



FOR IMMEDIATE RELEASE

Quad Strengthens Global Offering with Acquisition of Leading Strategic and Creative Agency Apple Tree Group

Mexico-Based Agency Specializes in Innovative, Sustainable Point-of-Sale Solutions

SUSSEX, WI, February 10, 2020 — Quad/Graphics, Inc. (NYSE:QUAD) (“Quad”), has acquired Apple Tree Group (“Apple Tree”), a strategic and creative agency specializing in point-of-sale advertising innovation for some of the world’s best-known brands. The acquisition strengthens Quad’s one-of-a-kind integrated marketing solutions offering that helps brand owners and retailers reduce complexity, enhance process efficiencies and improve marketing spend effectiveness across all media channels.

Apple Tree, which is based in Mexico City near Quad’s established Mexico operations, serves clients around the world. The agency’s comprehensive portfolio of solutions, which range from marketing strategy and creative services to industrial design, visual communications and display solutions, complements Quad’s differentiated marketing platform that includes customer analytics, campaign strategies, media optimization and global production. Like Quad, Apple Tree is at the forefront of sustainability efforts and is committed to sustainable practices throughout its supply chain.

“Quad is pleased to welcome Apple Tree, which shares our passion for innovation and sustainability, and focus on providing clients with solutions that solve marketing challenges and motivate consumer purchases,” said Joel Quadracci, Chairman, President & CEO of Quad. “Apple Tree has been a trusted partner of ours for several years and, through this acquisition, we are able to further accelerate our transformation as a worldwide marketing solutions partner.”

“As part of Quad’s unique integrated marketing platform, we help clients eliminate the complexity and inefficiencies of managing multiple vendors, while increasing the effectiveness of their go-to-market efforts,” said Javier Manzano who founded Apple Tree in 1991 with his brother Jorge Manzano. “Our companies are well-matched, and we look forward to expanding our reach in Mexico and throughout the world, and improving our clients’ marketing experiences through innovative products and services.”

Apple Tree will become part of Quad’s in-store marketing group.

The acquisition was completed on January 22, 2020. The parties are not disclosing the terms of the acquisition.

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.

About Apple Tree Group

Apple Tree Group is a strategic and creative agency specializing in advertising innovation for point of sale to increase brand awareness and spur impulse buys using creative solutions that engage the senses. The company, headquartered in Mexico City, has performed work for renowned brands in a variety of verticals including food, beverage, apparel, health and beauty, and more. For additional information, including its commitment to sustainability, visit www.appletreegroup.net.

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