



Quad Sells Its Heavy-Duty Industrial Wood Crating Business Transpak to FCA Packaging

Transaction Supports Company's Ongoing Focus on Quad 3.0 Growth Strategy

SUSSEX, WI, September 4, 2019 — Quad/Graphics, Inc. (NYSE: QUAD) (“Quad” or the “Company”) announced today that it has sold its heavy-duty industrial wood crating business Transpak to FCA Packaging, a nationwide leader in the custom industrial packaging solutions space. Transpak operates a 300,000-square-foot facility in Franklin, Wisconsin, where it designs, engineers and builds best-in-class customized, reusable wood crating solutions for heavy-duty commercial and industrial shipments worldwide.

“As our Quad 3.0 growth strategy accelerates, we continue to evaluate our collection of assets with a focus on long-term value-creation and strategic fit,” said Joel Quadracci, Quad Chairman, President and Chief Executive Officer. “As part of FCA, Transpak will be part of a leading and fast-growing manufacturer of custom industrial crates, skids and boxes, and benefit from FCA’s broader scale, expertise and talent. Through this transaction, we are able to further intensify our focus on our successful Quad 3.0 growth strategy, which delivers greater value to clients by solving their complex marketing problems and process challenges. Net proceeds of approximately \$10 million will be used to reduce debt.”

David Wilsted, FCA Packaging Chief Executive Officer said: “Since its founding in 1985, FCA has been supplying a broad range of highly customized, heavy-duty industrial packaging products and services to many of the world's leading original equipment manufacturers in the industrial space. We are thrilled to acquire such a high-quality business as Transpak, which has a very experienced and successful management team and employee base. With Transpak, we have greater geographic reach and an expanded set of services that will create additional value for our customers worldwide.”

Quad acquired Transpak in December 2013 as part of its strategic purchase of Proteus Packaging, a high-end paperboard packaging business that is also located in Franklin, Wisconsin. Quad continues to own and operate the former Proteus Packaging business, which is now part of [Quad's nationwide consumer print packaging platform](#) serving high-profile clients in a wide variety of industries including clothing and apparel, food, personal care, pharmaceuticals, software and electronics. The packaging platform is part of Quad's unique integrated marketing solutions offering that includes strategy and creative through execution across multiple channels – print, digital and broadcast.

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, revenue, 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 investments; 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 into a marketing solutions provider; the impact of regulatory matters and legislative developments or changes in laws, including changes in cyber-security, privacy and environmental laws; the impact of changing future economic conditions; the failure of clients to perform under contracts or to renew contracts with clients on favorable terms or at all; the failure to attract and retain qualified talent across the enterprise; significant capital expenditures may be needed to maintain the Company's platforms and processes and to remain technologically and economically competitive; the impact of changes in postal rates, service levels or regulations; the fragility and decline in overall distribution channels, including newspaper distribution channels; the impact of the various restrictive covenants in the Company's debt facilities on the Company's ability to operate its business; 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 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; 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; 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 believes it has the resources and knowledge to help a wide variety of clients in multiple vertical industries, including retail, publishing and healthcare. Headquartered in Sussex, Wisconsin, 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 Transpak

With more than 50 years' experience, Transpak offers complete industrial packaging solutions, including engineering, design, warehousing and logistics services, to destinations worldwide. Transpak's services are aimed at streamlining



customers manufacturing processes and reducing their production overhead. The company is headquartered in Franklin, Wisconsin. For additional information visit www.transpakusa.com.

About FCA Packaging

Founded in 1985 and headquartered in Moline, Illinois, FCA Packaging offers a broad range of highly customized, heavy-duty industrial packaging products and services to many of the world's leading OEMs in several industries. FCA's comprehensive solutions include wood, steel, corrugated or hybrid products as well as expendable, reusable and returnable products such as crates, skids and pallets. Through design and engineering services, just-in-time manufacturing, and ongoing management and tracking, FCA generates maximum value through a complete and cost-effective solution. For additional information visit www.fcapackaging.com.

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