



FOR IMMEDIATE RELEASE

Quad Reports First Quarter 2024 Results

Reaffirms full-year 2024 financial guidance, including 1.8x Net Debt Leverage by year end

SUSSEX, WI, April 30, 2024 — Quad/Graphics, Inc. (NYSE: QUAD) (“Quad” or the “Company”), a global marketing experience company, today reported results for the first quarter ended March 31, 2024.

Recent Highlights

- Realized Net Sales of \$655 million in the first quarter of 2024 compared to \$767 million in 2023, and recognized a Net Loss of \$28 million or \$0.60 Diluted Loss Per Share for the first quarter of 2024.
- Achieved Non-GAAP Adjusted EBITDA of \$51 million in the first quarter of 2024 compared to \$60 million in the first quarter of 2023, and reported \$0.10 Adjusted Diluted Earnings Per Share for the first quarter of 2024.
- Completed restructuring actions that are expected to generate \$60 million of cost savings in 2024.
- Announced In-Store Connect, a new retail solution that aims to advance the in-store shopping experience by creating digital interactions throughout physical retail environments.
- Launched Household Fusion™, a first-of-its-kind postal optimization program created to offset continued U.S. Postal Service rate hikes and further differentiate Quad as a market innovator.
- Introduced the next evolution of the Company’s media agency, Rise, which brings together its full range of media and owned data services under one brand.
- Fitch corporate credit rating outlook revised to “Positive” from “Stable,” indicating future potential upgrade from current ‘B+’ rating in recognition of Quad’s strong financial and operational performance.
- Declared quarterly dividend of \$0.05 per share.
- Reaffirms full-year 2024 financial guidance.

Joel Quadracci, Chairman, President and CEO of Quad, said: “Our first quarter results were in-line with our expectations, and we remain confident in our ability to achieve our full-year 2024 financial guidance. We continue to focus on growing our offerings, including strategic investments in innovative solutions and superior talent, while proactively managing ongoing revenue challenges that include external factors such as significant postal rate increases and continued economic uncertainty that negatively impact print volumes.

“During Q1, we announced our entry into the next big advertising channel – retail media networks or RMNs. EMARKETER predicts ad spend in omnichannel RMNs will grow to over \$100 billion by 2027. Our solution, called Quad In-Store Connect, advances the in-store shopping experience by taking the best elements of digital commerce and bringing it into physical retail environments. Retailers and consumer packaged goods companies now have the ability to deliver engaging brand messages and promotions right at the store shelf – the most critical moment in the purchasing decision. We are excited to announce our partnership with The Save Mart Companies, the largest private regional grocer on the West Coast, to launch its in-store retail media network, and are in talks with

several other retailers. We look forward to demonstrating how In-Store Connect can generate value for clients as we strive to become the industry standard for in-store RMNs.

“Also during Q1, we unveiled Household Fusion[™], a first-of-its-kind postal optimization program we proactively created to offset continued U.S. Postal Service rate hikes. This solution combines various marketing mail from different brands or, separately, various magazines from different publishers into a single package delivered to one address, creating significant postage savings. Clients like PWX Solutions, a direct marketing and production partnership formed between Hearst and Condé Nast, are enthusiastic about this solution, which reduces costs from one of a marketer’s biggest budget lines.

“Additionally, we recently introduced the next evolution of our media agency, Rise, which brings together our full range of media and owned data services under one brand so we’re even better equipped to solve client pain points. This evolution creates a truly differentiated offering in the market, including a modern integrated data stack that has privacy at its core and is resilient to industry challenges, like the deprecation of the third-party cookie.

“To reiterate, I am confident in our team, our strategy and our future as a marketing experience company. We are unwavering in our focus to enhance Quad’s financial strength and create value for all our stakeholders.”

Added Tony Staniak, Chief Financial Officer: “We reaffirm our full-year guidance and remain focused on delivering for our clients while enhancing our financial position, such as through our recent restructuring actions, including plant capacity and labor reduction initiatives, that we anticipate will generate \$60 million in cost savings in 2024. We continue to expect strong cash generation, which we will use to further reduce Net Debt and achieve 1.8x Net Debt Leverage by the end of the year. We are pleased that our strong balance sheet and long-term commitment to debt reduction was recognized by Fitch Ratings, who recently revised our corporate credit rating outlook to Positive from Stable, indicating a potential future upgrade from our current ‘B+’ rating. In addition to lowering debt, we will continue to invest in accelerating our competitive position as an MX company while returning capital to shareholders through our regular quarterly dividend, and we expect to be opportunistic in terms of our future share repurchases.”

First Quarter 2024 Financial Results

- Net Sales were \$655 million in the first quarter of 2024, a decrease of 15% compared to the same period in 2023 primarily due to lower paper, print and agency solutions sales, including the loss of a large grocery client.
- Net Loss was \$28 million in the first quarter of 2024 compared to Net Loss of \$25 million in the first quarter of 2023. The decrease is primarily due to lower sales and higher restructuring and impairment charges, partially offset by benefits from improved manufacturing productivity, savings from cost reduction initiatives and lower income tax expense.
- Adjusted EBITDA was \$51 million in the first quarter of 2024 as compared to \$60 million in the same period in 2023. The decrease was primarily due to lower sales, partially offset by benefits from improved manufacturing productivity and savings from cost reduction initiatives.
- Adjusted Diluted Earnings Per Share was \$0.10 in the first quarter of 2024, as compared to \$0.15 in the first quarter of 2023, primarily due to lower adjusted net earnings, partially offset by the beneficial impact from the Company repurchasing Class A shares totaling approximately 11% of its outstanding shares since the second quarter of 2022.
- Net Cash Used in Operating Activities was \$52 million in the first quarter of 2024, compared to \$51 million in the first quarter of 2023. Free Cash Flow improved \$9 million from last year to negative \$70 million in the first quarter of 2024 primarily due to reduced capital expenditures. As a reminder, the Company historically generates most of its Free Cash Flow in the fourth quarter of the year.

- Net Debt increased by \$74 million to \$544 million at March 31, 2024, as compared to \$470 million at December 31, 2023, primarily due to the negative \$70 million Free Cash Flow in the first quarter of 2024. We continue to expect to reduce Net Debt to approximately \$405 million, or 1.8x Net Debt Leverage, at the end of this year.

Dividend

Quad's next quarterly dividend of \$0.05 per share will be payable on June 7, 2024, to shareholders of record as of May 22, 2024.

2024 Guidance

The Company's full-year 2024 financial guidance is unchanged and is as follows:

Financial Metric	2024 Guidance
Annual Net Sales Change	5% to 9% decline
Full-Year Adjusted EBITDA	\$205 million to \$245 million
Free Cash Flow	\$50 million to \$70 million
Capital Expenditures	\$60 million to \$70 million
Year-End Debt Leverage Ratio ⁽¹⁾	Approximately 1.8x

⁽¹⁾ Debt Leverage Ratio is calculated at the midpoint of the Adjusted EBITDA guidance.

Conference Call and Webcast Information

Quad will hold a conference call at 8:30 a.m. ET on Wednesday, May 1, to discuss first quarter 2024 financial results. The call will be hosted by Joel Quadracci, Quad Chairman, President and CEO, and Tony Staniak, Quad CFO. As part of the conference call, Quad will conduct a question-and-answer session.

Participants can pre-register for the webcast by navigating to <https://dpregrister.com/sreg/10188208/fc3ba69b40>. Participants will be given a unique PIN to gain access to the call, bypassing the live operator. Participants may pre-register at any time, including up to and after the call start time.

Alternatively, participants may dial in on the day of the call as follows:

- U.S. Toll-Free: 1-877-328-5508
- International Toll: 1-412-317-5424

An audio replay of the call will be posted on the Investors section of Quad's website shortly after the conference call ends. In addition, telephone playback will also be available until June 1, 2024, accessible as follows:

- U.S. Toll-Free: 1-877-344-7529
- International Toll: 1-412-317-0088
- Replay Access Code: 5378708

About Quad

Quad (NYSE: QUAD) is a global marketing experience company that helps brands make direct consumer connections, from household to in-store to online. Supported by state-of-the-art technology and data-driven intelligence, Quad uses its suite of media, creative and production solutions to streamline the complexities of marketing and remove friction from wherever it occurs in the marketing journey. Quad tailors its uniquely flexible, scalable and connected solutions to clients' objectives, driving cost efficiencies, improving speed to market, strengthening marketing effectiveness, and delivering value on client investments.

Quad employs approximately 13,000 people in 14 countries and serves approximately 2,700 clients including industry leading blue-chip companies that serve both businesses and consumers in multiple industry verticals, with a particular focus on commerce, including retail, consumer packaged goods, and direct-to-consumer; financial services; and health. Quad is ranked as the 14th largest agency company in the U.S. by Ad Age (2023), and the second-largest commercial printer in North America, according to Printing Impressions (2023).

For more information about Quad, including its commitment to ongoing innovation, culture and sustainable impact, visit quad.com.

Forward-Looking Statements

This press release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding, among other things, our current expectations about the Company's future results, financial condition, 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 decreasing demand for printing services and significant overcapacity in a highly competitive environment creates downward pricing pressures and potential under-utilization of assets; the impact of increased business complexity as a result of the Company's transformation to a marketing experience company; the impact of changes in postal rates, service levels or regulations, including delivery delays; 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, parts for equipment and the materials to manufacture ink; the impact macroeconomic conditions, including inflation, high interest rates and recessionary concerns, as well as cost and labor pressures, distribution challenges and the price and availability of paper, have had, and may continue to have, on the Company's business, financial condition, cash flows and results of operations (including future uncertain impacts); the inability of the Company to reduce costs and improve operating efficiency rapidly enough to meet market conditions; the impact of a data-breach of sensitive information, ransomware attack or other cyber incident on the Company; the fragility and decline in overall distribution channels; the failure to attract and retain qualified talent across the enterprise; the impact of digital media and similar technological changes, including digital substitution by consumers; the failure of clients to perform under contracts or to renew contracts with clients on favorable terms or at all; the impact of risks associated with the operations outside of the United States ("U.S."), including trade restrictions, currency fluctuations, the global economy, costs incurred or reputational damage suffered due to improper conduct of its employees, contractors or agents, and geopolitical events like war and terrorism; 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 negative publicity could have on our business and brand reputation; significant

capital expenditures and investments may be needed to sustain and grow the Company's platforms, processes, systems, client and product technology, marketing and talent, 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 macroeconomic conditions may have on the Company's ability to continue to be in compliance with these restrictive covenants; 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 regulatory matters and legislative developments or changes in laws, including changes in cybersecurity, privacy and environmental laws; 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.

Non-GAAP Financial Measures

This press release contains financial measures not prepared in accordance with generally accepted accounting principles (referred to as non-GAAP), specifically Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow, Net Debt, Debt Leverage Ratio and Adjusted Diluted Earnings Per Share. Adjusted EBITDA is defined as net earnings (loss) excluding interest expense, income tax expense, depreciation and amortization and restructuring, impairment and transaction-related charges. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by net sales. Free Cash Flow is defined as net cash provided by (used in) 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 Per Share is defined as earnings (loss) before income taxes excluding restructuring, impairment and transaction-related charges and adjusted for income tax expense at a normalized tax rate, divided by diluted weighted average number of common shares outstanding.

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 (used in) operating activities as a measure of liquidity. These non-GAAP measures may be different than non-GAAP financial measures used by other companies. Reconciliation to the GAAP equivalent of these non-GAAP measures are contained in tabular form on the attached unaudited financial statements.

Investor Relations Contact

Don Pontes
Executive Director of Investor Relations
916-532-7074
dwpontes@quad.com

Media Contact

Claire Ho
Director of Marketing Communications
414-566-2955
cho@quad.com

QUAD/GRAPHICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For the Three Months Ended March 31, 2024 and 2023
(in millions, except per share data)
(UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
Net sales	\$ 654.8	\$ 766.5
Cost of sales	521.3	617.5
Selling, general and administrative expenses	83.1	89.2
Depreciation and amortization	28.6	33.7
Restructuring, impairment and transaction-related charges	32.5	26.0
Total operating expenses	665.5	766.4
Operating income (loss)	(10.7)	0.1
Interest expense	15.2	16.3
Net pension income	(0.2)	(0.4)
Loss before income taxes	(25.7)	(15.8)
Income tax expense	2.4	8.8
Net loss	\$ (28.1)	\$ (24.6)
Loss per share		
Basic and diluted	\$ (0.60)	\$ (0.50)
Weighted average number of common shares outstanding		
Basic and diluted	47.2	49.2

QUAD/GRAPHICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
As of March 31, 2024 and December 31, 2023
(in millions)

	(UNAUDITED) March 31, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	\$ 10.2	\$ 52.9
Receivables, less allowances for credit losses	302.7	316.2
Inventories	180.6	178.8
Prepaid expenses and other current assets	56.3	39.8
Total current assets	549.8	587.7
Property, plant and equipment—net	601.8	620.6
Operating lease right-of-use assets—net	91.8	96.6
Goodwill	100.3	103.0
Other intangible assets—net	17.7	21.8
Other long-term assets	62.3	80.0
Total assets	<u>\$ 1,423.7</u>	<u>\$ 1,509.7</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$ 359.8	\$ 373.6
Other current liabilities	174.0	237.6
Short-term debt and current portion of long-term debt	71.5	151.7
Current portion of finance lease obligations	2.4	2.5
Current portion of operating lease obligations	23.6	25.4
Total current liabilities	631.3	790.8
Long-term debt	473.9	362.5
Finance lease obligations	6.0	6.0
Operating lease obligations	74.6	77.2
Deferred income taxes	5.9	5.1
Other long-term liabilities	142.8	148.6
Total liabilities	1,334.5	1,390.2
Shareholders' equity		
Preferred stock	—	—
Common stock	1.4	1.4
Additional paid-in capital	838.0	842.7
Treasury stock, at cost	(28.7)	(33.1)
Accumulated deficit	(604.6)	(573.9)
Accumulated other comprehensive loss	(116.9)	(117.6)
Total shareholders' equity	89.2	119.5
Total liabilities and shareholders' equity	<u>\$ 1,423.7</u>	<u>\$ 1,509.7</u>

QUAD/GRAPHICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2024 and 2023
(in millions)
(UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
OPERATING ACTIVITIES		
Net loss	\$ (28.1)	\$ (24.6)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	28.6	33.7
Impairment charges	12.6	9.5
Stock-based compensation	1.8	1.0
Gain on the sale or disposal of property, plant and equipment, net	(0.9)	(0.1)
Deferred income taxes	0.3	10.3
Other non-cash adjustments to net loss	0.3	0.5
Changes in operating assets and liabilities	(66.8)	(80.9)
Net cash used in operating activities	(52.2)	(50.6)
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(17.9)	(28.7)
Cost investment in unconsolidated entities	(0.2)	(0.3)
Proceeds from the sale of property, plant and equipment	1.7	7.1
Other investing activities	0.5	(4.5)
Net cash used in investing activities	(15.9)	(26.4)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	52.8	—
Payments of current and long-term debt	(101.0)	(7.4)
Payments of finance lease obligations	(0.8)	(0.3)
Borrowings on revolving credit facilities	468.3	413.8
Payments on revolving credit facilities	(389.1)	(343.5)
Purchases of treasury stock	—	(0.3)
Equity awards redeemed to pay employees' tax obligations	(2.1)	(1.7)
Payment of cash dividends	(2.4)	(0.1)
Other financing activities	(0.2)	(0.2)
Net cash provided by financing activities	25.5	60.3
Effect of exchange rates on cash and cash equivalents	(0.1)	0.2
Net decrease in cash and cash equivalents	(42.7)	(16.5)
Cash and cash equivalents at beginning of period	52.9	25.2
Cash and cash equivalents at end of period	<u>\$ 10.2</u>	<u>\$ 8.7</u>

QUAD/GRAPHICS, INC.
SEGMENT FINANCIAL INFORMATION
For the Three Months Ended March 31, 2024 and 2023
(in millions)
(UNAUDITED)

	Net Sales	Operating Income (Loss)	Restructuring, Impairment and Transaction-Related Charges ⁽¹⁾
Three months ended March 31, 2024			
United States Print and Related Services	\$ 578.9	\$ (1.3)	\$ 31.6
International	75.9	3.4	0.8
Total operating segments	654.8	2.1	32.4
Corporate	—	(12.8)	0.1
Total	<u>\$ 654.8</u>	<u>\$ (10.7)</u>	<u>\$ 32.5</u>
Three months ended March 31, 2023			
United States Print and Related Services	\$ 657.6	\$ 7.3	\$ 22.5
International	108.9	7.7	2.6
Total operating segments	766.5	15.0	25.1
Corporate	—	(14.9)	0.9
Total	<u>\$ 766.5</u>	<u>\$ 0.1</u>	<u>\$ 26.0</u>

⁽¹⁾ Restructuring, impairment and transaction-related charges are included within operating income (loss).

QUAD/GRAPHICS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
EBITDA, EBITDA MARGIN, ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN
For the Three Months Ended March 31, 2024 and 2023
(in millions, except margin data)
(UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (28.1)	\$ (24.6)
Interest expense	15.2	16.3
Income tax expense	2.4	8.8
Depreciation and amortization	28.6	33.7
EBITDA (non-GAAP)	\$ 18.1	\$ 34.2
EBITDA Margin (non-GAAP)	2.8 %	4.5 %
Restructuring, impairment and transaction-related charges ⁽¹⁾	32.5	26.0
Adjusted EBITDA (non-GAAP)	\$ 50.6	\$ 60.2
Adjusted EBITDA Margin (non-GAAP)	7.7 %	7.9 %

⁽¹⁾ Operating results for the three months ended March 31, 2024 and 2023, were affected by the following restructuring, impairment and transaction-related charges:

	Three Months Ended March 31,	
	2024	2023
Employee termination charges ^(a)	\$ 13.7	\$ 13.1
Impairment charges ^(b)	12.6	9.5
Transaction-related charges ^(c)	0.5	0.6
Integration costs ^(d)	0.1	0.5
Other restructuring charges ^(e)	5.6	2.3
Restructuring, impairment and transaction-related charges	\$ 32.5	\$ 26.0

^(a) Employee termination charges were related to workforce reductions through facility consolidations and separation programs.

^(b) Impairment charges were for certain property, plant and equipment no longer being utilized in production as a result of facility consolidations and other capacity reduction activities, as well as operating lease right-of-use assets.

^(c) Transaction-related charges consisted of professional service fees related to business acquisition and divestiture activities.

^(d) Integration costs were primarily costs related to the integration of acquired companies.

^(e) Other restructuring charges primarily include costs to maintain and exit closed facilities, as well as lease exit charges.

In addition to financial measures prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), this earnings announcement 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 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 (used in) operating activities as a measure of liquidity. These non-GAAP measures may be different than non-GAAP financial measures used by other companies.

QUAD/GRAPHICS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
FREE CASH FLOW
For the Three Months Ended March 31, 2024 and 2023
(in millions)
(UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
Net cash used in operating activities	\$ (52.2)	\$ (50.6)
Less: purchases of property, plant and equipment	17.9	28.7
Free Cash Flow (non-GAAP)	\$ (70.1)	\$ (79.3)

In addition to financial measures prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), this earnings announcement 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 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 (used in) operating activities as a measure of liquidity. These non-GAAP measures may be different than non-GAAP financial measures used by other companies.

QUAD/GRAPHICS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
NET DEBT AND DEBT LEVERAGE RATIO
As of March 31, 2024 and December 31, 2023
(in millions, except ratio)

	(UNAUDITED) March 31, 2024	December 31, 2023
Total debt and finance lease obligations on the condensed consolidated balance sheets	\$ 553.8	\$ 522.7
Less: Cash and cash equivalents	10.2	52.9
Net Debt (non-GAAP)	<u>\$ 543.6</u>	<u>\$ 469.8</u>
Divided by: trailing twelve months Adjusted EBITDA (non-GAAP) ⁽¹⁾	\$ 224.1	\$ 233.7
Debt Leverage Ratio (non-GAAP)	<u>2.43 x</u>	<u>2.01 x</u>

⁽¹⁾ The calculation of Adjusted EBITDA for the trailing twelve months ended March 31, 2024, and December 31, 2023, was as follows:

	<u>Year Ended</u> <u>December 31,</u> <u>2023^(a)</u>	<u>Add</u> <u>Three Months Ended</u>		<u>Trailing Twelve</u> <u>Months Ended</u> <u>(UNAUDITED)</u> <u>March 31, 2024</u>
		<u>(UNAUDITED)</u> <u>March 31, 2024</u>	<u>(UNAUDITED)</u> <u>March 31, 2023</u>	
Net loss	\$ (55.4)	\$ (28.1)	\$ (24.6)	\$ (58.9)
Interest expense	70.0	15.2	16.3	68.9
Income tax expense	12.8	2.4	8.8	6.4
Depreciation and amortization	128.8	28.6	33.7	123.7
EBITDA (non-GAAP)	<u>\$ 156.2</u>	<u>\$ 18.1</u>	<u>\$ 34.2</u>	<u>\$ 140.1</u>
Restructuring, impairment and transaction-related charges	77.5	32.5	26.0	84.0
Adjusted EBITDA (non-GAAP)	<u><u>\$ 233.7</u></u>	<u><u>\$ 50.6</u></u>	<u><u>\$ 60.2</u></u>	<u><u>\$ 224.1</u></u>

^(a) Financial information for the year ended December 31, 2023, is included as reported in the Company's 2023 Annual Report on Form 10-K filed with the SEC on February 22, 2024.

In addition to financial measures prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), this earnings announcement 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 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 (used in) operating activities as a measure of liquidity. These non-GAAP measures may be different than non-GAAP financial measures used by other companies.

QUAD/GRAPHICS, INC.
RECONCILIATION OF GAAP TO NON-GAAP MEASURES
ADJUSTED DILUTED EARNINGS PER SHARE
For the Three Months Ended March 31, 2024 and 2023
(in millions, except per share data)
(UNAUDITED)

	Three Months Ended March 31,	
	2024	2023
Loss before income taxes	\$ (25.7)	\$ (15.8)
Restructuring, impairment and transaction-related charges	32.5	26.0
Adjusted net earnings, before income taxes (non-GAAP)	6.8	10.2
Income tax expense at 25% normalized tax rate	1.7	2.6
Adjusted net earnings (non-GAAP)	<u>\$ 5.1</u>	<u>\$ 7.6</u>
Basic weighted average number of common shares outstanding	47.2	49.2
Plus: effect of dilutive equity incentive instruments (non-GAAP)	2.6	2.1
Diluted weighted average number of common shares outstanding (non-GAAP)	<u>49.8</u>	<u>51.3</u>
Adjusted diluted earnings per share (non-GAAP) ⁽¹⁾	<u>\$ 0.10</u>	<u>\$ 0.15</u>
Diluted loss per share (GAAP)	\$ (0.60)	\$ (0.50)
Restructuring, impairment and transaction-related charges per share	0.65	0.51
Income tax expense from condensed consolidated statement of operations per share	0.05	0.17
Income tax expense at 25% normalized tax rate per share	(0.03)	(0.05)
Effect of dilutive equity incentive instruments	0.03	0.02
Adjusted diluted earnings per share (non-GAAP) ⁽¹⁾	<u>\$ 0.10</u>	<u>\$ 0.15</u>

⁽¹⁾ Adjusted diluted earnings per share excludes the following: (i) restructuring, impairment and transaction-related charges and (ii) discrete income tax items.

In addition to financial measures prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), this earnings announcement 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 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 (used in) operating activities as a measure of liquidity. These non-GAAP measures may be different than non-GAAP financial measures used by other companies.