	(1.8)	(1.1)	(5.4)	(4.2)
Operating profit	153.4	141.5	621.2	585.2
Less: Other expense, net	4.0	2.6	8.9	4.8
Less: Non-cash pension settlement charges	—	0.1	—	9.1
Less: Equity earnings of unconsolidated affiliates, net of tax	(1.8)	(1.1)	(5.4)	(4.2)
Plus: Depreciation, depletion and amortization expense	51.2	58.2	216.6	234.4
EBITDA	$ 202.4	$ 198.1	$ 834.3	$ 809.9
Plus: Restructuring charges	$ 2.7	$ 4.3	$ 13.0	$ 23.1
Plus: Acquisition and integration related costs	2.9	2.9	8.7	9.1
Plus: Non-cash asset impairment charges	7.9	7.4	71.0	8.9
Plus: Non-cash pension settlement charges	—	0.1	—	9.1
Plus: Incremental COVID-19 costs, net[11]	—	0.7	—	3.3
Plus: Loss (gain) on disposal of properties, plants, equipment, and businesses, net	2.8	(2.2)	(9.5)	(3.5)
Plus: Timberland gains, net	—	—	—	(95.7)
Adjusted EBITDA	$ 218.7	$ 211.3	$ 917.5	$ 764.2

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

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

(in millions)	Three Months Ended October 31, 2022	Three Months Ended October 31, 2021	Twelve Months Ended October 31, 2022	Twelve Months Ended October 31, 2021
Global Industrial Packaging				
Operating profit	$ 67.5	$ 97.8	$ 313.7	$ 350.2
Less: Other expense, net	4.3	2.4	9.5	4.5
Less: Non-cash pension settlement charges	—	—	—	0.3
Less: Equity earnings of unconsolidated affiliates, net of tax	(1.8)	(1.1)	(5.4)	(4.2)
Plus: Depreciation and amortization expense	17.4	20.3	73.9	83.1
EBITDA	$ 82.4	$ 116.8	$ 383.5	$ 432.7
Plus: Restructuring charges	2.8	2.5	9.1	17.1
Plus: Acquisition and integration related costs	0.1	—	0.4	—
Plus: Non-cash asset impairment charges	7.0	1.2	69.4	2.7
Plus: Non-cash pension settlement charges	—	—	—	0.3
Plus: Incremental COVID-19 costs, net	—	0.5	—	1.8
Plus: Loss (gain) on disposal of properties, plants, equipment, and businesses, net	3.7	0.4	(4.2)	(1.3)
Adjusted EBITDA	$ 96.0	$ 121.4	$ 458.2	$ 453.3
Paper Packaging & Services				
Operating profit	$ 83.4	$ 41.9	$ 298.5	$ 131.0
Less: Other (income) expense, net	(0.3)	0.2	(0.6)	0.3
Less: Non-cash pension settlement charges	—	0.1	—	8.8
Plus: Depreciation and amortization expense	33.2	37.2	139.9	148.0
EBITDA	$ 116.9	$ 78.8	$ 439.0	$ 269.9
Plus: Restructuring charges (income)	(0.1)	1.8	3.9	5.9
Plus: Acquisition and integration related costs	2.8	2.9	8.3	9.1
Plus: Non-cash asset impairment charges	0.9	5.0	1.6	5.0
Plus: Non-cash pension settlement charges	—	0.1	—	8.8
Plus: Incremental COVID-19 costs, net	—	0.2	—	1.5
Plus: Loss (gain) on disposal of properties, plants, equipment, and businesses, net	0.3	(1.1)	(2.3)	1.8
Adjusted EBITDA	$ 120.8	$ 87.7	$ 450.5	$ 302.0
Land Management				
Operating profit	$ 2.5	$ 1.8	$ 9.0	$ 104.0
Plus: Depreciation, depletion and amortization expense	0.6	0.7	2.8	3.3
EBITDA	$ 3.1	$ 2.5	$ 11.8	$ 107.3
Plus: Restructuring charges	—	—	—	0.1
Plus: Non-cash asset impairment charges	—	1.2	—	1.2
Plus: Gain on disposal of properties, plants, equipment, and businesses, net	(1.2)	(1.5)	(3.0)	(4.0)
Plus: Timberland gains, net	—	—	—	(95.7)
Adjusted EBITDA	$ 1.9	$ 2.2	$ 8.8	$ 8.9
Consolidated EBITDA	$ 202.4	$ 198.1	$ 834.3	$ 809.9
Consolidated Adjusted EBITDA	$ 218.7	$ 211.3	$ 917.5	$ 764.2

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

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

	Three Months Ended October 31,		Twelve Months Ended October 31,	
(in millions)	2022	2021	2022	2021
Net cash provided by operating activities	$ 286.6	$ 137.3	$ 657.5	$ 396.0
Cash paid for purchases of properties, plants and equipment	(64.1)	(46.5)	(176.3)	(140.7)
Free Cash Flow	$ 222.5	$ 90.8	$ 481.2	$ 255.3
Cash paid for acquisition and integration related costs	2.9	2.9	8.7	9.1
Cash paid for incremental COVID-19 costs, net	—	0.7	—	3.3
Cash paid for integration related ERP systems	1.7	0.4	6.2	6.4
Cash paid for debt issuance costs[14]	—	—	2.8	—
Cash proceeds redeployment related to replacement of non-operating corporate asset[15]	7.4	—	7.4	—
Adjusted Free Cash Flow	$ 234.5	$ 94.8	$ 506.3	$ 274.1

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

[14] Cash paid for debt issuance costs is defined as cash payments for debt issuance related expenses included within net cash used in operating activities.

[15] Cash proceeds redeployment related to replacement of non-operating corporate asset is defined as cash payments to reinvest in a similar, newer non-operating corporate asset using proceeds from the sale of the previous, older non-operating corporate asset of approximately the same amount. This payment is included within cash paid for purchases of properties, plants and equipment under net cash used in investing activities.

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 Expense and Equity Earnings of Unconsolidated Affiliates, net	Income Tax (Benefit) Expense	Equity Earnings	Noncontrolling Interest	Net Income Attributable to Greif, Inc.	Diluted Class A Earnings Per Share	Tax Rate
Three Months Ended October 31, 2022	$ 132.5	$ 31.7	$ (1.8)	$ 3.1	$ 99.5	$ 1.67	23.9 %
Restructuring charges	2.7	0.4	—	—	2.3	0.04	
Acquisition and integration related costs	2.9	0.8	—	—	2.1	0.04	
Non-cash asset impairment charges	7.9	5.6	—	—	2.3	0.03	
Gain on disposal of properties, plants, equipment and businesses, net	2.8	—	—	—	2.8	0.05	
Excluding Adjustments	$ 148.8	$ 38.5	$ (1.8)	$ 3.1	$ 109.0	$ 1.83	25.9 %
Three Months Ended October 31, 2021	$ 121.9	$ 13.1	$ (1.1)	$ 5.4	$ 104.5	$ 1.74	10.7 %
Restructuring charges	4.3	0.7	—	—	3.6	0.07	
Acquisition and integration related costs	2.9	0.7	—	—	2.2	0.04	
Non-cash asset impairment charges	7.4	1.1	—	—	6.3	0.10	
Non-cash pension settlement charges	0.1	—	—	—	0.1	—	
Incremental COVID-19 costs, net	0.7	0.3	—	—	0.4	0.01	
(Gain) loss on disposal of properties, plants, equipment and businesses, net	(2.2)	(0.6)	—	0.1	(1.7)	(0.03)	
Excluding Adjustments	$ 135.1	$ 15.3	$ (1.1)	$ 5.5	$ 115.4	$ 1.93	11.3 %
Twelve Months Ended October 31, 2022	$ 525.7	$ 137.1	$ (5.4)	17.3	$ 376.7	$ 6.30	26.1 %
Restructuring charges	13.0	2.9	—	—	10.1	0.17	
Debt extinguishment charges	25.4	6.2	—	—	19.2	0.32	
Acquisition and integration related costs	8.7	2.2	—	—	6.5	0.11	
Non-cash asset impairment charges	71.0	5.6	—	—	65.4	1.08	
Gain on disposal of properties, plants, equipment and businesses, net	(9.5)	(2.6)	—	(0.2)	(6.7)	(0.11)	
Excluding Adjustments	$ 634.3	$ 151.4	$ (5.4)	$ 17.1	$ 471.2	$ 7.87	23.9 %
Twelve Months Ended October 31, 2021	$ 478.6	$ 69.6	$ (4.2)	$ 22.5	$ 390.7	$ 6.54	14.5 %
Restructuring charges	23.1	5.2	—	1.3	16.6	0.26	
Acquisition and integration related costs	9.1	2.2	—	—	6.9	0.12	
Non-cash asset impairment charges	8.9	1.6	—	0.1	7.2	0.12	
Non-cash pension settlement charges	9.1	2.1	—	—	7.0	0.12	
Incremental COVID-19 costs, net	3.3	0.9	—	0.3	2.1	0.04	
(Gain) loss on disposal of properties, plants, equipment and businesses, net	(3.5)	(0.3)	—	0.1	(3.3)	(0.06)	
Timberland gains, net	(95.7)	(3.0)	—	—	(92.7)	(1.54)	
Excluding Adjustments	$ 432.9	$ 78.3	$ (4.2)	$ 24.3	$ 334.5	$ 5.60	18.1 %

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

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

(in millions)	October 31, 2022	July 31, 2022	October 31, 2021
Total Debt	$ 1,916.1	$ 2,058.7	$ 2,225.6
Cash and cash equivalents	(147.1)	(127.5)	(124.6)
Net Debt	$ 1,769.0	$ 1,931.2	$ 2,101.0

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

Trailing Twelve Month Credit Agreement EBITDA *(in millions)*	Trailing Twelve Months Ended 10/31/2022	Trailing Twelve Months Ended 7/31/2022	Trailing Twelve Months Ended 10/31/2021
Net income	394.0	$ 401.3	$ 413.2
Plus: Interest expense, net	61.2	61.2	92.7
Plus: Debt extinguishment charges	25.4	25.4	—
Plus: Income tax expense	137.1	118.5	69.6
Plus: Depreciation, depletion and amortization expense	216.6	223.6	234.4
EBITDA	$ 834.3	$ 830.0	$ 809.9
Plus: Restructuring charges	13.0	14.6	23.1
Plus: Acquisition and integration related costs	8.7	8.7	9.1
Plus: Non-cash asset impairment charges	71.0	70.5	8.9
Plus: Non-cash pension settlement charges	—	0.1	9.1
Plus: Incremental COVID-19 costs, net	—	0.7	3.3
Plus: Gain on disposal of properties, plants, equipment, and businesses, net	(9.5)	(14.5)	(3.5)
Plus: Timberland gains, net	—	—	(95.7)
Adjusted EBITDA	$ 917.5	$ 910.1	$ 764.2
Credit Agreement adjustments to EBITDA(16)	(17.7)	(24.0)	33.6
Credit Agreement EBITDA	$ 899.8	$ 886.1	$ 797.8

Adjusted Net Debt *(in millions)*	For the Period Ended 10/31/2022	Trailing Twelve Months Ended 7/31/2022	For the Period Ended 10/31/2021
Total debt	$ 1,916.1	$ 2,058.7	$ 2,225.6
Cash and cash equivalents	(147.1)	(127.5)	(124.6)
Net debt	$ 1,769.0	$ 1,931.2	$ 2,101.0
Credit Agreement adjustments to debt(17)	(214.2)	(164.8)	(115.9)
Adjusted net debt	$ 1,554.8	$ 1,766.4	$ 1,985.1
Leverage Ratio	**1.73x**	**1.99x**	**2.49x**

(16)Adjustments to EBITDA are specified by the 2022 Credit Agreement and include certain timberland gains, equity earnings of unconsolidated affiliates, net of tax, certain acquisition savings, deferred financing costs, capitalized interest, income and expense in connection with asset dispositions, and other items.

(17)Adjustments to net debt are specified by the 2022 Credit Agreement and include the European accounts receivable program, letters of credit, and balances for swap contracts.

GREIF, INC. AND SUBSIDIARY COMPANIES
PROJECTED 2023 GUIDANCE RECONCILIATION
ADJUSTED FREE CASH FLOW
UNAUDITED

	Fiscal 2023 Guidance Range	
(in millions)	**Scenario 1**	**Scenario 2**
Net cash provided by operating activities	$ 578.0	$ 656.0
Cash paid for purchases of properties, plants and equipment	(188.0)	(220.0)
Free cash flow	$ 390.0	$ 436.0
Cash paid for acquisition and integration related costs	12.0	14.0
Cash paid for integration related ERP systems and equipment	8.0	10.0
Adjusted free cash flow	$ 410.0	$ 460.0

[18] Cash paid for integration related ERP systems and equipment is defined as cash paid for ERP systems and equipment required to bring the acquired facilities to Greif's standards.

Greif, Inc.
Fourth Quarter 2022 Earnings Results Conference Call
December 8, 2022

CORPORATE PARTICIPANTS

Ole G. Rosgaard – Greif, Inc., Chief Executive Officer

Lawrence Allen Hilsheimer – Greif, Inc., Chief Financial Officer & Executive Vice President

Matt Leahy – Greif, Inc., Vice President, Corporate Development and Investor Relations

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MANAGEMENT DISCUSSION SECTION

Operator

Good day, and thank you for standing by. Welcome to the Greif Fourth Quarter 2022 Conference Call. At this time all participants are in a listen only mode. After the speaker’s presentation, there will be a question and answers session. To ask a question during the session you will need to press star one on your telephone. You will then hear an automated message advising your hand is raised. Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your speaker today, Matt Leahy, Vice President of Investor Relations and Corporate Development. Please go ahead, sir.

Matt Leahy
Vice President of Corporate Development & Investor Relations

Thanks, and good morning, everyone. Welcome to Greif's Fourth Quarter Fiscal 2022 Earnings Conference Call. This is Matt Leahy, Greif's Vice President of Corporate Development and Investor Relations, and I am joined by Ole Rosgaard, Greif's President and Chief Executive Officer; and Larry Hilsheimer, Greif's Chief Financial Officer.

We will take questions at the end of today's call. In accordance with Regulation Fair Disclosure, please ask questions regarding issues you consider important because we are prohibited from discussing material nonpublic information with you on an individual basis. Please limit yourself to one question and one follow-up before returning to the queue.

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

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

Ole G. Rosgaard
President, CEO & Director

Thank you, Matt, and good morning, everyone. I'm extremely proud of the results our colleagues delivered in 2022, easily the most successful in financial terms in Greif's history. We believe these outstanding results are driven by the high engagement among our teams, our focus on delivering legendary customer service and our consistent commitment to value over volume approach. This year has seen headwinds related to volatility in both raw materials and other input costs, complex macroeconomic issues, including the war in Ukraine and various regulatory responses to the ongoing COVID-19 pandemic.

Internally, it was also a year of change. A new executive leadership team created our Build to Last strategy, which we presented at our Investor Day in June. I believe that change opens doors for opportunity, and our results this year are evidence of the global Greif team's ability to capture those opportunities.

Therefore, before discussing our detailed fourth quarter results, I would like to express my heartfelt appreciation for the resilience, dedication and consistency of performance from our whole Greif team. We ended the year with a strong balance sheet, record free cash generation and strong EBITDA and earnings performance when compared to a historically strong full year '21 comp. We do anticipate some challenges heading into 2023, but are confident our team can manage well through any market environments, and I'm excited for the year ahead.

Regarding our long-term strategic objectives, the team has made excellent progress on all 4 missions of our Build to Last strategy. During the past quarter, we formally launched our fifth and sixth Colleague Resource Groups, furthering our diversity, equity and inclusion objectives and our goal of creating thriving communities. In the quarter, Newsweek recognized this progress by announcing Greif as #58 on their 2022 America's Most Loved Workplaces publication.

In regard to legendary customer service, we released our 12th Net Promoter Score survey, resulting in a 5-point improvement from the prior year. Lastly, by the end of the calendar year, we plan to release our 2030 sustainability targets, which are designed to help accelerate our progress towards protecting our future. Our sustainability leadership was recognized in the quarter through an AA MSCI rating, Gold EcoVadis rating, and ranking #49 on Investor's Business Daily Top 100 Best ESG Companies.

In addition to the record results our team achieved in 2022, I'm also excited to further discuss today our planned acquisition of Lee Container and what that acquisition means for our strategy.

Please turn to Slide 4. As discussed at Investor Day, the acquisition priorities in our GIP business are to grow in resin-based products, with jerrycans being an important part of our strategic growth plan. Our most attractive targets are close to our core business of Industrial Packaging and add diversification benefits in product offerings, geographies and end markets serviced. Additionally, our ideal M&A targets are immediately margin accretive, supporting our margin expansion and return on capital goals outlined at Investor Day.

Lee Container is an outstanding example of utilizing our disciplined M&A framework to drive growth and value for our Company and shareholders. Lee provides a strong foothold in the North America small plastics and jerrycan business segments, one in which we have expertise elsewhere in the world, which furthers our expansion into less cyclical end markets and provides a platform for continued growth through both organic and inorganic investments.

Lee's exposure to the attractive agrochemical and specialty chemical end markets supports above-average growth, and the sustainability element of their packaging adds to the attractiveness of our products and future partnership opportunities for our customers. We see the Lee team as an excellent addition to our GIP business and anticipate closing the acquisition prior to calendar year-end. I'm very excited to welcome our new colleagues to Greif.

Let's now return to our quarterly results on Slide 5. Our Global Industrial Packaging business experienced growing headwinds during our fiscal fourth quarter. Volumes fell across our GIP platform in most geographies as we saw sequentially declining demand through each month of the quarter. Global steel drum and plastics were down mid-single digits year-over-year. EMEA saw a step down in demand due to impacts to our customers from energy inflation and challenges related to the war in Ukraine.

Similar to prior quarters, our APAC demand remained sporadic with the continued strict lockdown protocols in China impacting supply chain and industrial production, resulting in softness in most end markets, excluding automotive, which has seen a modest recovery as a result of government incentives.

North America also experienced sequential demand weakness as domestic spending and manufacturing activity slowed. Our LatAm business remained strong in Q4, up mid-single digits off a strong Q4 '21 comparison due to robust demand in the citrus, ag and transportation markets. In the fourth quarter, our GIP business also faced headwinds from the rapid decline in steel costs. In North America, steel prices declined over 43% from June to November, with a similar trend, although not quite as severe, in EMEA and LatAm.

As we have explained in the past, rapid declines in steel negatively impacts our profitability. The lag effect on price cost drives near-term margin compression as we work through higher-cost steel inventory orders over the past 3+months, while selling at lower index adjusted prices. This headwind is temporary. But in the near term, we expect this margin pressure to continue in our steel business during the first half of fiscal '23, as our price adjustment mechanisms continue to reset.

The combination of these factors, along with unanticipated foreign currency impacts, resulted in a year-over-year decrease in adjusted EBITDA for the fourth quarter of approximately $25 million in Q4 '21, or $17 million excluding the $8 million contribution from our divested FPS business. Despite a lower fourth quarter, our GIP team again put up record adjusted EBITDA performance for the full fiscal 2022 on a very difficult 2021 compare, and I'm proud of the team and their contribution to Greif's results this year.

Now please turn to Slide 6. Paper Packaging's fourth quarter sales rose by approximately $44 million versus the prior year due to continued favorable price cost dynamics despite sequential month-over-month volume erosion through the quarter. This decreased demand resulted in a total 26,000 tons of economic downtime during the quarter, approximately 23,000 of which occurred in the month of October. Fourth quarter volumes in our CorrChoice sheet feeder system were down high single digits per day compared to the very strong Q4 '21. This demand decline was in line with the overall box industry, which was down approximately 8% over the same period.

Fourth quarter tube and core volumes were down high single digits per day versus the prior year due to softness in film core, paper core and textile end markets, despite relative strength in some end markets, such as construction tubes. Despite declining demand and continued raw material cost inflation, favorable price cost led to an approximately $33 million increase in adjusted EBITDA in our PPS business, capping off a strong year of record operating performance for this business.

I'll now turn you over to our CFO, Larry Hilsheimer, on Slide 7, to discuss our Q4 financial review as well as outlook for fiscal 2023.

Lawrence Allen Hilsheimer
Executive VP & CFO

Thank you, Ole. Good morning, everyone. I want to start by reiterating Ole's opening comment of how proud we are of our team's performance in 2022. This was a record year financially for Greif across every measure, and I attribute our success to the relentless dedication by every Greif colleague to serve our customers with excellence. Clearly, we have had some economic tailwinds in the past few years, but as they rapidly disappeared in the second half of fiscal 2022, our teams did an outstanding job of managing through the challenges.

Now on to our results. I'll start by addressing the obvious. In early November, we announced a reaffirmation of our Q3 guidance as part of our participation at the 2022 Baird Industrials Conference. Our final Q4 EPS result of $1.83 results in a full year non-GAAP EPS of $7.87 per share, which is $0.03 below the low end of our reaffirmed range. Our reaffirmation was issued with the best information available as of the date released, which was prior to finalization of our year-end close procedures.

While our above-the-line results came on the lower side of our expectations due to demand deterioration, it was that, plus the combination of higher other expense from $4 million of negative currency impacts as well as higher-than-anticipated tax expense resulting from an unfavorable mix of jurisdictional income and tax return examination adjustments that drove our earnings per share below the low end of our range. While this was a frustrating development related to earnings, I'm pleased to report that in Q4, we posted solid gross profit and EBITDA growth despite lower sales as well as stable SG&A on a percent of sales basis and another quarter of record free cash flow.

I would like to specifically recognize our teams for their strong execution on working capital as volumes slowed in the fourth quarter. We've often cited our potential to generate cash when demand turns, and this quarter was a prime example of our agility and further evidence of the resilience of our business model.

We closed out 2022 having crushed the midpoints of our original 2022 commitments made at our Investor Day in June of 2019 by nearly $60 million on EBITDA and over $75 million on free cash flow. One other element of the commitments we made at our Investor Day was that we would achieve gross profit margins over 20%, SG&A below 10% and operating profit above 10%. We delivered on each at 20.7%, 9.4% and 11.3%, respectively. I'm extremely proud of our team.

Let's now turn to Slide 8 to further discuss 2023 outlook and guidance. We have made the decision to begin presenting guidance on an adjusted EBITDA and adjusted free cash flow basis and deemphasize earnings per share as the primary guidance metric. We feel that EBITDA and free cash flow are better representations of the ongoing results of our business, especially given our intention to continue to grow via acquisitions.

Earnings per share is often transitionally impacted by below the line adjustments made to accommodate impacts from acquisitions and divestitures as well as changes to our capital structure resulting from transactions and changing leverage, from other nonoperating adjustments, and from a changing mix of jurisdictional income, which impacts accuracy around tax forecasting.

We firmly believe that EBITDA and free cash flow are better representations of the true economics of our business and guiding along these measures will provide better transparency and clarity to both internal and external shareholders. We will continue to report adjusted earnings and earnings per share as before, and while we will no longer formally guide to EPS, we will give directional and informative context to our below-the-line expectations as part of our quarterly earnings call.

With that context provided for fiscal 2023, we anticipate generating between $820 million and $906 million of adjusted EBITDA and between $410 million and $460 million of adjusted free cash flow for the full year, which includes the impact of higher planned CapEx. On Slide 8, we provide the key assumptions which are included in our guidance range. You will note that our range is slightly wider than usual. We anticipate refining our range during fiscal '23. However, given the highly uncertain macroeconomic environment, we have determined there is too much variability in expectations to release a range tighter than what is provided. We will be monitoring the dynamic changes in the market and will update the investment community further as we progress through 2023, and we will revise our guidance range as warranted.

Please turn to Slide 9. In closing, I want to remind investors of the strength of our balance sheet and our commitment to our capital allocation strategy outlined at our Investor Day. As we come off a record year in 2022 and enter a more uncertain path in 2023, our focus on disciplined capital allocation becomes even more important.

We currently sit over 25 basis points below our target leverage ratio range of 2 to 2.5x net debt to EBITDA. And with the acquisition of Lee Container, we anticipate being back to the low end of our range by the end of 2023. We remain committed to our plan to increase our dividend, continue our share repurchases and invest in our business. Our M&A pipeline remains robust, and Greif will continue to pursue our acquisition strategy to elevate the breadth and quality of the businesses in our portfolio. I am proud of the work we've done and the work we have ahead of us as we enter 2023 and advance on our Build to Last strategy.

With that, I'll turn things back to Ole on Slide 10.

Ole G. Rosgaard
President, CEO & Director

Thanks, Larry. To sum up our thoughts, fiscal 2022 was a record year for Greif in many respects and we again would like to thank each and every one of our colleagues for being a part of making those results possible.

As we look into 2023, uncertainty does exist, and while our guidance reflects expected results lower than in 2022 numbers due to the macroeconomic environments we have discussed, they will constitute the second highest EBITDA and free cash flow output in the 145-year history of Greif. We have been through downturns like this. The teams know how to win in this environment, and we will be successful. We are excited for the year ahead and to continue to produce results worthy of your investment in our Company. We thank you for your interest in Greif.
Norma, please open the lines for questions.

QUESTION AND ANSWER

Operator
Thank you. As a reminder to ask a question you will need to press star one on your telephone. Please wait for your name to be announced. Please stand by while we compile the Q&A roster. Our first question comes from the line of Ghansham Panjabi with R. W. Baird.

Ghansham Panjabi
Robert W. Baird & Co. Incorporated, Research Division

Congrats on a really amazing year. As we kind of think back to fiscal year '22, and as we came through the year, it was clear that the PPS segment would start to benefit from margin expansion, and there's likely to be some sort of moderation in GIP just given the outsized fiscal year '21 for that segment. On that basis, how do you sort of think that segment dynamics will play out in fiscal year '23 based on what you see occurring?

Lawrence Allen Hilsheimer
Executive VP & CFO

Yes. Thank you, Ghansham. This goes back to what we've talked about the fact that our 2 business units tend to offset each other just because of the pricing lag in PPS. And it did, as you mentioned, play that way through '22. For '23, our first quarter and first half of the year in GIP is going to be extremely weak. The demand deterioration in the market has been pretty significant. And that, combined with the rapid decrease in the cost of steel, it plays out through us as we've explained in the past, and as Ole commented in his comments, that will squeeze our margin pretty significantly.

We expect that our price adjustment mechanisms will catch up with that through the second quarter into the rest of the year and demand should pick up. And you'll see sort of the opposite flow through, where our PPS, we believe, will be very strong first, second quarter and should continue reasonably well through the year as we think things will pick up in the second half of the year.

Ghansham Panjabi
Robert W. Baird & Co. Incorporated, Research Division

Okay. Perfect. And for my second question, Larry, maybe you could just help us with the bridge on EBITDA '23 versus '22. Obviously, you have a very wide range for '23. So maybe the midpoint differential? What are the big moving pieces there?

Lawrence Allen Hilsheimer

Executive VP & CFO

Yes. Ghansham, usually, we would walk down the midpoint. But I'll tell you, given the macroeconomic uncertainty, we've approached it in a different manner this year where we just really took each of the variables and did multiple scenario plans and laid them across the chart and just use that to frame our upside and downside. And so, for example, we looked at OCC, and we think that it will be somewhere in the range of $35/ton to $90/ton throughout the year and probably trending upward through the year. Everybody keeps talking about capacity additions. As capacity comes on, there will be some, I'll say, artificial bump in demand on OCC because they can only produce so much and the market has to have end demand for everybody at some point.

But -- so we scaled out our OCC assumption. We've done scenario planning on pricing and paper business across our grades, multiple different ones. You have flat. You have some increase, decrease. We don't actually have any with increases in pricing at any time in the year but modeling out different alternatives.

And then just pace of demand on the side of the GIP business. So, I know that's not all that helpful in terms of a midpoint analysis. But if I give you a little bit, I would say that from an operations standpoint, we think the high end of things is a potential decrease of $12 million from this year's overall EBITDA to a potential decrease of $98 million on EBITDA across all of the operational factors. That does include uplift from Lee Container.

We also have -- remember, we had the divestiture of FPS, which was about $16 million of EBITDA that was included in fiscal '22. So that's gone. And we also have some cats and dogs immaterial things that we're in the process of disposing that will take another $10 million to $12 million of EBITDA out and generate some proceeds for us as those things play out over the next couple of quarters.

Ghansham Panjabi

Robert W. Baird & Co. Incorporated, Research Division

Okay. Perfect, thank you and happy holidays to all of you.

Operator

Our next question comes from Adam Josephson with KeyBanc.

Adam Jesse Josephson
KeyBanc Capital Markets Inc., Research Division

Ole, Larry, Matt, hope you are well. Larry, it sounds like in the PPS business, you're expecting to have a much better year than in the GIP business, and I know, aided by OCC having fallen quite considerably, you gave us your range for OCC. Obviously, I presume you're not going to talk about your containerboard and boxboard pricing assumptions relative to your OCC price assumption. So can you help us, I mean this is a spread business, obviously. And it's hard to know how to think about how conservative or perhaps aggressive your guidance is without knowing what spread you're assuming between prices and costs next year, along with whatever you're assuming demand will be. So, is there any more clarity you could give us on what you're assuming in PPS in terms of the spread between prices and costs and what you're assuming for demand?

Lawrence Allen Hilsheimer
Executive VP & CFO

Not really, Adam. I mean like I said, we did a bunch of different scenario plans and have looked across it. And so, what I gave in the answer to Ghansham is as deep as we're going to go into specifics on it. What I would say is, look, our worst-case scenario that takes everything bad that we can come up with for next year still delivers $820 million of EBITDA. And I go back and it's interesting, if I look across all of our analyst group a year ago, today, the consensus among everybody for EBITDA across the group was $807 million for '23.

So even our worst case is better than the whole group thought we could do for '23. So, we're pretty happy about where we think '23 is going to be. As Ole said, that's still going to be our second best year ever, even if it's the worst case we have. But there's just too many macro uncertainties right now to give you any more detail than that on the pricing side.

Adam Jesse Josephson
KeyBanc Capital Markets Inc., Research Division

Got it. And on the GIP business, are you at liberty to talk about what your volume assumptions are? What your steel price assumptions are? And relative to the $100 million one-time price/cost benefit you had in steel in fiscal '21, I assume you're assuming a pretty significant one-time hit, particularly in 1H '23. Any details you could give us just along all those lines and the GIP business would be helpful.

Lawrence Allen Hilsheimer
Executive VP & CFO

Yes. Yes. So let me give you a broad -- for the U.S. business, the CRU index for 2022 averaged $1,806/ton. Okay? Started out the year at $2,293/ton, ended up the year at $1,254/ton. For '23, against that $1,806/ton, we're showing an average for the year of $1,056/ton. So, a pretty dramatic [decrease] (corrected by the Company after the call) in the index side of that.

For Europe, which is by far and away the largest, it's 4x the size of U.S. in terms of volumes. But we show in '22, it was $1,155/ton. And in Europe, it's $814/ton is the average for our '23 assumptions. From a volume basis, we are forecasting for the year, the volumes down on a global basis, Adam, about just shy of 3%, just shy of 1% in plastics, fiber down 3%; IBC is even down 1.5% sort of at the middle of our ranges that we did in those spaces.

Now to give you a further breakdown, North America were just shy of 6%. So dramatic decrease in North America and EMEA about 3%. If I go volume-wise [for PPS] (added for clarity by the Company after the call), now this is a mix of things, we've got all kinds of different assumptions across shutdowns and all that kind of thing, but I won't talk about mills because there's all kinds of different things on downtimes planned for maintenance and that kind of thing. But in our sheet business, we're expecting about [down] (added for clarity by the Company after the call), 3%, same thing on tube and core, down 3%.

Adam Jesse Josephson
KeyBanc Capital Markets Inc., Research Division

And just on the onetime hit that you're expecting from falling steel relative to the $100 million onetime benefit you had in fiscal '21?

Lawrence Allen Hilsheimer
Executive VP & CFO

Yes. We haven't calculated that number, Adam. So, I don't have it for you.

Operator

As a reminder to ask a question please dial star one on your telephone. Our next question comes from George Staphos with Bank of America.

George Leon Staphos
BofA Securities, Research Division

Larry, Matt, Ole, congratulations on the progress in '22. I guess my first question would be within your guidance, and thank you for going through the detail that you could provide, Larry, I thought I heard you say that you do have something for Lee Container built in. If I heard that correctly, can you help us out a bit in terms of what we should be baking in both in terms of EBITDA and how much it contributed to the interest expense uplift? And then I had a follow-on.

Lawrence Allen Hilsheimer
Executive VP & CFO

Yes. Thanks, George. So, I'd put somewhere between $25 million and $30 million. It's going to just depend on some of the -- we haven't worked through all of the impacts of what valuation adjustments might have on inventory at opening day and those kind of things. So, I'd say $25 million to $30 million would be a good range to put in on Lee for this year, and then we expect that to expand nicely beyond that in the future years.

On the interest expense, you look back, we ended up paying down about roughly $300 million of debt in 2022. We'll be taking on about $300 million in 2023. We've generally had a policy of fixing 40% to 60% of our debt. And we moved that up beginning in March, April this year when we did some refinancing. I asked our team to start to trend up to the top end of that 60%. And then as we rolled out our strategy and knew we would be going in the acquisition space, I asked our treasury team to move it up even further, to get ahead of our plans and roll it up to where we are approaching in the 80% [range] (added for clarity by the Company after the call). Where we're at now after we do the Lee acquisition will be about 65% fixed, and we believe that helps us manage our capital structure in a flexible manner and gives us more repayment opportunities if we don't find other acquisitions.

So, the bottom line of it is, if you look at it, last year, our interest expense was about $61 million, so 3% of $2 billion of debt. If you say we're going to be at about that same level of debt, that'll fluctuate through the year, but if you have 35% of that is floating with interest rates, you say, 35% of that $61 million. Floating rates have about tripled, so you've got another $60 million, $65 million of interest expense that will be related to that and puts us at an overall of $100 million to $105 million.

George Leon Staphos
BofA Securities, Research Division

Larry, that's great. We appreciate all that color. Very, very helpful. I guess my other question and just on exit rates on volume, you mentioned that volumes were declining sequentially across GIP. Could you talk to us -- and certainly, they were down also in PPS. Can you tell us where early in the new year, volumes are trending? And it would be helpful, obviously, because we have at least your volume forecast for the year, relative to the other Q&A.

Ole G. Rosgaard
President, CEO & Director

I'll take that one. So obviously, we saw demand eroding sequentially throughout the quarter. That softness has continued into November, but it is stabilizing as we see it. We also believe there is some destocking going on, both in Q3 and into Q4, but primarily on the paper side...

Lawrence Allen Hilsheimer
Executive VP & CFO

Indirect.

Ole G. Rosgaard
President, CEO & Director

Indirect, yes. And obviously, you have RISI coming out on December 16, and then we'll see what happens after that.

George Leon Staphos
BofA Securities, Research Division

Larry, you said indirect destocking, so you meant downstream and how that flows back to your business?

Lawrence Allen Hilsheimer
Executive VP & CFO

That's the biggest impact...

Ole G. Rosgaard
President, CEO & Director

Our customer’s customer.

Operator

Our next question comes from Aadit Shrestha with Stifel.

Aadit Shrestha
Stifel, Nicolaus & Company, Incorporated, Research Division

Just coming in for Michael Hoffman, he couldn't make it. So, my first question is just regarding FX. And do you have anything built in for that within your guidance? And obviously, it was a big headwind this year, but I think the rates are sort of a little bit better now. So how do you see that going forward?

Lawrence Allen Hilsheimer
Executive VP & CFO

So, we factor it in based on futures in currency every year in our budget process. And when we end up giving quarterly guidance, we do factor in some range of expectancies on currency. And normally, if everything doesn't go against you, it sort of goes within the range and it ends up being an immaterial item for us. Clearly, for this year, two things happened to us. One is we used to have a good natural hedge with our FPS business, and when we sold that, we lost some of that natural hedge, and so we did more financial hedging, but we saw an overall impact for the year, roughly $9 million, which is more than what we would have had in the past.

Going forward, next year, based on what we see in the currency markets, we have on our revenue side, about $160 million to $170 million headwind next year is what we estimate right now from currency, but we do hedge a decent amount of it so the bottom line impact should be immaterial.

Aadit Shrestha

Stifel, Nicolaus & Company, Incorporated, Research Division

Okay. Great. And as a follow-up, just regarding the free cash flow guidance. I think you have working capital to be a source of cash of around $70 million. And I think you had a pretty sizable $90 million source to 4Q '22. How much more working capital improvement can you drive in the near term, basically? Is this all sort of captured within the next year or do you see incremental working capital benefit past 2023?

Lawrence Allen Hilsheimer
Executive VP & CFO

We actually believe that we have more working capital opportunities. We brought in a very seasoned and knowledgeable supply chain leader last year and she has spent a good part of this year really diving into our operations, and we have a glide path that we're going on, on actions to execute that we do believe provides us the opportunity to drive even better improvement in our working capital.

Our team did a phenomenal job in the fourth quarter, as we said, executing on what we've said to people before, when demand decelerates, we are able to generate cash and they did an excellent job but we do think there's upside. We think we'll have a benefit somewhere $50 million to $90 million from working capital in the coming year.

Operator

Our next question comes from Adam Josephson with KeyBanc.

Adam Jesse Josephson
KeyBanc Capital Markets Inc., Research Division

Just to follow up on George's question about exit rates, volume trends. Can you talk about, relative to down, call it, 8% in the October quarter, what volume was down by month and then what you saw in November?

Lawrence Allen Hilsheimer
Executive VP & CFO

We'll look at it on units per production day, Adam. So, if I go to GIP, August, we were 212,000 a month. September was 201,000. October was actually 204,000, and then November was about 194,000. So steel is the biggest one across the platform, but the others are similar trend lines.

Adam Jesse Josephson
KeyBanc Capital Markets Inc., Research Division

And in PPS, I'm just trying to get a sense of what the exit rate was. In other words, if November was down...

Lawrence Allen Hilsheimer
Executive VP & CFO

You're seeing trend lines go down for sure across all of our businesses, but much less so in the PPS operation. I mean we did see some deterioration in November more in that business. So put it in a downtime perspective, Adam, we had 30,000 tons downtime in November, about half of that containerboard.

Adam Jesse Josephson
KeyBanc Capital Markets Inc., Research Division

And you had taken how much downtime previously, Larry, just as a reminder?

Lawrence Allen Hilsheimer
Executive VP & CFO

26,000 tons in Q4 of our fiscal year. So yes, November was a big downtime month.

Adam Jesse Josephson
KeyBanc Capital Markets Inc., Research Division

Got it. Okay, and what you're saying is that trends in now are similar to what they were in November?

Lawrence Allen Hilsheimer
Executive VP & CFO

Yes. We don't see it as significant in the coming months.

Adam Jesse Josephson
KeyBanc Capital Markets Inc., Research Division

Got it. Okay. Just on Lee Container, you mentioned that it's a platform deal. It's going to make the business less cyclical. Can you just talk about how much of that business is industrial versus consumer? Is it an entirely different customer base for you? Just give us a little more detail as to where these jerrycans and small plastic containers are sold? Again, is there any customer overlap, et cetera?

Ole G. Rosgaard
President, CEO & Director

Adam, there's a considerable amount of similar customers or customer overlap, but primarily, the business is within the agrochemical markets, where the jerrycans you produce in that market, they're pretty sophisticated. So, it's not a commodity market. That's the biggest element. Then you have, on the consumer side, a very small element of jerrycan that goes into things like pets and cat sand and that sort of thing and then you have a growing pharma market as well, which we do like, and that's also part of our strategy to expand into those markets. So ag is a growing market, you will see food shortage as we go forward in the coming years. We like that. Pharma is a growing market for us as well, and we like that as well. So, all in all, you will see this acquisition help us being even less cyclical.

Lawrence Allen Hilsheimer
Executive VP & CFO

Yes, the relative share of ag business in Lee is significantly higher than in our current business.

Matt Leahy
Vice President of Corporate Development & Investor Relations

Adam, about 15% of that business, you could call pure industrial, which serves like the lubricants and oil, petrochemical, fuel additives, motor oil market. But outside of that, it leans more to those segments that Larry and Ole highlighted.

Adam Jesse Josephson
KeyBanc Capital Markets Inc., Research Division

Larry, just one last one, if you don't mind. Back to GIP. So, the segment's EBITDA had been running around $300 million for a number of years and then in fiscal '21, it went up to call it, $450 million, and it was similar this past year. And obviously in '21, you had that onetime steel benefit. Last year, you didn't have that, but nonetheless, you were able to hold profitability at that same level. Can you give us any sense of what you think "normalized EBITDA" for that segment is? I assume you think it's higher than what it used to be pre-pandemic of around $300 million a year, but I also assume you don't think it's $450 million either given the one-time benefits during the pandemic. So, any thoughts you could give there, I would appreciate.

Lawrence Allen Hilsheimer
Executive VP & CFO

Yes. And just, I mean, during the pandemic, our EBITDA in fiscal '20 was $320 million. The growth really happened through '21, which, yes, there is still ongoing fallout from the pandemic for sure. But it's way closer to $450 million than it is to $350 million. I would tell you that. I mean we think it's clearly north of $400 million on a going basis. We have a significant hit built into our guidance this year because of the combination of the dramatic decrease in steel cost and volume deterioration.

I would tell you, in our fiscal '19 Investor Day, I stood up on the stage and told everybody that we were in an industrial recession. I'll tell you it feels like that right now. I mean talking to our customers across all of our spectrums, everybody's volumes are off. And so, I know there's a lot of economists saying they see a recession in the latter half of next year, that might be when the consumers start running out of the money that was handed out to them by the government. But right now, we're seeing it in the industrial space. But the good news for us is, like I said, we've modeled all that out, and we're still going to have a great year.

Operator

And I'm currently showing no further questions at this time. I'd like to hand the conference back over to Matt Leahy for any closing comments.

Matt Leahy
Vice President of Corporate Development & Investor Relations

Thank you, everyone, for joining today, and have a happy holiday.

Operator
Ladies and gentlemen, thank you for your participation today. You may now disconnect. Everyone, have a wonderful day.

Exhibit 99.3

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

(in millions)	**October 31, 2022**	**October 31, 2021**
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 147.1	$ 124.6
Trade accounts receivable	749.1	889.5
Inventories	403.3	499.2
Other current assets	199.9 ~~190.3~~	150.8
	1,499.4 ~~1,489.8~~	1,664.1
LONG-TERM ASSETS		
Goodwill	1,464.5	1,515.4
Intangible assets	576.2	648.4
Operating lease assets	254.7	289.4
Other long-term assets	220.1	177.3
	2,515.5	2,630.5
PROPERTIES, PLANTS AND EQUIPMENT	1,455.0	1,521.2
	$ 5,469.9 ~~$ 5,460.3~~	$ 5,815.8
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 561.3	$ 704.5
Short-term borrowings	5.7	50.5
Current portion of long-term debt	71.1	120.3
Current portion of operating lease liabilities	48.9	54.0
Other current liabilities	360.9	384.8
	1,047.9	1,314.1
LONG-TERM LIABILITIES		
Long-term debt	1,839.3	2,054.8
Operating lease liabilities	209.4	239.5
Other long-term liabilities	563.2 ~~553.6~~	607.7
	2,611.9 ~~2,602.3~~	2,902.0
REDEEMABLE NONCONTROLLING INTERESTS	15.8	24.1
EQUITY		
Total Greif, Inc. equity	1,761.3	1,514.3
Noncontrolling interests	33.0	61.3
	1,794.3	1,575.6
	$ 5,469.9 ~~$ 5,460.3~~	$ 5,815.8

Exhibit 99.3

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

(in millions)	Three Months Ended October 31, 2022	Three Months Ended October 31, 2021	Twelve Months Ended October 31, 2022	Twelve Months Ended October 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 102.6	109.9	$ 394.0	$ 413.2
Depreciation, depletion and amortization	51.2	58.2	216.6	234.4
Asset impairments	7.9	7.4	71.0	8.9
Pension settlement charges	—	0.1	—	9.1
Timberland gains, net	—	—	—	(95.7)
Deferred income tax expense (benefit)	18.5 ~~8.9~~	(5.6)	13.4 ~~3.8~~	(47.2)
Other non-cash adjustments to net income	14.1	(1.2)	25.4	35.1
Debt extinguishment charges	—	—	22.6	—
Operating working capital changes	90.1	(83.9)	(9.3)	(222.7)
Increase (decrease) in cash from changes in other assets and liabilities	2.2 ~~11.8~~	52.4	(76.2) ~~(66.6)~~	60.9
Net cash provided by operating activities	286.6	137.3	657.5	396.0
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of properties, plants and equipment	(64.1)	(46.5)	(176.3)	(140.7)
Purchases of and investments in timber properties	(2.1)	0.8	(6.7)	(6.6)
Proceeds on the sale of timberlands, net	—	—	—	145.1
Collections of receivables held in special purpose entities	—	—	—	50.9
Payments for issuance of loans receivable	—	—	—	(15.0)
Proceeds from the sale of properties, plants and equipment and businesses	3.3	6.4	159.5	18.9
Other	—	(0.1)	(4.7)	(5.8)
Net cash (used in) provided by investing activities	(62.9)	(39.4)	(28.2)	46.8
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payments on long-term debt, net	(139.7)	(40.8)	(289.1)	(266.0)
Dividends paid to Greif, Inc. shareholders	(29.3)	(27.4)	(111.3)	(105.8)
Payments for liabilities held in special purpose entities	—	—	—	(43.3)
Payments for debt extinguishment and issuance costs	—	—	(20.8)	—
Payments for share repurchases	(11.1)		(71.1)	—
Forward contract for accelerated share repurchases	—		(15.0)	—
Other	(7.1)	(0.6)	(23.7)	(7.8)
Net cash used for financing activities	(187.2)	(68.8)	(531.0)	(422.9)
Reclassification of cash to assets held for sale	—	0.5	—	0.5
Effects of exchange rates on cash	(16.9)	(4.8)	(75.8)	(1.7)
Net increase in cash and cash equivalents	19.6	24.8	22.5	18.7
Cash and cash equivalents, beginning of period	127.5	99.8	124.6	105.9
Cash and cash equivalents, end of period	$ 147.1	$ 124.6	$ 147.1	$ 124.6