Second Quarter 2019 Financial Results

August 6, 2019

Tom Morabito

Director of Investor Relations

Safe Harbor Provision

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Factors that could cause actual results to differ materially from current expectations include risks and other factors described under "Risk Factors" in our Annual Report on Form 10-K and elsewhere in the Company's publicly available reports filed with the Securities and Exchange Commission ("SEC"), which contain a discussion of various factors that may affect the Company's business or financial results. Such risks and other factors, which in some instances are beyond the Company's control, include: the industry-wide decline in demand for paper and related products; increased competition from existing and non-traditional sources; adverse developments in general business and economic conditions as well as conditions in the global capital and credit markets impacting our Company and our customers; foreign currency fluctuations; our ability to attract, train and retain highly qualified employees; the effects of work stoppages, union negotiations and labor disputes; the loss of any of our significant customers; changes in business conditions in our international operations; procurement and other risks in obtaining packaging, paper and facility products from our suppliers for resale to our customers; changes in prices for raw materials; increases in the cost of fuel and third-party freight and the availability of third-party freight providers; changes in trade policies and regulations; inclement weather, anti-terrorism measures and other disruptions to the transportation network; our dependence on a variety of IT and telecommunications systems and the Internet; our reliance on third-party vendors for various services; cyber-security risks; costs to comply with laws, rules and regulations, including environmental, health and safety laws, and to satisfy any liability or obligation imposed under such laws; regulatory changes and judicial rulings impacting our business; adverse results from litigation, governmental investigations or audits, or tax-related proceedings or audits; our inability to renew existing leases on acceptable terms, negotiate rent decreases or concessions and identify affordable real estate; our ability to adequately protect our material intellectual property and other proprietary rights, or to defend successfully against intellectual property infringement claims by third parties; our pension and health care costs and participation in multi-employer pension, health and welfare plans; increasing interest rates; our ability to generate sufficient cash to service our debt; our ability to comply with the covenants contained in our debt agreements; our ability to refinance or restructure our debt on reasonable terms and conditions as might be necessary from time to time; changes in accounting standards and methodologies; our ability to realize the full benefit of the anticipated synergies, cost savings and growth opportunities from the merger transaction and our ability to integrate the xpedx business with the Unisource business; the possibility of incurring expenditures in excess of those currently budgeted in connection with the integration; and other events of which we are presently unaware or that we currently deem immaterial that may result in unexpected adverse operating results. The Company is not responsible for updating the information contained in this presentation beyond the published date, or for changes made to this document by wire services or Internet service providers. This presentation is being furnished to the SEC through a Form 8-K. The Company's Quarterly Report on Form 10-Q for the three and six months ended June 30, 2019 to be filed with the SEC may contain updates to the information included in this presentation.

We reference non-GAAP financial measures in this presentation. Please see the appendix for reconciliations of non-GAAP measures to the most comparable U.S. GAAP measures.

Mary Laschinger

Chairman & CEO

Financial Results (Unaudited)

	2Q19 Actual	YOY% Change
Net Sales	$2.0B	(9.8)%
Net Loss	$(11.3)M	(6.6)%
Adjusted EBITDA[1]	$43.3M	(4.6)%
Free Cash Flow[2]	$131.0M	636%

1. Please see the appendix for reconciliations of non-GAAP measures to the most comparable U.S. GAAP measures.
2. Cash flow from operations less capital expenditures.

2Q19 Highlights and 2019 Outlook

2Q19 Highlights:

Packaging:

- Flat core[1] 2Q19 revenues; Adjusted EBITDA positively impacted by improved margins and lower delivery costs in the U.S., partially offset by increased storage costs

Facility Solutions:

- Core revenue decline in 2Q19; Adjusted EBITDA positively impacted by improved margins as well as lower operating and selling expenses

Print:

- Core revenue decline in 2Q19; Adjusted EBITDA negatively impacted by the revenue decline and margin pressure, partially offset by lower expenses

Publishing:

- Core revenue decline in 2Q19; Adjusted EBITDA positively impacted by improved margins from the stabilization of prices and effective cost management

2019 Outlook:

- Adjusted EBITDA expected to be $165 to $180 million
- Free Cash Flow expected to be at least $85 million
- Total Capital Expenditures expected to be approximately $45 million

1. Reported net sales excluding the impact of foreign exchange and adjusting for any day count differences

Stephen Smith

CFO

Financial Results[1] Second Quarter 2019

Veritiv

(Unaudited, Dollars In Millions, Except Per Share Amounts)	2Q19 Three Months Ended June 30	YOY % Change
Net sales	$1,958.2	(9.8)%
Net sales per shipping day	—	(9.8)%
Cost of products sold	$1,584.3	(11.4)%
Net sales less cost of products sold	$373.9	(2.5)%
Net loss	$(11.3)	(6.6)%
Basic and diluted loss per share	$(0.70)	(4.5)%
Adjusted EBITDA	$43.3	(4.6)%
Adjusted EBITDA as a % of net sales	2.2%	10 BPS

1. Please see the appendix for reconciliations of non-GAAP measures to the most comparable GAAP measures.

Segment Financial Results Second Quarter 2019

(Unaudited, Dollars In Millions)

Veritiv

Packaging

	2Q19 *Three Months Ended June 30*	**YOY % Change**
Net sales	$882	(0.6)%
Net sales per shipping day		(0.6)%
Adjusted EBITDA	$65.5	1.7%
Adj. EBITDA as a % of net sales	7.4%	10 BPS

Facility Solutions

	2Q19 *Three Months Ended June 30*	**YOY % Change**
Net sales	$312	(6.8)%
Net sales per shipping day		(6.8)%
Adjusted EBITDA	$8.3	9.2%
Adj. EBITDA as a % of net sales	2.7%	40 BPS

Print

	2Q19 *Three Months Ended June 30*	**YOY % Change**
Net sales	$529	(22.2)%
Net sales per shipping day		(22.2)%
Adjusted EBITDA	$12.3	(36.6)%
Adj. EBITDA as a % of net sales	2.3%	(60) BPS

Publishing

	2Q19 *Three Months Ended June 30*	**YOY % Change**
Net sales	$204	(14.6)%
Net sales per shipping day		(14.6)%
Adjusted EBITDA	$5.6	16.7%
Adj. EBITDA as a % of net sales	2.8%	80 BPS

Asset-Based Lending Facility & Capital Allocation

Capital Structure

At the end of June 2019:

- The borrowing base availability for the ABL facility was ~ $1.1B
- $757M drawn against the ABL facility
- $321M of available borrowing capacity
- Net debt to Adj. EBITDA: 4.0x for the trailing 12 months

Capital Allocation

Capital Allocation Priorities:

- Invest in growth:
  - 2019 total CapEx expected to be approximately $45M
  - Optimization activities
- Pay down debt
- Return value to shareholders

Questions

Mary Laschinger

Chairman & CEO

Appendix: Reconciliation of Non-GAAP Financial Measures

We supplement our financial information prepared in accordance with U.S. GAAP with certain non-GAAP measures including Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, restructuring charges, net, integration and acquisition expenses and other similar charges including any severance costs, costs associated with warehouse and office openings or closings, consolidation, and relocation and other business optimization expenses, stock-based compensation expense, changes in the LIFO reserve, non-restructuring asset impairment charges, non-restructuring severance charges, non-restructuring pension charges, net, fair value adjustments related to contingent liabilities assumed in mergers and acquisitions and certain other adjustments) because we believe investors commonly use Adjusted EBITDA and these other non-GAAP measures as key financial metrics for valuing companies. In addition, the credit agreement governing our asset-based lending facility permits us to exclude the foregoing and other charges in calculating “Consolidated EBITDA”, as defined in the facility. We approximate foreign currency effects by applying the foreign currency exchange rate for the prior period to the local currency results for the current period.

Adjusted EBITDA and these other non-GAAP measures are not alternative measures of financial performance under U.S. GAAP. Non-GAAP measures do not have definitions under U.S. GAAP and may be defined differently by, and not be comparable to, similarly titled measures used by other companies. As a result, we consider and evaluate non-GAAP measures in connection with a review of the most directly comparable measure calculated in accordance with U.S. GAAP. We caution investors not to place undue reliance on such non-GAAP measures and to consider them with the most directly comparable U.S. GAAP measures. Adjusted EBITDA and these other non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analyzing our results as reported under U.S. GAAP. Please see the following tables for reconciliations of non-GAAP measures to the most comparable U.S. GAAP measures.

Table I
VERITIV CORPORATION
RECONCILIATION OF NON-GAAP MEASURES
NET LOSS TO ADJUSTED EBITDA; ADJUSTED EBITDA MARGIN
(in millions, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Net loss	$ (11.3)	$ (10.6)	$ (38.0)	$ (26.4)
Interest expense, net	10.2	10.2	21.6	19.5
Income tax benefit	(0.6)	(2.7)	(7.4)	(4.6)
Depreciation and amortization	13.4	14.0	26.2	28.4
EBITDA	11.7	10.9	2.4	16.9
Restructuring charges, net	6.9	11.4	9.3	23.3
Stock-based compensation	4.3	5.1	9.0	10.7
LIFO reserve (decrease) increase	(0.5)	8.7	2.9	14.4
Non-restructuring severance charges	1.4	0.5	2.7	1.8
Non-restructuring pension charges, net	6.6	0.0	6.6	(0.7)
Integration and acquisition expenses	4.5	8.4	8.8	16.7
Fair value adjustment on Tax Receivable Agreement contingent liability	0.6	(0.2)	1.5	(0.4)
Fair value adjustment on contingent consideration liability	7.7	(3.0)	13.1	(11.3)
Escheat audit contingent liability	—	—	7.0	—
Other	0.1	3.6	0.4	3.7
Adjusted EBITDA	$ 43.3	$ 45.4	$ 63.7	$ 75.1
Net sales	$ 1,958.2	$ 2,171.9	$ 3,899.7	$ 4,272.9
Adjusted EBITDA as a % of net sales	2.2%	2.1%	1.6%	1.8%

Appendix: Reconciliation of Non-GAAP Financial Measures

Veritiv

Table II

VERITIV CORPORATION

RECONCILIATION OF NON-GAAP MEASURES

FREE CASH FLOW TO ADJUSTED FREE CASH FLOW

(in millions, unaudited)

		Three Months Ended June 30, 2019
Net cash flows provided by operating activities	$	138.4
Less: Capital expenditures		(7.4)
Free cash flow		131.0
Add back:		
Cash payments for restructuring expenses		4.0
Cash payments for integration and acquisition expenses		3.4
Cash payments for integration-related capex		3.2
Adjusted free cash flow	$	141.6

Table III

VERITIV CORPORATION

RECONCILIATION OF NON-GAAP MEASURES

FREE CASH FLOW GUIDANCE

(in millions, unaudited)

	Forecast for Year Ending December 31, 2019		
Net cash flows provided by operating activities	at least	$	130
Less: Capital expenditures			(45)
Free cash flow	at least	$	85

Appendix: Reconciliation of Non-GAAP Financial Measures

Table IV
VERITIV CORPORATION
RECONCILIATION OF NON-GAAP MEASURES
NET DEBT TO ADJUSTED EBITDA
(in millions, unaudited)

	June 30, 2019
Amount drawn on ABL Facility	$ 757.1
Less: Cash	(56.1)
Net debt	701.0
Last Twelve Months Adjusted EBITDA	$ 174.0
Net debt to Adjusted EBITDA	4.0x

	Last Twelve Months June 30, 2019
Net loss	$ (27.3)
Interest expense, net	44.4
Income tax expense	2.7
Depreciation and amortization	51.3
EBITDA	71.1
Restructuring charges, net	7.3
Stock-based compensation	16.4
LIFO reserve increase	8.4
Non-restructuring asset impairment charges	0.4
Non-restructuring severance charges	5.8
Non-restructuring pension charges, net	18.6
Integration and acquisition expenses	23.9
Fair value adjustment on Tax Receivable Agreement contingent liability	0.7
Fair value adjustment on contingent consideration liability	12.1
Escheat audit contingent liability	9.5
Other	(0.2)
Adjusted EBITDA	$ 174.0

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