

Packaging Corporation of America

Bank of America Global Agriculture & Materials Conference

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Certain statements in this presentation are forward-looking statements. Forward-looking statements include statements about our future financial condition, our industry and our business strategy. Statements that contain words such as “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 are those identified under the caption “Risk Factors” in PCA’s Annual Report on Form 10-K for the year ended December 31, 2024, 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”.

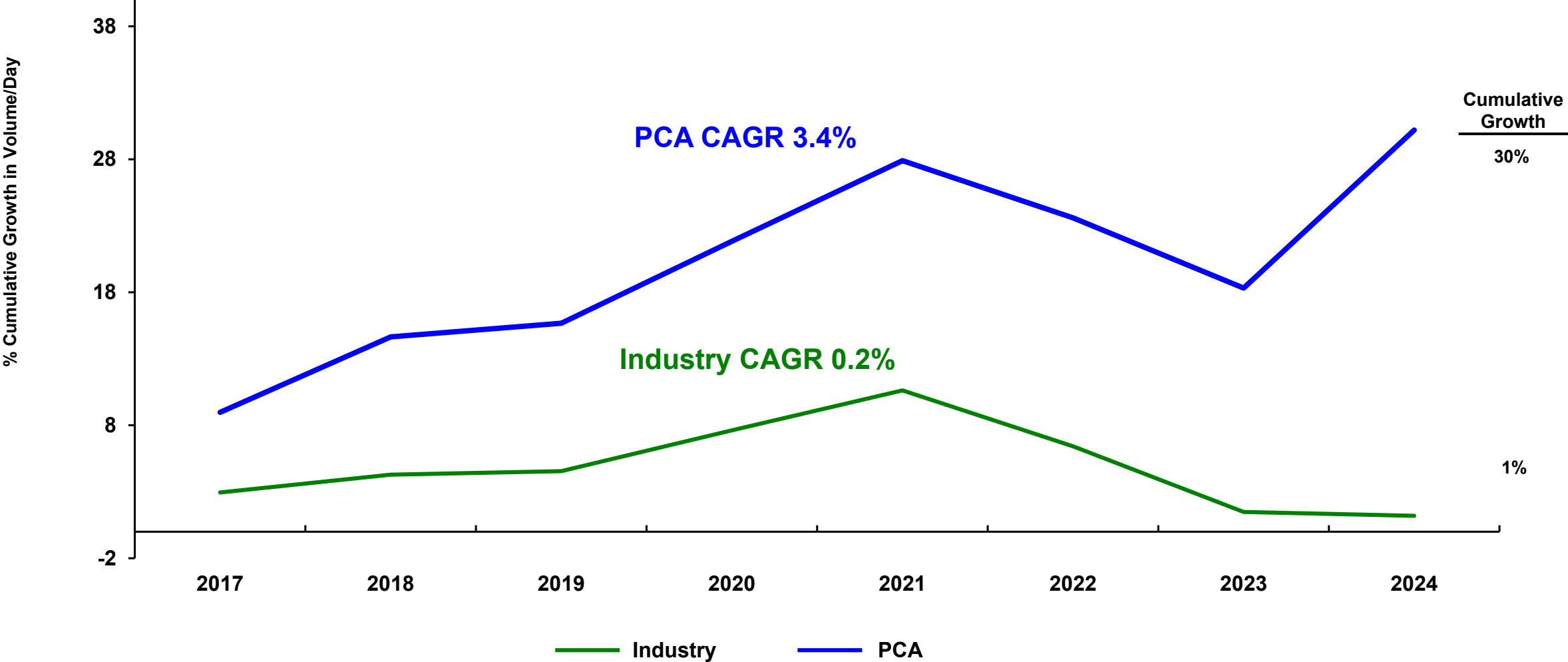
Non-GAAP financial measures are reconciled to the most comparable GAAP measure in the Appendix.

Positioned to Continue Industry-Leading Performance in 2025 and Beyond



- **Strong Packaging segment market conditions in 2024 expected to continue in 2025**
- **1Q25 corrugated products volume expected to set first quarter record**
- **Higher prices in Packaging segment from 1Q25 price increases**
- **Optimized Paper business delivered 25% EBITDA margins the last two years**
- **Strong balance sheet provides financial flexibility for opportunistic capital allocation and enhanced shareholder returns**
- **Jackson Mill conversion to containerboard provides value-creating solutions for Packaging and Paper segment demand, and much needed strategic runway for integrated box business**
- **Continued value creation from robust strategic, cost reduction, and process improvement capital spending programs in corrugated plants and containerboard mills; over last five years, ROIC averaged 16.2% generating \$2.1 billion of value creation**
- **Inflation continues to negatively impact margins in 2025**

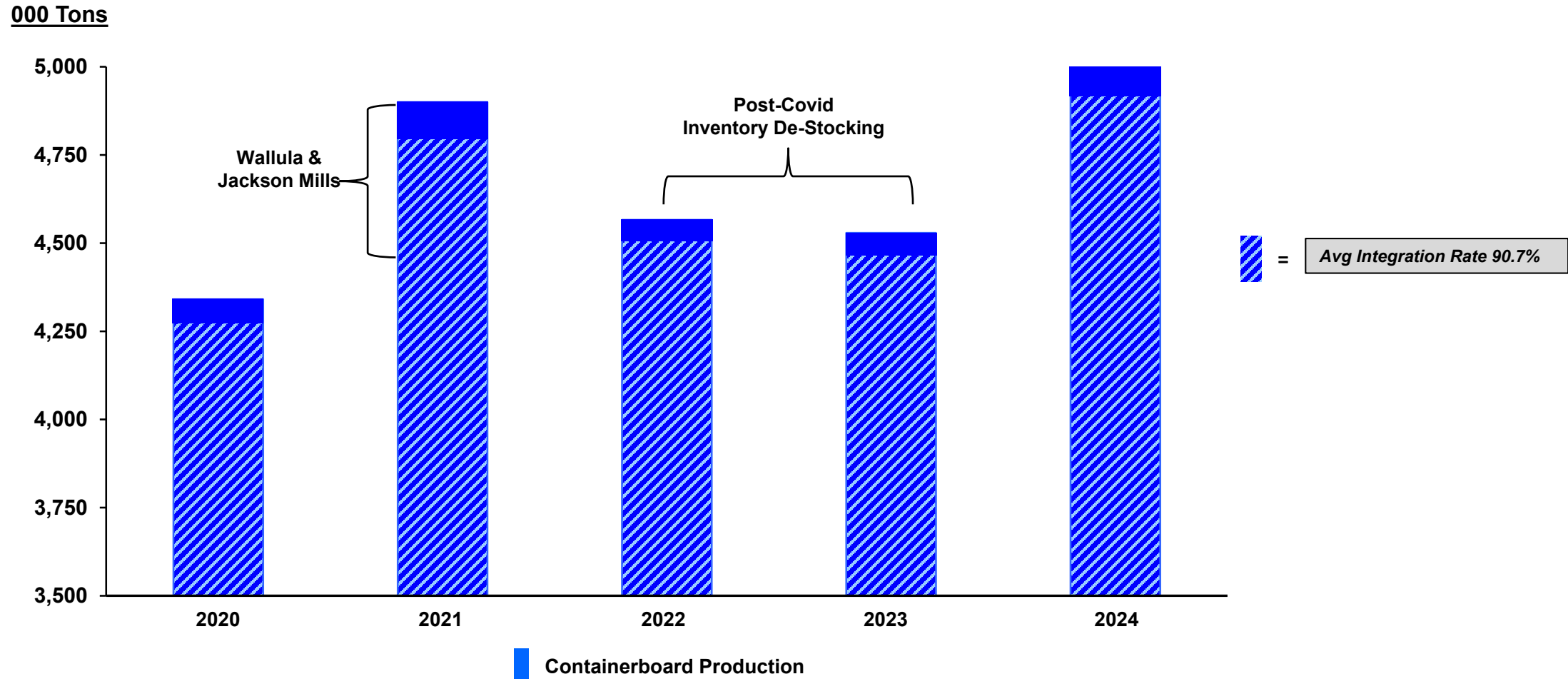
Corrugated Products Volume Growth - Outperformance vs. the Industry Continues



... and Growing Integrated Containerboard Supply Supports Industry-Leading Margins



22.2% Avg EBITDA Margin Over This Period⁽¹⁾



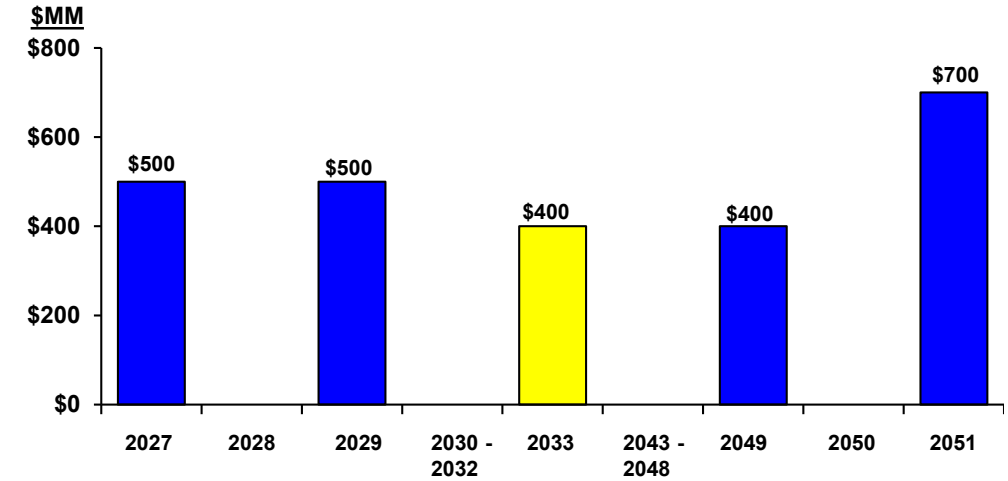
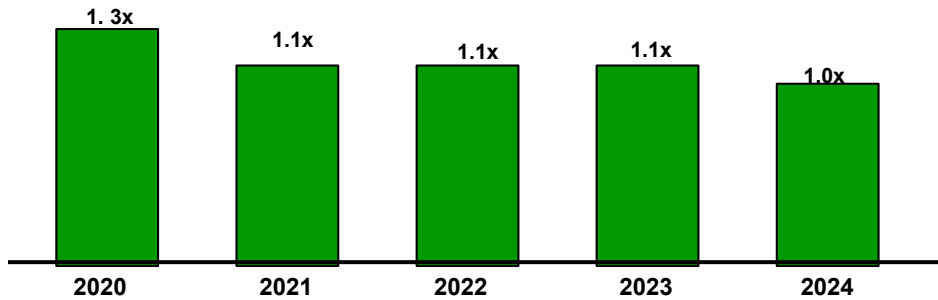
(1) See Appendix A for calculation of EBITDA and EBITDA margins

Strong Balance Sheet Provides for Continued Financial Flexibility



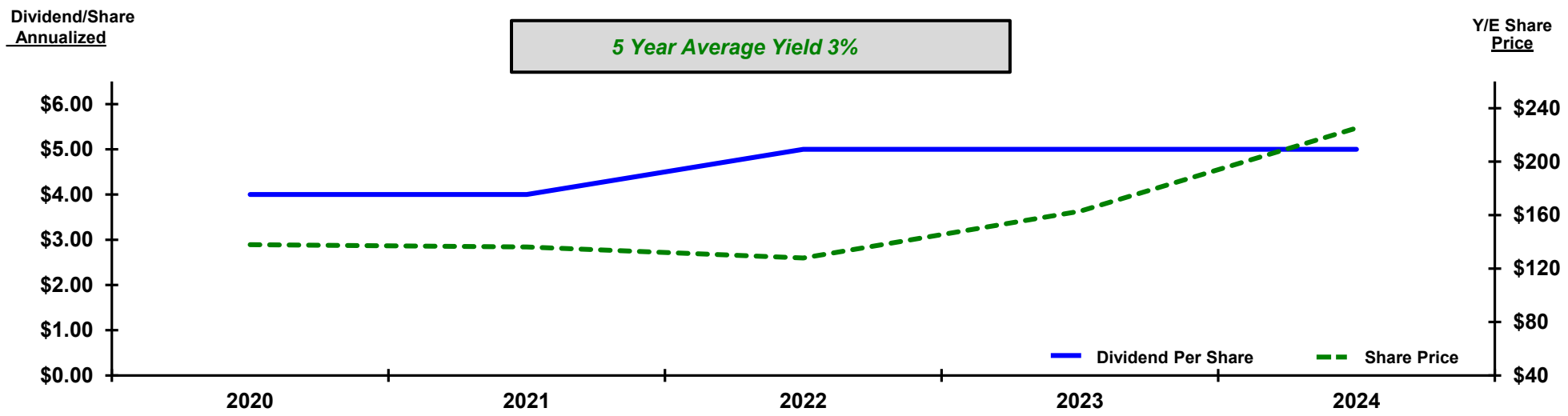
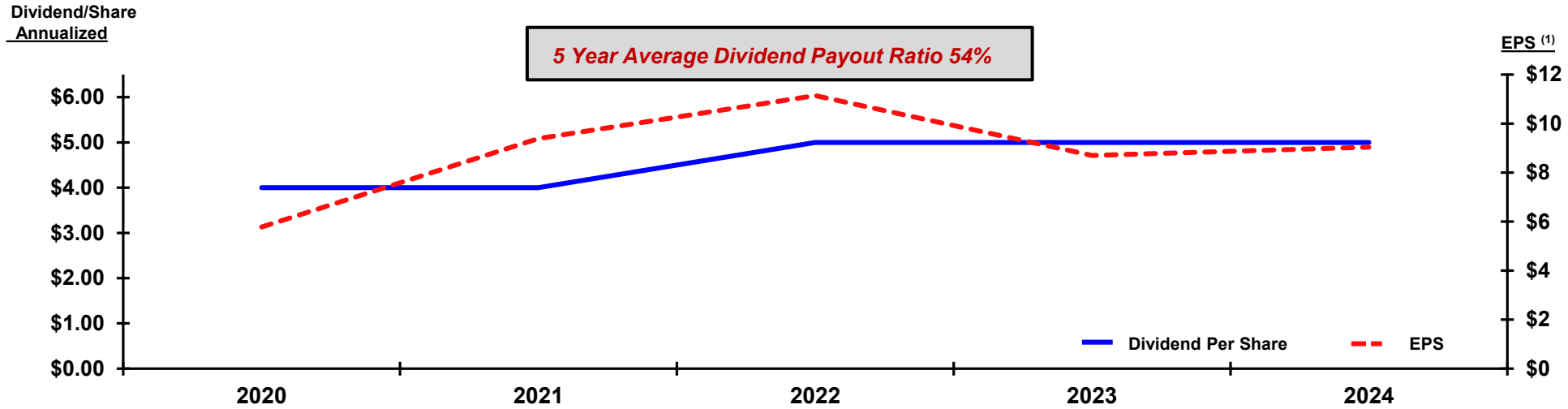
*Lowest Leverage Among Industry Peers
Average Interest Coverage 17x*

Overall Long-term Debt Maturity 14.5 Years ⁽¹⁾



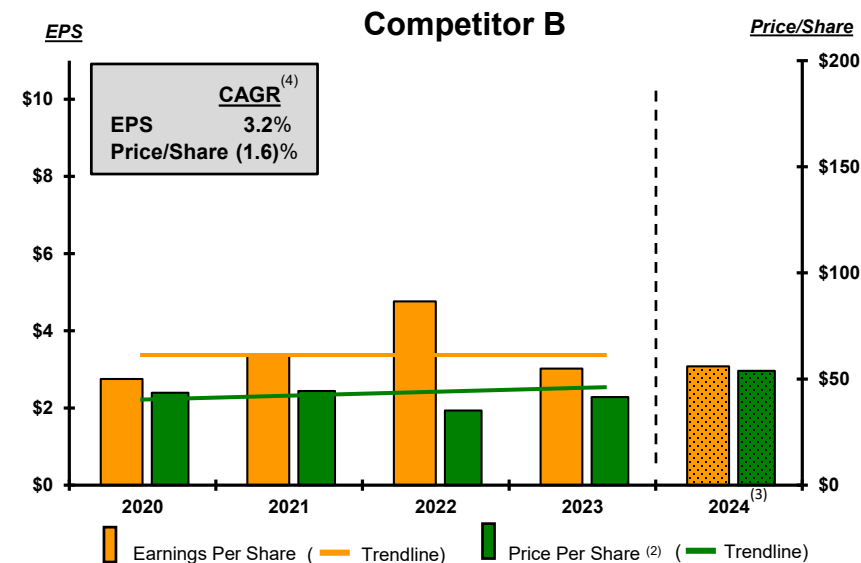
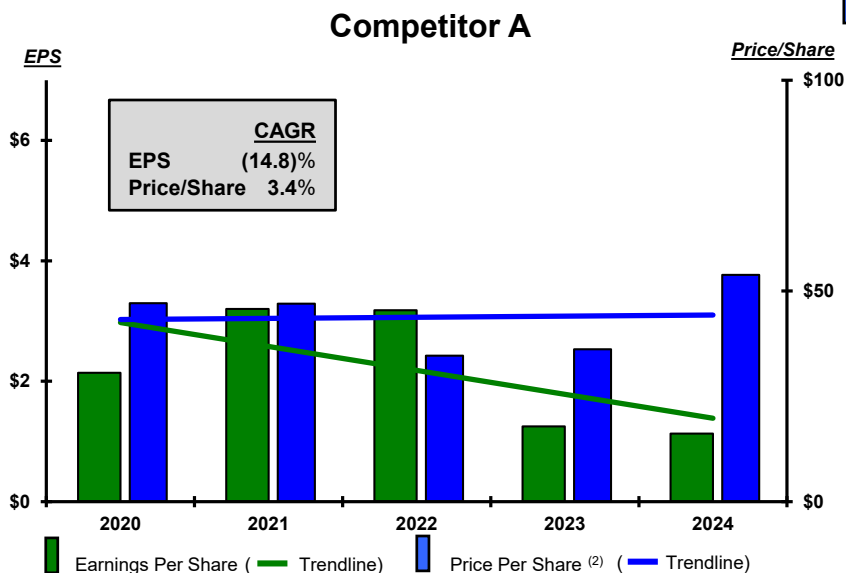
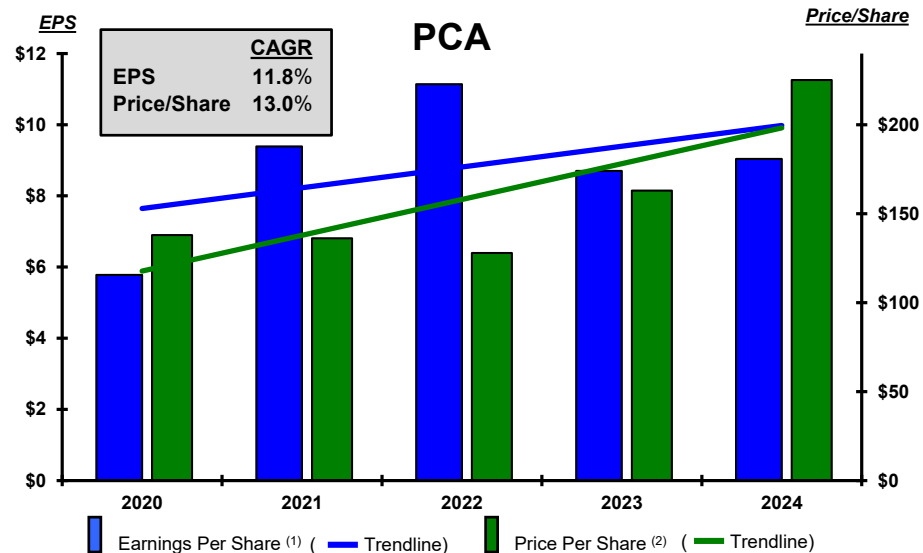
(1) As of 12/31/2024

Meaningful and Sustainable Approach to Dividends



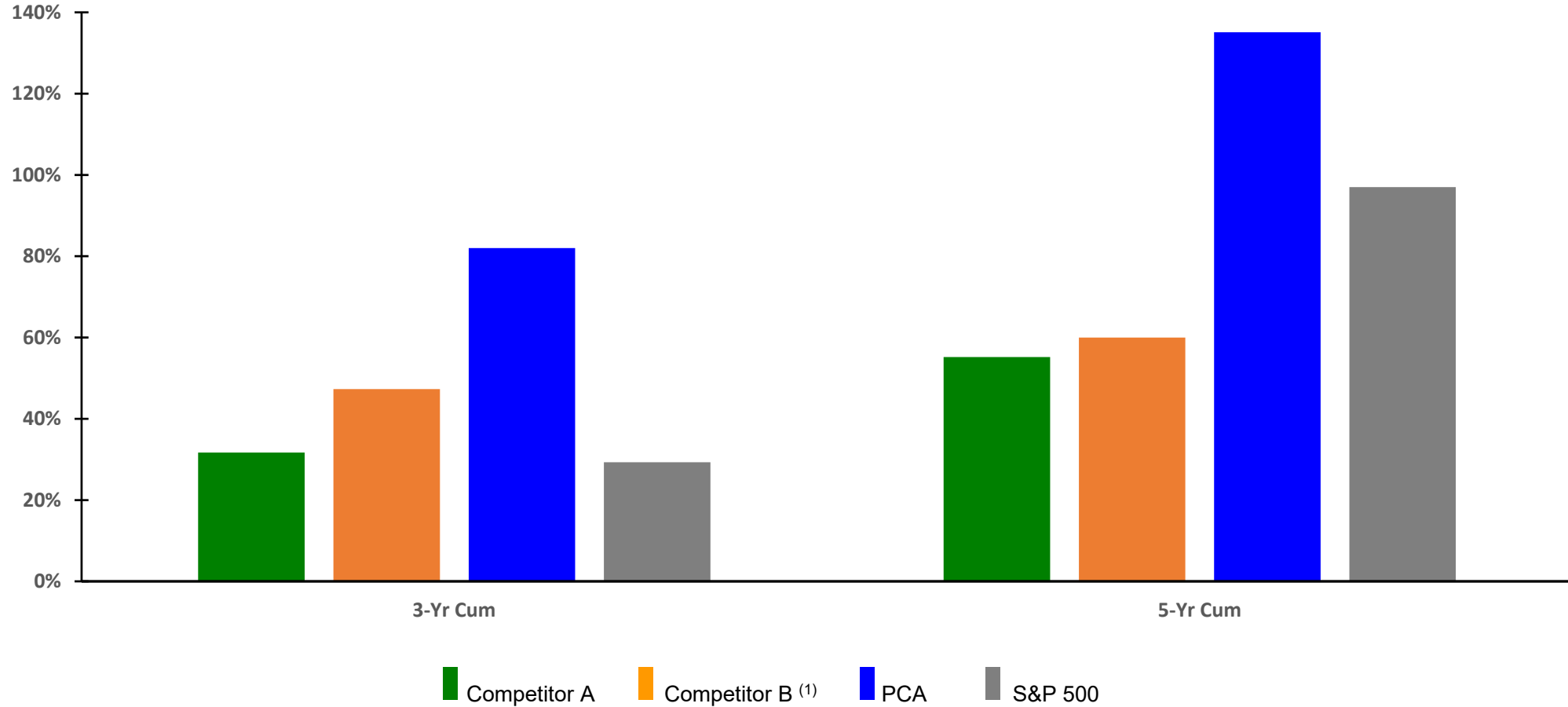
(1) See Appendix C for reconciliation of reported EPS to recurring EPS.

Share Price Growth and EPS vs. Key Competitors



(1) See Appendix C for reconciliation of PCA reported EPS & recurring EPS
 (2) As of December 31
 (3) Post merger; adjusted diluted EPS estimated
 (4) Competitor B pre-merger CAGR for years 2020 – 2023

Impressive Total Return Track Record vs. Competitors and S&P 500



(1) Estimated combined total return of pre- and post-merger company

PCA

The logo consists of the letters 'PCA' in a bold, blue, sans-serif font. The letter 'A' is stylized with several parallel white diagonal lines extending from its upper right corner, suggesting speed or motion.

Appendix A



	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Packaging segment income	\$ 950.3	\$1,045.4	\$ 963.4	\$ 829.5	\$ 1,306.0	\$ 1,423.7	\$ 1,074.3	\$ 1,101.5
Depreciation, amortization and depletion	317.5	342.0	342.8	365.2	381.0	420.2	472.5	490.1
EBITDA	1,267.8	1,387.4	1,306.2	1,194.7	1,687.0	1,843.9	1,546.8	1,591.6
Special items ⁽¹⁾ :								
- Acquisition-related, facilities closure and other costs (income)	-	-	0.3	18.2	(3.1)	(0.6)	8.9	1.9
- Jackson mill conversion-related activities	(5.5)	1.8	-	-	4.3	5.3	-	4.0
- Hurricane Laura impact	-	-	-	10.0	-	-	-	-
- Incremental costs for Covid-19	-	-	-	6.3	-	-	-	-
- DeRidder mill fixed asset disposals	-	-	3.0	-	-	-	-	-
- Wallula mill restructuring	-	11.3	0.5	-	-	-	-	-
- Insurance deductible for property damage	-	0.5	-	-	-	-	-	-
- Expiration of timberland repurchase option	(2.0)	-	-	-	-	-	-	-
- DeRidder mill incident	5.0	-	-	-	-	-	-	-
- Hexacomb working capital adjustment	(1.6)	-	-	-	-	-	-	-
EBITDA excluding special items	\$ 1,263.7	\$1,401.0	\$ 1,310.0	\$ 1,229.2	\$ 1,688.2	\$ 1,848.6	\$ 1,555.7	\$1,597.5
Packaging net sales	\$ 5,312.3	\$ 5,938.5	\$ 5,932.2	\$ 5,919.5	\$ 7,052.6	\$ 7,780.7	\$ 7,135.6	\$7,690.9
EBITDA margin	23.8%	23.6%	22.1%	20.8%	23.9%	23.8%	21.8%	20.8%
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Cash flow from operations	\$ 856	\$ 1,180	\$ 1,207	\$ 1,033	\$ 1,094	\$ 1,495	\$ 1,315	\$ 1,191
Less: additions to PP&E	(343)	(551)	(399)	(421)	(605)	(824)	(470)	(669)
Free cash flow	\$ 513	\$ 629	\$ 808	\$ 612	\$ 489	\$ 671	\$ 845	\$ 522

(1) For descriptions of special items, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations" in Part II, Item 7 of our 2017 - 2023 Annual Reports on Form 10-K

Appendix B



Return on invested capital (ROIC) is calculated as follows:

	2017	2018	2019	2020	2021	2022	2023	2024
Income from operations	\$ 932	\$ 1,068	\$ 1,054	\$ 724	\$ 1,241	\$ 1,421	\$ 1,075	\$ 1,101
Special items and adjustments:								
- Facilities closure costs (income)	(6)	2	-	28	(3)	1	14	3
- Jackson mill conversion	-	-	-	-	14	14	11	10
- Incremental costs for COVID-19	-	-	-	7	-	-	-	-
- Goodwill impairment	-	-	-	55	-	-	-	-
- Hurricane Laura impact	-	-	-	10	-	-	-	-
- DeRidder mill fixed asset disposals	-	-	3	-	-	-	-	-
- Wallula mill restructuring	33	30	1	-	-	-	-	-
- Insurance deductible for property damage	-	1	-	-	-	-	-	-
- Acquisition and integration related costs	2	-	-	-	-	(1)	-	-
- DeRidder mill incident	5	-	-	-	-	-	-	-
- Hexacomb working capital adjustment	(2)	-	-	-	-	-	-	-
- Expiration of timberland repurchase option	(2)	-	-	-	-	-	-	-
- Ceased production of market pulp at Wallula	-	-	-	-	-	-	-	-
Adjusted income from operations	\$962	\$ 1,101	\$ 1,058	\$ 824	\$ 1,252	\$ 1,435	\$ 1,101	\$ 1,114
Provision for income taxes	(326)	(266)	(258)	(206)	(303)	(352)	(270)	(271)
NOPAT	\$ 636	\$ 835	\$ 800	\$ 618	\$ 949	\$ 1,083	\$ 830	\$ 842

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Stockholders' Equity	\$ 1,760	\$ 2,183	\$ 2,672	\$ 3,071	\$ 3,246	\$ 3,607	\$ 3,667	\$ 3,997	\$ 4,404
Current maturities of long-term debt and finance lease obligations	27	151	1	2	2	2	2	402	2
Finance lease obligations (non-current)	20	19	18	16	14	13	11	9	7
Long-term debt	2,620	2,480	2,484	2,477	2,479	2,472	2,474	2,472	2,474
Cash and cash equivalents	(239)	(217)	(362)	(680)	(975)	(619)	(320)	(648)	(685)
Marketable debt securities	-	-	-	(148)	(148)	(146)	(150)	(558)	(167)
Invested capital	\$ 4,188	\$ 4,616	\$ 4,813	\$ 4,738	\$ 4,618	\$ 5,329	\$ 5,683	\$ 5,674	\$ 6,035
Average invested capital	\$ 4,402	\$ 4,715	\$ 4,776	\$ 4,678	\$ 4,974	\$ 5,506	\$ 5,679	\$ 5,955	\$ 5,955
ROIC (NOPAT/average invested capital)	14.5%	17.7%	16.7%	13.2%	19.1%	19.7%	14.6%	14.4%	14.4%

Appendix C



	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025E</u> ⁽¹⁾
Reported earnings per diluted share	\$ 7.07	\$ 7.80	\$ 7.34	\$ 4.84	\$ 8.83	\$ 11.03	\$ 8.48	\$ 8.93	\$ 10.70
Special items ⁽²⁾									
- Jackson mill conversion-related activities	-	-	-	-	0.11	0.11	0.09	0.08	-
- Facilities closure and other costs	(0.04)	0.01	-	0.23	(0.03)	0.01	0.12	0.03	-
- Acquisition and integration related costs	0.01	-	-	-	0.01	(0.01)	-	-	-
- Debt refinancing	0.01	-	0.28	-	0.47	-	-	-	-
- Goodwill impairment	-	-	-	0.58	-	-	-	-	-
- Hurricane Laura impact	-	-	-	0.08	-	-	-	-	-
- Incremental costs for Covid-19	-	-	-	0.05	-	-	-	-	-
- Tax reform	(1.29)	(0.02)	-	-	-	-	-	-	-
- Wallula mill restructuring	0.21	0.24	0.01	-	-	-	-	-	-
- DeRidder mill fixed asset disposals	-	-	0.02	-	-	-	-	-	-
- Internal legal entity consolidation	0.04	-	-	-	-	-	-	-	-
- DeRidder mill incident	0.03	-	-	-	-	-	-	-	-
- Expiration of timberland repurchase option	(0.01)	-	-	-	-	-	-	-	-
- Hexacomb working capital adjustment	(0.01)	-	-	-	-	-	-	-	-
Total special items (income) expense	<u>(1.05)</u>	<u>0.23</u>	<u>0.31</u>	<u>0.94</u>	<u>0.56</u>	<u>0.11</u>	<u>0.21</u>	<u>0.11</u>	<u>0.00</u>
Earnings per diluted share, excl. special items ⁽³⁾	<u><u>\$ 6.02</u></u>	<u><u>\$ 8.03</u></u>	<u><u>\$ 7.65</u></u>	<u><u>\$ 5.78</u></u>	<u><u>\$ 9.39</u></u>	<u><u>\$ 11.14</u></u>	<u><u>\$ 8.70</u></u>	<u><u>\$ 9.04</u></u>	<u><u>\$ 10.70</u></u>

(1) 2025 Consensus

(2) For descriptions of special items, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations" in Part II, Item 7 of our 2014-2024, Annual Reports on Form 10-K

(3) May not foot due to rounding