1st Quarter 2021 Earnings Call

May 5, 2021

Quad 50 YEARS

Call Participants & Forward-Looking Statements

Joel Quadracci
Chairman, President & Chief Executive Officer

Dave Honan
Executive Vice President & Chief Financial Officer

Forward-Looking Statements

This communication 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 negative impacts the coronavirus (COVID-19) has had and will continue to have on the Company's business, financial condition, cash flows, results of operations and supply chain, as well as the global economy in general (including future uncertain impacts); 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 inability of the Company to reduce costs and improve operating efficiency rapidly enough to meet market conditions; the impact of the various restrictive covenants in the Company's debt facilities on the Company's ability to operate its business, as well as the uncertain negative impacts COVID-19 may have on the Company's ability to continue to be in compliance with these restrictive covenants; the impact of increased business complexity as a result of the Company's transformation to a marketing solutions partner; the impact negative publicity could have on our business; the failure to successfully identify, manage, complete and integrate acquisitions, investment opportunities or other significant transactions, as well as the successful identification and execution of strategic divestitures; 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; the impact of changes in postal rates, service levels or regulations; 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.

Our Key Competitive Advantages

Strategic priorities are powered by three key competitive advantages that distinguish Quad as a Marketing Solutions Partner:

Diverse Base of 4,500+ Clients

BRAND	E-TAIL	FINANCIAL & INSURANCE	GROCERY	PUBLISHING	REGULATED	RETAIL	TRAVEL & HOSPITALITY
Conagra Brands	aquasana	American Express	Albertsons	Advance	Charter Communications	CVS Health	American Hotel Register Company
Fruit of the Loom	bluestem brands, inc.	American Family Insurance	Kroger	Gannett	Cigna	Dick's Sporting Goods	Grand Circle Travel
Jockey	Boden	citi	Publix	Hearst magazines	Comcast	Lowe's	Tauck
O-Cedar	L.L.Bean	New York Life	save a lot	meredith	Cox	Ulta Beauty	Vantage Deluxe World Travel
Rubbermaid	pch.com Publishers Clearing House	usbank	Southeastern Grocers	TIME	Humana	Walmart	Wyndham Hotels & Resorts

Recent Success Story

GLOBAL APPAREL COMPANY

OPPORTUNITY

- Due to growing consumer demand, client needed to quickly create new photo and video content to use across multiple marketing channels
- Leveraged Quad's integrated marketing platform to gain efficiencies of scale and utilized our talent, creative and content production expertise

QUAD SOLUTION

- Scheduled, produced and captured hundreds of new images and video content for 4 brands in 25 days in-studio and on-location

OUTCOME

- Renewed agreement for **post-production premedia** services
- Growing additional **agency solutions** with client, including **strategy** and **creative**

Recent Success Story

NATIONAL RETAILER

OPPORTUNITY

- Executed new, high-profile beauty shopping experience featuring dozens of premier beauty brands

QUAD SOLUTION

- Produced, kitted and distributed hundreds of thousands of high-quality in-store signs and displays
- Managed complexity of the project while representing beauty brands consistently and on-brand

OUTCOME

- Continuing to help client refine its **vision** for the experience and **produce assets** for execution
- Growing partnerships with individual beauty brands for **strategy, creative and digital services, and direct mail production**

Commitment to Culture & Social Purpose

Minimizing
Environmental Impact

Operationalizing DEI Into All
Aspects of Our Business

Creating Equitable Opportunities in the
Advertising and Marketing Industries

Financial Overview

US $ Millions	First Quarter March 31, 2021	First Quarter March 31, 2020
STATEMENT OF OPERATIONS *(excluding discontinued operations)*		
Net Sales	$ 705.8	$ 822.5
Cost of Sales	559.8	647.7
Selling, General and Administrative Expenses	80.5	99.6
Adjusted EBITDA[(1)]	**$ 65.8**	**$ 75.4**
Adjusted EBITDA Margin[(1)]	**9.3%**	**9.2%**
STATEMENT OF CASH FLOWS *(including discontinued operations)*		
Net Cash Provided By Operating Activities	$ 72.9	$ 44.7
Capital Expenditures	(16.9)	(29.0)
Free Cash Flow[(1)]	**$ 56.0**	**$ 15.7**

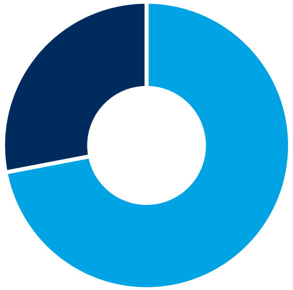
(1) See slide 13 for definitions of our non-GAAP measures, slide 14 for reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin and slide 15 for a reconciliation of Free Cash Flow as non-GAAP measures.

Debt Capital Structure

3.24x

Debt Leverage Ratio [1]
as of March 31, 2021

28%
Floating



72%
Fixed

4.9%

Blended Interest Rate
as of March 31, 2021

$81 million

Cash on Hand
as of March 31, 2021

$463 million

Unused Capacity under $500 Million
Revolver as of March 31, 2021
Subject to Certain Covenants

May 2022

Next Significant Debt Maturity of
$239 Million

(1) See slide 13 for definitions of our Non-GAAP measures and slide 16 for a reconciliation of Debt Leverage Ratio as a Non-GAAP measure.

2021 Outlook

- We expect to see further positive momentum in our net sales trend as our clients continue to embrace our marketing solutions in a strengthening economy.

- We expect full-year net sales to continue to improve and end the year in a range of flat to down a low single-digit percentage as compared to 2020.

- For the second quarter, we expect to increase net sales by 10 to 13% as compared to Q2 2020; however, we anticipate that margins will be somewhat pressured in the second quarter compared to the previous year due to significant non-recurring temporary cost savings actions in 2020.

- We will continue to use our Free Cash Flow and cash generated from asset sales to reduce debt.

We expect to further improve our Debt Leverage Ratio to be at or near 3.0x by the end of 2021

Thank You

Supplemental Information

Non-GAAP Financial Measures

- In addition to financial measures prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), this presentation also contains Non-GAAP financial measures, specifically EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Net Debt, Debt Leverage Ratio, and Adjusted Diluted Earnings (Loss) Per Share From Continuing Operations. The Company believes that these Non-GAAP measures, when presented in conjunction with comparable GAAP measures, provide additional information for evaluating Quad's performance and are important measures by which Quad's management assesses the profitability and liquidity of its business. These Non-GAAP measures should be considered in addition to, not as a substitute for or superior to, net earnings (loss) as a measure of operating performance or to cash flows provided by operating activities as a measure of liquidity. These Non-GAAP measures may be different than Non-GAAP financial measures used by other companies. Reconciliations to the GAAP equivalent of these Non-GAAP measures are contained on slides 14 - 18.
- Adjusted EBITDA is defined as net earnings (loss) attributable to Quad common shareholders excluding interest expense, income tax expense (benefit), depreciation and amortization ("EBITDA"), restructuring, impairment and transaction-related charges, (loss) earnings from discontinued operations, net of tax, net pension income, loss (gain) on debt extinguishment, equity in (earnings) loss of unconsolidated entity, the Adjusted EBITDA for unconsolidated equity method investments (calculated in a consistent manner with the calculation for Quad) and net earnings (loss) attributable to noncontrolling interests.
- EBITDA Margin and Adjusted EBITDA Margin are defined as EBITDA or Adjusted EBITDA divided by net sales.
- Free Cash Flow is defined as net cash provided by operating activities less purchases of property, plant and equipment.
- Debt Leverage Ratio is defined as total debt and finance lease obligations less cash and cash equivalents (Net Debt) divided by the last twelve months of Adjusted EBITDA.
- Adjusted Diluted Earnings (Loss) Per Share From Continuing Operations is defined as earnings (loss) from continuing operations before income taxes and equity in (earnings) loss of unconsolidated entity excluding restructuring, impairment and transaction-related charges, loss (gain) on debt extinguishment, and adjusted for income tax expense at a normalized tax rate, divided by diluted weighted average number of common shares outstanding.

Adjusted EBITDA
First Quarter

	Three Months Ended March 31,	
US $ Millions	**2021**	**2020**
Net earnings (loss) attributable to Quad common shareholders	$ 10.2	$ (12.4)
Interest expense	14.5	18.1
Income tax expense (benefit)	0.5	(1.2)
Depreciation and amortization	41.9	47.4
EBITDA [Non-GAAP]	$ 67.1	$ 51.9
EBITDA Margin [Non-GAAP]	9.5%	6.3%
Restructuring, impairment and transaction-related charges	2.6	22.8
Loss from discontinued operations, net of tax	—	3.8
Net pension income	(4.1)	(2.7)
Gain on debt extinguishment	—	(0.6)
Other[1]	0.2	0.2
Adjusted EBITDA [Non-GAAP]	**$ 65.8**	**$ 75.4**
Adjusted EBITDA Margin [Non-GAAP]	**9.3%**	**9.2%**

(1) Other includes the following items: (a) the equity in (earnings) loss of unconsolidated entity, which includes the results of operations for an investment in an entity where Quad has the ability to exert significant influence, but not control, and is accounted for using the equity method of accounting; (b) the Adjusted EBITDA for unconsolidated equity method investments, which was calculated in a consistent manner with the calculation above for Quad; and (c) the net earnings (loss) attributable to noncontrolling interests, which is the portion of the net earnings (loss) not owned by Quad for an investment where Quad has a controlling financial interest.

Free Cash Flow

First Quarter

	Three Months Ended March 31,	
US $ Millions	**2021**	**2020**
Net cash provided by operating activities	$ 72.9	$ 44.7
Less: purchases of property, plant and equipment	(16.9)	(29.0)
Free Cash Flow [Non-GAAP]	**$ 56.0**	**$ 15.7**

The above calculation of Free Cash Flow includes the cash flows related to the United States Book business for the three months ended March 31, 2020.

Debt Leverage Ratio

US $ Millions	March 31, 2021	December 31, 2020
Total debt and finance lease obligations on the balance sheets	$ 892.6	$ 928.2
Less: Cash and cash equivalents	80.6	55.2
Net Debt [Non-GAAP]	$ 812.0	$ 873.0
Divided by: trailing twelve months Adjusted EBITDA [Non-GAAP] (1)	$ 250.8	$ 260.4
Debt Leverage Ratio [Non-GAAP]	**3.24x**	**3.35x**

(1) The calculation of Adjusted EBITDA for the trailing twelve months ended March 31, 2021, and December 31, 2020, was as follows:

		Add	**Subtract**	
	Year Ended	**Three Months Ended**		**Trailing Twelve Months Ended**
	December 31, 2020	**March 31, 2021**	**March 31, 2020**	**March 31, 2021**
Net earnings (loss) attributable to Quad common shareholders	$ (128.3)	$ 10.2	$ (12.4)	$ (105.7)
Interest expense	68.8	14.5	18.1	65.2
Income tax expense (benefit)	0.3	0.5	(1.2)	2.0
Depreciation and amortization	181.6	41.9	47.4	176.1
EBITDA [Non-GAAP]	$ 122.4	$ 67.1	$ 51.9	$ 137.6
Restructuring, impairment and transaction-related charges	124.1	2.6	22.8	103.9
Loss from discontinued operations, net of tax	21.9	—	3.8	18.1
Net pension income	(10.5)	(4.1)	(2.7)	(11.9)
(Gain) loss on debt extinguishment	1.8	—	(0.6)	2.4
Other	0.7	0.2	0.2	0.7
Adjusted EBITDA [Non-GAAP]	**$ 260.4**	**$ 65.8**	**$ 75.4**	**$ 250.8**

Balance Sheet

US $ Millions	March 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	$ 80.6	$ 55.2
Receivables, less allowance for credit losses	340.3	399.1
Inventories	162.0	170.2
Prepaid expenses and other current assets	50.8	54.7
Property, plant and equipment—net	850.7	884.2
Operating lease right-of-use assets—net	78.7	81.0
Goodwill	103.0	103.0
Other intangible assets—net	95.9	104.3
Other long-term assets	75.2	76.0
Total assets	**$ 1,837.2**	**$ 1,927.7**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 330.0	$ 320.0
Accrued liabilities	246.2	305.6
Current portion of debt and finance lease obligations	19.5	23.5
Current portion of operating lease obligations	27.7	28.4
Long-term debt and finance lease obligations	873.1	904.7
Operating lease obligations	53.0	54.5
Deferred income taxes	5.1	4.2
Single and multi-employer pension obligations	86.5	92.3
Other long-term liabilities	103.0	109.7
Total liabilities	**1,744.1**	**1,842.9**
Total shareholders' equity and noncontrolling interests	**93.1**	**84.8**
Total liabilities and shareholders' equity	**$ 1,837.2**	**$ 1,927.7**

Adjusted Diluted Earnings Per Share

First Quarter

	Three Months Ended March 31,	
US $ Millions (Except Per Share Data)	**2021**	**2020**
Earnings (loss) from continuing operations before income taxes and equity in earnings of unconsolidated entity	$ 10.6	$ (9.8)
Restructuring, impairment and transaction-related charges	2.6	22.8
Gain on debt extinguishment	—	(0.6)
Adjusted net earnings from continuing operations, before income taxes [Non-GAAP]	13.2	12.4
Income tax expense at 25% normalized tax rate	3.3	3.1
Adjusted net earnings from continuing operations [Non-GAAP]	$ 9.9	$ 9.3
Basic weighted average number of common shares outstanding	51.4	50.5
Plus: effect of dilutive equity incentive instruments [Non-GAAP]	1.4	0.6
Diluted weighted average number of common shares outstanding [Non-GAAP]	52.8	51.1
Adjusted Diluted Earnings Per Share from continuing operations [Non-GAAP]	**$ 0.19**	**$ 0.18**
Diluted earnings (loss) per share from continuing operations [GAAP]	$ 0.19	$ (0.17)