

WESTROCK COMPANY
CONSOLIDATED STATEMENTS OF INCOME

(In millions, except per share data)	Year Ended September 30,		
	2019	2018	2017
Net sales	\$ 18,289.0	\$ 16,285.1	\$ 14,859.7
Cost of goods sold	14,540.0	12,923.1	12,141.5
Selling, general and administrative, excluding intangible amortization	1,715.2	1,546.6	1,457.2
Selling, general and administrative intangible amortization	400.2	296.6	229.6
(Gain) loss on disposal of assets	(41.2)	10.1	4.8
Multiemployer pension withdrawal (income) expense	(6.3)	184.2	—
Land and Development impairments	13.0	31.9	46.7
Restructuring and other costs	173.7	105.4	196.7
Operating profit	1,494.4	1,187.2	783.2
Interest expense, net	(431.3)	(293.8)	(222.5)
(Loss) gain on extinguishment of debt	(5.1)	(0.1)	1.8
Pension and other postretirement non-service income	74.2	95.3	51.8
Other income, net	2.4	12.7	11.5
Equity in income of unconsolidated entities	10.1	33.5	39.0
Gain on sale of HH&B	—	—	192.8
Income before income taxes	1,144.7	1,034.8	857.6
Income tax (expense) benefit	(276.8)	874.5	(159.0)
Consolidated net income	867.9	1,909.3	698.6
Less: Net (income) loss attributable to noncontrolling interests	(5.0)	(3.2)	9.6
Net income attributable to common stockholders	<u>\$ 862.9</u>	<u>\$ 1,906.1</u>	<u>\$ 708.2</u>
Basic earnings per share attributable to common stockholders	<u>\$ 3.36</u>	<u>\$ 7.46</u>	<u>\$ 2.81</u>
Diluted earnings per share attributable to common stockholders	<u>\$ 3.33</u>	<u>\$ 7.34</u>	<u>\$ 2.77</u>
Cash dividends paid per share	<u>\$ 1.82</u>	<u>\$ 1.72</u>	<u>\$ 1.60</u>

See Accompanying Notes

WESTROCK COMPANY
CONSOLIDATED BALANCE SHEETS

(In millions, except per share data)	September 30,	
	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 151.6	\$ 636.8
Accounts receivable (net of allowances of \$53.2 and \$49.7)	2,193.2	2,010.7
Inventories	2,107.5	1,829.6
Other current assets	496.2	248.5
Assets held for sale	25.8	59.5
Total current assets	4,974.3	4,785.1
Property, plant and equipment, net	11,189.5	9,082.5
Goodwill	7,285.6	5,577.6
Intangibles, net	4,059.5	3,122.0
Restricted assets held by special purpose entities	1,274.3	1,281.0
Prepaid pension asset	224.7	420.0
Other assets	1,148.8	1,092.3
Total Assets	<u>\$ 30,156.7</u>	<u>\$ 25,360.5</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Current portion of debt	\$ 561.1	\$ 740.7
Accounts payable	1,831.8	1,716.8
Accrued compensation and benefits	470.4	399.3
Other current liabilities	571.8	476.5
Total current liabilities	3,435.1	3,333.3
Long-term debt due after one year	9,502.3	5,674.5
Pension liabilities, net of current portion	294.0	261.3
Postretirement benefit liabilities, net of current portion	162.1	134.8
Non-recourse liabilities held by special purpose entities	1,145.2	1,153.7
Deferred income taxes	2,878.0	2,321.5
Other long-term liabilities	1,053.9	994.8
Commitments and contingencies (Notes 15 and 18)		
Redeemable noncontrolling interests	1.9	4.2
Equity:		
Preferred stock, \$0.01 par value; 30.0 million shares authorized; no shares outstanding	—	—
Common stock, \$0.01 par value; 600.0 million shares authorized; 257.8 million and 253.5 million shares outstanding at September 30, 2019 and September 30, 2018, respectively	2.6	2.5
Capital in excess of par value	10,739.4	10,588.9
Retained earnings	1,997.1	1,573.3
Accumulated other comprehensive loss	(1,069.2)	(695.3)
Total stockholders' equity	11,669.9	11,469.4
Noncontrolling interests	14.3	13.0
Total equity	11,684.2	11,482.4
Total Liabilities and Equity	<u>\$ 30,156.7</u>	<u>\$ 25,360.5</u>

See Accompanying Notes

WESTROCK COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	Year Ended September 30,		
	2019	2018	2017
Operating activities:			
Consolidated net income	\$ 867.9	\$ 1,909.3	\$ 698.6
Adjustments to reconcile consolidated net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	1,511.2	1,252.2	1,112.1
Cost of real estate sold	17.3	121.2	207.9
Deferred income tax expense (benefit)	37.1	(1,069.4)	(20.4)
Share-based compensation expense	64.2	66.8	58.0
Pension and other postretirement funding (more) than expense (income)	(61.3)	(96.8)	(51.0)
Multiemployer pension withdrawals	(6.3)	184.2	—
Gain on sale of HH&B	—	—	(192.8)
Land and Development impairments	13.0	31.9	46.7
Other impairment adjustments	38.3	13.5	56.8
(Gain) loss on disposal of plant, equipment and other, net	(43.0)	2.9	(8.4)
Other	(80.2)	(96.3)	(87.3)
Change in operating assets and liabilities, net of acquisitions and divestitures:			
Accounts receivable	272.9	(580.1)	(520.1)
Inventories	(110.5)	(72.1)	(48.2)
Other assets	(124.6)	(67.7)	(44.7)
Accounts payable	(39.1)	180.3	302.2
Income taxes	7.2	130.6	(67.1)
Accrued liabilities and other	(53.9)	20.7	21.5
Net cash provided by operating activities	2,310.2	1,931.2	1,463.8
Investing activities:			
Capital expenditures	(1,369.1)	(999.9)	(778.6)
Cash paid for purchase of businesses, net of cash acquired	(3,374.2)	(239.9)	(1,588.5)
Cash receipts on sold trade receivables	—	461.6	411.2
Investment in unconsolidated entities	(11.2)	(114.3)	(2.5)
Proceeds from sale of HH&B	—	—	1,005.9
Proceeds from sale of property, plant and equipment	119.1	23.3	52.6
Proceeds from property, plant and equipment insurance settlement	25.5	7.9	3.5
Other	30.3	46.2	27.7
Net cash used for investing activities	(4,579.6)	(815.1)	(868.7)
Financing activities:			
Proceeds from issuance of notes	2,498.2	1,197.3	998.4
Additions (repayments) to revolving credit facilities	37.2	(115.5)	421.8
Additions to debt	5,061.6	855.2	742.6
Repayments of debt	(5,631.6)	(2,032.9)	(2,331.9)
Changes in commercial paper, net	339.2	—	—
Other financing additions (repayments)	10.0	(24.2)	23.9
Issuances of common stock, net of related minimum tax withholdings	18.3	26.6	35.8
Purchases of common stock	(88.6)	(195.1)	(93.0)
Cash dividends paid to stockholders	(467.9)	(440.9)	(403.2)
Cash distributions paid to noncontrolling interests	(4.3)	(33.3)	(47.0)
Other	8.1	7.7	(2.8)
Net cash provided by (used for) financing activities	1,780.2	(755.1)	(655.4)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	4.0	(28.2)	(2.1)
(Decrease) increase in cash, cash equivalents and restricted cash	(485.2)	332.8	(62.4)
Cash, cash equivalents and restricted cash at beginning of period	636.8	304.0	366.4
Cash, cash equivalents and restricted cash at end of period	\$ 151.6	\$ 636.8	\$ 304.0