

2nd Quarter 2024 Earnings Call

July 31, 2024

Quad ®

Call Participants & Forward-Looking Statements



Joel Quadracci

Chairman, President & Chief Executive Officer



Tony Staniak

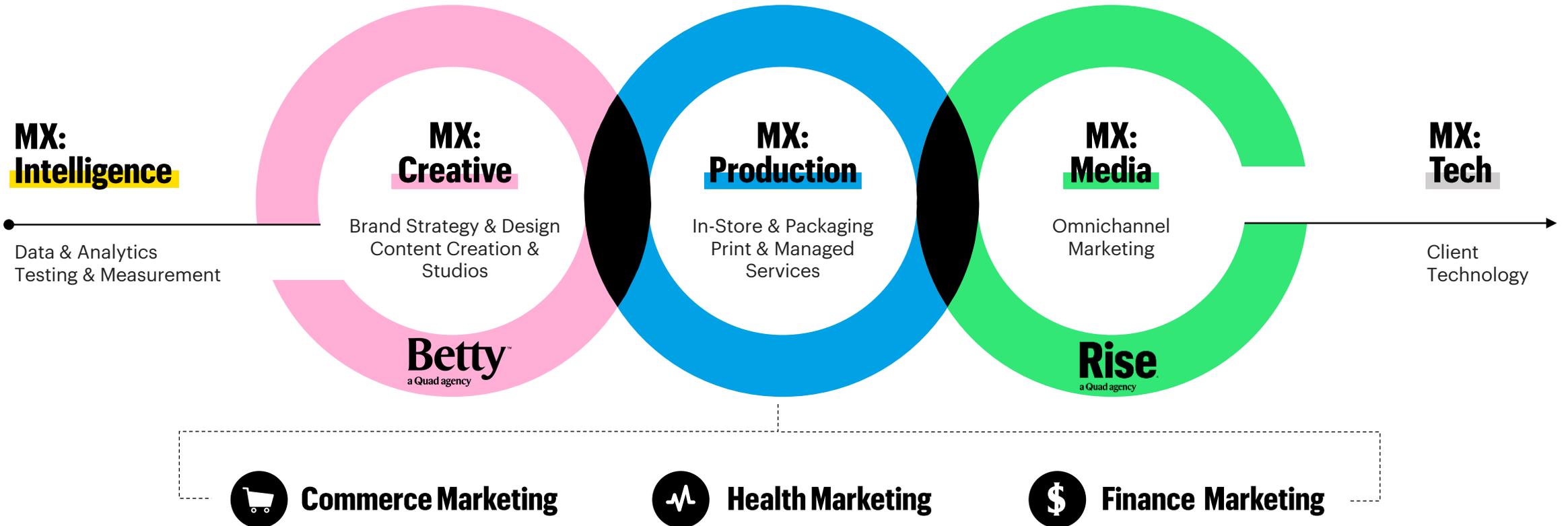
Chief Financial Officer

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 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, including adapting marketing offerings and business processes as required by new markets and technologies, such as artificial intelligence; 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.

MX Solutions Suite

From offline to online, across Creative, Production and Media, fueled by Intelligence and Tech, Quad's MX Suite of products and services is flexibly tailored for the unique needs of the marketer



In-Store Connect by Quad

We continue to **expand** our presence in **omnichannel retail media networks**

The
SAVE MART
COMPANIES

- **The Save Mart Companies** is in the process of activating our in-store retail media network solution

HOMELAND

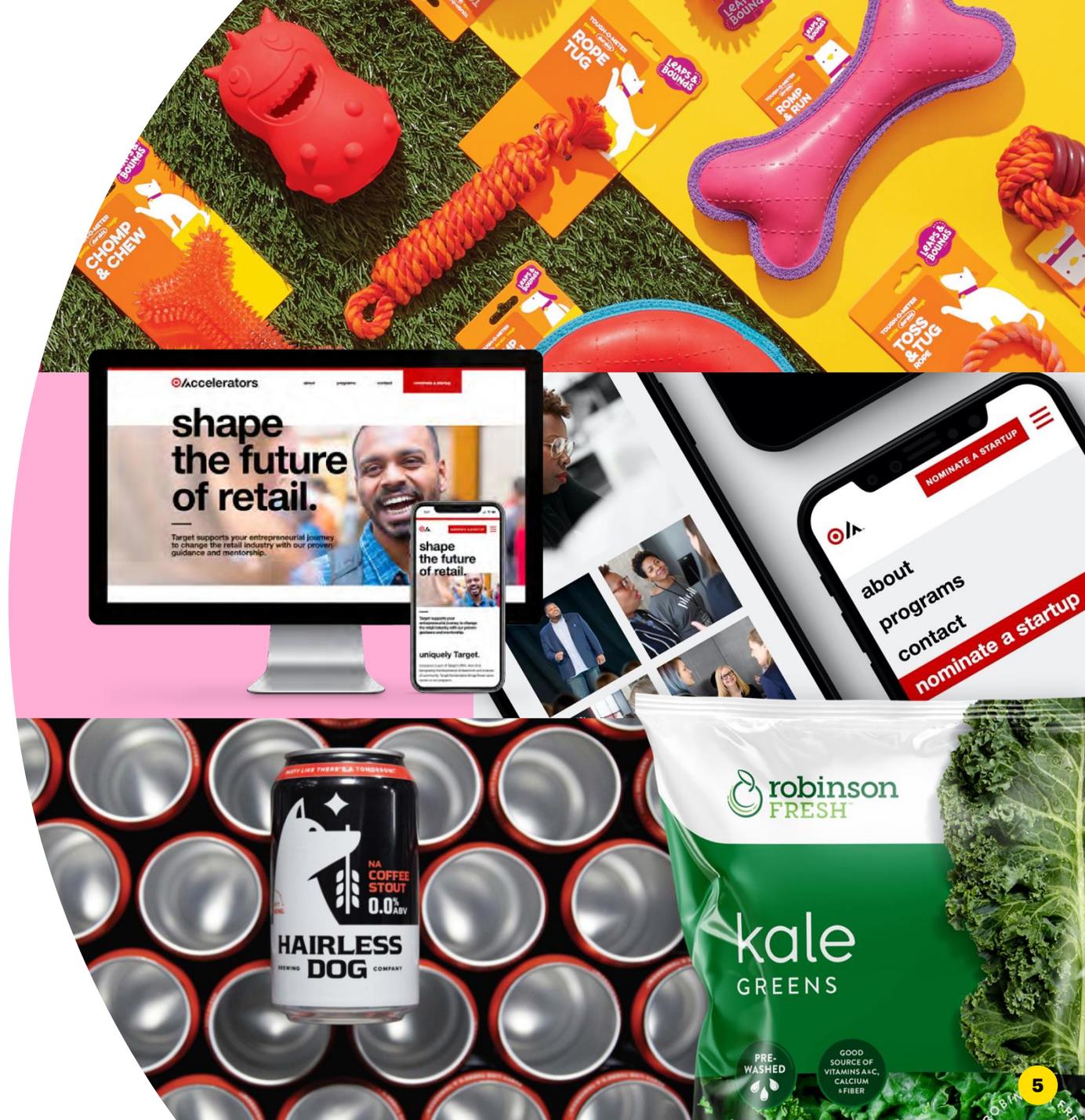
- **Homeland Stores** is scheduled to debut In-Store Connect in October



Betty™

a Quad agency

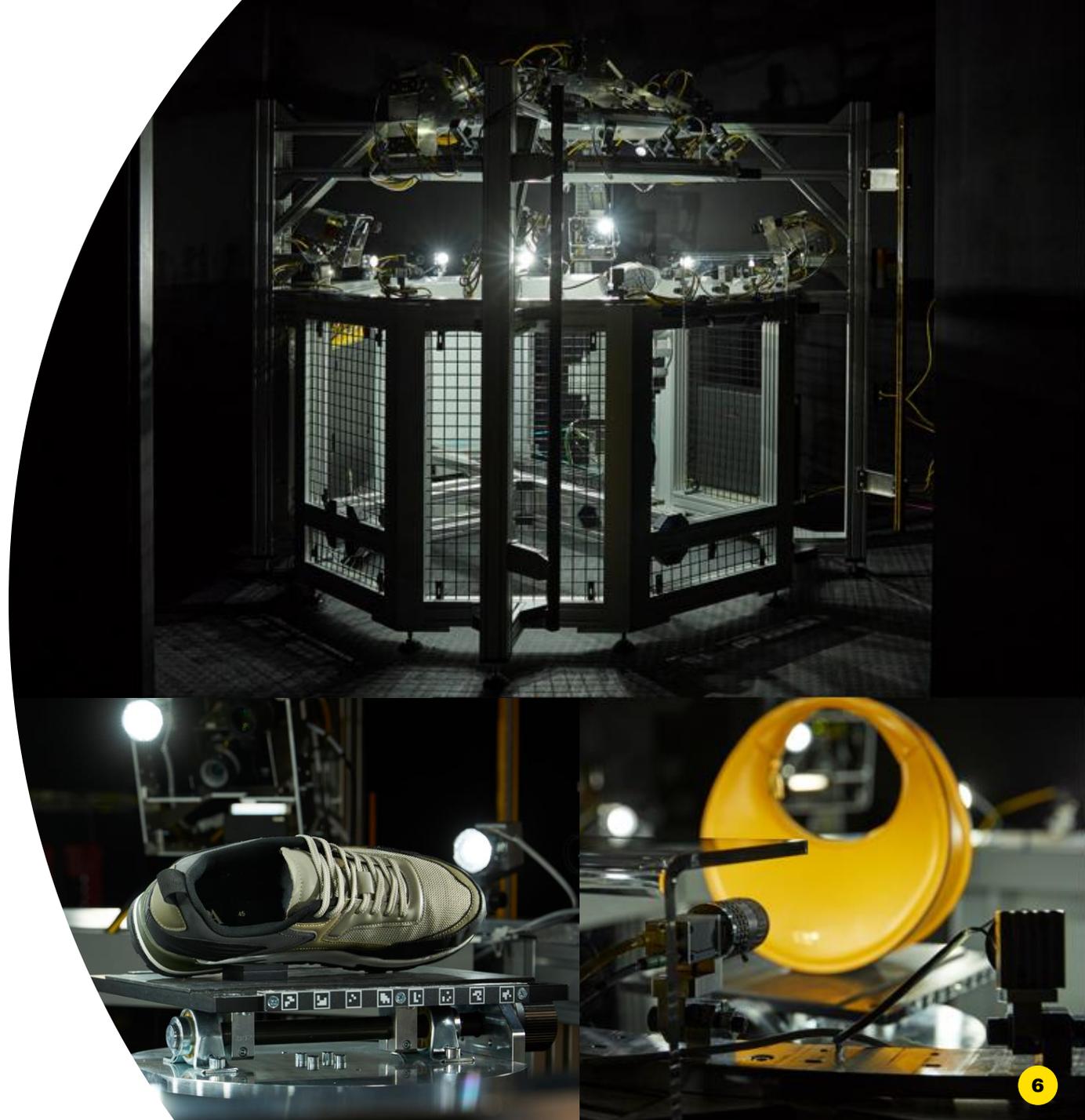
- Betty is a **creative agency** that integrates all of Quad's creative offerings, including:
 - Brand strategy and design
 - Data-driven campaign ideation
 - Premedia, retail and adaptive design
 - Content creation
- Backed by Quad's **24/7 global production platform**



3D Commerce

by Quad

- The first commercially available automated **3D scanning solution** in the North American market and an extension of Quad's studio offering
- Creates **photorealistic 3D assets** for:
 - Virtual 2D photography
 - Product videos
 - Virtual try-on
 - Augmented and virtual reality experiences



Recent Recognition



Quad × CANNES LIONS

INTERNATIONAL FESTIVAL OF CREATIVITY



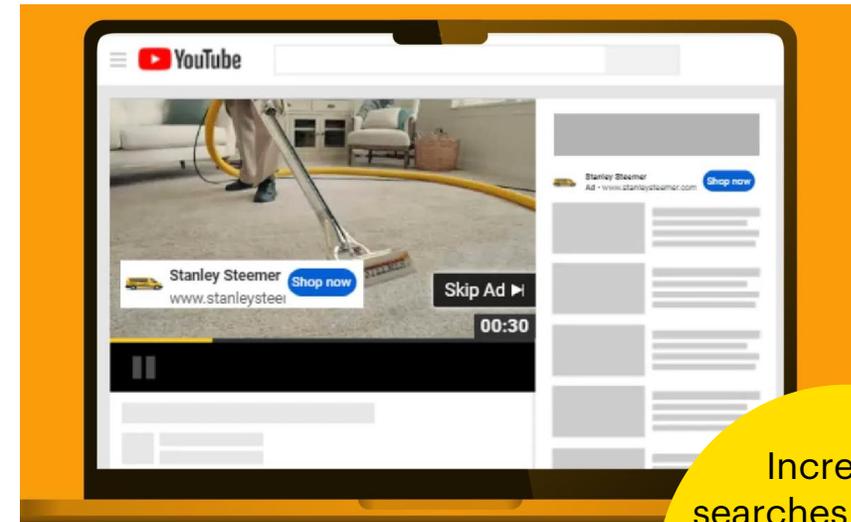
Recent Campaign Results

Summit Brewing Company



Grew sales of Twins Pils beer by **3.5 times** in 12-months after campaign launch

Stanley Steemer



Increased searches by **108%** and reduced CPM by **28%** from targeted YouTube campaign

MX Wins: National Grocery Retailer



MX: Creative

Brand Design
Photography
Content Creation

Opportunity

- Leverage Favorite Child, the brand design arm of our Betty agency, to help client evolve its approach to private label or “owned brands”

Quad Solutions

- Launching a new multi-category flagship owned brand
- Redesigning the client’s existing organic owned brand
- Performing design execution and photography for all of the client’s owned brand products



MX Wins: National Supermarket Chain



MX: Production

Direct Marketing
In-Store
Circulars



MX: Tech

Content Management



MX: Media

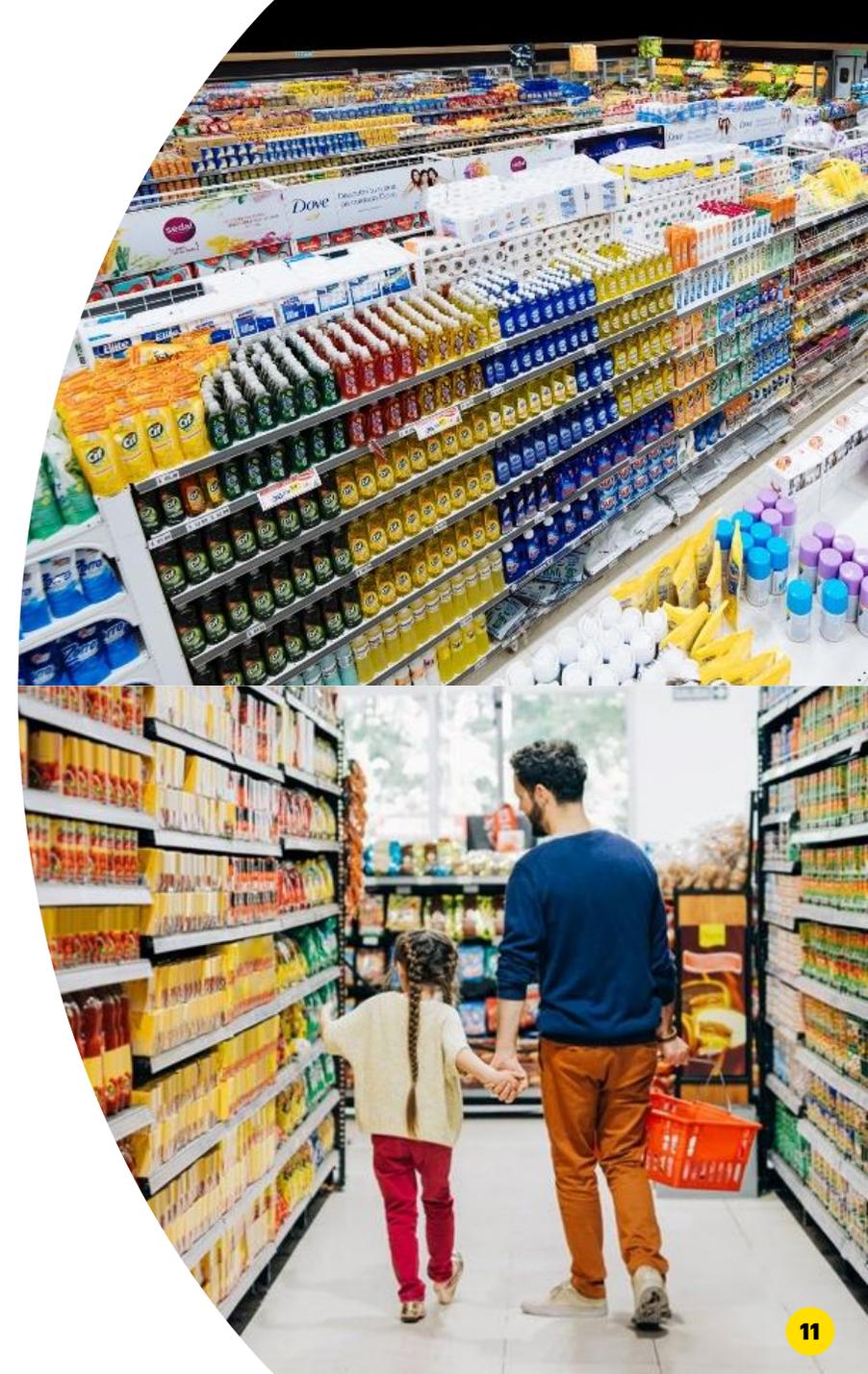
Planning and Placement

Opportunity

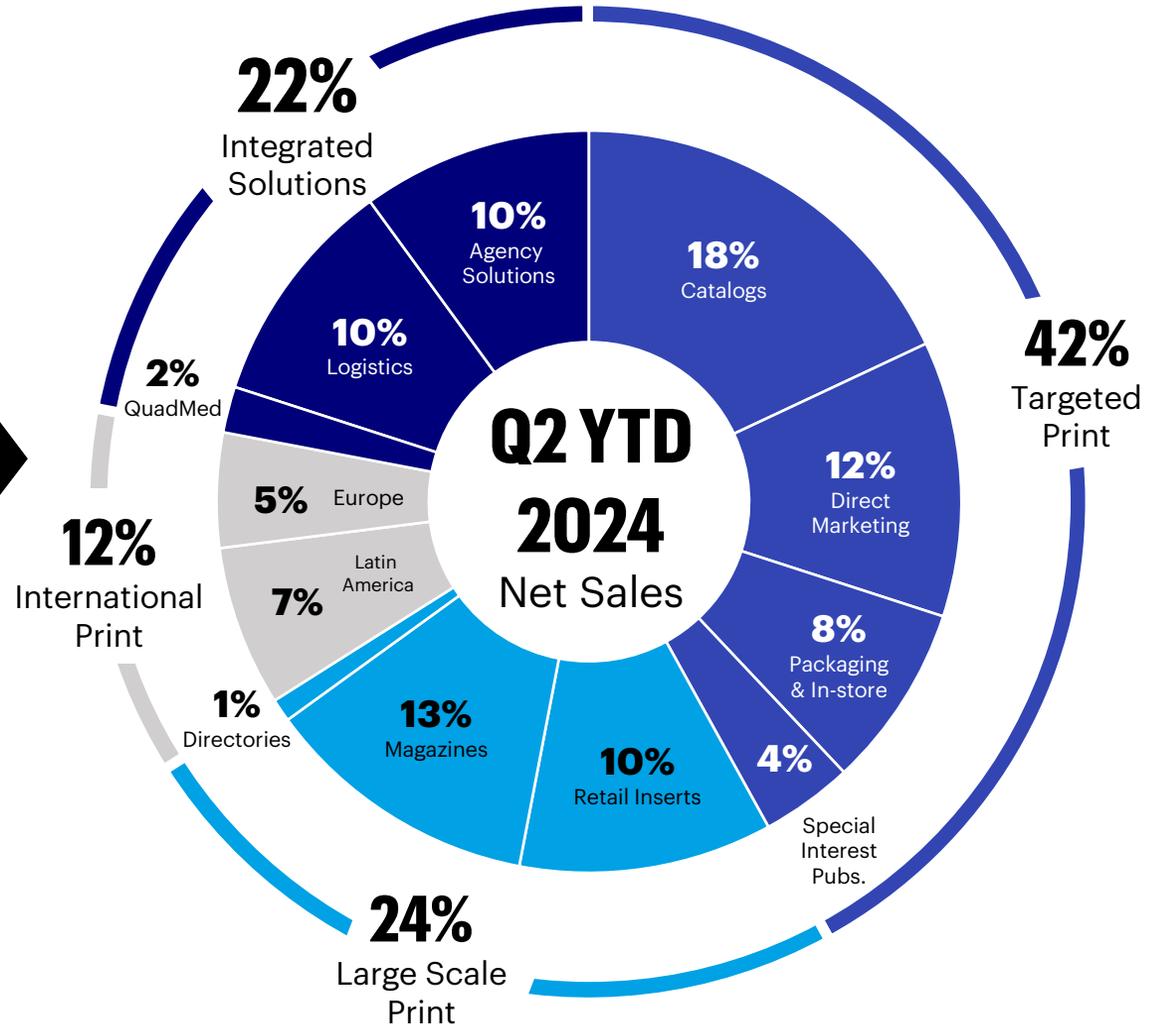
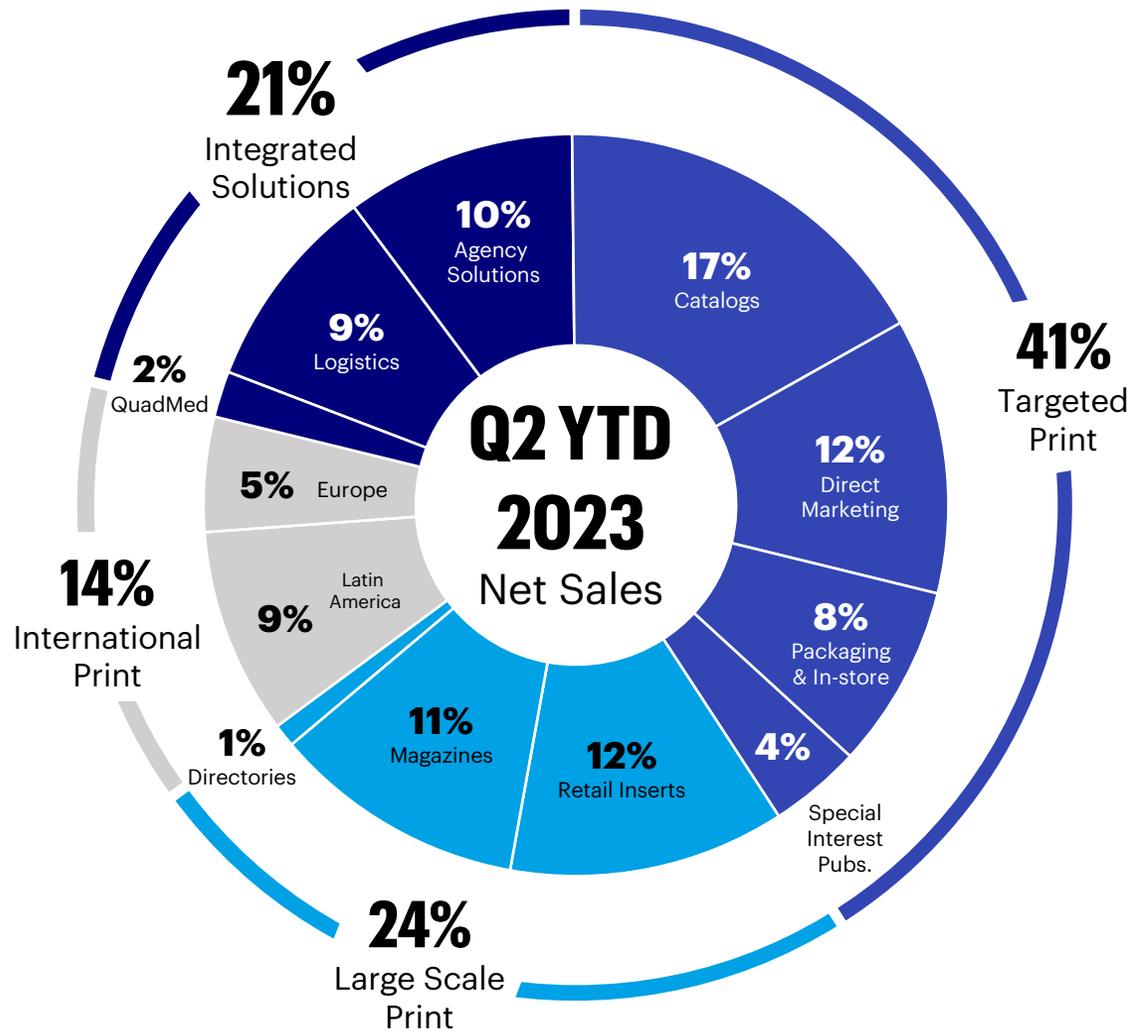
- Enhance client's consumer connections, drive sales and revenue, and streamline processes

Quad Solutions

- Leveraging proprietary retail media content management solution to dynamically create personalized ads for loyalty members – delivered in their preferred media channel
- Taking a more data-driven approach to in-store circulars, creating deals and savings by geography
- Producing highly complex, weekly in-store signage kits



Net Sales Breakdown



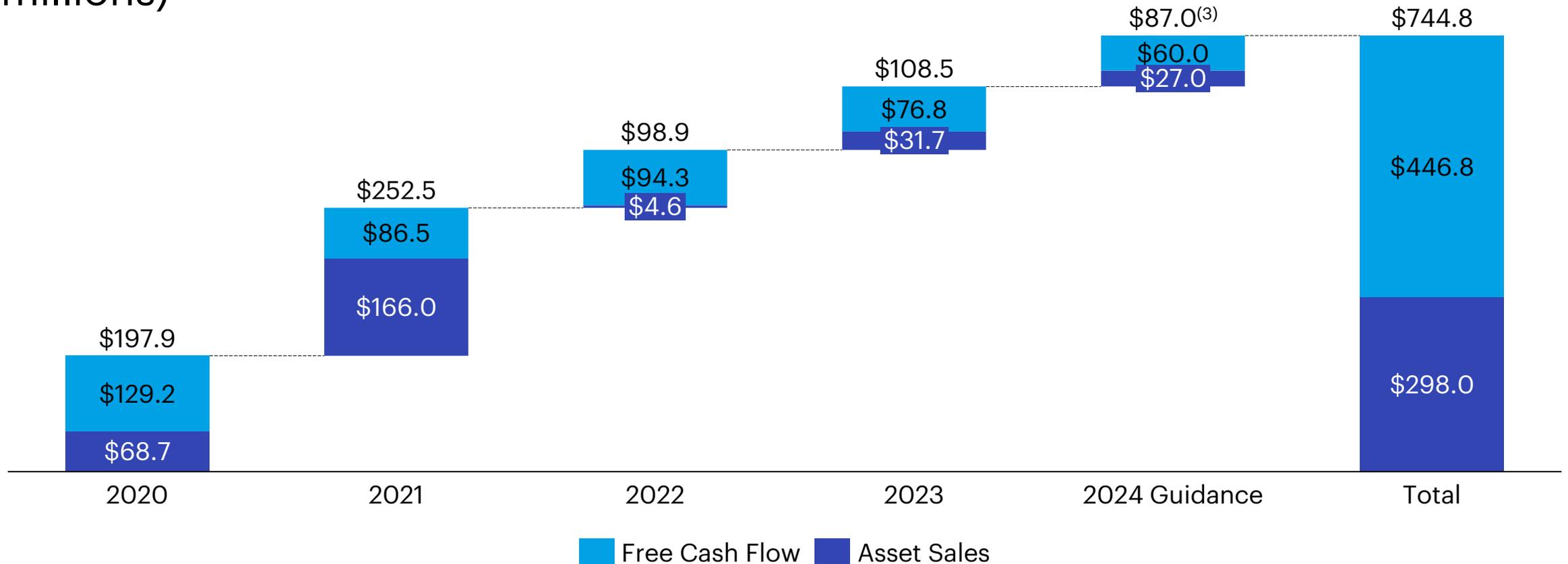
Financial Overview

	Second Quarter		Year-to-Date	
US \$ Millions (Except Per Share Data)	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
STATEMENT OF OPERATIONS				
Net Sales	\$ 634.2	\$ 703.1	\$ 1,289.0	\$ 1,469.6
Cost of Sales	493.9	569.8	1,015.2	1,187.3
Selling, General and Administrative Expenses	88.7	83.3	171.8	172.5
Adjusted EBITDA⁽¹⁾	\$ 51.8	\$ 50.4	\$ 102.4	\$ 110.6
Adjusted EBITDA Margin⁽¹⁾	8.2%	7.2%	7.9%	7.5 %
Adjusted Diluted Earnings Per Share⁽¹⁾	\$ 0.12	\$ 0.02	\$ 0.22	\$ 0.17
STATEMENT OF CASH FLOWS				
Net Cash Provided By (Used In) Operating Activities			\$ (48.3)	\$ 0.3
Capital Expenditures			(33.5)	(45.2)
Free Cash Flow⁽¹⁾			(81.8)	(44.9)
Share Repurchases	\$ —	\$ 4.7	\$ —	\$ 5.0

(1) See slide 21 for definitions of our non-GAAP measures, slides 22 and 23 for reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin, slide 24 for a reconciliation of Free Cash Flow, and slides 27 and 28 for reconciliations of Adjusted Diluted Earnings Per Share as non-GAAP measures

Strong Cash Generation

(\$ millions)



We expect to generate over \$740 million from 2020 to 2024 through our Free Cash Flow⁽¹⁾ and proceeds from asset sales⁽²⁾ including the sale of our minority investment in Manipal Technologies for \$22.2 million

(1) See slide 21 for definitions of our non-GAAP measures and slide 24 for a reconciliation of Free Cash Flow as a non-GAAP measure

(2) Includes proceeds from the sale of property, plant and equipment and proceeds from the sale of non-core businesses or investments

(3) Proceeds from asset sales in 2024 will be added to total 2024 Cash Generation as they occur

Debt Capital Structure

\$532 million

Net Debt⁽¹⁾
as of June 30, 2024

7.6%

Blended Interest Rate
as of June 30, 2024

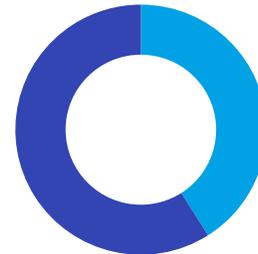
\$222 million

Total Liquidity Including Cash on Hand
as of June 30, 2024

2.36x

Debt Leverage Ratio⁽¹⁾
as of June 30, 2024

59%
Floating



41%
Fixed

November 2026

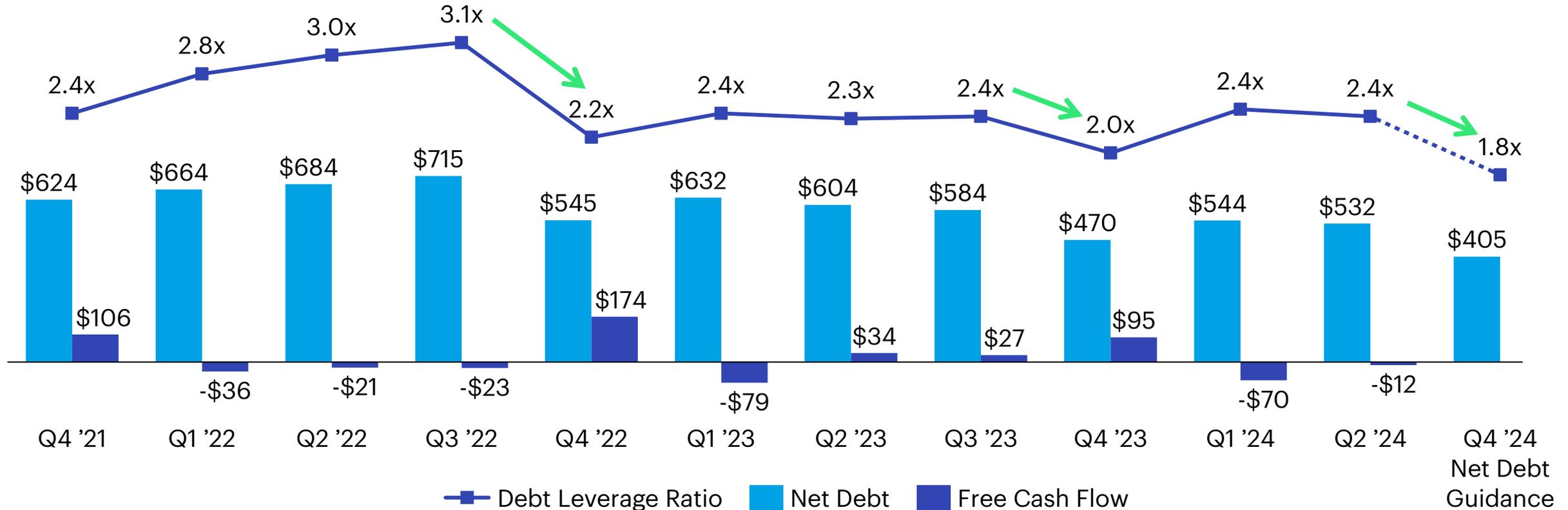
Next Significant Debt Maturity
of \$245 Million

Effective April 30th, we entered into an interest rate swap converting \$50 million of our variable rate debt to fixed rate

(1) See slide 21 for definitions of our non-GAAP measures and slide 25 for a reconciliation of Net Debt and Debt Leverage Ratio as non-GAAP measures

Free Cash Flow and Net Debt Seasonality

(\$ millions)



Due to the seasonality of our business, the majority of our Free Cash Flow Generation and Debt Reduction⁽¹⁾ occurs in the fourth quarter

(1) See slide 21 for definitions of our non-GAAP measures, slide 24 for a reconciliation of Free Cash Flow and slide 25 for a reconciliation of Net Debt and Debt Leverage Ratio as non-GAAP measures

2024 Guidance

Financial Metric	2024 Guidance
Annual Net Sales Change	5% to 9% decline
Full-Year Adjusted EBITDA ⁽¹⁾	\$205 to \$245 million
Free Cash Flow ⁽¹⁾	\$50 to \$70 million
Capital Expenditures	\$60 to \$70 million
Year-End Debt Leverage Ratio ⁽¹⁾⁽²⁾	Approximately 1.8x

We now expect Net Sales to be near the higher end of decline in our guidance range, with improved Adjusted EBITDA margin from strong operational performance

(1) See slide 21 for definitions of our non-GAAP measures

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

Key Investment Highlights



1

One-of-a-Kind Integrated Marketing Platform

- Featuring through-the-line marketing solutions deployed across offline and online channels
- Accessing additional revenue opportunity in advertising and marketing services industry

2

Trusted by Leading Global Brands

- Serving 2,700 clients across growing verticals such as retail, publishing, consumer packaged goods, finance and insurance, health and direct-to-consumer

3

Transformation Momentum

- Winning new clients and diversifying revenue and client mix through strategic investments in innovative data and media solutions, agency talent, business development and marketing

4

Strong Cash Generation Supporting Growth

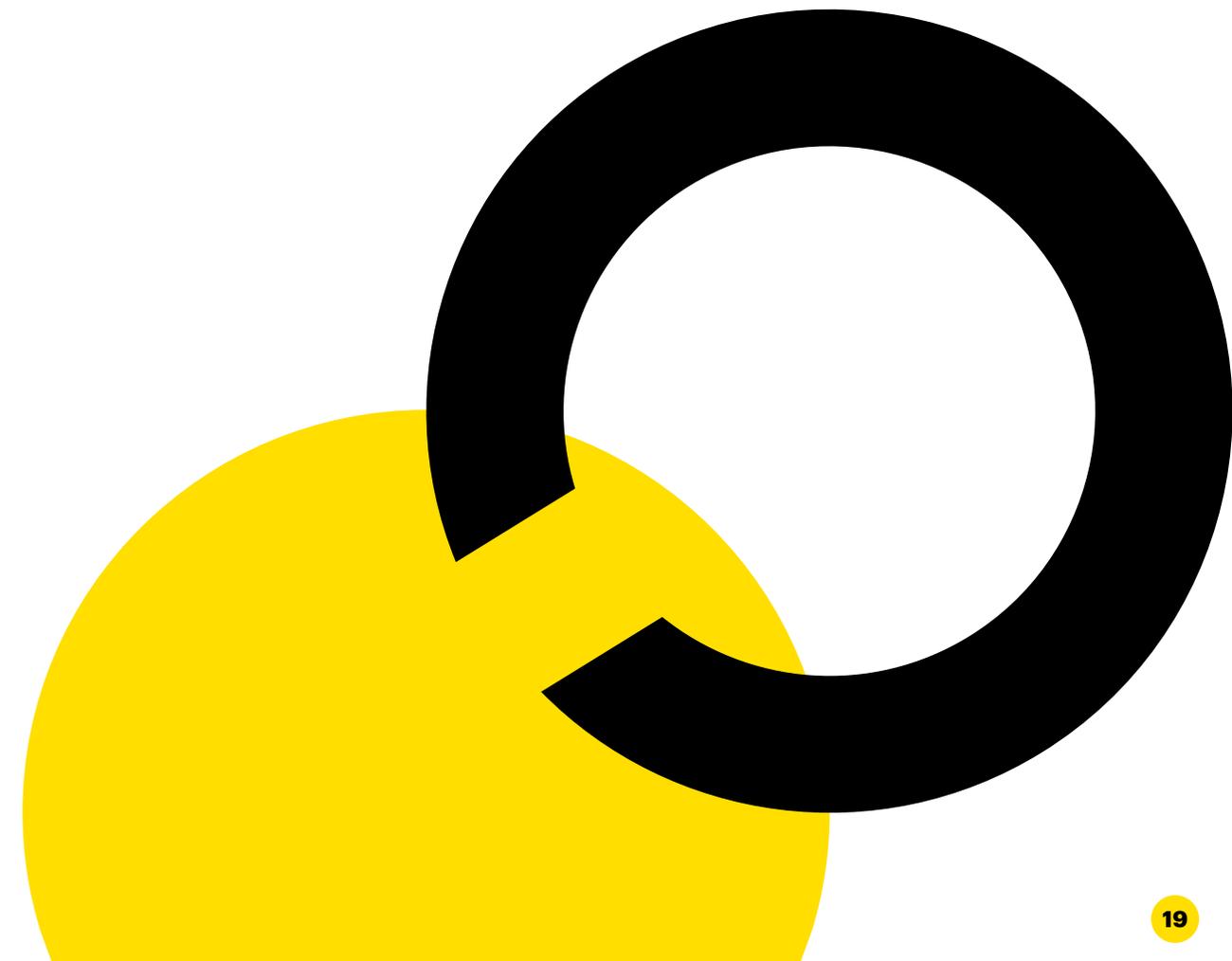
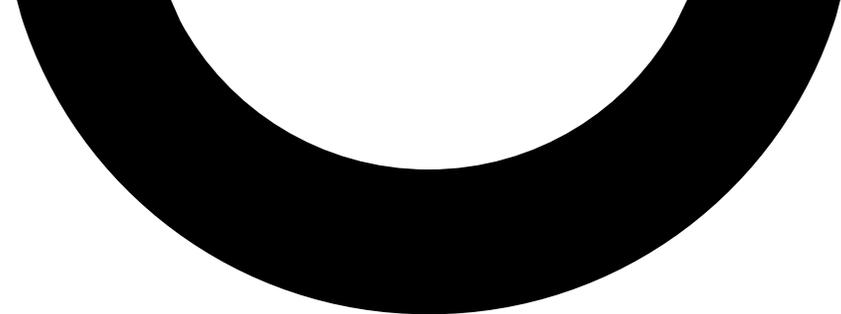
- Proven ability to execute and scale costs driving Free Cash Flow generation
- Divesting non-core assets and generating cash to fuel growth strategy

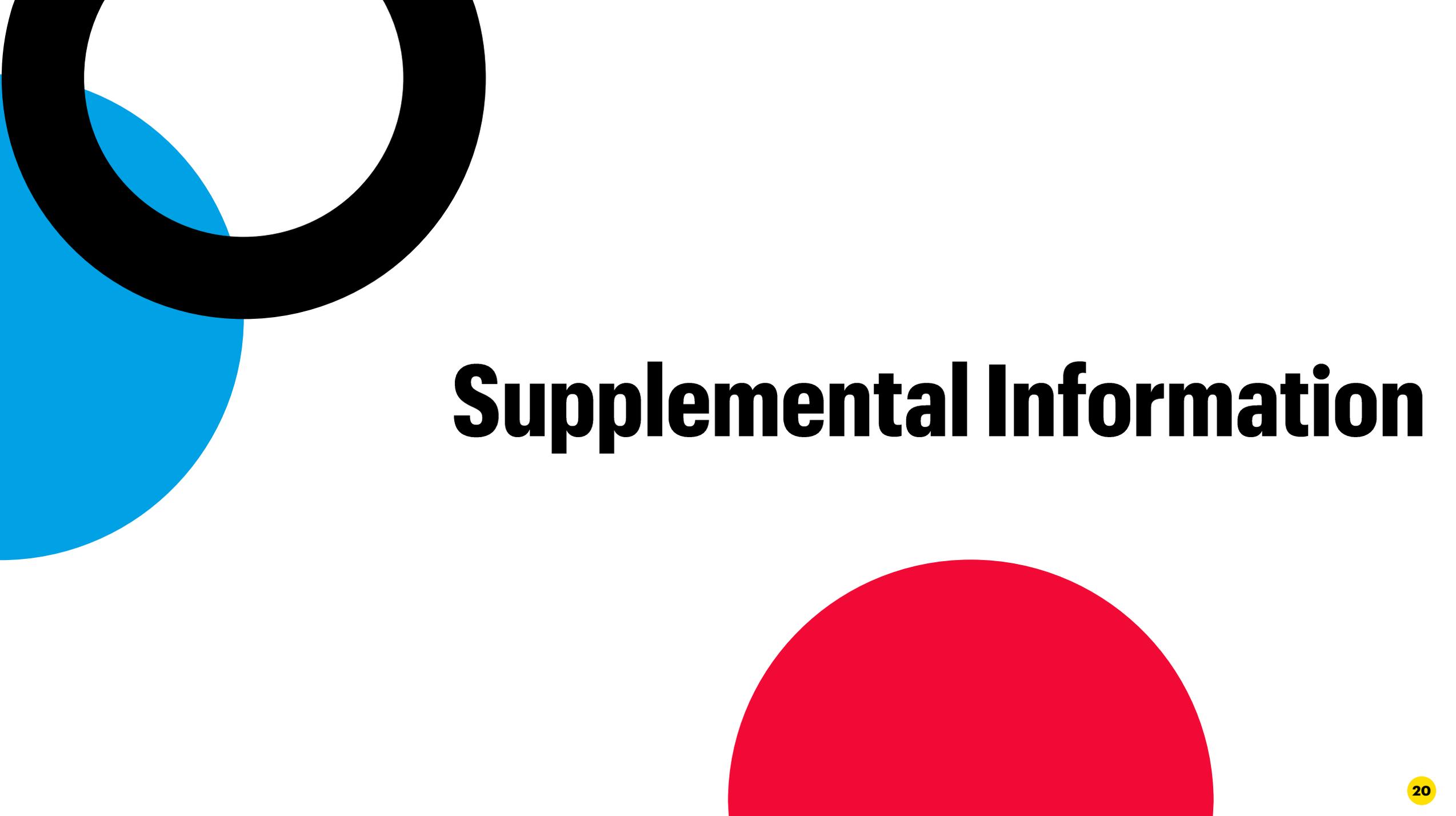
5

Industry Leading Financial Foundation

- Targeting approximately 1.8x Debt Leverage by the end of 2024, a reduction of over \$600M or 60% since 1/1/20
- Supports investments in growth businesses and shareholder returns including dividends and share buybacks

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 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. Reconciliations to the GAAP equivalent of these non-GAAP measures are contained on slides 22 - 28.
- Adjusted EBITDA is defined as net earnings (loss) excluding interest expense, income tax expense (benefit), depreciation and amortization (“EBITDA”) and restructuring, impairment and transaction-related charges.
- 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 (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.

Adjusted EBITDA

Second Quarter

US \$ Millions	Three Months Ended June 30,	
	2024	2023
Net loss	\$ (2.8)	\$ (6.1)
Interest expense	17.2	17.0
Income tax expense (benefit)	0.9	(2.1)
Depreciation and amortization	26.4	32.0
EBITDA (non-GAAP)	\$ 41.7	\$ 40.8
EBITDA Margin (non-GAAP)	6.6%	5.8%
Restructuring, impairment and transaction-related charges	10.1	9.6
Adjusted EBITDA (non-GAAP)	\$ 51.8	\$ 50.4
Adjusted EBITDA Margin (non-GAAP)	8.2%	7.2%

Adjusted EBITDA

Year-to-Date

US \$ Millions	Six Months Ended June 30,	
	2024	2023
Net loss	\$ (30.9)	\$ (30.7)
Interest expense	32.4	33.3
Income tax expense	3.3	6.7
Depreciation and amortization	55.0	65.7
EBITDA (non-GAAP)	\$ 59.8	\$ 75.0
EBITDA Margin (non-GAAP)	4.6%	5.1%
Restructuring, impairment and transaction-related charges	42.6	35.6
Adjusted EBITDA (non-GAAP)	\$ 102.4	\$ 110.6
Adjusted EBITDA Margin (non-GAAP)	7.9%	7.5%

Free Cash Flow

US \$ Millions	Six Months Ended June 30,	
	2024	2023
Net cash provided by (used in) operating activities	\$ (48.3)	\$ 0.3
Less: purchases of property, plant and equipment	33.5	45.2
Free Cash Flow (non-GAAP)	\$ (81.8)	\$ (44.9)

Net Debt and Debt Leverage Ratio

US \$ Millions	June 30, 2024	December 31, 2023
Total debt and finance lease obligations on the balance sheets	\$ 545.2	\$ 522.7
Less: Cash and cash equivalents	12.8	52.9
Net Debt (non-GAAP)	\$ 532.4	\$ 469.8
Divided by: trailing twelve months Adjusted EBITDA (non-GAAP) ⁽¹⁾	\$ 225.5	\$ 233.7
Debt Leverage Ratio (non-GAAP)	2.36x	2.01x

(1) The calculation of Adjusted EBITDA for the trailing twelve months ended June 30, 2024, and December 31, 2023, was as follows:

	Year Ended December 31, 2023	Six Months Ended		Trailing Twelve Months Ended June 30, 2024
		Add June 30, 2024	Subtract June 30, 2023	
Net loss	\$ (55.4)	\$ (30.9)	\$ (30.7)	\$ (55.6)
Interest expense	70.0	32.4	33.3	69.1
Income tax expense	12.8	3.3	6.7	9.4
Depreciation and amortization	128.8	55.0	65.7	118.1
EBITDA (non-GAAP)	\$ 156.2	\$ 59.8	\$ 75.0	\$ 141.0
Restructuring, impairment and transaction-related charges	77.5	42.6	35.6	84.5
Adjusted EBITDA (non-GAAP)	\$ 233.7	\$ 102.4	\$ 110.6	\$ 225.5

Balance Sheet

US \$ Millions	June 30, 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	\$ 12.8	\$ 52.9
Receivables, less allowances for credit losses	294.2	316.2
Inventories	174.5	178.8
Prepaid expenses and other current assets	37.2	39.8
Property, plant and equipment—net	586.5	620.6
Operating lease right-of-use assets—net	88.6	96.6
Goodwill	100.3	103.0
Other intangible assets—net	14.0	21.8
Other long-term assets	59.8	80.0
Total assets	\$ 1,367.9	\$ 1,509.7
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$ 333.2	\$ 373.6
Other current liabilities	170.3	237.6
Current portion of debt and finance lease obligations	84.3	154.2
Current portion of operating lease obligations	24.0	25.4
Long-term debt and finance lease obligations	460.9	368.5
Operating lease obligations	71.2	77.2
Deferred income taxes	5.1	5.1
Other long-term liabilities	139.8	148.6
Total liabilities	1,288.8	1,390.2
Total shareholders' equity	79.1	119.5
Total liabilities and shareholders' equity	\$ 1,367.9	\$ 1,509.7

Adjusted Diluted Earnings Per Share

Second Quarter

US \$ Millions (Except Per Share Data)	Three Months Ended June 30,	
	2024	2023
Loss before income taxes	\$ (1.9)	\$ (8.2)
Restructuring, impairment and transaction-related charges	10.1	9.6
Adjusted net earnings, before income taxes (non-GAAP)	8.2	1.4
Income tax expense at 25% normalized tax rate	2.1	0.4
Adjusted net earnings (non-GAAP)	\$ 6.1	\$ 1.0
Basic weighted average number of common shares outstanding	47.7	49.3
Plus: effect of dilutive equity incentive instruments (non-GAAP)	2.4	1.7
Diluted weighted average number of common shares outstanding (non-GAAP)	50.1	51.0
Adjusted Diluted Earnings Per Share (non-GAAP)	\$ 0.12	\$ 0.02
Diluted loss per share (GAAP)	\$ (0.06)	\$ (0.12)

Adjusted Diluted Earnings Per Share

Year-to-Date

US \$ Millions (Except Per Share Data)	Six Months Ended June 30,	
	2024	2023
Loss before income taxes	\$ (27.6)	\$ (24.0)
Restructuring, impairment and transaction-related charges	42.6	35.6
Adjusted net earnings, before income taxes (non-GAAP)	15.0	11.6
Income tax expense at 25% normalized tax rate	3.8	2.9
Adjusted net earnings (non-GAAP)	\$ 11.2	\$ 8.7
Basic weighted average number of common shares outstanding	47.4	49.2
Plus: effect of dilutive equity incentive instruments (non-GAAP)	2.5	1.9
Diluted weighted average number of common shares outstanding (non-GAAP)	49.9	51.1
Adjusted Diluted Earnings Per Share (non-GAAP)	\$ 0.22	\$ 0.17
Diluted loss per share (GAAP)	\$ (0.65)	\$ (0.62)