



FOR IMMEDIATE RELEASE

## **Quad to Sell Omaha Packaging Plant; Sharpens Focus on Packaging Solutions That Support Growth Strategy**

SUSSEX, WI, January 28, 2020 – Quad/Graphics, Inc. (NYSE: QUAD) (“Quad” or the “Company”), a leading marketing solutions partner, announced today that it has reached a definitive agreement to sell its Omaha packaging plant for \$40 million to Graphic Packaging International (NYSE: GPK ) (“Graphic Packaging”), a leading provider of packaging solutions to food, beverage, foodservice, and other consumer products companies. The transaction is expected to close on or about January 31, 2020, and Quad will use proceeds from the sale to reduce debt.

“The Omaha plant’s focus on high-volume, low-cost converting for folding cartons is a great fit with a vertically integrated supplier like Graphic Packaging, which operates both paperboard mills and converting facilities,” said Joel Quadracci, Chairman, President & CEO of Quad. “We have a very talented, customer-focused team in Omaha, backed by excellent manufacturing capabilities, and we wish them well as part of the Graphic Packaging network.”

Added Quadracci: “This divestiture allows us to focus on our higher value packaging solutions that help clients create a cohesive brand experience across all channels – from consumer packaging to print, broadcast and digital advertising to instore signage and displays. As part of our one-of-a-kind integrated marketing platform, our packaging solutions support speed-to-market through strategy and creative, structural design, package performance testing, prepress, printing and logistics, and more.”

Quad continues to invest in and grow its core packaging platform, which consists of plants in Franklin, Wis.; Spartanburg, S.C.; Leominster, Mass.; and Santo Domingo, Dominican Republic. In 2019, the Company successfully expanded packaging operations to the Northeastern United States by re-equipping its existing Leominster, Mass., commercial printing plant. Today, the Leominster plant serves a variety of packaging clients in multiple market verticals. In 2020, Quad plans to expand its packaging operations in the Dominican Republic, adding a 30,000-square-foot addition, as well as new equipment including two presses, a die cutter and a folder-gluer.

“We are proud of our packaging platform and our ability to serve premier brands in a variety of geographies and market verticals, including apparel, confectionary, healthcare, beauty, electronics, food and beverage,” Quadracci said.

Mesirow Financial’s Investment Banking Group served as financial advisor to Quad on this transaction.

### **Forward-Looking Statements**

This press release contains certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding, among other things, our current expectations about the Company’s future results, financial condition, sales, earnings, free cash flow, margins, objectives, goals, strategies, beliefs, intentions, plans, estimates, prospects, projections and outlook of the Company and can generally be identified by the use of words or phrases such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “plan,” “foresee,” “project,” “believe,” “continue” or the negatives of these terms, variations on them and other similar expressions. These forward-looking statements involve known and unknown

risks, uncertainties and other factors which may cause actual results to be materially different from those expressed in or implied by such forward-looking statements. Forward-looking statements are based largely on the Company's expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control.

The factors that could cause actual results to materially differ include, among others: the impact of decreasing demand for printed materials and significant overcapacity in the highly competitive environment creates downward pricing pressures and potential underutilization of assets; the impact of digital media and similar technological changes, including digital substitution by consumers; the impact of fluctuations in costs (including labor and labor-related costs, energy costs, freight rates and raw materials) and the impact of fluctuations in the availability of raw materials; the failure to successfully identify, manage, complete and integrate acquisitions and other significant transactions, as well as the successful identification and execution of strategic divestitures; the inability of the Company to reduce costs and improve operating efficiency rapidly enough to meet market conditions; the impact of increased business complexity as a result of the Company's transformation to a marketing solutions partner; the failure of clients to perform under contracts or to renew contracts with clients on favorable terms or at all; the impact of changing future economic conditions; the fragility and decline in overall distribution channels, including newspaper distribution channels; the impact of changes in postal rates, service levels or regulations; the impact of the various restrictive covenants in the Company's debt facilities on the Company's ability to operate its business; the failure to attract and retain qualified talent across the enterprise; the impact of regulatory matters and legislative developments or changes in laws, including changes in cyber-security, privacy and environmental laws; significant capital expenditures may be needed to maintain the Company's platforms and processes and to remain technologically and economically competitive; the impact of risks associated with the operations outside of the United States, including costs incurred or reputational damage suffered due to improper conduct of its employees, contractors or agents; the impact of an other than temporary decline in operating results and enterprise value that could lead to non-cash impairment charges due to the impairment of property, plant and equipment and intangible assets; the impact on the holders of Quad's class A common stock of a limited active market for such shares and the inability to independently elect directors or control decisions due to the voting power of the class B common stock; and the other risk factors identified in the Company's most recent Annual Report on Form 10-K, which may be amended or supplemented by subsequent Quarterly Reports on Form 10-Q or other reports filed with the Securities and Exchange Commission.

Except to the extent required by the federal securities laws, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## **About Quad**

Quad (NYSE: QUAD) is a worldwide marketing solutions partner dedicated to creating a better way for its clients through a data-driven, integrated marketing platform that helps clients reduce complexity, increase efficiency and enhance marketing spend effectiveness. Quad provides its clients with unmatched scale for client onsite services and expanded subject expertise in marketing strategy, creative solutions, media deployment and marketing management services. With a client-centric approach that drives its expanded offering, combined with leading-edge technology and single-source simplicity, Quad has the resources and knowledge to help a wide variety of clients in multiple vertical industries, including retail, financial/insurance, consumer packaged goods and publishing. Quad has multiple locations throughout North America, South America and Europe, and strategic partnerships in Asia and other parts of the world. For additional information visit [www.QUAD.com](http://www.QUAD.com).

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