

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

Date of Report (Date of earliest event reported): January 24, 2024



(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

1-15399  
(Commission  
File Number)

36-4277050  
(IRS Employer  
Identification No.)

1 North Field Court, Lake Forest, Illinois 60045  
(Address of Principal Executive Offices, including Zip Code)

(847) 482-3000  
(Registrants' Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrants under any of the following provisions:

- 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))

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 Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	PKG	New York Stock Exchange

**Item 2.02. Results of Operations and Financial Condition.**

The information furnished in this Item 2.02, including the exhibit described below, shall not be deemed “filed” hereunder for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Exchange Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

On January 24, 2024, Packaging Corporation of America issued a press release announcing fourth quarter and full year financial results. The press release is furnished as Exhibit 99.1 and is incorporated into this Item 2.02 by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

99.1 [Fourth Quarter and Full Year 2023 Earnings Press Release dated January 24, 2024](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

PACKAGING CORPORATION OF AMERICA  
(Registrant)

By: /s/ PAMELA A. BARNES  
*Senior Vice President, Finance and Controller*

Date: January 24, 2024

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**PACKAGING CORPORATION OF AMERICA REPORTS FOURTH QUARTER AND FULL YEAR 2023 RESULTS**

**Lake Forest, IL, January 24, 2024** – Packaging Corporation of America (NYSE: PKG) today reported fourth quarter 2023 net income of \$189 million, or \$2.10 per share, and net income of \$192 million, or \$2.13 per share, excluding special items. Fourth quarter net sales were \$1.94 billion in 2023 and \$1.98 billion in 2022. Full year 2023 net income was \$765 million, or \$8.48 per share, and net income of \$784 million, or \$8.70 per share, excluding special items. Full year net sales were \$7.8 billion in 2023 and \$8.5 billion in 2022.

**Diluted earnings per share attributable to Packaging Corporation of America shareholders**

	Three Months Ended			Full Year Ended		
	December 31,			December 31,		
	2023	2022	Change	2023	2022	Change
Reported Diluted EPS	\$ 2.10	\$ 2.31	\$ (0.21)	\$ 8.48	\$ 11.03	\$ (2.54)
Special Items Expense <sup>(1)</sup>	0.03	0.04	(0.01)	0.21	0.11	0.10
Diluted EPS excluding Special Items <sup>(2)</sup>	<u>\$ 2.13</u>	<u>\$ 2.35</u>	<u>\$ (0.22)</u>	<u>\$ 8.70</u>	<u>\$ 11.14</u>	<u>\$ (2.44)</u>

<sup>(1)</sup> For descriptions and amounts of our special items, see the schedules with this release.

<sup>(2)</sup> Amounts may not foot or crossfoot due to rounding.

Reported earnings in the fourth quarter and full year 2023 include special items primarily for certain costs at the Jackson, AL mill for paper-to-containerboard conversion related activities and closure and other costs related to corrugated products facilities and design centers.

Excluding special items, the (\$0.22) per share decrease in fourth quarter 2023 earnings compared to the fourth quarter of 2022 was driven primarily by lower prices and mix (\$1.93) in the Packaging segment, lower prices and mix (\$0.04) and volume (\$0.03) in the Paper segment, and higher depreciation expense (\$0.10). These items were partially offset by higher volume in the Packaging segment \$1.07, lower operating and converting costs \$0.51, lower scheduled maintenance outage expenses \$0.19, lower freight and logistics expenses \$0.03, lower other expenses \$0.04, and a lower share count resulting from share repurchases \$0.04.

Results were \$0.37 above fourth quarter guidance of \$1.76 per share primarily due to higher volume in the Packaging segment, lower operating and converting costs, and lower freight and logistics expenses.

Financial information by segment is summarized below and in the schedules with this release.

(dollars in millions)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
<b>Segment income (loss)</b>				
Packaging	\$ 263.8	\$ 282.4	\$ 1,074.3	\$ 1,423.7
Paper	28.1	31.9	118.9	103.0
Corporate and Other	(30.4)	(26.2)	(118.1)	(106.0)
	<u>\$ 261.5</u>	<u>\$ 288.1</u>	<u>\$ 1,075.1</u>	<u>\$ 1,420.7</u>
<b>Segment income (loss) excluding special items</b>				
Packaging	\$ 265.0	\$ 284.4	\$ 1,088.7	\$ 1,428.7
Paper	30.7	34.4	130.0	111.8
Corporate and Other	(30.4)	(26.2)	(118.1)	(106.0)
	<u>\$ 265.3</u>	<u>\$ 292.6</u>	<u>\$ 1,100.6</u>	<u>\$ 1,434.5</u>
<b>EBITDA excluding special items</b>				
Packaging	\$ 384.7	\$ 392.2	\$ 1,555.7	\$ 1,848.6
Paper	35.2	39.4	150.6	132.4
Corporate and Other	(26.4)	(22.9)	(102.5)	(95.5)
	<u>\$ 393.5</u>	<u>\$ 408.7</u>	<u>\$ 1,603.8</u>	<u>\$ 1,885.5</u>

In the Packaging segment, shipments per day were up 5.1% and total corrugated products shipments, with one extra shipping day, were up 6.9% versus last year's fourth quarter. Shipments per day were up 5.2% versus the third quarter of 2023. Containerboard production was 1,213,000 tons, and containerboard inventory was up 15,000 tons from the fourth quarter of 2022 and up 32,000 tons compared to the third quarter of 2023. In the Paper segment, sales volume was down 4,000 tons compared to the fourth quarter of 2022 and down 8,000 tons from the third quarter of 2023.

Commenting on reported results, Mark W. Kowlzan, Chairman and CEO, said, "Throughout the quarter, demand in the Packaging segment was stronger than our expectations. In addition, the higher volume along with the operational benefits of our capital spending program and continued emphasis on cost management and process efficiencies across our manufacturing and converting facilities drove operating and converting costs lower as well. We had an excellent restart of our Wallula, WA mill and the No. 3 machine to meet the stronger demand and build some needed inventory during the quarter. We plan to restart the No. 2 machine at the Wallula mill in the first quarter to help manage our expectations in the first half of 2024 for continued strong demand, together with scheduled mill maintenance outages and the final phase of the containerboard conversion of the No. 3 machine at our Jackson, AL mill. The Paper segment had very good results with volume slightly higher than expected and costs managed extremely well."

"Looking ahead as we move from the fourth and into the first quarter," Mr. Kowlzan continued, "in our Packaging segment, we expect higher total corrugated products shipments from continued strong demand and two additional shipping days in the first quarter. Despite restarting the No. 2 machine at our Wallula Mill, containerboard volume will be lower due to downtime associated with the conversion of the No. 3 machine at our Jackson Mill and a scheduled maintenance outage at our Counce, TN mill. Prices and mix should be slightly higher with the implementation of our announced January price increases partially offset by a decrease in the published benchmark prices that occurred late in 2023, with export prices fairly flat. In our Paper segment, we expect an improved mix to move prices slightly higher with flat sales volume. Recycled fiber and energy prices will be higher, and above average, seasonally colder weather will negatively impact usages and yields for energy, wood and chemicals along with higher operating costs associated with the restart of full operations at the Wallula mill compared to fourth quarter operations. Labor and benefits costs will have seasonal timing-related increases that occur at the beginning of a new year related to annual wage and benefit increases, the restart of payroll taxes, and share-based compensation expenses. Scheduled outage expenses will be higher and will include the significant first quarter impact of the conversion outage at our Jackson Mill which is estimated to be (\$.16) per share. Considering these items, we expect first quarter earnings of \$1.54 per share."

We present various non-GAAP financial measures in this press release, including diluted EPS excluding special items, segment income excluding special items and EBITDA excluding special items. We provide information regarding our use of non-GAAP financial measures and reconciliations of historical non-GAAP financial measures presented in this press release to the most comparable measure reported in accordance with GAAP in the schedules to this press release. We present our earnings expectation for the upcoming quarter excluding special items as special items are difficult to predict and quantify and may reflect the effect of future events. We currently anticipate special items in the first quarter of 2024 to include charges, fees, and expenses for paper-to-containerboard conversion related activities at the Jackson, AL mill. We do not currently expect any additional significant special items during the first quarter; however, additional special items may arise due to first quarter events.

PCA is the third largest producer of containerboard products and a leading producer of uncoated freesheet paper in North America. PCA operates eight mills and 86 corrugated products plants and related facilities.

Some of the statements in this press release are forward-looking statements. Forward-looking statements include statements about our future earnings and financial condition, the impact of the COVID-19 pandemic on our business, expected benefits from acquisitions and restructuring activities, our industry and our business strategy. Statements that contain words such as "will", "should", "anticipate", "believe", "expect", "intend", "estimate", "hope" or similar expressions, are forward-looking statements. These forward-looking statements are based on the current expectations of PCA. Because forward-looking statements involve inherent risks and uncertainties, the plans, actions and actual results of PCA could differ materially. Among the factors that could cause plans, actions and results to differ materially from PCA's current expectations include the following: the impact of general economic conditions; conditions in the paper and packaging industries, including competition, product demand and product pricing; fluctuations in wood fiber and recycled fiber costs; fluctuations in purchased energy costs; the possibility of unplanned outages or interruptions at our principal facilities; and legislative or regulatory requirements, particularly concerning environmental matters, as well as those identified under Item 1A. Risk Factors in PCA's Annual Report on Form 10-K for the year ended December 31, 2022, and in subsequent quarterly reports on Form 10-Q, filed with the Securities and Exchange Commission and available at the SEC's website at "[www.sec.gov](http://www.sec.gov)".

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**CONTACT:**

Barbara Sessions  
Packaging Corporation of America  
INVESTOR RELATIONS: (877) 454-2509  
PCA's Website: [www.packagingcorp.com](http://www.packagingcorp.com)

**Conference Call Information:**

**WHAT:** Packaging Corporation of America's 4th Quarter and Full Year 2023 Earnings Conference Call  
Conference ID: Packaging Corporation of America

**WHEN:** Thursday, January 25, 2024 at 9:00am Eastern Time

**PRE-REGISTRATION:** <https://dpreregister.com/sreg/10184908/fb32b1ccf8>  
*OR*

**CALL-IN NUMBER:** (833) 816-1102 (U.S.); (866) 605-3852 (Canada) or (412) 317-0684 (International)  
Dial in by 8:45am Eastern Time

**WEBCAST INFO:** [www.packagingcorp.com](http://www.packagingcorp.com)

**REBROADCAST DATES:** January 25, 2024 through February 8, 2024

**REBROADCAST NUMBERS:** (877) 344-7529 (U.S.); (855) 669-9658 (Canada) or (412) 317-0088 (International)  
Passcode: 5364844

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**Packaging Corporation of America**  
**Consolidated Earnings Results**  
**Unaudited**

(dollars in millions, except per-share data)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Net sales	\$ 1,937.9	\$ 1,978.4	\$ 7,802.4	\$ 8,478.0
Cost of sales	(1,527.8) <sup>(1)</sup>	(1,528.1) <sup>(2)</sup>	(6,103.5) <sup>(1)</sup>	(6,387.4) <sup>(2)</sup>
Gross profit	410.1	450.3	1,698.9	2,090.6
Selling, general, and administrative expenses	(142.8)	(145.6)	(580.9) <sup>(1)</sup>	(608.6)
Other expense, net	(5.8) <sup>(1)</sup>	(16.6) <sup>(2)</sup>	(42.9) <sup>(1)</sup>	(61.3) <sup>(2)</sup>
Income from operations	261.5	288.1	1,075.1	1,420.7
Non-operating pension (expense) income	(1.9)	3.6	(7.7)	14.5
Interest expense, net	(11.1)	(15.1)	(53.3)	(70.4)
Income before taxes	248.5	276.6	1,014.1	1,364.8
Provision for income taxes	(59.3)	(64.9)	(248.9)	(335.0)
Net income	<u>\$ 189.2</u>	<u>\$ 211.7</u>	<u>\$ 765.2</u>	<u>\$ 1,029.8</u>

Earnings per share:

Basic	<u>\$ 2.11</u>	<u>\$ 2.32</u>	<u>\$ 8.52</u>	<u>\$ 11.08</u>
Diluted	<u>\$ 2.10</u>	<u>\$ 2.31</u>	<u>\$ 8.48</u>	<u>\$ 11.03</u>

Computation of diluted earnings per share under the two class method:

Net income	\$ 189.2	\$ 211.7	\$ 765.2	\$ 1,029.8
Less: Distributed and undistributed income available to participating securities	(1.4)	(1.6)	(6.2)	(7.9)
Net income attributable to PCA shareholders	<u>\$ 187.8</u>	<u>\$ 210.1</u>	<u>\$ 759.0</u>	<u>\$ 1,021.9</u>
Diluted weighted average shares outstanding	<u>89.3</u>	<u>90.9</u>	<u>89.5</u>	<u>92.7</u>
Diluted earnings per share	<u>\$ 2.10</u>	<u>\$ 2.31</u>	<u>\$ 8.48</u>	<u>\$ 11.03</u>

Supplemental financial information:

Capital spending	\$ 141.1	\$ 247.1	\$ 469.7	\$ 824.2
Cash, cash equivalents, and marketable debt securities	\$ 1,205.6	\$ 470.1	\$ 1,205.6	\$ 470.1

(1) The three and twelve months ended December 31, 2023 include the following:

- a. \$2.9 million and \$11.1 million, respectively, of charges related to the announced discontinuation of production of uncoated freesheet paper grades on the No. 3 machine at the Jackson, Alabama mill associated with the permanent conversion of the machine to produce linerboard and other paper-to-containerboard conversion related activities. The costs were recorded in "Cost of sales" and "Other expense, net", as appropriate.
- b. \$0.9 million and \$14.4 million, respectively, of charges related to the closure of corrugated products facilities and design centers. For the twelve months ended December 31, 2023, these costs were partially offset by a gain on sale of a corrugated products facility. These items were recorded in "Cost of sales", "Selling, general, and administrative expenses", and "Other expense, net", as appropriate.

- (2) The three and twelve months ended December 31, 2022 include the following:
- a. \$4.7 million and \$14.1 million, respectively, of charges related to the announced discontinuation of production of uncoated freesheet paper grades on the No. 3 machine at the Jackson, Alabama mill associated with the permanent conversion of the machine to produce linerboard and other paper-to-containerboard conversion related activities. The costs were recorded in "Cost of sales" and "Other expense, net", as appropriate.
  - b. \$1.2 million and \$0.7 million, respectively, of charges consisting of closure costs related to corrugated products facilities. For the twelve months ended December 31, 2022, these costs were partially offset by insurance proceeds received for a natural disaster at one of the corrugated products facilities, a gain on sale of assets related to a corrugated products facility, and a favorable lease buyout for a closed corrugated products facility. These items were recorded in "Cost of sales" and "Other expense, net", as appropriate.
  - c. \$1.4 million and \$1.0 million, respectively, of income from a favorable inventory adjustment related to the December 2021 Advance Packaging Corporation acquisition, partially offset by acquisition and integration related costs. These items were recorded in "Cost of sales" and "Other expense, net", as appropriate.
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**Packaging Corporation of America**  
**Segment Information**  
**Unaudited**  
(dollars in millions)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
<b>Segment sales</b>				
Packaging	\$ 1,776.9	\$ 1,809.1	\$ 7,135.6	\$ 7,780.7
Paper	143.8	153.5	595.4	622.1
Corporate and Other	17.2	15.8	71.4	75.2
	<u>\$ 1,937.9</u>	<u>\$ 1,978.4</u>	<u>\$ 7,802.4</u>	<u>\$ 8,478.0</u>
<b>Segment income (loss)</b>				
Packaging	\$ 263.8	\$ 282.4	\$ 1,074.3	\$ 1,423.7
Paper	28.1	31.9	118.9	103.0
Corporate and Other	(30.4)	(26.2)	(118.1)	(106.0)
Income from operations	<u>261.5</u>	<u>288.1</u>	<u>1,075.1</u>	<u>1,420.7</u>
Non-operating pension (expense) income	(1.9)	3.6	(7.7)	14.5
Interest expense, net	(11.1)	(15.1)	(53.3)	(70.4)
Income before taxes	<u>\$ 248.5</u>	<u>\$ 276.6</u>	<u>\$ 1,014.1</u>	<u>\$ 1,364.8</u>
<b>Segment income (loss) excluding special items <sup>(1)</sup></b>				
Packaging	\$ 265.0	\$ 284.4	\$ 1,088.7	\$ 1,428.7
Paper	30.7	34.4	130.0	111.8
Corporate and Other	(30.4)	(26.2)	(118.1)	(106.0)
	<u>\$ 265.3</u>	<u>\$ 292.6</u>	<u>\$ 1,100.6</u>	<u>\$ 1,434.5</u>
<b>EBITDA excluding special items <sup>(1)</sup></b>				
Packaging	\$ 384.7	\$ 392.2	\$ 1,555.7	\$ 1,848.6
Paper	35.2	39.4	150.6	132.4
Corporate and Other	(26.4)	(22.9)	(102.5)	(95.5)
	<u>\$ 393.5</u>	<u>\$ 408.7</u>	<u>\$ 1,603.8</u>	<u>\$ 1,885.5</u>

(1) Segment income (loss) excluding special items, earnings before non-operating pension (expense) income, interest, income taxes, and depreciation, amortization, and depletion (EBITDA), and EBITDA excluding special items are non-GAAP financial measures. Management excludes special items as it believes these items are not necessarily reflective of the ongoing results of operations of our business. We present these measures because they provide a means to evaluate the performance of our segments and our company on an ongoing basis using the same measures that are used by our management, because these measures assist in providing a meaningful comparison between periods presented and because these measures are frequently used by investors and other interested parties in the evaluation of companies and the performance of their segments. The tables included in "Reconciliation of Non-GAAP Financial Measures" on the following pages reconcile the non-GAAP measures with the most directly comparable GAAP measures. Any analysis of non-GAAP financial measures should be done only in conjunction with results presented in accordance with GAAP. The non-GAAP measures are not intended to be substitutes for GAAP financial measures and should not be used as such.

**Packaging Corporation of America**  
**Reconciliation of Non-GAAP Financial Measures**

**Unaudited**  
(dollars in millions)

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
<b>Packaging</b>				
Segment income	\$ 263.8	\$ 282.4	\$ 1,074.3	\$ 1,423.7
Facilities closure and other costs	0.9	1.2	14.4	0.7
Jackson mill conversion-related activities	0.3	2.2	—	5.3
Acquisition and integration-related activities	—	(1.4)	—	(1.0)
Segment income excluding special items <sup>(1)</sup>	<u>\$ 265.0</u>	<u>\$ 284.4</u>	<u>\$ 1,088.7</u>	<u>\$ 1,428.7</u>
<b>Paper</b>				
Segment income	\$ 28.1	\$ 31.9	\$ 118.9	\$ 103.0
Jackson mill conversion-related activities	2.6	2.5	11.1	8.8
Segment income excluding special items <sup>(1)</sup>	<u>\$ 30.7</u>	<u>\$ 34.4</u>	<u>\$ 130.0</u>	<u>\$ 111.8</u>
<b>Corporate and Other</b>				
Segment loss	\$ (30.4)	\$ (26.2)	\$ (118.1)	\$ (106.0)
Segment loss excluding special items <sup>(1)</sup>	<u>\$ (30.4)</u>	<u>\$ (26.2)</u>	<u>\$ (118.1)</u>	<u>\$ (106.0)</u>
<b>Income from operations</b>	<u>\$ 261.5</u>	<u>\$ 288.1</u>	<u>\$ 1,075.1</u>	<u>\$ 1,420.7</u>
<b>Income from operations, excluding special items <sup>(1)</sup></b>	<u>\$ 265.3</u>	<u>\$ 292.6</u>	<u>\$ 1,100.6</u>	<u>\$ 1,434.5</u>

(1) See footnote (1) on page 3, for a discussion of non-GAAP financial measures.

**Packaging Corporation of America**  
**Reconciliation of Non-GAAP Financial Measures**  
**Unaudited**  
(dollars in millions)

**Net Income and EPS Excluding Special Items <sup>(1)</sup>**

	Three Months Ended December 31,							
	2023				2022			
	Income before Taxes	Income Taxes	Net Income	Diluted EPS	Income before Taxes	Income Taxes	Net Income	Diluted EPS
As reported	\$ 248.5	\$ (59.3)	\$ 189.2	\$ 2.10	\$ 276.6	\$ (64.9)	\$ 211.7	\$ 2.31
Special items <sup>(2)</sup> :								
Jackson mill conversion-related activities	2.9	(0.7)	2.2	0.02	4.7	(1.1)	3.6	0.04
Facilities closure and other costs	0.9	(0.2)	0.7	0.01	1.2	(0.3)	0.9	0.01
Acquisition and integration-related activities	—	—	—	—	(1.4)	0.3	(1.1)	(0.01)
Total special items	3.8	(0.9)	2.9	0.03	4.5	(1.1)	3.4	0.04
Excluding special items	<u>\$ 252.3</u>	<u>\$ (60.2)</u>	<u>\$ 192.1</u>	<u>\$ 2.13</u>	<u>\$ 281.1</u>	<u>\$ (66.0)</u>	<u>\$ 215.1</u>	<u>\$ 2.35</u>

	Full Year Ended December 31,							
	2023				2022			
	Income before Taxes	Income Taxes	Net Income	Diluted EPS	Income before Taxes	Income Taxes	Net Income	Diluted EPS
As reported	\$ 1,014.1	\$ (248.9)	\$ 765.2	\$ 8.48	\$ 1,364.8	\$ (335.0)	\$ 1,029.8	\$ 11.03
Special items <sup>(2)</sup> :								
Facilities closure and other costs	14.4	(3.6)	10.8	0.12	0.7	(0.2)	0.5	0.01
Jackson mill conversion-related activities	11.1	(2.7)	8.4	0.09	14.1	(3.5)	10.6	0.11
Acquisition and integration-related activities	—	—	—	—	(1.0)	0.3	(0.7)	(0.01)
Total special items	25.5	(6.3)	19.2	0.21	13.8	(3.4)	10.4	0.11
Excluding special items	<u>\$ 1,039.6</u>	<u>\$ (255.2)</u>	<u>\$ 784.4</u>	<u>\$ 8.70 (3)</u>	<u>\$ 1,378.6</u>	<u>\$ (338.4)</u>	<u>\$ 1,040.2</u>	<u>\$ 11.14</u>

- (1) Net income and earnings per share excluding special items are non-GAAP financial measures. Management excludes special items as it believes these items are not necessarily reflective of the ongoing results of operations of our business. We present these measures because they provide a means to evaluate the performance of our company on an ongoing basis using the same measures that are used by our management, because these measures assist in providing a meaningful comparison between periods presented and because these measures are frequently used by investors and other interested parties in the evaluation of companies and their performance. Any analysis of non-GAAP financial measures should be done only in conjunction with results presented in accordance with GAAP. The non-GAAP measures are not intended to be substitutes for GAAP financial measures and should not be used as such.
- (2) Pre-tax special items are tax-effected at a combined federal and state income tax rate in effect for the period the special items were recorded and this rate is adjusted for each subsequent quarter to be consistent with the estimated annual effective tax rate, in accordance with ASC 270, *Interim Reporting*, and ASC 740-270, *Income Taxes – Intra Period Tax Allocation*. For all periods presented, income taxes on pre-tax special items represent the current amount of tax. For more information related to these items, see the footnotes to the Consolidated Earnings Results on page 1.
- (3) Amount may not foot due to rounding.

**Packaging Corporation of America**  
**Reconciliation of Non-GAAP Financial Measures**  
**Unaudited**  
(dollars in millions)

***EBITDA and EBITDA Excluding Special Items*** <sup>(1)</sup>

EBITDA represents income before non-operating pension expense (income), interest, income taxes, and depreciation, amortization, and depletion. The following table reconciles net income to EBITDA and EBITDA excluding special items:

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Net income	\$ 189.2	\$ 211.7	\$ 765.2	\$ 1,029.8
Non-operating pension expense (income)	1.9	(3.6)	7.7	(14.5)
Interest expense, net	11.1	15.1	53.3	70.4
Provision for income taxes	59.3	64.9	248.9	335.0
Depreciation, amortization, and depletion	130.8	118.8	517.7	456.8
<b>EBITDA</b> <sup>(1)</sup>	<b>\$ 392.3</b>	<b>\$ 406.9</b>	<b>\$ 1,592.8</b>	<b>\$ 1,877.5</b>
Special items:				
Facilities closure and other costs	0.9	1.0	8.9	0.4
Jackson mill conversion-related activities	0.3	2.2	2.1	8.6
Acquisition and integration-related activities	—	(1.4)	—	(1.0)
<b>EBITDA excluding special items</b> <sup>(1)</sup>	<b>\$ 393.5</b>	<b>\$ 408.7</b>	<b>\$ 1,603.8</b>	<b>\$ 1,885.5</b>

(1) See footnote (1) on page 3, for a discussion of non-GAAP financial measures.

**Packaging Corporation of America**  
**Reconciliation of Non-GAAP Financial Measures**  
**Unaudited**  
(dollars in millions)

The following table reconciles segment income (loss) to EBITDA excluding special items:

	Three Months Ended		Full Year Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
<b>Packaging</b>				
Segment income	\$ 263.8	\$ 282.4	\$ 1,074.3	\$ 1,423.7
Depreciation, amortization, and depletion	119.7	108.0	472.5	420.2
EBITDA <sup>(1)</sup>	383.5	390.4	1,546.8	1,843.9
Facilities closure and other costs	0.9	1.0	8.9	0.4
Jackson mill conversion-related activities	0.3	2.2	—	5.3
Acquisition and integration-related activities	—	(1.4)	—	(1.0)
EBITDA excluding special items <sup>(1)</sup>	<u>\$ 384.7</u>	<u>\$ 392.2</u>	<u>\$ 1,555.7</u>	<u>\$ 1,848.6</u>
<b>Paper</b>				
Segment income	\$ 28.1	\$ 31.9	\$ 118.9	\$ 103.0
Depreciation, amortization, and depletion	7.1	7.5	29.6	26.1
EBITDA <sup>(1)</sup>	35.2	39.4	148.5	129.1
Jackson mill conversion-related activities	—	—	2.1	3.3
EBITDA excluding special items <sup>(1)</sup>	<u>\$ 35.2</u>	<u>\$ 39.4</u>	<u>\$ 150.6</u>	<u>\$ 132.4</u>
<b>Corporate and Other</b>				
Segment loss	\$ (30.4)	\$ (26.2)	\$ (118.1)	\$ (106.0)
Depreciation, amortization, and depletion	4.0	3.3	15.6	10.5
EBITDA <sup>(1)</sup>	(26.4)	(22.9)	(102.5)	(95.5)
EBITDA excluding special items <sup>(1)</sup>	<u>\$ (26.4)</u>	<u>\$ (22.9)</u>	<u>\$ (102.5)</u>	<u>\$ (95.5)</u>
<b>EBITDA excluding special items <sup>(1)</sup></b>	<u>\$ 393.5</u>	<u>\$ 408.7</u>	<u>\$ 1,603.8</u>	<u>\$ 1,885.5</u>

(1) See footnote (1) on page 3, for a discussion of non-GAAP financial measures.

