



Q1 2016 Earnings Conference Call



Please submit questions to Investors@greif.com

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Safe Harbor

Forward-Looking Statements

All presentations contain certain forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995. The words “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “aspiration,” “objective,” “project,” “believe,” “continue,” “on track” or “target” or the negative thereof and similar expressions, among others, identify forward-looking statements. All forward looking statements are based on information currently available to management. Such forward-looking statements are subject to certain risks and uncertainties that could cause events and the Company’s actual results to differ materially from those expressed or implied. Please see the disclosure regarding forward-looking statements immediately preceding Part I of the Company’s Annual Report on the most recently filed Form 10-K. The company assumes no obligation to update any forward-looking statements.

Regulation G

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

Transformation is a journey to growth and higher profitability



- Optimizing and strengthening our portfolio
- Expanding gross margins through fundamental operating improvements
- Enhancing fiscal discipline

Our vision: In industrial packaging, be the best performing customer service company



Q1 2016 Earnings per Share improved by 33%

- Class A EPS Before Special Items¹ of \$0.40 compared to \$0.30 in Q1 2015
- Free Cash Flow² improved to \$(56M) compared to \$(99M) in Q1 of 2015
- Gross Profit Margin expanded to 19.6% in Q1 2016 compared to 17.1% in Q1 2015
- Net Sales of \$771M compared to \$902M in Q1 2015. After adjusting for the effects of divestitures and currency translation, sales were 3.2% lower compared to Q1 2015³
- SG&A expense improved by \$19M compared to Q1 2015
- Operating Profit Before Special Items (“OPBSI”) ¹ margin of 7.5% in Q1 2016 compared to 4.7% in Q1 2015

Margins expanding and benefitting bottom line

¹ A summary of all special items that are excluded from the earnings per diluted Class A share before special items and operating profit before special items is set forth in the appendix of this presentation.

² Free cash flow is defined as net cash provided by operating activities less cash paid for capital expenditures.

³ A summary of the adjustments for the impact of divestitures and currency translation is set forth in the GAAP to Non-GAAP Reconciliation Net Sales to Net Sales Excluding the Impact of Divestitures and Currency Translation in the financial schedules that can be found in the appendix of this presentation.

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



Progress being made towards commitments

	Fiscal 2014 Actual	Trailing four quarter performance ²	End of 2017 run rate target
Gross Profit Margin ¹	19.1%	19.4%	20%
SG&A Margin	11.7%	11.3%	10%
OPBSI Margin ³	7.5%	8.1%	10%

¹ Q3 2015 Gross Profit adjusted to exclude Venezuela inventory revaluation of \$9.3M which was classified as a special item at the time.

² Trailing four quarters defined as Q1 2016, Q4 2015, Q3 2015 and Q2 2015.

³ Operating Profit Before Special Items as a percentage of net sales for fiscal 2014, and for the trailing 12 months ended January 31, 2016. Special items include restructuring charges, acquisition-related costs, timberland gains, non-cash asset impairment charges and gain or loss on disposal of properties, plants, equipment and businesses, net.

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



Rigid Industrial Packaging & Services (RIPS)

Q1 2016 Sales: \$535M

RIPS Q1 2016 operating profit before special items¹: \$36M

RIPS North America

- Overall volumes lower due to divestitures, network consolidation and weakness in the U.S. Gulf region
- Higher gross margins versus previous year
- Continued progress on improving underperforming operations

RIPS Latin America

- Volumes flat year over year – strong plastic drum volumes helped to offset lower steel drum volumes
- Significant foreign exchange headwind from currency weakness in Brazil and Argentina
- Lost net income from Venezuela year over year due to Q3 2015 devaluation (Q1 2015 = \$0.03/sh; Q2 2015 = \$0.04/sh; Q3 = \$0.01/sh)

Substantial improvement in RIPS Gross Margins

¹ A summary of all special items that are included in the operating profit before special items is set forth in the appendix of this presentation.

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Rigid Industrial Packaging & Services (RIPS cont.)

Q1 2016 Sales: \$535M

RIPS Q1 2016 operating profit before special items¹: \$36M

RIPS Europe, Middle East and Africa

- Volume increased net sales by 5.8% driven by strong steel drum and intermediate bulk container (IBC) volume
- Continued emphasis on fixing underperforming operations and network consolidation

RIPS Asia Pacific

- Strong plastic and IBC volume, offset by weakness in steel drums
- Expansion of gross profit margin versus previous year
- Impact of slowing China demand being offset by lower cost structure

Strong volumes in RIPS EMEA; strong results in APAC

¹ A summary of all special items that are included in the operating profit before special items is set forth in the appendix of this presentation.
Note: A reconciliation of the differences between all non-GAAP financial measures used in this presentation with the most directly comparable GAAP financial measures is included in the appendix of this presentation.



Paper Packaging & Services (PPS)

Q1 2016 Sales: \$158M

Q1 2016 operating profit before special items¹: \$23M

- Higher volumes year over year, helping to partially offset the impact of lower containerboard pricing
- Growth projects at mills and CorrChoice being successfully implemented
- Specialty product portfolio continues to expand year over year

Strong operating performance helping to offset challenging environment

¹ A summary of all special items that are included in the operating profit before special items is set forth in the appendix of this presentation.

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Flexible Products & Services (FPS)

Q1 2016 Sales: \$73M

Q1 2016 operating profit before special items¹: \$(2M)

- Turnaround continuing; gross profit improvement year over year
- Operating Profit Before Special Items¹ improved by \$7M compared to Q1 2015 and breakeven coming out of Q1 2016
- Continuous improvement; fixing underperforming operations and cost management

Turnaround continues

¹ A summary of all special items that are included in the operating profit before special items is set forth in the appendix of this presentation.
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Land Management

Q1 2016 Sales: \$5M

Q1 2016 operating profit before special items¹: \$2M

- Timber sales up year over year due to increased harvesting activities in wet weather timber stands in Alabama and Mississippi
- Continue to evaluate and pursue non-timber revenue growth opportunities

Managing portfolio to maximize profit

¹ A summary of all special items that are included in the operating profit before special items is set forth in the appendix of this presentation.

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

Q1 2016 Financial Performance

(Dollars in Millions, except per share amounts)

	Q1 2016	Q1 2015
Net Sales After Divestitures and Currency Translation ¹	\$851	\$878
Operating Profit	\$18	\$65
Operating Profit Before Special Items ²	\$58	\$42
Net Income Attributable to Greif, Inc.	\$(11)	\$30
Net Income Attributable to Greif, Inc. Before Special Items ²	\$23	\$17
Class A Earnings Per Share	\$(0.19)	\$0.52
Class A Earnings Per Share Before Special Items ²	\$0.40	\$0.30
Free Cash Flow ³	\$(56)	\$(99)

Operational and working capital improvements drive better Free Cash Flow

¹ A summary of the adjustments for the impact of divestitures and currency translation is set forth in the GAAP to Non-GAAP Reconciliation Net Sales to Net Sales Excluding the Impact of Divestitures and Currency Translation in the financial schedules that can be found in the appendix of this presentation.

² A summary of all special items that are excluded from net income attributable to Greif, Inc. before special items, the earnings per diluted Class A share before special items and operating profit before special items is set forth in the appendix of this presentation.

³ Free cash flow is defined as net cash provided by operating activities less cash paid for capital expenditures.

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Diverse portfolio helping to mitigate a volatile market

- Growth in U.S. industrial production remains sluggish:
 - The Federal Reserve’s February 2016 Beige Book reported that overall manufacturing activity was flat; eight Districts noted that weak demand from the energy sector was creating significant manufacturing headwinds
 - The Chicago Purchasing Managers Index (PMI) for February 2016 registered 47.6 – well below analyst estimates of 54.0 and down from 55.6 in January 2016
 - The Institute for Supply Chain Management manufacturing index registered 49.5% in February – its fifth consecutive month of a reading below 50
- Eurozone outlook mixed – GDP growth of just 0.3% in each of the last final two quarters of 2015
- China’s official Purchasing Manager’s Index (PMI) score of 49.0 in February 2016 was the weakest result since 2012 and marked the seventh straight month in contraction territory

Macro economic environment remains volatile

FY 2016 Class A EPS guidance midpoint increased

	Guidance @ 12/10/2015	Guidance @ 3/7/2016
Class A EPS per share (\$/sh) ¹	\$2.05 – \$2.35	\$2.10 – \$2.40
Capital expenditure (\$M)	\$99 – \$124	\$99 – \$124
Free Cash Flow (\$M) ²	\$120 – \$150	\$125 – \$150
Restructuring expense (\$M)	\$15 – \$25	\$15 – \$25
GAAP tax rate	39% – 41%	39% – 41%

Factors contributing to guidance:

The company's fiscal year 2016 results will continue to benefit from further implementation of our transformation efforts, but will continue to be impacted by the effects of a sluggish global industrial economy, weaker containerboard prices and the continued strengthening of the U.S. dollar relative to other currencies. As a result, Class A earnings per share, excluding gains and losses on the sales of businesses, timberland and property, plant and equipment, acquisition costs and restructuring and impairment charges, is revised to \$2.10 - \$2.40 per share.

¹ Class A earnings per share excluding special items. Special items include restructuring charges, acquisition-related costs, timberland gains, non-cash asset impairment charges and gain on disposal of properties, plants, equipment and businesses, net.

² Free cash flow is defined as net cash provided by operating activities less cash paid for capital expenditures.

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Appendix

Price, Volume and Foreign Currency Impact to Net Sales: Excluding Divestitures

	<u>Volume</u>	<u>Price</u>	<u>FX</u>	<u>Sales Variance</u>
<u>RIPS Americas</u>	● -6.4%	○ 2.2%	● -11.9%	● -16.1%
North America	● -9.6%	○ -2.3%	○ -0.7%	● -12.7%
Latin America	○ -2.2%	● 19.3%	● -49.6%	● -32.5%
<u>RIPS EMEA APAC</u>	● 3.4%	● -6.5%	● -10.6%	● -13.8%
EMEA	● 5.8%	● -6.2%	● -11.9%	● -12.3%
APAC	● -4.6%	● -8.2%	● -6.3%	● -19.1%

RIPS Segment	○ -1.3%	○ -2.4%	● -11.3%	● -15.0%
PPS Segment	● 3.9%	● -4.4%	○ 0.0%	○ -0.5%
FPS Segment	● -12.3%	● 8.0%	● -9.8%	● -14.1%

Consolidated	○ -1.2%	○ -2.0%	● -9.0%	● -12.2%
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Note: - Consolidated includes land management

- Var% > 2.5% ●
- (2.5)% < Var% < 2.5% ○
- Var% < -(2.5)% ●

GAAP to Non-GAAP Reconciliation: Segment and Consolidated Operating Profit (Loss) Before Special Items

(Dollars in Millions)

	Three months ended	
	January 31	
	2016	2015
Operating profit (loss):		
Rigid Industrial Packaging & Services	\$ (2.6)	\$ 20.2
Paper Packaging & Services	21.2	28.1
Flexible Products & Services	(3.1)	(8.8)
Land Management	2.1	25.9
Total operating profit	<u>17.6</u>	<u>65.4</u>
Restructuring charges:		
Rigid Industrial Packaging & Services	1.4	2.4
Paper Packaging & Services	0.0	-
Flexible Products & Services	0.9	0.8
Total restructuring charges	<u>2.3</u>	<u>3.2</u>
Acquisition-related costs:		
Rigid Industrial Packaging & Services	-	0.2
Total acquisition-related costs	<u>-</u>	<u>0.2</u>
Timberland gains:		
Land Management	-	(24.3)
Total timberland gains	<u>-</u>	<u>(24.3)</u>
Non-cash asset impairment charges:		
Rigid Industrial Packaging & Services	36.8	0.1
Paper Packaging & Services	1.5	-
Flexible Products & Services	0.8	0.1
Total non-cash asset impairment charges	<u>39.1</u>	<u>0.2</u>
Gain on disposal of properties, plants, equipment and businesses, net:		
Rigid Industrial Packaging & Services	(0.1)	(1.2)
Flexible Products & Services	(0.2)	(0.8)
Land Management	(0.6)	(0.4)
Total gain on disposal of properties, plants, equipment and businesses, net	<u>(0.9)</u>	<u>(2.4)</u>
Operating profit (loss) before special items:		
Rigid Industrial Packaging & Services	35.5	21.7
Paper Packaging & Services	22.7	28.1
Flexible Products & Services	(1.6)	(8.7)
Land Management	1.5	1.2
Total operating profit (loss) before special items	<u>\$ 58.1</u>	<u>\$ 42.3</u>

GAAP to Non-GAAP Reconciliation: Net Income and Class A Earnings Per Share Excluding Special Items

(Dollars in Millions, except for per share amounts)

Three months ended January 31, 2016

		<u>Class A</u>
Net Loss Attributable to Greif, Inc.	\$ (11.1)	\$ (0.19)
Less: (Gain) loss on disposal of properties, plants, equipment and businesses, net	(0.6)	(0.01)
Plus: Restructuring charges	1.5	0.04
Plus: Non-cash asset impairment charges	33.2	0.56
Net Income Attributable to Greif, Inc. Excluding Special Items	<u>\$ 23.0</u>	<u>\$ 0.40</u>

Three months ended January 31, 2015

		<u>Class A</u>
Net Income Attributable to Greif, Inc.	\$ 30.1	\$ 0.52
Less: (Gain) loss on disposal of properties, plants, equipment and businesses, net	(1.4)	(0.02)
Less: Timberland gains	(14.9)	(0.25)
Plus: Restructuring charges	2.7	0.05
Plus: Non-cash asset impairment charges	0.1	-
Plus: Acquisition related costs	0.1	-
Net Income Attributable to Greif, Inc. Excluding Special Items	<u>\$ 16.7</u>	<u>\$ 0.30</u>

Note: All special items are net of tax and non-controlling interest.

GAAP to Non-GAAP Reconciliation: Operating Working Capital

(Dollars in Millions)

	<u>January 31, 2016</u>	<u>October 31, 2015</u>
Trade accounts receivable	\$ 373.0	\$ 403.7
Plus: inventories	295.9	297.0
Less: accounts payable	<u>292.5</u>	<u>355.3</u>
Operating working capital	<u>\$ 376.4</u>	<u>\$ 345.4</u>

Q1 GAAP to Non-GAAP: Reconciliation of Selected Financial Information Excluding the Impact of Divestitures

(Dollars in Millions)

	Three months ended January 31		
	2016	Impact of Divestitures	Excluding the Impact of Divestitures 2016 ¹
Net Sales:			
Rigid Industrial Packaging & Services	\$ 534.9	\$ -	\$ 534.9
Paper Packaging & Services	158.4	-	158.4
Flexible Products and Services	72.9	-	72.9
Land Management	5.2	-	5.2
Consolidated	<u>\$ 771.4</u>	<u>\$ -</u>	<u>\$ 771.4</u>
Gross Profit:			
Rigid Industrial Packaging & Services	\$ 102.8	\$ -	\$ 102.8
Paper Packaging & Services	35.8	-	35.8
Flexible Products and Services	10.5	-	10.5
Land Management	2.2	-	2.2
Consolidated	<u>\$ 151.3</u>	<u>\$ -</u>	<u>\$ 151.3</u>
Operating Profit (Loss):			
Rigid Industrial Packaging & Services	\$ (2.6)	\$ -	\$ (2.6)
Paper Packaging & Services	21.2	-	21.2
Flexible Products and Services	(3.1)	-	(3.1)
Land Management	2.1	-	2.1
Consolidated	<u>\$ 17.6</u>	<u>\$ -</u>	<u>\$ 17.6</u>
Operating profit (loss) before special items:			
Rigid Industrial Packaging & Services	\$ 35.5	\$ -	\$ 35.5
Paper Packaging & Services	22.7	-	22.7
Flexible Products and Services	(1.6)	-	(1.6)
Land Management	1.5	-	1.5
Consolidated	<u>\$ 58.1</u>	<u>\$ -</u>	<u>\$ 58.1</u>

	2015*	Impact of Divestitures	Excluding the Impact of
			Divestitures and Facility Closures 2015*
Net Sales:			
Rigid Industrial Packaging & Services	\$ 649.7	\$ 20.7	\$ 629.0
Paper Packaging & Services	159.2	-	159.2
Flexible Products and Services	88.1	3.2	84.9
Land Management	5.3	-	5.3
Consolidated	<u>\$ 902.3</u>	<u>\$ 23.9</u>	<u>\$ 878.4</u>
Gross Profit:			
Rigid Industrial Packaging & Services	\$ 104.6	\$ 0.5	\$ 104.1
Paper Packaging & Services	40.6	-	40.6
Flexible Products and Services	7.1	0.5	6.6
Land Management	1.6	-	1.6
Consolidated	<u>\$ 153.9</u>	<u>\$ 1.0</u>	<u>\$ 152.9</u>
Operating Profit (Loss):			
Rigid Industrial Packaging & Services	\$ 20.2	\$ (1.5)	\$ 21.7
Paper Packaging & Services	28.1	-	28.1
Flexible Products and Services	(8.8)	0.1	(8.9)
Land Management	25.9	-	25.9
Consolidated	<u>\$ 65.4</u>	<u>\$ (1.4)</u>	<u>\$ 66.8</u>
Operating profit (loss) before special items:			
Rigid Industrial Packaging & Services	\$ 21.7	\$ (1.6)	\$ 23.3
Paper Packaging & Services	28.1	-	28.1
Flexible Products and Services	(8.7)	0.1	(8.8)
Land Management	1.2	-	1.2
Consolidated	<u>\$ 42.3</u>	<u>\$ (1.5)</u>	<u>\$ 43.8</u>

*Note: The 2015 Acquisitions were completed at the beginning of the fiscal year and are not adjusted because they are fully reflected in both periods.

¹ See table contained herein entitled GAAP to Non-GAAP Reconciliation Segment Operating Profit (Loss) Before Special Items for a reconciliation of each segment's operating profit (loss) before special items.

GAAP to Non-GAAP:

Reconciliation of Net Sales Excluding the Impact of Divestitures and Currency Translation

(Dollars in Millions)

	Three months ended January 31		(Decrease) in Net Sales (\$)	(Decrease) in Net Sales (%)
	2016	2015*		
Net Sales	\$ 771.4	\$ 902.3	\$ (130.9)	(14.5%)
Impact of Divestitures	-	23.9		
Net Sales excluding the impact of divestitures	\$ 771.4	\$ 878.4		
Currency Translation	(79.1)	N/A		
Net Sales excluding the impact of divestitures and currency translation	\$ 850.5	\$ 878.4	\$ (27.9)	(3.2%)

GAAP to Non-GAAP: Free Cash Flow¹

(Dollars in Millions)

	Three months ended	
	January 31	
	2016	2015
Net cash used in operating activities	\$ (26.2)	\$ (59.9)
Less: Cash paid for capital expenditures	(29.8)	(39.2)
Free Cash Flow	<u>\$ (56.0)</u>	<u>\$ (99.1)</u>

FREE CASH FLOW FROM VENEZUELA OPERATIONS²

	Three months ended	
	January 31	
	2016	2015
Net cash provided by operating activities for Venezuela	\$ -	\$ 2.3
Less: Cash paid for capital expenditures for Venezuela	-	(11.1)
Free Cash Flow for Venezuela	<u>\$ -</u>	<u>\$ (8.8)</u>

FREE CASH FLOW EXCLUDING THE IMPACT OF VENEZUELA OPERATIONS³

	Three months ended	
	January 31	
	2016	2015
Net cash used in operating activities	\$ (26.2)	\$ (62.2)
Less: Cash paid for capital expenditures	(29.8)	(28.1)
Free Cash Flow	<u>\$ (56.0)</u>	<u>\$ (90.3)</u>

¹ Free cash flow is defined as net cash provided by operating activities less cash paid for capital expenditures.

² Free cash flow from Venezuela operations is defined as net cash provided by Venezuela operating activities less cash paid for Venezuela capital expenditures.

³ Free cash flow excluding the impact of Venezuela operations is defined as net cash provided by operating activities, excluding Venezuela's net cash provided by operating activities, less capital expenditures, excluding Venezuela's capital expenditures. The information is relevant and presented due to the impact of the devaluation of the Venezuelan currency at the end of the third quarter 2015 from 6.3 bolivars per USD to 199.4 bolivars per USD. The translated value of both the cash provided by operating activities of Venezuela and the cash paid for capital expenditures does not reflect the true economic impact to the company because actual conversion of bolivars to U.S. dollars at the official exchange rate used for the first three quarters of 2015 would not have been possible.

GAAP to Non-GAAP Reconciliation:

Consolidated Operating Profit (Loss) Before Special Items for FY 2014 and Trailing Twelve Months ended January 31, 2016

	Fiscal Year 2014	Trailing Twelve Months ended January 31, 2016
Operating profit	\$ 249.3	\$ 145.0
Restructuring charges	16.1	39.1
Acquisition-related costs	1.6	0.1
Non-cash asset impairment charges	85.8	84.8
Timberland gains	(17.1)	-
(Gain) loss on disposal of properties, plants, equipment and businesses, net	(19.8)	3.7
Impact of Venezuela devaluation on cost of products sold	-	9.3
Operating profit before special items	<u>\$ 315.9</u>	<u>\$ 282.0</u>



Q1 2016 Foreign Currency Impact

(Dollars in Millions)

F/x change versus USD	Q1 2016 to Q1 2015
Argentina (Peso)	(23%)
Brazil (Real)	(33%)
China (Yuan)	(4%)
Euro	(11%)
Russia (Ruble)	(23%)
Singapore (Dollar)	(7%)
Turkey (Lira)	(22%)

Impact to net sales (\$M)	
Region	Q1 16
Americas	(\$37.0)
Europe (Euro)	(\$20.7)
Europe (Various)	(\$10.6)
Middle East & Africa	(\$5.5)
Asia Pacific	(\$5.3)
Consolidated	(\$79.1)

Currency volatility continues to impact results