GRAPHIC PACKAGING HOLDING CO
Form 10-Q
April 23, 2019

false--12-31Q120190001408075falseLarge Accelerated
FilerfalseP18MP1YP3YP3Y0.0750.010.0110000000001000000000299891585295337812299891585295337812 0.04770.0492
0001408075 2019-01-01 2019-03-31 0001408075 2019-04-22 0001408075 2018-01-01 2018-03-31 0001408075 2019-03-31 0001408075 2018-12-31 0001408075 us-gaap:CommonStockMember 2019-01-01 2019-03-31 0001408075 us-gaap:AdditionalPaidInCapitalMember 2018-12-31 0001408075 us-gaap:AdditionalPaidInCapitalMember 2018-01-01 2018-03-31 0001408075 us-gaap:NoncontrollingInterestMember 2018-01-01 2018-03-31 0001408075 us-gaap:AdditionalPaidInCapitalMember 2019-01-01 2019-03-31 0001408075 us-gaap:CommonStockMember 2017-12-31 0001408075 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-12-31 0001408075 us-gaap:NoncontrollingInterestMember 2019-01-01 2019-03-31 0001408075 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2019-01-01 2019-03-31 0001408075 us-gaap:CommonStockMember 2019-03-31 0001408075 us-gaap:CommonStockMember 2018-01-01 2018-03-31 0001408075 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-01-01 2018-03-31 0001408075 2018-03-31 0001408075 us-gaap:CommonStockMember 2018-12-31 0001408075 us-gaap:AdditionalPaidInCapitalMember 2019-03-31 0001408075 2017-12-31 0001408075 us-gaap:RetainedEarningsMember 2018-12-31 0001408075 us-gaap:CommonStockMember 2018-03-31 0001408075 us-gaap:RetainedEarningsMember 2019-01-01 2019-03-31 0001408075 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-12-31 0001408075 us-gaap:NoncontrollingInterestMember 2019-03-31 0001408075 us-gaap:NoncontrollingInterestMember 2018-12-31 0001408075 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2019-03-31 0001408075 us-gaap:RetainedEarningsMember 2018-01-01 2018-03-31 0001408075 us-gaap:RetainedEarningsMember 2018-03-31 0001408075 us-gaap:NoncontrollingInterestMember 2017-12-31 0001408075 us-gaap:RetainedEarningsMember 2019-03-31 0001408075 us-gaap:AdditionalPaidInCapitalMember 2017-12-31 0001408075 us-gaap:AdditionalPaidInCapitalMember 2018-03-31 0001408075 us-gaap:RetainedEarningsMember 2017-12-31 0001408075 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2018-03-31 0001408075 us-gaap:NoncontrollingInterestMember 2018-03-31 0001408075 gpk:ShareRepurchaseProgram2019Member 2019-01-28 0001408075 gpk:ShareRepurchaseProgram2017Member 2019-01-01 2019-03-31 0001408075 2019-02-21 2019-02-21 0001408075 country:US gpk:NACPCombinationMember gpk:NorthAmericaConsumerPackagingMember 2018-01-01 2018-01-01 0001408075 gpk:LeticiaCorporationMember 2018-09-30 2018-09-30 0001408075 country:GB gpk:NACPCombinationMember gpk:EuropePackagingMember 2018-01-01 2018-01-01 0001408075 gpk:PaperboardMillsMember 2019-03-31 0001408075 gpk:ShareRepurchaseProgram2017Member 2019-03-31 0001408075 gpk:ShareRepurchaseProgram2017Member 2017-01-10 0001408075 gpk:PFPLLCAndPFPDallasConvertingLLCMember 2018-06-12 2018-06-12 0001408075 gpk:NACPCombinationMember gpk:PaperboardMillsMember 2018-01-01 2018-01-01 0001408075 gpk:ShareRepurchaseProgram2017Member 2018-01-01 2018-03-31 0001408075 us-gaap:SubsequentEventMember 2019-04-05 2019-04-05 0001408075 gpk:NACPCombinationMember 2018-12-31 0001408075 gpk:LeticiaCorporationMember 2019-01-01 2019-03-31 0001408075 gpk:Acquisitionsin2018Member 2019-01-01 2019-03-31 0001408075 gpk:NACPCombinationMember 2018-01-01 2018-12-31 0001408075 gpk:Acquisitionsin2018Member 2018-01-01 2018-12-31 0001408075 gpk:SeniorNotesPayableIn2021Member us-gaap:SeniorNotesMember 2019-03-31 0001408075 gpk:SeniorNotesPayablein2024Member us-gaap:SeniorNotesMember 2019-03-31 0001408075 gpk:SeniorNotesPayablein2022Member us-gaap:SeniorNotesMember 2019-03-31 0001408075 us-gaap:ForeignLineOfCreditMember 2019-03-31 0001408075 us-gaap:DomesticLineOfCreditMember 2019-03-31 0001408075 gpk:OtherInternationalFacilitiesMember 2019-03-31 0001408075 gpk:SeniorNotesPayablein2022Member us-gaap:SeniorNotesMember 2018-12-31 0001408075 gpk:SeniorNotesPayablein2024Member us-gaap:SeniorNotesMember 2018-12-31 0001408075 us-gaap:RevolvingCreditFacilityMember 2019-03-31 0001408075 us-gaap:MediumTermNotesMember 2019-03-31 0001408075 us-gaap:MediumTermNotesMember 2018-12-31 0001408075 gpk:SeniorNotesPayableIn2021Member us-gaap:SeniorNotesMember 2018-12-31

0001408075 us-gaap:RevolvingCreditFacilityMember 2018-12-31 0001408075 srt:MaximumMember 2019-01-01 2019-03-31 0001408075 srt:MinimumMember 2019-01-01 2019-03-31 0001408075 us-gaap:RestrictedStockUnitsRSUMember 2019-01-01 2019-03-31 0001408075 us-gaap:RestrictedStockUnitsRSUMember gpk:EmployeesMember 2019-01-01 2019-03-31 0001408075 us-gaap:PensionPlansDefinedBenefitMember 2019-01-01 2019-03-31 0001408075 us-gaap:PensionPlansDefinedBenefitMember 2018-01-01 2018-03-31 0001408075 us-gaap:DefinedBenefitPostretirementHealthCoverageMember 2018-01-01 2018-03-31 0001408075 us-gaap:DefinedBenefitPostretirementHealthCoverageMember 2019-01-01 2019-03-31 0001408075 us-gaap:DefinedBenefitPostretirementHealthCoverageMember 2018-01-01 2018-12-31 0001408075 us-gaap:PensionPlansDefinedBenefitMember 2018-01-01 2018-12-31 0001408075 us-gaap:DefinedBenefitPostretirementHealthCoverageMember 2019-03-31 0001408075 srt:MaximumMember us-gaap:PensionPlansDefinedBenefitMember 2019-03-31 0001408075 us-gaap:DesignatedAsHedgingInstrumentMember 2018-03-31 0001408075 us-gaap:InterestRateSwapMember us-gaap:DesignatedAsHedgingInstrumentMember 2019-03-31 0001408075 us-gaap:ForeignExchangeContractMember us-gaap:DesignatedAsHedgingInstrumentMember 2019-03-31 0001408075 us-gaap:InterestRateSwapMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-03-31 0001408075 us-gaap:DesignatedAsHedgingInstrumentMember 2019-03-31 0001408075 us-gaap:ForeignExchangeContractMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-03-31 0001408075 us-gaap:CommodityContractMember us-gaap:DesignatedAsHedgingInstrumentMember 2019-03-31 0001408075 us-gaap:CommodityContractMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-03-31 0001408075 us-gaap:ForeignExchangeContractMember us-gaap:OtherIncomeMember 2018-01-01 2018-03-31 0001408075 us-gaap:ForeignExchangeContractMember us-gaap:OtherIncomeMember 2019-01-01 2019-03-31 0001408075 us-gaap:DesignatedAsHedgingInstrumentMember 2018-01-01 2018-03-31 0001408075 us-gaap:InterestRateSwapMember us-gaap:DesignatedAsHedgingInstrumentMember 2019-01-01 2019-03-31 0001408075 us-gaap:DesignatedAsHedgingInstrumentMember 2019-01-01 2019-03-31 0001408075 us-gaap:InterestRateSwapMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-01-01 2018-03-31 0001408075 us-gaap:CommodityContractMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-01-01 2018-03-31 0001408075 us-gaap:ForeignExchangeContractMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-01-01 2018-03-31 0001408075 us-gaap:InterestRateSwapMember us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:InterestExpenseMember 2018-01-01 2018-03-31 0001408075 us-gaap:ForeignExchangeContractMember us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:OtherIncomeMember 2018-01-01 2018-03-31 0001408075 us-gaap:InterestRateSwapMember us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:InterestExpenseMember 2019-01-01 2019-03-31 0001408075 us-gaap:ForeignExchangeContractMember us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:OtherIncomeMember 2019-01-01 2019-03-31 0001408075 us-gaap:ForeignExchangeContractMember us-gaap:DesignatedAsHedgingInstrumentMember 2019-01-01 2019-03-31 0001408075 us-gaap:CommodityContractMember us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:CostOfSalesMember 2019-01-01 2019-03-31 0001408075 us-gaap:CommodityContractMember us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:CostOfSalesMember 2018-01-01 2018-03-31 0001408075 us-gaap:CommodityContractMember us-gaap:DesignatedAsHedgingInstrumentMember 2019-01-01 2019-03-31 0001408075 us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2018-12-31 0001408075 us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2019-01-01 2019-03-31 0001408075 us-gaap:AccumulatedGainLossNetCashFlowHedgeParentMember 2019-03-31 0001408075 gpk:InterestSwapPositionOneMember 2019-03-31 0001408075 gpk:InterestSwapPositionTwoMember 2019-03-31 0001408075 gpk:InterestSwapPositionFourMember 2019-03-31 0001408075 gpk:InterestSwapPositionThreeMember 2019-03-31 0001408075 us-gaap:ForeignExchangeForwardMember us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-12-31 0001408075 us-gaap:ForeignExchangeForwardMember us-gaap:NondesignatedMember 2019-03-31 0001408075 us-gaap:InterestRateSwapMember us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember 2019-01-01 2019-03-31 0001408075

us-gaap:ForeignExchangeForwardMember us-gaap:NondesignatedMember 2018-12-31 0001408075
us-gaap:CommodityContractMember us-gaap:CashFlowHedgingMember
us-gaap:DesignatedAsHedgingInstrumentMember 2019-01-01 2019-03-31 0001408075
us-gaap:ForeignExchangeForwardMember us-gaap:CashFlowHedgingMember
us-gaap:DesignatedAsHedgingInstrumentMember 2019-01-01 2019-03-31 0001408075
us-gaap:CommodityContractMember us-gaap:CashFlowHedgingMember
us-gaap:DesignatedAsHedgingInstrumentMember us-gaap:ScenarioForecastMember
us-gaap:SubsequentEventMember 2020-01-01 2020-12-31 0001408075 us-gaap:ForeignExchangeForwardMember
us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember 2019-03-31 0001408075
srt:MaximumMember us-gaap:NondesignatedMember 2019-01-01 2019-03-31 0001408075 srt:MaximumMember
us-gaap:NondesignatedMember 2018-01-01 2018-12-31 0001408075 us-gaap:ForeignExchangeForwardMember
us-gaap:CashFlowHedgingMember us-gaap:DesignatedAsHedgingInstrumentMember 2018-01-01 2018-03-31
0001408075 us-gaap:InterestRateSwapMember us-gaap:CashFlowHedgingMember
us-gaap:DesignatedAsHedgingInstrumentMember 2018-01-01 2018-03-31 0001408075
us-gaap:CommodityContractMember us-gaap:CashFlowHedgingMember
us-gaap:DesignatedAsHedgingInstrumentMember 2018-01-01 2018-03-31 0001408075
us-gaap:DomesticCountryMember 2018-12-31 0001408075 gpk:ProductsAndServicesInkSupplyMember
gpk:NACPCombinationMember gpk:InternationalPaperCompanyMember 2019-01-01 2019-03-31 0001408075
gpk:ProductsAndServicesTransitionServicesMember gpk:NACPCombinationMember
gpk:InternationalPaperCompanyMember 2019-01-01 2019-03-31 0001408075
gpk:ProductsAndServicesTransitionServicesMember gpk:NACPCombinationMember
gpk:InternationalPaperCompanyMember 2018-01-01 2018-03-31 0001408075
gpk:ProductsAndServicesUnrelatedToAgreementsMember gpk:NACPCombinationMember
gpk:InternationalPaperCompanyMember 2019-01-01 2019-03-31 0001408075
gpk:ProductsAndServicesInkSupplyMember gpk:NACPCombinationMember
gpk:InternationalPaperCompanyMember 2018-01-01 2018-03-31 0001408075
gpk:ProductsAndServicesUnrelatedToAgreementsMember gpk:NACPCombinationMember
gpk:InternationalPaperCompanyMember 2018-01-01 2018-03-31 0001408075
gpk:ProductAndServicesWoodMember gpk:NACPCombinationMember gpk:InternationalPaperCompanyMember
2018-01-01 2018-03-31 0001408075 gpk:ProductAndServicesFiberProcurementAndCorrugatedProductsMember
gpk:NACPCombinationMember gpk:InternationalPaperCompanyMember 2019-01-01 2019-03-31 0001408075
gpk:ProductAndServicesWoodMember gpk:NACPCombinationMember gpk:InternationalPaperCompanyMember
2019-01-01 2019-03-31 0001408075 gpk:ProductAndServicesFiberProcurementAndCorrugatedProductsMember
gpk:NACPCombinationMember gpk:InternationalPaperCompanyMember 2018-01-01 2018-03-31 0001408075
us-gaap:OperatingSegmentsMember gpk:PaperboardMillsMember 2019-01-01 2019-03-31 0001408075
us-gaap:OperatingSegmentsMember gpk:EuropePackagingMember 2019-01-01 2019-03-31 0001408075
gpk:CorporateReconcilingItemsAndEliminationsMember 2019-01-01 2019-03-31 0001408075
us-gaap:OperatingSegmentsMember gpk:EuropePackagingMember 2018-01-01 2018-03-31 0001408075
us-gaap:OperatingSegmentsMember gpk:NorthAmericaConsumerPackagingMember 2019-01-01 2019-03-31
0001408075 gpk:CorporateReconcilingItemsAndEliminationsMember 2018-01-01 2018-03-31 0001408075
us-gaap:OperatingSegmentsMember gpk:NorthAmericaConsumerPackagingMember 2018-01-01 2018-03-31
0001408075 us-gaap:OperatingSegmentsMember gpk:PaperboardMillsMember 2018-01-01 2018-03-31 0001408075
country:AU 2019-01-01 2019-03-31 0001408075 2018-01-01 2018-01-01 0001408075 gpk:PacificRimMember
2018-01-01 2018-03-31 0001408075 country:AU 2018-01-01 2018-03-31 0001408075 gpk:PacificRimMember
2019-01-01 2019-03-31 0001408075
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesIncludingPortionAttributableToNoncontrollingInterestMember
2019-01-01 2019-03-31 0001408075
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2018-12-31 0001408075
us-gaap:AccumulatedNetGainLossFromDesignatedOrQualifyingCashFlowHedgesMember 2019-03-31 0001408075
us-gaap:DefinedBenefitPostretirementHealthCoverageMember
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentAttributableToNoncontrollingInterestMember 2019-01-01

2019-03-31 0001408075
us-gaap:AccumulatedForeignCurrencyAdjustmentIncludingPortionAttributableToNoncontrollingInterestMember
2019-01-01 2019-03-31 0001408075 us-gaap:DefinedBenefitPostretirementHealthCoverageMember
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentIncludingPortionAttributableToNoncontrollingInterestMember
2019-01-01 2019-03-31 0001408075 us-gaap:DefinedBenefitPostretirementHealthCoverageMember
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2018-12-31 0001408075
us-gaap:AccumulatedForeignCurrencyAdjustmentAttributableToNoncontrollingInterestMember 2019-01-01
2019-03-31 0001408075
us-gaap:AccumulatedNetGainLossFromCashFlowHedgesAttributableToNoncontrollingInterestMember 2019-01-01
2019-03-31 0001408075 us-gaap:AociAttributableToNoncontrollingInterestMember 2019-01-01 2019-03-31
0001408075 us-gaap:AccumulatedTranslationAdjustmentMember 2018-12-31 0001408075
us-gaap:AccumulatedTranslationAdjustmentMember 2019-03-31 0001408075
us-gaap:DefinedBenefitPostretirementHealthCoverageMember
us-gaap:AccumulatedDefinedBenefitPlansAdjustmentMember 2019-03-31 0001408075
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
us-gaap:DefinedBenefitPostretirementHealthCoverageMember
gpk:AccumulatedDefinedBenefitPlansAdjustmentIncludingPortionAttributabletoNoncontrollingInterestAndRedeemableNonco
2019-01-01 2019-03-31 0001408075
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
gpk:AccumulatedNetGainLossfromCashFlowHedgesIncludingPortionAttributabletoNoncontrollingInterestAndRedeemableNo
2019-01-01 2019-03-31 0001408075
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
us-gaap:PensionPlansDefinedBenefitMember
gpk:AccumulatedDefinedBenefitPlansAdjustmentIncludingPortionAttributabletoNoncontrollingInterestAndRedeemableNonco
2019-01-01 2019-03-31 0001408075 us-gaap:CommodityContractMember
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
gpk:AccumulatedNetGainLossfromCashFlowHedgesIncludingPortionAttributabletoNoncontrollingInterestAndRedeemableNo
2019-01-01 2019-03-31 0001408075 us-gaap:InterestRateSwapMember
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
gpk:AccumulatedNetGainLossfromCashFlowHedgesIncludingPortionAttributabletoNoncontrollingInterestAndRedeemableNo
2019-01-01 2019-03-31 0001408075
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember 2019-01-01 2019-03-31
0001408075 us-gaap:ForeignExchangeContractMember
us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
gpk:AccumulatedNetGainLossfromCashFlowHedgesIncludingPortionAttributabletoNoncontrollingInterestAndRedeemableNo
2019-01-01 2019-03-31 gpk:facility iso4217:USD gpk:segment gpk:revenue_generating_activity iso4217:USD
xbrli:shares xbrli:shares gpk:paperboard_mill xbrli:pure gpk:compensation_plan
Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

þ

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2019
or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

COMMISSION FILE NUMBER: 001-33988

Graphic Packaging Holding Company

(Exact name of registrant as specified in its charter)

Delaware	**26-0405422**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)

1500 Riveredge Parkway, Suite 100	
Atlanta, Georgia	**30328**
(Address of principal executive offices)	(Zip Code)

(770) 240-7200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ	Accelerated filer o	Smaller reporting company o
Non-accelerated filer o (Do not check if a smaller reporting		Emerging growth company o

company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No þ

As of April 22, 2019, there were 295,280,408 shares of the registrant’s Common Stock, par value $0.01 per share, outstanding.

Table of Contents

Information Concerning Forward-Looking Statements

Certain statements regarding the expectations of Graphic Packaging Holding Company (“GPHC” and, together with its subsidiaries, the “Company”), including, but not limited to, the availability of net operating losses to offset U.S. federal income taxes and the timing related to the Company's future U.S. federal income tax payments, reclassification of gains on derivative instruments, capital investment, depreciation and amortization, interest expense, pension expense, pension plan contributions, and postretirement health care benefit payments in this report constitute “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from the Company’s historical experience and its present expectations. These risks and uncertainties include, but are not limited to, inflation of and volatility in raw material and energy costs, changes in consumer buying habits and product preferences, competition with other paperboard manufacturers and product substitution, the Company’s ability to implement its business strategies, including strategic acquisitions, the Company's ability to successfully integrate acquisitions, productivity initiatives and cost reduction plans, the Company’s debt level, currency movements and other risks of conducting business internationally, and the impact of regulatory and litigation matters, including those that could impact the Company’s ability to utilize its net operating losses to offset taxable income and those that impact the Company's ability to protect and use its intellectual property. Undue reliance should not be placed on such forward-looking statements, as such statements speak only as of the date on which they are made and the Company undertakes no obligation to update such statements, except as may be required by law. Additional information regarding these and other risks is contained in Part I, "Item 1A., Risk Factors" of the Company's 2018 Annual Report on Form 10-K, and in other filings with the Securities and Exchange Commission.

Table of Contents

TABLE OF CONTENTS

Table of Contents

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

In millions, except per share amounts	Three Months Ended March 31, 2019	2018
Net Sales	$1,505.9	$1,477.4
Cost of Sales	1,239.8	1,253.5
Selling, General and Administrative	124.7	122.7
Other Expense, Net	1.2	0.9
Business Combinations, Gain on Sale of Assets and Shutdown and Other Special Charges, Net	6.2	26.3
Income from Operations	134.0	74.0
Nonoperating Pension and Postretirement Benefit (Expense) Income	(0.1)	4.2
Interest Expense, Net	(35.0)	(28.8)
Loss on Modification or Extinguishment of Debt	—	(1.9)
Income before Income Taxes and Equity Income of Unconsolidated Entity	98.9	47.5
Income Tax Expense	(21.0)	(5.1)
Income before Equity Income of Unconsolidated Entity	77.9	42.4
Equity Income of Unconsolidated Entity	0.2	0.3
Net Income	78.1	42.7
Net Income Attributable to Noncontrolling Interest	(20.2)	(12.8)
Net Income Attributable to Graphic Packaging Holding Company	$57.9	$29.9
Net Income Per Share Attributable to Graphic Packaging Holding Company — Basic	$0.19	$0.10
Net Income Per Share Attributable to Graphic Packaging Holding Company — Diluted	$0.19	$0.10
Cash Dividends Declared Per Share	$0.075	$0.075

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

Table of Contents

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

In millions	**Three Months Ended March 31, 2019** Graphic Packaging Holding Company	Noncontrolling Interest	Redeemable Noncontrolling Interest	Total
Net Income	$57.9	$ 15.6	$ 4.6	$78.1
Other Comprehensive (Loss) Income, Net of Tax:				
Derivative Instruments	(0.4)	(0.1)	—	(0.5)
Pension and Postretirement Benefit Plans	1.2	0.2	0.1	1.5
Currency Translation Adjustment	3.9	0.9	0.2	5.0
Total Other Comprehensive Income, Net of Tax	4.7	1.0	0.3	6.0
Total Comprehensive Income	$62.6	$ 16.6	$ 4.9	$84.1

In millions	**Three Months Ended March 31, 2018** Graphic Packaging Holding Company	Noncontrolling Interest	Redeemable Noncontrolling Interest	Total
Net Income	$29.9	$ 9.9	$ 2.9	$42.7
Other Comprehensive (Loss) Income, Net of Tax:				
Derivative Instruments	(0.6)	(0.2)	—	(0.8)
Pension and Postretirement Benefit Plans	0.5	0.1	0.1	0.7
Currency Translation Adjustment	16.0	3.2	0.9	20.1
Total Other Comprehensive Income, Net of Tax	15.9	3.1	1.0	20.0
Total Comprehensive Income	$45.8	$ 13.0	$ 3.9	$62.7

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

Table of Contents

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

In millions, except share and per share amounts	**March 31, 2019**	**December 31, 2018**
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$62.3	$70.5
Receivables, Net	647.9	572.9
Inventories, Net	1,072.0	1,014.4
Other Current Assets	54.7	106.0
Total Current Assets	1,836.9	1,763.8
Property, Plant and Equipment, Net	3,204.8	3,239.7
Goodwill	1,468.0	1,460.6
Intangible Assets, Net	507.8	523.8
Other Assets	273.7	71.3
Total Assets	$7,291.2	$7,059.2
LIABILITIES		
Current Liabilities:		
Short-Term Debt and Current Portion of Long-Term Debt	$49.0	$52.0
Accounts Payable	612.8	711.6
Compensation and Employee Benefits	121.3	154.4
Other Accrued Liabilities	239.1	254.3
Total Current Liabilities	1,022.2	1,172.3
Long-Term Debt	3,129.8	2,905.1
Deferred Income Tax Liabilities	475.1	462.2
Accrued Pension and Postretirement Benefits	108.5	107.5
Other Noncurrent Liabilities	264.4	117.8
Redeemable Noncontrolling Interest (Note 14)	285.9	275.8
SHAREHOLDERS' EQUITY		
Preferred Stock, par value $.01 per share; 100,000,000 shares authorized; no shares issued or outstanding	—	—
Common Stock, par value $.01 per share; 1,000,000,000 shares authorized; 295,337,812 and 299,891,585 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	2.9	3.0
Capital in Excess of Par Value	1,918.1	1,944.4
Retained Earnings	13.6	10.0
Accumulated Other Comprehensive Loss	(373.2)	(377.9)
Total Graphic Packaging Holding Company Shareholders' Equity	1,561.4	1,579.5
Noncontrolling Interest	443.9	439.0

Total Equity	2,005.3	2,018.5
Total Liabilities and Shareholders' Equity	$7,291.2	$7,059.2

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

Table of Contents

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

Three months ended March 31, 2019

In millions, except share amounts	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
Balances at December 31, 2018	**299,807,779**	**$ 3.0**	**$1,944.4**	**$ 10.0**	**$ (377.9)**	**$ 439.0**	**$2,018.5**
Net Income	—	—	—	57.9	—	15.6	73.5
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	(0.4)	(0.1)	(0.5)
Pension and Postretirement Benefit Plans	—	—	—	—	1.2	0.2	1.4
Currency Translation Adjustment	—	—	—	—	3.9	0.9	4.8
Repurchase of Common Stock[a]	(5,033,426)	(0.1)	(27.2)	(32.2)	—	—	(59.5)
Dividends Declared	—	—	—	(22.1)	—	—	(22.1)
Reclassification of Redeemable Noncontrolling Interest for Share Repurchases	—	—	—	—	—	(6.7)	(6.7)
Distribution of Membership Interest	—	—	—	—	—	(5.0)	(5.0)
Recognition of Stock-Based Compensation, Net	—	—	0.9	—	—	—	0.9
Issuance of Shares for Stock-Based Awards	530,196	—	—	—	—	—	—
Balances at March 31, 2019	**295,304,549**	**$ 2.9**	**$1,918.1**	**$ 13.6**	**$ (373.2)**	**$ 443.9**	**$2,005.3**

(a) Includes 33,263 shares repurchased but not yet settled as of March 31, 2019.

Three months ended March 31, 2018

In millions, except share amounts	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Equity
Balances at December 31, 2017	**309,715,624**	**$ 3.1**	**$1,683.6**	**$ (56.0)**	**$ (338.8)**	**$ —**	**$1,291.9**
NACP Combination	—	—	395.1	—	—	439.8	834.9
Net Income	—	—	—	29.9	—	9.9	39.8
Other Comprehensive Income (Loss), Net of Tax:							
Derivative Instruments	—	—	—	—	(0.6)	(0.2)	(0.8)
Pension and Postretirement Benefit Plans	—	—	—	—	0.5	0.1	0.6
Currency Translation Adjustment	—	—	—	—	16.0	3.2	19.2
Dividends Declared	—	—	—	(23.3)	—	—	(23.3)
Distribution of Membership Interest	—	—	—	—	—	(3.6)	(3.6)
Recognition of Stock-Based Compensation, Net	—	—	(0.9)	—	—	—	(0.9)
Issuance of Shares for Stock-Based Awards	563,903	—	—	—	—	—	—
Balances at March 31, 2018	**310,279,527**	**$ 3.1**	**$2,077.8**	**$ (49.4)**	**$ (322.9)**	**$ 449.2**	**$2,157.8**

Table of Contents

GRAPHIC PACKAGING HOLDING COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
In millions	**2019**	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$78.1	$42.7
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities:		
Depreciation and Amortization	117.1	109.8
Deferred Income Taxes	12.4	(3.1)
Amount of Postretirement Expense Greater (Less) Than Funding	2.4	(1.2)
Gain on the Sale of Assets	—	(1.5)
Other, Net	3.3	8.9
Changes in Operating Assets and Liabilities	(385.4)	(345.7)
Net Cash Used in Operating Activities	(172.1)	(190.1)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital Spending	(73.0)	(88.9)
Packaging Machinery Spending	(7.0)	(3.2)
Acquisition of Businesses, Net of Cash Acquired	(2.0)	(3.5)
Beneficial Interest on Sold Receivables	279.5	282.6
Beneficial Interest Obtained in Exchange for Proceeds	(153.3)	(138.0)
Other, Net	(1.0)	(2.3)
Net Cash Provided by Investing Activities	43.2	46.7
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repurchase of Common Stock	(60.0)	—
Payments on Debt	(9.1)	(125.0)
Borrowings under Revolving Credit Facilities	775.2	610.9
Payments on Revolving Credit Facilities	(548.9)	(323.5)
Repurchase of Common Stock related to Share-Based Payments	(4.0)	(4.0)
Debt Issuance Costs	—	(7.9)
Dividends and Distributions Paid to GPIP Partner	(30.1)	(23.2)
Other, Net	(2.6)	—
Net Cash Provided by Financing Activities	120.5	127.3
Effect of Exchange Rate Changes on Cash	0.2	1.2
Net Decrease in Cash and Cash Equivalents	(8.2)	(14.9)
Cash and Cash Equivalents at Beginning of Period	70.5	67.4
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$62.3	$52.5
Non-cash Investing Activities:		
Beneficial Interest (Sold) Obtained in Exchange for Trade Receivables	$(142.9)	$287.5
Non-cash Investment in NACP Combination	—	1,235.7
Non-cash Investing Activities	$(142.9)	$1,523.2
Non-cash Financing Activities:		

Non-cash Financing of NACP Combination	$—	$660.0
Non-Cash Financing Activities	$—	$660.0

The accompanying notes are an integral part of the Condensed Consolidated Financial Statements.

Table of Contents

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 — GENERAL INFORMATION

Nature of Business and Basis of Presentation

Graphic Packaging Holding Company (“GPHC” and, together with its subsidiaries, the “Company”) is committed to providing consumer packaging that makes a world of difference. The Company is a leading provider of paper-based packaging solutions for a wide variety of products to food, beverage, foodservice and other consumer products companies. The Company operates on a global basis, is one of the largest producers of folding cartons in the United States ("U.S.") and holds leading market positions in coated-recycled paperboard ("CRB"), coated unbleached kraft paperboard ("CUK") and solid bleached sulfate paperboard ("SBS").

The Company’s customers include many of the world’s most widely recognized companies and brands with prominent market positions in beverage, food, foodservice, and other consumer products. The Company strives to provide its customers with packaging solutions designed to deliver marketing and performance benefits at a competitive cost by capitalizing on its low-cost paperboard mills and converting facilities, its proprietary carton and packaging designs, and its commitment to quality and service.

On January 1, 2018, GPHC, a Delaware corporation, International Paper Company, a New York corporation (“IP”), Graphic Packaging International Partners, LLC, a Delaware limited liability company formerly known as Gazelle Newco LLC and a wholly owned subsidiary of the Company (“GPIP”), and Graphic Packaging International, LLC, a Delaware limited liability company formerly known as Graphic Packaging International, Inc. and a subsidiary of GPIP (“GPIL”), completed a series of transactions pursuant to an agreement dated October 23, 2017, among the foregoing parties (the “Transaction Agreement”). Pursuant to the Transaction Agreement (i) a wholly owned subsidiary of the Company transferred its ownership interest in GPIL to GPIP; (ii) IP transferred its North America Consumer Packaging (“NACP”) business to GPIP, which was then subsequently transferred to GPIL; (iii) GPIP issued membership interests to IP, and IP was admitted as a member of GPIP; and (iv) GPIL assumed certain indebtedness of IP (the "NACP Combination"). For more information regarding the NACP Combination, see "*Note 1 — Nature of Business and Summary of Significant Accounting Policies*" of the Notes to Consolidated Financial Statements of the Company's 2018 Form 10-K.

The Company’s Condensed Consolidated Financial Statements include all subsidiaries in which the Company has the ability to exercise direct or indirect control over operating and financial policies. Intercompany transactions and balances are eliminated in consolidation.

In the Company’s opinion, the accompanying Condensed Consolidated Financial Statements contain all normal recurring adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods. The Company’s year end Condensed Consolidated Balance Sheet data was derived from audited financial statements. The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with instructions to Form 10-Q and Rule 10-01 of Regulation S-X and do not include all the information required by accounting principles generally accepted in the United States of America (“U.S. GAAP”) for complete financial statements. Therefore, these Condensed Consolidated Financial Statements should be read in conjunction with GPHC’s Form 10-K for the year ended December 31, 2018. In addition, the preparation of the

Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates and changes in these estimates are recorded when known.

The Company has reclassified the presentation of certain prior period information to conform to the current presentation. This reclassification had no impact on operating income.

For a summary of the Company’s significant accounting policies, please refer to GPHC’s Form 10-K for the year ended December 31, 2018.

Revenue Recognition

The Company has two primary activities, the manufacturing and converting of paperboard, from which it generates revenue from contracts with customers. Revenue is disaggregated primarily by geography and type of activity as further explained in "*Note 12-Segments.*" All reportable segments and the Australia and Pacific Rim operating segments recognize revenue under the same method, allocate transaction price using similar methods, and have similar economic factors impacting the uncertainty of revenue and related cash flows.

Revenue is recognized on the Company's annual and multi-year supply contracts when the Company satisfies the performance obligation by transferring control over the product or service to a customer, which is generally based on shipping terms and passage of title under the point-in-time method of recognition. For the three months ended March 31, 2019 and 2018, the Company recognized $1,501.6 million and $1,472.2 million, respectively, of revenue from contracts with customers.

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The transaction price allocated to each performance obligation consists of the stand alone selling price, estimates of rebates and other sales or contract renewal incentives, and cash discounts and sales returns ("Variable Consideration") and excludes sales tax. Estimates are made for Variable Consideration based on contract terms and historical experience of actual results and are applied to the performance obligations as they are satisfied. Purchases by the Company's principal customers are manufactured and shipped with minimal lead time, therefore performance obligations are generally satisfied shortly after manufacturing and shipment. The Company uses standard payment terms that are consistent with industry practice.

The Company's contract assets consist primarily of contract renewal incentive payments to customers which are amortized over the period in which performance obligations related to the contract renewal are satisfied. As of March 31, 2019 and December 31, 2018 contract assets were $22.6 million and $19.6 million, respectively. The Company's contract liabilities consist principally of rebates, and as of March 31, 2019 and December 31, 2018 were $34.3 million and $42.5 million, respectively.

The Company did not have a material amount relating to backlog orders at March 31, 2019 or December 31, 2018.

Accounts Receivable and Allowances

The Company has entered into agreements to sell, on a revolving basis, certain trade accounts receivable to third party financial institutions. Transfers under these agreements meet the requirements to be accounted for as sales in accordance with the *Transfers and Servicing* topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "Codification"). The loss on sale is not material and is included in Other Expense, Net on the Condensed Consolidated Statement of Operations. The following table summarizes the activity under these programs as of March 31, 2019 and 2018, respectively:

	Three Months Ended March 31,	
In millions	**2019**	**2018**
Receivables Sold and Derecognized	$811.2	$844.8
Proceeds Collected on Behalf of Financial Institutions	504.1	833.7
Net Proceeds Paid to Financial Institutions	(28.8)	(128.7)
Deferred Purchase Price[a]	4.3	240.4
Pledged Receivables	144.2	—

[a] Included in Other Current Assets and represents a beneficial interest in the receivables sold to the financial institutions, which is a Level 3 fair value measure.

The Company has also entered into various factoring and supply chain financing arrangements, which also qualify for sale accounting in accordance with the *Transfers and Servicing* topic of the FASB Codification. For the three months ended March 31, 2019 and 2018, the Company sold receivables of approximately $32 million and $30 million, respectively, related to these factoring arrangements.

Receivables sold under all programs subject to continuing involvement, which consist principally of collection services, at March 31, 2019 and December 31, 2018, were approximately $470 million and $602 million, respectively.

Capital Allocation Plan

On February 21, 2019, the Company's board of directors declared a regular quarterly dividend of $0.075 per share of common stock paid on April 5, 2019 to shareholders of record as of March 15, 2019.

On January 28, 2019 the Company's board of directors authorized an additional share repurchase program to allow the Company to purchase up to $500 million of the Company's issued and outstanding shares of common stock through open market purchases, privately negotiated transactions and Rule 10b5-1 plans (the "2019 share repurchase program"). The previous $250 million share repurchase program was authorized on January 10, 2017 (the "2017 share repurchase program"). During the first three months of 2019, the Company repurchased 5,033,426 shares of its common stock at an average price of $11.82, under the 2017 share repurchase program. The Company did not repurchase any shares of its common stock during the three months ended March 31, 2018. As of March 31, 2019, the Company has approximately $531 million available for additional repurchases under the 2019 share repurchase program and the 2017 share repurchase program.

Table of Contents
GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Business Combinations, Gain on Sale of Assets and Shutdown and Other Special Charges, Net

The following table summarizes the transactions recorded in Business Combinations, Gain on Sale of Assets and Shutdown and Other Special Charges, Net in the Condensed Consolidated Statements of Operations:

	Three Months Ended March 31,	
In millions	**2019**	**2018**
Charges Associated with Business Combinations	$2.1	$27.0
Shutdown and Other Special Charges	4.1	0.8
Gain on Sale of Assets	—	(1.5)
Total	$6.2	$26.3

On September 30, 2018, the Company acquired substantially all the assets of the foodservice business of Letica Corporation, a subsidiary of RPC Group PLC ("Letica Foodservice"), a producer of paperboard-based cold and hot cups and cartons. The acquisition included two facilities located in Clarksville, Tennessee and Pittston, Pennsylvania. Letica Foodservice is included in the Americas Paperboard Packaging reportable segment.

On June 12, 2018, the Company acquired substantially all the assets of PFP, LLC and its related entity, PFP Dallas Converting, LLC (collectively, "PFP"), a converter focused on the production of paperboard based air filter frames. The acquisition included two facilities located in Lebanon, Tennessee and Lancaster, Texas. PFP is included in the Americas Paperboard Packaging reportable segment.

On January 1, 2018, the Company completed the NACP Combination. The NACP business produces SBS paperboard and paper-based foodservice products. The NACP business included two SBS mills located in Augusta, Georgia and Texarkana, Texas (included in Paperboard Mills reportable segment), three converting facilities in the U.S. (included in Americas Paperboard Packaging reportable segment) and one in the United Kingdom ("U.K.") (included in the Europe Paperboard Packaging reportable segment).

PFP and Letica Foodservice are referred to collectively as the "2018 Acquisitions."

Charges associated with all acquisitions are included in Charges Associated with Business Combinations in the table above.

During 2019, the Company began a three-year program to dismantle and dispose of idle and abandoned assets primarily at the paperboard mills. Expected charges for this program are approximately $40 million. Charges associated with this program are included in Shutdown and Other Special Charges in the table above.

Adoption of New Accounting Standards

Effective January 1, 2019, the Company adopted Accounting Standards Update ("ASU") No. 2017-12, *Derivatives and Hedging (Topic 815); Targeted Improvements to Accounting for Hedging Activities.* The amendments in this ASU better align the risk management activities and financial reporting for these hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and presentation of hedge results. The adoption of this standard did not have a material impact on the Company’s financial position, results of operations and cash flows.

Effective January 1, 2019, the Company adopted ASU No. 2018-02, *Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. The amendment allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the 2017 Tax Cuts and Job Act (“The Act”). The Company adopted the amendment effective January 1, 2019 and elected not to reclassify the income tax effects of The Act from other comprehensive income to retained earnings. The Company’s policy with respect to stranded income tax effects in accumulated other comprehensive income (loss) is to release these effects using the aggregate portfolio approach.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842) ("ASC 842")*. The amendments in this ASU require an entity to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement and presentation of expenses will depend on classification as a finance or operating lease. The amendments also require certain quantitative and qualitative disclosures about leasing arrangements. The Company adopted ASC 842 effective January 1, 2019, prospectively. The adoption of this standard had a material impact on the Company’s financial position, with no material impact on the results of operations and cash flows (see *"Note 5 - Leases"*).

Table of Contents

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Accounting Standards Not Yet Adopted

In January 2017, the FASB issued ASU No. 2017-04 *Intangibles - Goodwill and Other (Topic 350); Simplifying the Test for Goodwill Impairment* which simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 of the goodwill impairment model. Step 2 measures a goodwill impairment loss by comparing the implied value of a reporting unit's goodwill with the carrying amount of that goodwill. An entity would recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value; however, the loss recognized is limited to the amount of goodwill allocated to that reporting unit. The guidance is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted for any impairment tests performed after January 1, 2017.

NOTE 2 — INVENTORIES, NET

Inventories, Net by major class:

In millions	**March 31, 2019**	**December 31, 2018**
Finished Goods	$457.2	$ 426.9
Work in Progress	104.0	102.2
Raw Materials	341.4	319.9
Supplies	169.4	165.4
Total	$1,072.0	$ 1,014.4

NOTE 3 — BUSINESS COMBINATIONS

As disclosed in *"Note 1 - General Information,"* the Company completed the NACP Combination, and the PFP and Letica Foodservice acquisitions in 2018.

The Company paid approximately $129 million for the PFP and Letica Foodservice acquisitions using existing cash and borrowings under its revolving line of credit.

Total consideration for the NACP Combination, including debt assumed of $660 million, was $1.8 billion.

The acquisition accounting for the NACP Combination and PFP acquisition was completed on December 31, 2018.

During the quarter ended March 31, 2019, the acquisition accounting for Letica Foodservice was finalized, resulting in an approximately $5 million reduction in the value of property plant and equipment.

During 2019, Net Sales and Loss from Operations for the Letica Foodservice and PFP acquisitions were $33.8 million and $2.1 million, respectively.

12

Table of Contents

GRAPHIC PACKAGING HOLDING COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 4 — DEBT

For more information regarding the Company's debt, see "*Note 5 — Debt*" of the Notes to Consolidated Financial Statements of the Company's 2018 Form 10-K.

Long-Term Debt is comprised of the following:

In millions	**March 31, 2019**	**December 31, 2018**
Senior Notes with interest payable semi-annually at 4.125%, effective rate of 4.17%, payable in 2024	$ 300.0	$ 300.0
Senior Notes with interest payable semi-annually at 4.875%, effective rate of 4.92%, payable in 2022	250.0	250.0
Senior Notes with interest payable semi-annually at 4.75%, effective rate of 4.77%, payable in 2021	425.0	425.0
Senior Secured Term Loan Facilities with interest payable at various dates at floating rates (3.93% at March 31, 2019) payable through 2023	1,423.5	1,432.6
Senior Secured Revolving Facilities with interest payable at floating rates (3.60% at March 31, 2019) payable in 2023	622.8	