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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, ladies and gentlemen. Welcome to Quad's Fourth Quarter and Full-Year 2021 Conference Call. During today's call, all participants will be in listen-only mode. [Operator Instructions] A slide presentation accompanies today's webcast, and participants are invited to follow along, advancing the slides themselves. To access the webcast, follow the instructions posted in the earnings release. Alternatively, you can access the slide presentation on the Investors section of Quad's website under the Events and Recent Presentations link. Please note that this event is being recorded.

I will now turn the conference over to Katie Krebsbach, Quad's Investor Relations Manager. Katie, please go ahead.

Katie Krebsbach

Investor Relations Manager, Quad/Graphics, Inc.

Thank you, operator, and good morning, everyone. With me today are Joel Quadracci, Quad's Chairman, President and Chief Executive Officer; and Tony Staniak, Quad's Chief Financial Officer. Joel will lead off today's call with a business update, and Tony will follow with a summary of Quad's fourth quarter and full-year 2021 financial results, as well as 2022 financial guidance, followed by Q&A.

I would like to remind everyone that this call is being webcast, and forward-looking statements are subject to Safe Harbor provisions, as outlined in our quarterly news release and in today's slide presentation on slide 2. Quad's financial results are prepared in accordance with generally accepted accounting principles. However, this presentation also contains non-GAAP financial measures, including adjusted EBITDA, adjusted EBITDA margin, adjusted diluted earnings per share from continuing operations, free cash flow, net debt, and debt leverage ratio. We have included in the slide presentation reconciliations of these non-GAAP financial measures to GAAP financial measures.

Finally, a replay of the call and the slide presentation will be available on the Investors section of quad.com shortly after our call concludes today.

I will now hand over the call to Joel.

Joel Quadracci

Chairman, President & Chief Executive Officer, Quad/Graphics, Inc.

Thank you, Katie, and good morning, everyone. I am pleased to report that our sales growth and strong execution helped us drive strong full-year 2021 results, including a 3% increase in net sales when excluding divestitures, as highlighted on slide 3. Those results were supported by higher print volumes, including print segment share gains from new clients, continued growth in Agency Solutions, as well as increased pricing in response to inflationary cost pressures. At the same time, we continue to pay down debt. In fact, over the past two years, we reduced net debt by $410 million or 40% and returned to our long-term targeted leverage range of 2 to 2.5 times.

Throughout 2021, our team worked diligently to offset economic challenges that included significant paper and supply chain disruptions, inflationary cost pressures and labor shortages. Our efforts to mitigate impacts included initiating price increases to offset inflation.

On slide 4, our consistent strategic priorities are powered by three key competitive advantages that distinguish us. They are integrated marketing platform excellence, innovation, and culture and social purpose.

When it comes to platform excellence, we use our data-driven integrated marketing platform to help clients strategically plan, produce, manage and measure their content across multiple media channels rapidly at scale and without handoffs that compromise quality, consistency and timeliness. Through this platform, we give brands and marketers a more efficient, effective and frictionless way to go to market and reach consumers.

Through our marketing strategy expertise, we help clients better understand and connect with a target audience using our data insights and analytics, campaign planning and media services. Through our robust creative solutions, we help clients produce quality content quickly at scale with our campaign development, photo and video production, adaptive design and cross-media production services.

Through our media deployment expertise, we help clients reach consumers in multiple channels, including print, broadcast, digital, in-store, out-of-home and packaging. And through our marketing management services, including sourcing, procurement, marketing and management support, we remove the friction in the process, so clients can focus on other critical aspects of their business.

We will continue to strategically invest in the talent, technology, products and services required to accelerate and scale our competitive position as a marketing solutions partner. For example, one area in which we continue to invest in is solutions that help clients optimize their digital marketing strategies. We are proud to share that Rise Interactive, our tech-enabled performance marketing agency, recently earned recognition for being among the top 3% of Google Partners in the US for helping brands build creative and innovative applications of Google advertising products that give them an edge over their competitors. To be named in the top 3%, we demonstrated exceptional performance and client growth and retention with expertise in results-focused strategies.

Turning to slide 5, you can see how we continue to make progress on our revenue diversification strategy into higher value and higher margin services. In 2021, Integrated Solutions and Targeted Print increased as a portion of total net sales and now represent 64% of net sales, a significant increase from just two years ago, when they accounted for 58% of net sales. Our Integrated Solutions include powerful Agency Solutions while Targeted Print comprises the high growth areas of catalog, direct mail, packaging and in-store marketing. It's important to note that offline channels continue to be popular for brand awareness and driving response, with a number of our clients recently expanding their catalog and direct mail program with us.

Due to our commitment to platform excellence and innovation, we have the resources and knowledge to help a wide variety of clients target, more deeply engage and grow audiences in multiple verticals. On slide 6, we provide an example of our strategy in action. PEMCO Insurance engaged us to create an advertising campaign highlighting its strength in in-home and auto insurance among other personal lines with the tagline, we insure ambition. We developed an integrated campaign strategy that included a series of 30 second media spots specifically tailored to PEMCO's target audience in the Pacific Northwest. To the client's delight, we filmed the spots in Portland, Oregon, entirely with local talent.

Our media planning and placement team then placed those spots for maximum visibility and impact, including a regional buy during Super Bowl LVI, which PEMCO proudly highlighted in social media post before, during and after the big game. Through this high profile placement, our team helped PEMCO achieve its campaign objectives, including strengthening consumer brand awareness.

Another client who came to understand our expertise and thought leadership in integrated media strategy, planning and placement recently awarded us all its paid media for broadcast, digital and out-of-home advertising, as shown on slide 7. This regional retailer, which operates more than 200 stores, partners with Quad for our manufacturing capabilities more than 200 stores partners with Quad for our manufacturing capabilities but then discovered our expanded marketing platform that offers expertise in hyper-local, non-print media services. We won the paid media based on our strategic insights, planning and buying capabilities and end-to-end execution. This win not only speaks to the power of our integrated marketing platform, but also helped this client achieve another one of its goals to consolidate its agency roster to fewer, more powerful partners.

Turning to slide 8, we show an example of how we continue to differentiate ourselves through advanced data and analytics capabilities to precisely target an audience using the most effective channels. A leading direct-to-consumer company was looking for a partner to improve its customer acquisition strategy using the power of data and analytics in direct marketing. Using our proprietary data set, we created and tested a prospecting model that provided important insights for strengthening this company's customer acquisition strategy. We have completed multiple campaigns for this client with response rates rising on each campaign. Our integrated platform was a real difference maker for our client, reducing marketing process complexity and inefficiencies and overall cycle time to market, while increasing responsiveness.

Another way in which we are differentiating ourselves as a marketing solutions partner is through helping clients with their sustainability efforts. Sustainability has been a core focus at Quad since our founding more than 50 years ago, and we use our expertise to help other companies in the sustainability space.

Currently, we're engaged with two leading national retailers to advance sustainable packaging for their own or private brands, as shown on slide 9. Our work for these retailers includes material reduction and replacement evaluations, packaging redesign, sustainable sourcing practices, and process for long-term packaging innovation to achieve a regenerative future. Sustainability is a main pillar of focus for our clients and they are searching for the right partners. As an integrated marketing partner, Quad is uniquely positioned to offer actionable solutions.

Turning to slide 10, through our more than 50-year history, Quad has been driven by a commitment to culture and social purpose. We take seriously our role in creating a better way through our approach to environmental, social and governance matters. When it comes to the environment, we have a long history of reducing our environmental impact by conserving resources, minimizing waste, and recycling and reusing materials.

Across our US facilities, we have achieved a 98% recycling rate for waste paper, the primary byproduct of our manufacturing processes and have well-established practices for recovering and recycling other key materials, including industrial plastics and hazardous waste. In the social space, we are working hard on numerous strategies to retain employees and attract new talent with diverse social identities and experiences. This includes our work to develop a more comprehensive and sustainable diversity, equity and inclusion strategy.

We want Quad to continue to be an employer of choice, a place where employees can stay and grow and become something more than they ever hope to be. We want each and every Quad employee to feel a sense of belonging and to know how they contribute to our company's strategy for growth and prosperity. Additionally, we have upped our commitment to employee health and wellness with a newly expanded program called QLife that provides full circle support for our employees' physical, emotional, financial, and social well-being.

Our ongoing work in the social space not only benefits our employees, but also the clients who trust us with their business and the communities we call home.

At year-end 2021, we released a comprehensive ESG report that detailed how we are driving positive, sustainable change in our business, along with ESG commitments for the future. Next month, we'll be releasing an immersive ESG experience on our website featuring highlights of our ESG report. This online experience will continue to evolve and expand with compelling content and serve as a place to keep all stakeholders up-to-date on our commitments.

Before I turn the call over to Tony, I want to thank our employees for once again rising to the occasion and performing well for our clients during a time of prolonged disruption and challenges. I also thank them for supporting each other through these busy and unusual times. I'm proud of all we have been able to accomplish in the face of the ongoing pandemic, including managing through supply chain issues. I'm enthusiastic about 2022 and optimistic about our growth strategy as a marketing solutions partner.

With that, I will turn the call over to Tony for a review of our financial results.

Anthony C. Staniak

Chief Financial Officer, Quad/Graphics, Inc.

Thanks, Joel, and good morning, everyone. Slide 11 provides a snapshot of our fourth quarter and full-year 2021 financial results. As Joel mentioned, we delivered strong financial results, considering headwinds of supply chain disruptions, especially with paper supply, a tight labor and freight market, and inflationary cost pressures. Despite these challenges, we achieved or exceeded our 2021 financial guidance.

We achieved 3% net sales growth, excluding divestitures, which was at the high end of our 1% to 3% growth guidance range. We generated adjusted EBITDA of $246 million in 2021, which was within our guidance range. And finally, due to very strong cash flows in 2021, we reduced our net debt leverage to 2.5 times, which not only was a substantial beat to our guidance of 2.75 times, but also represents a return to our long-term targeted debt leverage range. Building upon this business momentum, we will continue to focus on revenue growth, productivity improvements, automation investments and debt reduction.

Net sales were $855 million in the fourth quarter, up 1% from 2020. Excluding the June 2021 divestiture of QuadExpress, a third-party logistics business that was a small part of our overall logistics business, net sales increased 5% from 2020. The increase during the quarter was due to 4% growth in print products sales and 4% growth in Agency Solutions sales. Both print and agency sales growth were driven with existing clients and we also gained print segment share with new clients. Although we are pleased with our net sales growth, we were limited in our ability to further grow sales in the fourth quarter due to paper constraints.

For the full year, net sales were $3 billion, up 1% from 2020 and excluding divestitures, net sales increased 3% compared to 2020. The increase was due to 1% growth in print products sales, 12% growth in our logistics business, and 7% growth in Agency Solutions sales.

Adjusted EBITDA was $56 million in the fourth quarter of 2021 as compared to $64 million in the fourth quarter of 2020. The decline in adjusted EBITDA during the quarter was driven by supply chain disruptions and the resulting negative impact on our labor productivity and sales, as well as cost inflation.

As a reminder, we have announced price increases to adjust to these rising costs. We will continue to closely manage supply chain constraints and make necessary investments in labor and automation to deliver for our clients, while also developing products and services offerings in response to our clients' requests.

For the full year, adjusted EBITDA was $246 million in 2021 compared to $260 million in 2020 and adjusted EBITDA margin was 8.3% in 2021 as compared to 8.9% in 2020. The decline in adjusted EBITDA and margin was due to the non-occurrence of $39 million of COVID pandemic-related temporary cost savings in 2020, a $12 million benefit in 2020 from a change in vacation policy, and the negative impact of cost inflation and supply chain disruptions, partially offset by higher profit from increased net sales and a $9 million net gain from property insurance claims.

Adjusted diluted earnings per share from continuing operations more than doubled from $0.29 per share for full-year 2020 to $0.60 per share for full-year 2021. This increase was primarily due to lower depreciation and amortization, lower interest expense, and lower selling, general and administrative expenses.

Free cash flow was $87 million in 2021, $43 million decrease compared to 2020, primarily due to $40 million of income tax refunds received during the third quarter of 2020 from the CARES Tax Act, as well as our strategic decision to carry higher paper and material inventory to serve our clients during this period of worldwide supply chain disruption and resulting longer lead times. These were partially offset by an $11 million decrease in capital expenditures.

Slide 12 includes a summary of our debt capital structure. We reduced net debt by $249 million in 2021 to end the year with significantly improved debt leverage at 2.54 times compared to 3.35 times at the end of 2020. This reduction exceeded our year-end guidance of 2.75 times, primarily due to the application of cash from the Oklahoma City, Oklahoma and Fernley, Nevada facility sales, which generated $59 million of combined net proceeds in the fourth quarter and also due to strong fourth quarter receivables collections.

We have returned to our long-term targeted debt leverage range of 2.0 to 2.5 times and looking forward, debt reduction remains our top priority while also having the ability to implement a more balanced approach to capital allocation now that we have reached our targeted debt leverage range.

As of December 31, our blended interest rate was 4.9% and we maintained our strong liquidity with up to $396 million of availability under our revolving credit agreement, as well as $180 million of cash on hand. Quad's nearest debt maturity continues to be our 7% senior unsecured notes due in May, which were reduced in the fourth quarter to $212 million outstanding. With our strong fourth quarter cash flows, we proactively repurchased [indiscernible] (00:19:15) of the senior unsecured notes to save on 2022 interest payments. We continue to be well-positioned to address the notes at or before their May 2022 maturity with our ample liquidity, which results in a lower blended interest rate and lower interest expense moving forward

As a reminder, during the fourth quarter, we amended and extended our $1 billion bank debt agreement to November 2026. We appreciate the strong banking relationships built over many years, their ongoing conviction in our strategy, and their commitment to Quad.

Slide 13 shows our dedication to net debt reduction. We have made significant progress on reducing debt through the use of our strong free cash flow and cash generated from asset sales. In 2021, we generated $87 million of free cash flow and $166 million in proceeds from asset sales to optimize our product portfolio, reduce debt, and drive our transformation. Not only did we reduce net debt by $249 million in 2021, but when looking at the last two years during the pandemic, we reduced net debt by $410 million or 40%.

On slide 14, we have included our 2022 financial guidance. Due to our continued sales momentum and the previously mentioned increases in pricing to offset inflationary cost impacts, we are pleased to share that we anticipate 2022 net sales to grow in the range of 3% to 7% from our 2021 net sales, excluding the June 2021 QuadExpress divestiture. This marks the second consecutive year of sales growth in our business, as well as continued revenue diversification, with growth in our Targeted Print and Agency Solutions offerings.

Full-year 2022 adjusted EBITDA is expected to be between $230 million and $270 million, with $250 million at the midpoint of that range, representing a slight increase from 2021 adjusted EBITDA despite the supply chain environment. The midpoint of our guidance includes year-over-year EBITDA growth from increased sales, partially offset by continued significant investments in technology and talent. As part of that investment in talent, we are adding skill sets to our service offerings. We are also strategically hiring in our plants now to build and train the team in advance on the seasonally higher production and sales levels in the second half of the year. And with the tight labor environment, we increased wages throughout 2021 to remain competitive, which will annualize in 2022.

From a quarterly perspective, these investments in talent, along with continued supply chain disruption, paper availability challenges and a tight freight market will cause adjusted EBITDA to be lower in the first half of 2022 compared to the previous year. But we expect profitability to improve in the second half of 2022 with higher sales during our seasonal peak.

We expect 2022 free cash flow to be in the range of $70 million to $100 million with $85 million at the midpoint of that range, representing flat free cash flow with 2021. Compared to 2021, we will pay approximately $15 million or 25% less interest due to our significant debt reduction, including the 2022 [ph] payoff (00:22:57) of $212 million of 7% high-yield bonds. Also, with strong client demand, our restructuring payments will decline as our production platform is able and required to accommodate sales growth. These benefits will be offset by increased working capital due to supply chain challenges as well as our expected sales growth.

From a quarterly free cash flow perspective, we will carry higher labor and working capital in the first half of the year to perform for our clients during our production peak in the second half of the year. And as a result, the majority of our free cash flow will be generated in the fourth quarter. In addition, in 2022, we will make the final payment of $14 million in deferred social security taxes due to the CARES Tax Act.

2022 capital expenditures will be in the range of $55 million to $65 million. We plan to increase capital expenditures this year to make additional automation and technology investments to advance our industry-leading platform to better serve our clients and to assist with labor shortages.

Finally, with our strong free cash flow, we will continue to prioritize debt reduction and expect to further reduce our debt leverage by another 0.25 turn to be at approximately 2.25 times by the end of 2022. Our outlook is strong as our clients continue to embrace our integrated marketing offering. And our financial objectives remain unchanged, including driving earnings through sales growth, effective cost management and productivity improvements, as well as reducing debt through the generation of strong free cash flow. All of these efforts will further strengthen our balance sheet and liquidity, enhancing our financial flexibility to accelerate and scale our strategy and drive shareholder value.

In my new role as Quad's Chief Financial Officer, I look forward to continuing to strengthen relationships with current and prospective investors and discussing the value and opportunity of investing in Quad.

With that, I'd like to turn the call back to Katie for questions.

QUESTION AND ANSWER SECTION

Katie Krebsbach
Investor Relations Manager, Quad/Graphics, Inc.

A

Thank you, Tony. Because we compiled questions in advance of today's call, we will not ask for callers to enter the queue. Thank you to everyone who submitted a question. We have four top questions that were submitted.

Our first question relates to industry trends and asks, can you speak to recent client trends you've seen in the fourth quarter and in early 2022?

Joel Quadracci
Chairman, President & Chief Executive Officer, Quad/Graphics, Inc.

A

Yeah. We update you this on every call about this and I really want to kind of split it out between large scale print, Targeted Print and our Quad Agency Solutions. And so when you look at large scale print, this is the category where we continue to expect decline because of the nature of the product. It's probably the least sophisticated product from a targeting standpoint on the marketing side. But then it also was made up of publications where that's seen pressure over the years. So if I break that out and I look at retail inserts, it's off 20% for the year, which is really expected.

And I'll remind you that the retail relationships we have are with just about all the big names out there, both in big box and in grocery. But these are customers who like to buy a lot of our services. And as they look at adjusting their budgets based on like a retail insert that often gets shifted over to other areas of products on the execution side, such as direct mail and in-store marketing. And so while you see that decline, it doesn't mean that these are not an important category for us because it still creates significant free cash flow but also is a place where we can sell more into our clients in that category.

On the publication side, USPS volume for the year was off 5%. Quad was only off 1% and that's due to segment share gains that we had throughout the year. But then getting into the Targeted Print area, catalog, we were up 13% for the year, which is significant given that the industry was pretty much flat at zero. And so most of that – a lot of it, I should say, were from segment share gains, but also we saw some great clients who have been in catalog for a long time actually start increasing and reinvesting further into the catalog world, a trend we continue to see, which is good news.

Direct mail was up 5% for the year and pretty close to what the industry was. That is going to continue to be an area I think of growth as people are looking to be more targeted using data to drive direct mail as opposed to the generic direct mail. And then packaging is up 3%, pretty much in line with the industry.

And then, finally, in-store was up 19% for the year and over 25% for the quarter. And so, in-store continues to benefit from the consulting aspect of our relationship with a lot of our big retailers. So very excited about that growth.

And finally, if I look at Quad Agency Solutions, we're up 7% and that really reflects the fact that we're really starting to scale it. And so, overall, those are the trends that we see and I'm pretty pleased with the growth in the right areas.

Katie Krebsbach
Investor Relations Manager, Quad/Graphics, Inc.
A

Great. Thanks, Joel. Our next question touches on the supply chain including paper. It reads, you mentioned that you expect supply chain and labor issues as well as inflationary pressures to continue. Can you elaborate on what you're experiencing in those areas and specifically in terms of paper supply and pricing? What steps are you taking to mitigate the impacts of low paper supply?

Joel Quadracci
Chairman, President & Chief Executive Officer, Quad/Graphics, Inc.
A

Yeah. So everyone is dealing with the supply chain disruptions and shortages and labor shortages, and we are experiencing the same thing. But probably the biggest part of the shortage area in supply chain is paper as the industry is experiencing a pretty significant shortage based on capacity versus demand. And I'll remind you that we supply about 50% of the paper that goes through our plants, and the other 50% would be supplied by customers. And for the part we supply, it is a pass-through. So we don't take risk on pricing. So, if the pricing has changed in this environment that gets passed along.

However, we've seen the shortages create delays. We've seen customers who supply their own paper not be able to supply the amount of paper they need. And so, that's where Tony referenced that our revenue in 2021 could have been greater if we had the ability on the paper side to not have those disruptions. And I think as we go forward into 2022, we see the supply chain disruption in paper continues to persist. Inflation continues to persist. It is not transitory, at least not proven yet. So we're expecting to plan for that.

But I think on the paper side, we're making headway. I've got concerns, but we're having to bring in inventory well ahead of the norm to get the paper based on the balance that our suppliers have. This has also been exacerbated by one of the big suppliers in Europe who's on strike.

And so with that, I think that we have lots of opportunities from a segment share standpoint. I worry about the paper situation, but I think we're managing it well because we have a wide portfolio of suppliers because of our size. And with that, it allows us to really kind of manage it a little bit differently than most. And so, I think that as we go forward, those are the two initiatives on the labor side getting more focused on that.

If you look at 2021, we started hiring for the busy season what we thought was really like in spring, late spring. It turned out there's still be a challenge by the time the busy season came because we had segment share gains that were coming quite significantly. And we also, as we got towards the later end of the year, we saw the Delta variant cause an uptick again in the amount of [ph] calling (00:31:24) and that did persist on into 2022 at least into January. But we feel good about where those numbers are going.

However, in 2022, we've already started now hiring for the main season, which is well ahead of last year and well ahead of, I think, any time in the history have seen us do it. And so, as Tony said, the investment in doing that is reflected in sort of the EBITDA that we are showing where it's a slight increase. It's because we're investing ahead of the curve, and we want to make sure that we have the labor that we need in the busy season.

And so that's sort of what's going on in that area. Of course, we deal with all the other supply chain issues, but they haven't been the limiting factors that paper has and labor has.

Katie Krebsbach
Investor Relations Manager, Quad/Graphics, Inc.

A

Sure. Okay. Thanks, Joel. Our next question is regarding the USPS. It asks, can you discuss the recent postal reform and the impact it would have on Quad?

Joel Quadracci
Chairman, President & Chief Executive Officer, Quad/Graphics, Inc.

A

Yeah. So we haven't talked about this in a while. But as many know, on the print side of Quad, the biggest cost for our clients typically is postage. It's usually over 60%, 65% of their total cost. And so the increases that we've seen in postage over the years really impacts our customers, and the problem is, is the Post Office needs reform to be able to not have that happen.

We've actually been working with the industry. I've testified in front of Congress multiple times over the years here. I think it feels like a decade. We've been working on getting a bill to help fix the Post Office. Very happy to say that a bill finally made it to the floor and had bipartisan support in the House and passed. What that does is it basically takes about $50 billion in 10-year liability out of their system. They had to prepay retirement health care.

Also what's happened here is they're having all their employees now get to fully enroll in Medicare, which they're already paying for, rather than remaining on the USPS health plan, which is paid for by postage. They've been required to do things no other government agencies had to do from this standpoint or any other company. And so we're very pleased that there was great progress here to relieve this $50 billion liability.

There was a glitch. Washington is not a great place these days. They accidentally sent the wrong version of the bill to the Senate. So I wish I was saying today that it was fully passed as a law, but we do expect that it will get worked out in early March, should make it to the floor with more bipartisan support and will be passed. That's a big deal for those of you who've been following the print side of the industry and a very good news.

Katie Krebsbach
Investor Relations Manager, Quad/Graphics, Inc.

A

Definitely. Thanks for the update. Okay. Our last question is regarding capital allocation. It reads, given the significant debt reduction over the past two years and the current position of the balance sheet, are you considering reinstating the dividend or share repurchases?

Anthony C. Staniak
Chief Financial Officer, Quad/Graphics, Inc.

A

Thanks, Katie. We are proud of how we've reduced debt in this difficult operating environment and that operating environment is continuing, so we'll remain focused on reducing debt. I think that's good for the business and for our shareholders. We are going to implement a more balanced capital allocation over time. We do have a previously authorized share buyback program of up to $100 million. We've also been a dividend payer before and over the long term plan to be a dividend payer again. But in the meantime, we're going to have to remain nimble in this difficult operating environment and adjust our capital allocation priorities based on it.

Joel Quadracci
Chairman, President & Chief Executive Officer, Quad/Graphics, Inc.

A

Yeah. And I'll remind you that when the pandemic came out, we cut the dividend right away because, again, we believe that the sustainability of the business is really winning in the long term here with our transformation and all that we're doing for our clients is about a strong balance sheet and we proved that we would do that. And I think as we continue to prove a sustainable and more, I guess, stable operating environment and manage through the issues that we talked about, we will be very prudent and thoughtful about those uses of capital.

Katie Krebsbach
Investor Relations Manager, Quad/Graphics, Inc.

Thank you, both. This concludes the Q&A portion of today's call. And now, I would like to turn the call back to Joel for closing remarks.

Joel Quadracci
Chairman, President & Chief Executive Officer, Quad/Graphics, Inc.

Thanks, Katie. And thank you, everyone, for joining today's call. I just want to close by reiterating my thanks to all of our employees for their continued hard work and ability to adapt and adjust in these crazy times. I just want to thank our clients for believing in us and really starting to invest in us in ways that they hadn't been before in all the services and products that we've created.

And so with that, I look forward to updating you in the coming quarters. And thank you again for joining the call. Take care.

Operator: The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.