2nd Quarter 2020 Earnings Call

August 5, 2020

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, 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 uncertain negative impacts the coronavirus (COVID-19) will have on the Company's business, financial condition, cash flows, results of operations and supply chain, as well as the global economy in general; the impact of decreasing demand for printed materials and significant overcapacity in the highly competitive environment creates downward pricing pressures and potential under-utilization 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 into 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, including newspaper 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 other intangible assets; and 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.

COVID-19

Update

Our business continuity plan in response to the pandemic focuses on:

Key Actions to Advance our Strategic Transformation

1 *Optimize* our product portfolio to focus the company on the greatest revenue-generating opportunities

2 *Invest* in talent and technology to drive new business and further expand our offerings

3 *Innovate* new integrated solutions that help our clients simplify their executional requirements to deliver content and campaigns more efficiently and effectively

Recent Success Story

NATIONAL RETAILER OF HOME, YARD, FARM AND ANIMAL SUPPLIES

OPPORTUNITY

- Previously established an onsite presence at the client for page production of its weekly printed inserts
- Evolved the onsite engagement into a strategic partnership by observing and listening to the client's needs and proactively creating solutions

QUAD SOLUTION

- Provided additional onsite talent for **copywriting**, **graphic design** and **digital marketing** as the client expanded its e-commerce site and digital advertising campaigns

IMPACT

- Serving as this client's **go-to-market partner** for **multiple media channels**
- Expecting to **expand our onsite services** as the client executes on its growth strategy

Recent Success Story

NATIONAL AFTERMARKET PARTS RETAILER

OPPORTUNITY

- Initiated a workflow audit that led to more strategic conversations with the client around packaging quality and consistency, and private label brand management

QUAD SOLUTION

- Conducted a **brand packaging audit** to determine how the client's "own" brands perform against others in the marketplace
- Will provide **adaptive design** and **premedia services** that previously had been performed inconsistently by multiple vendors

IMPACT

- Overseeing **global print management** to ensure product quality and consistency and on-time production
- Introducing our **visual merchandising, content creation, loyalty program** and **instore solutions**

Recent Success Story

MYMOVE

OPPORTUNITY

- MYMOVE wanted to reinvent the marketing services it offers to its customers through a higher level of versioning and customization

QUAD SOLUTION

- Created a platform that **manages data** for print products and lays the foundation for **non-print channels** in the future
- Empowered MYMOVE to curate **precise audiences** and **personalization experiences** resulting in highly effective advertising placements for marketers

IMPACT

- MYMOVE **consolidated all print and technology solutions** with Quad, awarding us an exclusive five-year, multi-million-dollar contract
- Currently engaging in **business process optimization, digital workflow tools, Accelerated Insights virtual testing** and **onsite creative services**

Our Goal

Diversity + *Equity* + *Inclusion*

Achieve a workforce that reflects the communities where we live / work and the clients who trust us with their business

Ensure that procedures, processes and distribution of resources are impartial, fair and just for all

Create a safe and open environment where all Quad employees can bring their truest and best selves to work every day

Financial Overview

US $ Millions	Second Quarter June 30, 2020	Second Quarter June 30, 2019	Year-to-Date June 30, 2020	Year-to-Date June 30, 2019
STATEMENT OF OPERATIONS *(excluding discontinued operations)*				
Net Sales	$ 584.5	$ 948.9	$ 1,407.0	$ 1,909.9
Cost of Sales	460.9	771.5	1,108.6	1,559.8
Selling, General and Administrative Expenses	63.3	96.4	162.9	190.9
Adjusted EBITDA[(1)]	**$ 59.9**	**$ 81.0**	**$ 135.3**	**$ 159.4**
Adjusted EBITDA Margin[(1)]	**10.2%**	**8.5%**	**9.6%**	**8.3%**
STATEMENT OF CASH FLOWS *(including discontinued operations)*				
Net Cash Provided By Operating Activities	$ 22.5	$ 74.9	$ 67.2	$ 16.3
Capital Expenditures	(9.0)	(29.3)	(38.0)	(74.6)
LSC-Related Payments	—	5.2	—	8.5
Free Cash Flow[(1)]	**$ 13.5**	**$ 50.8**	**$ 29.2**	**$ (49.8)**

(1) See slide 14 for definitions of our non-GAAP measures and slides 15 & 16 for reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin and slide 17 for a reconciliation of Free Cash Flow as non-GAAP measures.

Update on Decisive Actions to Control Costs, Conserve Cash & Protect Liquidity

- Permanent reductions in direct, indirect and selling & administrative headcount by over 1,100 employees
- Temporary employee Furlough Program with company-paid medical benefits
- Salary reductions for over 1,200 leaders from April 1st through early August, including a 50% salary reduction for our CEO and a 35% salary reduction for named executive officers
- Temporarily reduced Board of Directors fees by 50%

We temporarily reduced costs by over

$325 million

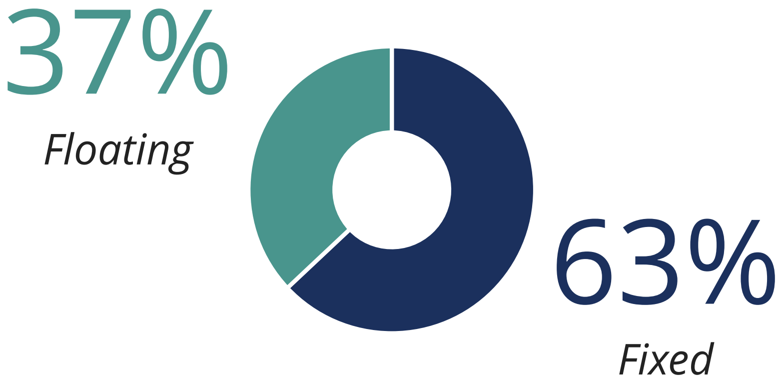
on an annualized basis

- Manufacturing facility furloughs and the permanent closure of our Taunton, Massachusetts plant
- Suspension of domestic and international travel
- Capital expenditure reductions which we expect will reduce cash spend by $50 million in 2020 versus 2019
- Suspension of the quarterly dividend, conserving approximately $8 million of cash each quarter

Debt Capital Structure as of June 30, 2020

3.18x

Net Debt Leverage Ratio[1]
as of June 30, 2020



4.9%

Blended Interest Rate
as of June 30, 2020

$70 million

Cash on Hand
as of June 30, 2020

$465 million

Unused Capacity under $500 Million
Revolver as of June 30, 2020
Subject to Certain Covenants

May 2022

Next Significant Debt Maturity

We amended our senior secured credit facility primarily to widen the leverage ratio covenant by an estimated 0.75x to 1.0x turn through the third quarter of 2021

(1) See slide 14 for definitions of our Non-GAAP measures and slide 18 for a reconciliation of Debt Leverage Ratio as a Non-GAAP measure.

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, Debt Leverage Ratio, and Adjusted Diluted Earnings (Loss) Per Share. 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 15 - 21.
- Adjusted EBITDA is defined as net earnings (loss) attributable to Quad common shareholders excluding interest expense, income tax expense (benefit), depreciation and amortization, restructuring, impairment and transaction-related charges, earnings (loss) from discontinued operations, net of tax, net pension income, (gain) loss 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.
- Adjusted EBITDA Margin is defined as 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, plus LSC-related payments, which includes payments for transaction-related costs associated with the now terminated acquisition of LSC Communications, Inc. and the incremental interest payments associated with the 2019 amended debt refinancing.
- Debt Leverage Ratio is defined as total debt and finance lease obligations 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, (gain) loss 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

Second Quarter

	Three Months Ended June 30,	
US $ Millions	**2020**	**2019**
Net loss attributable to Quad common shareholders	$ (23.5)	$ (14.8)
Interest expense	16.2	25.8
Income tax benefit	(4.3)	(3.2)
Depreciation and amortization	46.7	52.9
EBITDA [Non-GAAP]	$ 35.1	$ 60.7
EBITDA Margin [Non-GAAP]	6.0%	6.4%
Restructuring, impairment and transaction-related charges	16.4	9.4
Loss from discontinued operations, net of tax	8.7	11.6
Net pension income	(2.6)	(1.5)
Loss on debt extinguishment	2.4	—
Other[1]	(0.1)	0.8
Adjusted EBITDA [Non-GAAP]	**$ 59.9**	**$ 81.0**
Adjusted EBITDA Margin [Non-GAAP]	**10.2%**	**8.5%**

(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.*

Adjusted EBITDA

Year-to-Date

US $ Millions	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Net loss attributable to Quad common shareholders	$ (35.9)	$ (37.3)
Interest expense	34.3	47.6
Income tax benefit	(5.5)	(10.4)
Depreciation and amortization	94.1	107.1
EBITDA [Non-GAAP]	$ 87.0	$ 107.0
EBITDA Margin [Non-GAAP]	6.2%	5.6%
Restructuring, impairment and transaction-related charges	39.2	17.0
Loss from discontinued operations, net of tax	12.5	21.7
Net pension income	(5.3)	(3.0)
Loss on debt extinguishment	1.8	15.9
Other[(1)]	0.1	0.8
Adjusted EBITDA [Non-GAAP]	**$ 135.3**	**$ 159.4**
Adjusted EBITDA Margin [Non-GAAP]	**9.6%**	**8.3%**

(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

Year-to-Date

	Six Months Ended June 30,	
US $ Millions	**2020**	**2019**
Net cash provided by operating activities	$ 67.2	$ 16.3
Less: purchases of property, plant and equipment	(38.0)	(74.6)
Plus: LSC-related payments[(1)]	—	8.5
Free Cash Flow [Non-GAAP]	**$ 29.2**	**$ (49.8)**

(1) LSC-related payments include transaction-related costs associated with the proposed, but now terminated, acquisition of LSC and incremental interest payments associated with the 2019 amended debt refinancing.

Debt Leverage Ratio

US $ Millions	June 30, 2020	December 31, 2019
Total debt and finance lease obligations on the balance sheets	$ 1,047.6	$ 1,112.2
Divided by: Trailing twelve months Adjusted EBITDA [Non-GAAP] (1)	$ 310.8	$ 334.9
Debt Leverage Ratio [Non-GAAP]	**3.37x**	**3.32x**
Debt Leverage Ratio — Net of Excess Cash [Non-GAAP](2)	**3.18x**	**3.12x**

(1) The calculation of Adjusted EBITDA for the trailing twelve months ended June 30, 2020, and December 31, 2019, was as follows:

		Add	Subtract	
	Year Ended	Six Months Ended		Trailing Twelve Months Ended
	December 31, 2019	June 30, 2020	June 30, 2019	June 30, 2020
Net loss attributable to Quad common shareholders	$ (156.3)	$ (35.9)	$ (37.3)	$ (154.9)
Interest expense	90.0	34.3	47.6	76.7
Income tax benefit	(24.4)	(5.5)	(10.4)	(19.5)
Depreciation and amortization	209.5	94.1	107.1	196.5
EBITDA [Non-GAAP]	$ 118.8	$ 87.0	107.0	98.8
Restructuring, impairment and transaction-related charges	89.4	39.2	17.0	111.6
Loss from discontinued operations, net of tax	100.6	12.5	21.7	91.4
Net pension income	(6.0)	(5.3)	(3.0)	(8.3)
Loss on debt extinguishment	30.5	1.8	15.9	16.4
Other	1.6	0.1	0.8	0.9
Adjusted EBITDA [Non-GAAP]	**$ 334.9**	**$ 135.3**	**$ 159.4**	**$ 310.8**

(2) The Company had $70 million and $79 million in cash and cash equivalents at June 30, 2020, and December 31, 2019, respectively. Based on the Company's typical year-end cash balance of approximately $10 million, Quad had $60 million and $69 million of excess cash at June 30, 2020, and December 31, 2019, respectively. If the excess cash was used to further pay down debt, the Debt Leverage Ratio would have been 3.18x and 3.12x at June 30, 2020, and December 31, 2019, respectively.

Balance Sheet

US $ Millions	June 30, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	$ 70.2	$ 78.7
Receivables, less allowances for credit losses	331.1	456.1
Inventories	169.5	210.5
Prepaid expenses and other current assets	88.3	109.0
Property, plant and equipment—net	977.9	1,036.5
Operating lease right-of-use assets—net	86.5	97.9
Goodwill	103.0	103.0
Intangible assets—net	122.5	137.2
Other long-term assets	118.9	131.1
Assets of discontinued operations	35.2	57.1
Total assets	**$ 2,103.1**	**$ 2,417.1**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 309.4	$ 416.7
Accrued liabilities	240.5	292.9
Current portion of debt and finance lease obligations	61.2	47.7
Current portion of operating lease obligations	28.9	30.2
Long-term debt and finance lease obligations	986.4	1,064.5
Long-term portion of operating lease obligations	59.9	70.4
Deferred income taxes	3.4	2.8
Single and multi-employer pension obligations	110.1	122.9
Other long-term liabilities	134.6	108.3
Liabilities of discontinued operations	13.8	16.4
Total liabilities	**$ 1,948.2**	**$ 2,172.8**
Total shareholders' equity and noncontrolling interests	**$ 154.9**	**$ 244.3**
Total liabilities and shareholders' equity	**$ 2,103.1**	**$ 2,417.1**

Adjusted Diluted Earnings (Loss) Per Share From Continuing Operations

Second Quarter

	Three Months Ended June 30,	
US $ Millions (Except Per Share Data)	**2020**	**2019**
Loss from continuing operations before income taxes and equity in loss of unconsolidated entity	$ (18.8)	$ (5.6)
Restructuring, impairment and transaction-related charges	16.4	9.4
Loss on debt extinguishment	2.4	—
Adjusted net earnings from continuing operations, before income taxes [Non-GAAP]	—	3.8
Income tax expense at 25% normalized tax rate	—	1.0
Adjusted net earnings from continuing operations [Non-GAAP]	$ —	$ 2.8
Basic weighted average number of common shares outstanding	50.7	50.1
Plus: effect of dilutive equity incentive instruments [Non-GAAP]	0.3	0.9
Diluted weighted average number of common shares outstanding [Non-GAAP]	51.0	51.0
Adjusted Diluted Earnings Per Share From Continuing Operations [Non-GAAP]	**$ —**	**$ 0.05**
Diluted loss per share from continuing operations [GAAP]	$ (0.29)	$ (0.07)

Adjusted Diluted Earnings (Loss) Per Share From Continuing Operations

Year-to-Date

	Six Months Ended June 30,	
US $ Millions (Except Per Share Data)	**2020**	**2019**
Loss from continuing operations before income taxes and equity in loss of unconsolidated entity	$ (28.6)	$ (25.4)
Restructuring, impairment and transaction-related charges	39.2	17.0
Loss on debt extinguishment	1.8	15.9
Adjusted net earnings from continuing operations, before income taxes [Non-GAAP]	12.4	7.5
Income tax expense at 25% normalized tax rate	3.1	1.9
Adjusted net earnings from continuing operations [Non-GAAP]	$ 9.3	$ 5.6
Basic weighted average number of common shares outstanding	50.6	49.9
Plus: effect of dilutive equity incentive instruments [Non-GAAP]	0.4	0.9
Diluted weighted average number of common shares outstanding [Non-GAAP]	51.0	50.8
Adjusted Diluted Earnings Per Share From Continuing Operations [Non-GAAP]	**$ 0.18**	**$ 0.11**
Diluted loss per share from continuing operations [GAAP]	$ (0.46)	$ (0.31)