4th Quarter 2021 Earnings Call

February 23, 2022

Call Participants & Forward-Looking Statements

Joel Quadracci

Chairman, President & Chief Executive Officer

Tony Staniak

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 impact of fluctuations in costs (including labor and labor-related costs, energy costs, freight rates and raw materials, including paper and the materials to manufacture ink) and the impact of fluctuations in the availability of raw materials, including paper and the materials to manufacture ink; the impact of inflationary cost pressures and supply chain shortages; the impact of decreasing demand for printed materials and significant overcapacity in a highly competitive environment creates downward pricing pressures and potential under-utilization of assets; the negative impacts the COVID-19 pandemic has had and will continue to have on the Company's business, financial condition, cash flows, results of operations and supply chain, including rising inflationary cost pressures on raw materials, distribution and labor, and future uncertain impacts; the failure to attract and retain qualified talent across the enterprise; the impact of increased business complexity as a result of the Company's transformation to a marketing solutions partner; the impact of digital media and similar technological changes, including digital substitution by consumers; the inability of the Company to reduce costs and improve operating efficiency rapidly enough to meet market conditions; the impact of changes in postal rates, service levels or regulations, including delivery delays due to ongoing COVID-19 impacts on daily operational staffing at the United States Postal Service; the impact of a data-breach of sensitive information, ransomware attack or other cyber incident on the Company; the impact negative publicity could have on our business; 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 fragility and decline in overall distribution channels; 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 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; the impact of risks associated with the operations outside of the United States ("U.S."), including costs incurred or reputational damage suffered due to improper conduct of its employees, contractors or agents; significant investments may be needed to maintain the Company's platforms, processes, systems, client and product technology and marketing and to remain technologically and economically competitive; 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 regulatory matters and legislative developments or changes in laws, including changes in cyber-security, privacy and environmental laws; 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.

2021 Results

3%

Net Sales Growth

We achieved Net Sales of $3 billion, up 3% from 2020 when excluding divestitures

40%

Net Debt Reduction

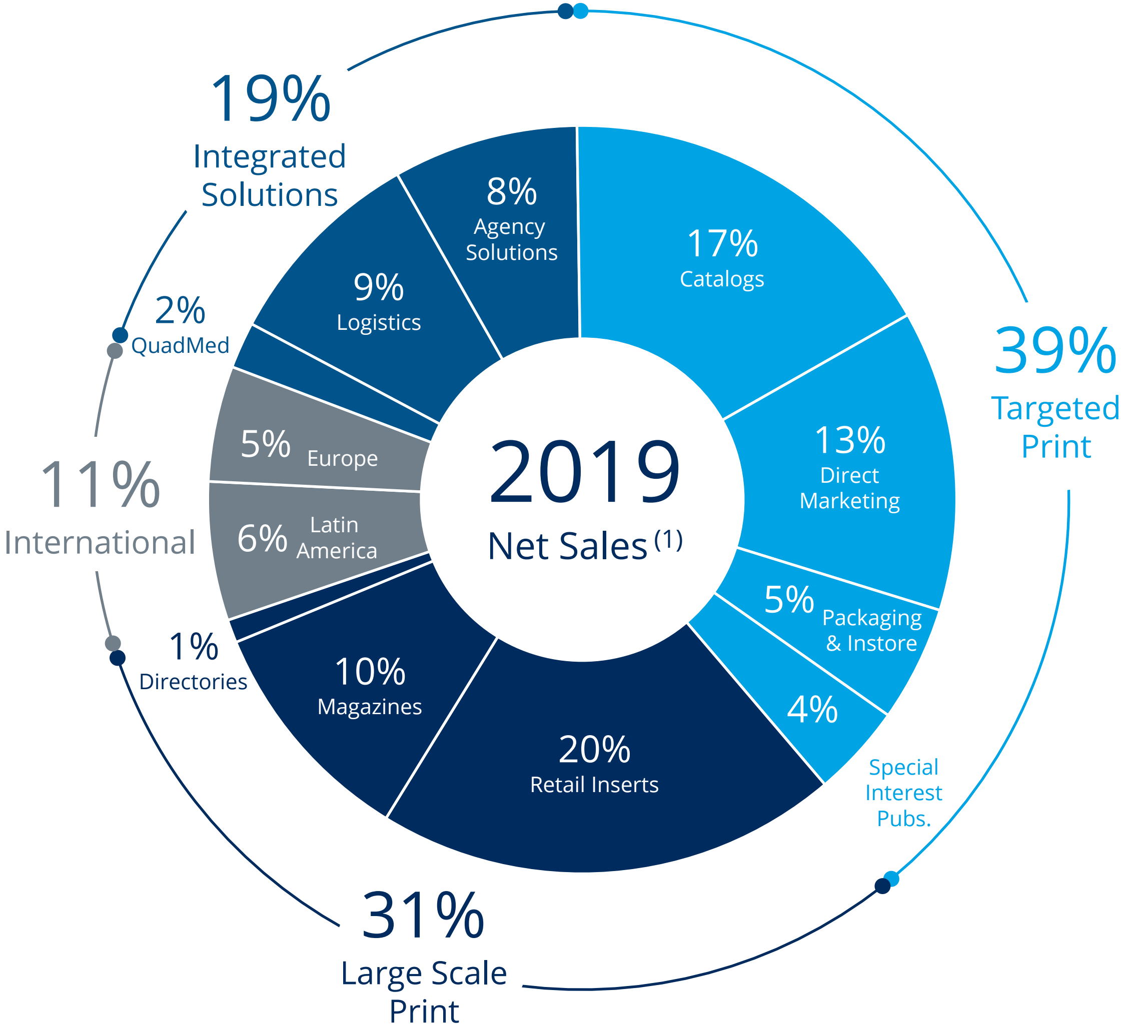
Over the past two years, we reduced Net Debt [1] by $410 million or 40%

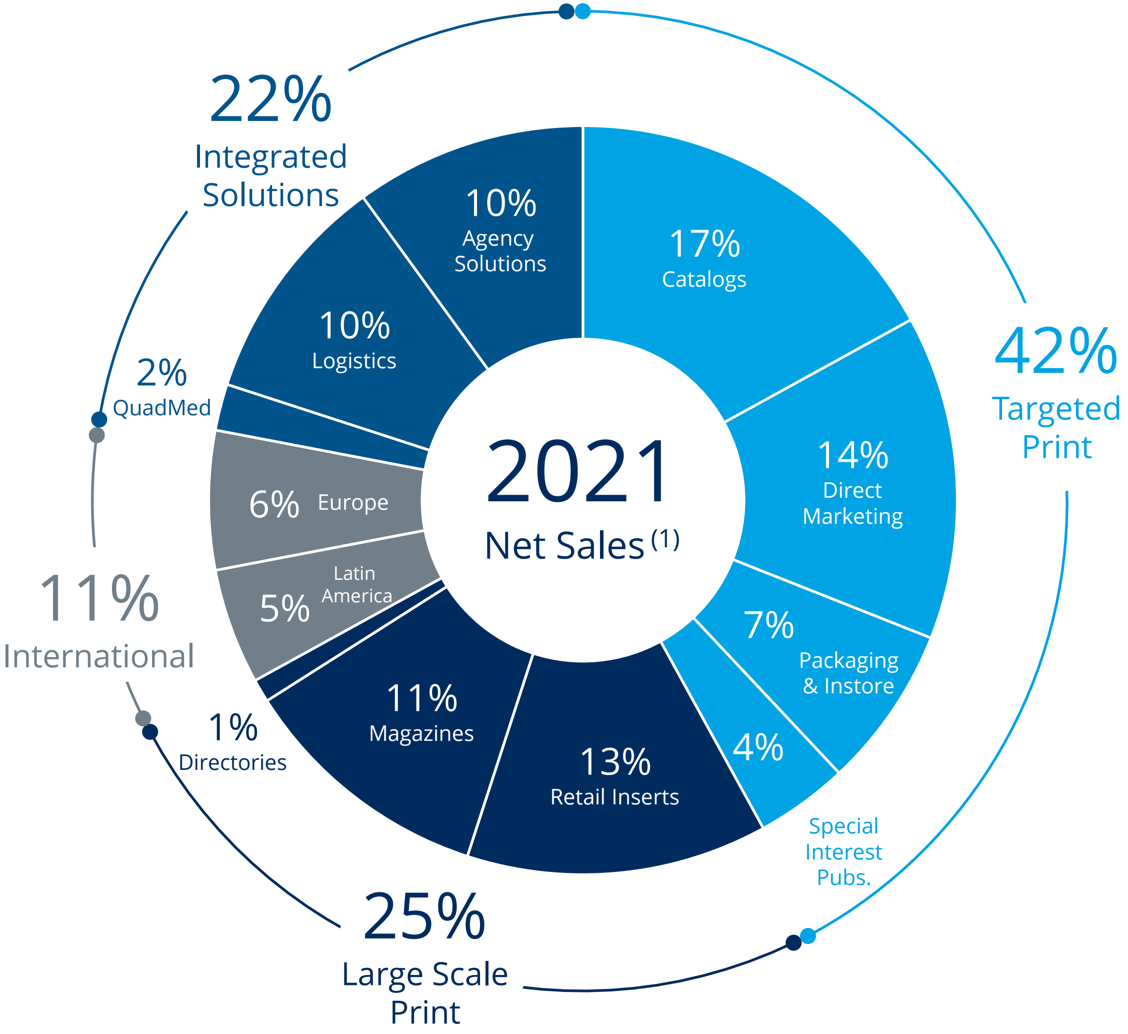
(1) See slide 17 for definitions of our Non-GAAP measures and slide 21 for a reconciliation of Net Debt as a Non-GAAP measure

Our Key Competitive Advantages

Our key competitive advantages power our strategic priorities and distinguish Quad as a Marketing Solutions Partner

Net Sales Breakdown





(1) Net sales for all periods presented have been adjusted to exclude divestitures

Success Story - Agency Solutions

PEMCO Insurance

Opportunity

- Created an advertising campaign highlighting PEMCO's strength in personal lines insurance with the tagline "We insure ambition"

Quad Solution

- Developed an integrated campaign strategy that included a series of 30-second media spots
- Placed the spots for maximum visibility and impact, including a regional buy during Super Bowl LVI

OUTCOME

- Helped PEMCO achieve its campaign objectives, including strengthening consumers' brand awareness

Success Story - Agency Solutions

Opportunity

- Partnered with a regional retailer that operates over 200 stores to provide hyper-local non-print media services

Quad Solution

- Provided integrated media strategy, planning and placement for all non-print paid media: broadcast, digital and out-of-home

OUTCOME

- Provided seamless end-to-end execution of paid media placements
- Helped client consolidate agency roster to fewer, more powerful partners

Success Story - Data & Analytics

Opportunity

- Partnered with a leading direct-to-consumer company to improve its customer acquisition strategy using the power of data and analytics, and direct marketing

Quad Solution

- Using proprietary data sets, created and tested a prospecting model to provide insights to strengthen the client's customer acquisition strategy
- Completed multiple campaigns for this client with response rates rising with each campaign

OUTCOME

- Reduced marketing process complexity and inefficiencies, and overall cycle time to market

Success Story - Sustainable Packaging

Opportunity

- Engaging with two leading national retailers to advance sustainable packaging for their "own" or private brands

Quad Solution

- Conducting material reduction and replacement evaluations, packaging redesigns, and sustainable sourcing consulting

OUTCOME

- Leveraging our expertise to help other companies in the sustainability space
- Establishing a process for long-term packaging innovation to achieve a regenerative future

Commitment to Culture & Social Purpose

Environmental

Social

Governance

Financial Overview

	Fourth Quarter		Full-Year	
US $ Millions (Except Per Share Data)	**December 31, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
STATEMENT OF OPERATIONS *(excluding discontinued operations)*				
Net Sales	$ 854.6	$ 843.3	$ 2,960.4	$ 2,929.6
Cost of Sales	701.8	682.9	2,389.9	2,334.8
Selling, General and Administrative Expenses	96.7	97.1	326.0	335.1
Adjusted EBITDA (1)	**$ 56.4**	**$ 64.4**	**$ 246.0**	**$ 260.4**
Adjusted EBITDA Margin (1)	**6.6%**	**7.6%**	**8.3%**	**8.9%**
Adjusted Diluted Earnings Per Share (1)	**$ 0.10**	**$ 0.10**	**$ 0.60**	**$ 0.29**
STATEMENT OF CASH FLOWS *(including discontinued operations)*				
Net Cash Provided By Operating Activities			$ 136.5	$ 190.2
Capital Expenditures			(50.0)	(61.0)
Free Cash Flow (1)			**$ 86.5**	**$ 129.2**

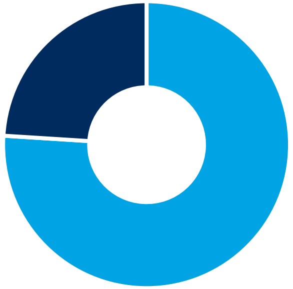
(1) See slide 17 for definitions of our Non-GAAP measures, slides 18 and 19 for reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin, slide 20 for a reconciliation of Free Cash Flow and slides 23 and 24 for reconciliations of Adjusted Diluted Earnings Per Share as Non-GAAP measures

Debt Capital Structure

2.54x

Debt Leverage Ratio [(1)]
as of December 31, 2021

24%
Floating



76%
Fixed

4.9%

Blended Interest Rate
as of December 31, 2021

$180 million

Cash on Hand
as of December 31, 2021

$396 million

Unused Capacity under Revolver
as of December 31, 2021
Subject to Certain Covenants

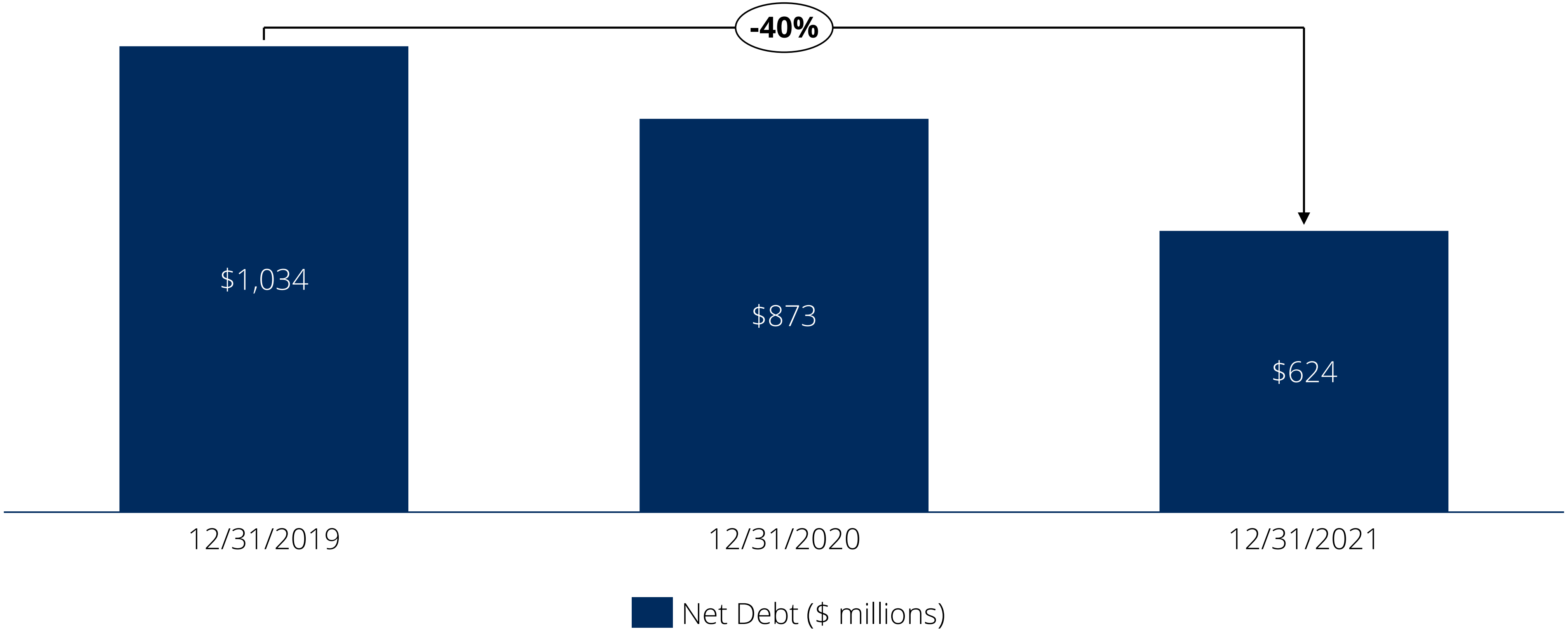
May 2022

Next Significant Debt Maturity of
$212 Million

We completed the amendment and extension of our $1 billion bank debt agreement to November 2026

(1) See slide 17 for definitions of our Non-GAAP measures and slide 21 for a reconciliation of Debt Leverage Ratio as a Non-GAAP measure

Net Debt Reduction



We reduced Net Debt (1) by $410 million, or 40%, over the past two years despite challenges from the COVID-19 pandemic

(1) See slide 17 for definitions of our Non-GAAP measures and slide 21 for a reconciliation of Net Debt as a Non-GAAP measure

2022 Guidance

Full-Year 2022	Guidance
Annual Net Sales Change [1]	3% to 7% increase
Full-Year Adjusted EBITDA [2]	\$230 to \$270 million
Free Cash Flow [2]	\$70 to \$100 million
Capital Expenditures	\$55 to \$65 million
Year-End Debt Leverage Ratio [2][3]	Approximately 2.25x

(1) Annual Net Sales Change excludes the Net Sales impact from the divestiture of QuadExpress, which was sold on June 30, 2021
(2) See slide 17 for definitions of our Non-GAAP measures
(3) Debt Leverage Ratio is calculated at the midpoint of the Adjusted EBITDA guidance

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 18 - 24.
- 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, gains from sale and leaseback, loss from discontinued operations, net of tax, net pension income, 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.
- 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, gains from sale and leaseback, 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
Fourth Quarter

	Three Months Ended December 31,	
US $ Millions	**2021**	**2020**
Net loss attributable to Quad common shareholders	$ (21.1)	$ (94.0)
Interest expense	14.5	16.6
Income tax expense	5.4	17.8
Depreciation and amortization	38.0	42.7
EBITDA [Non-GAAP]	$ 36.8	$ (16.9)
EBITDA Margin [Non-GAAP]	4.3%	(2.0)%
Restructuring, impairment and transaction-related charges	22.3	75.1
Loss from discontinued operations, net of tax	—	8.3
Net pension income	(3.5)	(2.5)
Loss on debt extinguishment	0.7	—
Other [(1)]	0.1	0.4
Adjusted EBITDA [Non-GAAP]	**$ 56.4**	**$ 64.4**
Adjusted EBITDA Margin [Non-GAAP]	**6.6%**	**7.6%**

(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

Full-Year

	Year Ended December 31,	
US $ Millions	**2021**	**2020**
Net earnings (loss) attributable to Quad common shareholders	$ 37.8	$ (128.3)
Interest expense	59.6	68.8
Income tax expense	9.5	0.3
Depreciation and amortization	157.3	181.6
EBITDA [Non-GAAP]	$ 264.2	$ 122.4
EBITDA Margin [Non-GAAP]	8.9%	4.2%
Restructuring, impairment and transaction-related charges	18.9	124.1
Gains from sale and leaseback	(24.5)	—
Loss from discontinued operations, net of tax	—	21.9
Net pension income	(14.5)	(10.5)
Loss on debt extinguishment	0.7	1.8
Other [1]	1.2	0.7
Adjusted EBITDA [Non-GAAP]	**$ 246.0**	**$ 260.4**
Adjusted EBITDA Margin [Non-GAAP]	**8.3%**	**8.9%**

(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

Full-Year

	Year Ended December 31,	
US $ Millions	**2021**	**2020**
Net cash provided by operating activities	$ 136.5	$ 190.2
Less: purchases of property, plant and equipment	(50.0)	(61.0)
Free Cash Flow [Non-GAAP]	**$ 86.5**	**$ 129.2**

The above calculation of Free Cash Flow includes the cash flows related to the discontinued United States Book business for the year ended December 31, 2020.

Net Debt and Debt Leverage Ratio

	Year Ended December 31,	
US $ Millions	**2021**	**2020**
Total debt and finance lease obligations on the balance sheets	$ 803.7	$ 928.2
Less: Cash and cash equivalents	179.9	55.2
Net Debt [Non-GAAP]	$ 623.8	$ 873.0
Divided by: Adjusted EBITDA [Non-GAAP]	$ 246.0	$ 260.4
Debt Leverage Ratio [Non-GAAP]	**2.54x**	**3.35x**

Balance Sheet

US $ Millions	December 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	$ 179.9	$ 55.2
Receivables, less allowance for credit losses	362.0	399.1
Inventories	226.2	170.2
Prepaid expenses and other current assets	41.0	54.7
Property, plant and equipment—net	727.0	884.2
Operating lease right-of-use assets—net	125.7	81.0
Goodwill	86.4	103.0
Other intangible assets—net	75.3	104.3
Other long-term assets	66.5	76.0
Total assets	**$ 1,890.0**	**$ 1,927.7**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 367.3	$ 320.0
Accrued liabilities	308.9	305.6
Current portion of debt and finance lease obligations	247.4	23.5
Current portion of operating lease obligations	28.1	28.4
Long-term debt and finance lease obligations	556.3	904.7
Operating lease obligations	99.8	54.5
Deferred income taxes	11.9	4.2
Single and multi-employer pension obligations	51.4	92.3
Other long-term liabilities	82.1	109.7
Total liabilities	**1,753.2**	**1,842.9**
Total shareholders' equity and noncontrolling interests	**136.8**	**84.8**
Total liabilities and shareholders' equity	**$ 1,890.0**	**$ 1,927.7**

Adjusted Diluted Earnings Per Share

Fourth Quarter

	Three Months Ended December 31,	
US $ Millions (Except Per Share Data)	**2021**	**2020**
Loss from continuing operations before income taxes and equity in earnings of unconsolidated entity	$ (15.9)	$ (68.6)
Restructuring, impairment and transaction-related charges	22.3	75.1
Loss on debt extinguishment	0.7	—
Adjusted net earnings from continuing operations, before income taxes [Non-GAAP]	7.1	6.5
Income tax expense at 25% normalized tax rate	1.8	1.6
Adjusted net earnings from continuing operations [Non-GAAP]	$ 5.3	$ 4.9
Basic weighted average number of common shares outstanding	51.3	50.7
Plus: effect of dilutive equity incentive instruments [Non-GAAP]	2.2	0.7
Diluted weighted average number of common shares outstanding [Non-GAAP]	53.5	51.4
Adjusted diluted earnings per share from continuing operations [Non-GAAP]	**$ 0.10**	**$ 0.10**
Diluted loss per share from continuing operations [GAAP]	$ (0.41)	$ (1.69)

Adjusted Diluted Earnings Per Share

Full-Year

US $ Millions (Except Per Share Data)	Year Ended December 31, 2021	Year Ended December 31, 2020
Earnings (loss) from continuing operations before income taxes and equity in (earnings) loss of unconsolidated entity	$ 47.0	$ (106.1)
Restructuring, impairment and transaction-related charges	18.9	124.1
Gains from sale and leaseback	(24.5)	—
Loss on debt extinguishment	0.7	1.8
Adjusted net earnings from continuing operations, before income taxes [Non-GAAP]	42.1	19.8
Income tax expense at 25% normalized tax rate	10.5	5.0
Adjusted net earnings from continuing operations [Non-GAAP]	$ 31.6	$ 14.8
Basic weighted average number of common shares outstanding	51.3	50.6
Plus: effect of dilutive equity incentive instruments [Non-GAAP]	1.7	0.5
Diluted weighted average number of common shares outstanding [Non-GAAP]	53.0	51.1
Adjusted diluted earnings per share from continuing operations [Non-GAAP]	**$ 0.60**	**$ 0.29**
Diluted earnings (loss) per share from continuing operations [GAAP]	$ 0.71	$ (2.10)