4th Quarter 2018 Earnings Call

February 20, 2019

Quad/Graphics

Call Participants & Forward-Looking Statements

Joel Quadracci
Chairman, President & Chief Executive Officer

Dave Honan
Executive Vice President & Chief Financial Officer

Forward-Looking Statements

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, revenue, 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 printed materials and significant overcapacity in the highly competitive environment creates downward pricing pressures and potential underutilization of assets; the impact of digital media and similar technological changes, including digital substitution by consumers; the impact of fluctuations in costs (including labor and labor-related costs, energy costs, freight rates and raw materials) and the impact of fluctuations in the availability of raw materials; the failure to successfully identify, manage, complete and integrate acquisitions and investments, including the proposed acquisition of LSC Communications, Inc. ("LSC"); the inability of the Company to reduce costs and improve operating efficiency rapidly enough to meet market conditions; the impact of increased business complexity as a result of the Company's transformation into a marketing solutions provider; the impact of regulatory matters and legislative developments or changes in laws, including changes in cyber-security, privacy and environmental laws; the impact of changing future economic conditions; the failure of clients to perform under contracts or to renew contracts with clients on favorable terms or at all; the failure to attract and retain qualified talent across the enterprise; significant capital expenditures may be needed to maintain the Company's platforms and processes and to remain technologically and economically competitive; the impact of changes in postal rates, service levels or regulations; the fragility and decline in overall distribution channels, including newspaper distribution channels; the impact of the various restrictive covenants in the Company's debt facilities on the Company's ability to operate its business; the impact of risks associated with the operations outside of the United States, including costs incurred or reputational damage suffered due to improper conduct of its employees, contractors or agents; 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; 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 intangible assets; the impacts that the proposed acquisition of LSC may have on the Company, both prior to and following consummation of that acquisition; 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.

A Year of Transformation

Brand Evolution

QuadGraphics — 1971

Quad Graphics — 2015

Quad — 2019

Transformative Acquisitions & Investments

Ivie	rise interactive	PERISCOPE	LSC COMMUNICATIONS
Completed in February 2018	*Majority Investment in March 2018*	*Completed in January 2019*	*Pending Acquisition*

Strategic Rationale for Pending LSC Acquisition

Fuels Quad 3.0 transformation through additional combined Free Cash Flow and broadens Quad's integrated services clients.

Delivers cost and time-savings opportunities for clients to maintain long-term relevance of print.

Generates $135 million in net synergies in less than two years

Quad + LSC COMMUNICATIONS

Preserves long-term strategic vision of Quadracci Family.

All-stock transaction allows Quad to maintain strong & healthy balance sheet for future capital deployment opportunities.

Integrated Marketing Solutions Offering

MARKETING STRATEGY

PLAN

Understand and connect with your customer

CREATIVE SOLUTIONS

PRODUCE

Create content assets smarter and faster

MANAGE & MEASURE

Alleviate operational burden and reduce complexity

MARKETING MANAGEMENT SERVICES

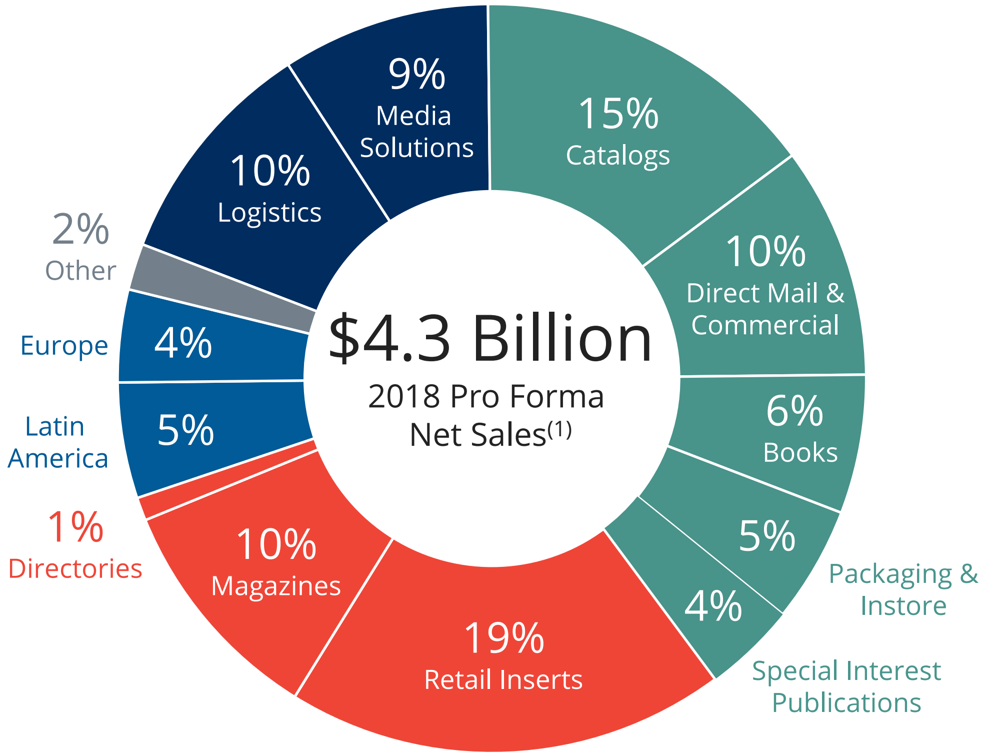
DEPLOY

Reach the right customer at the right time

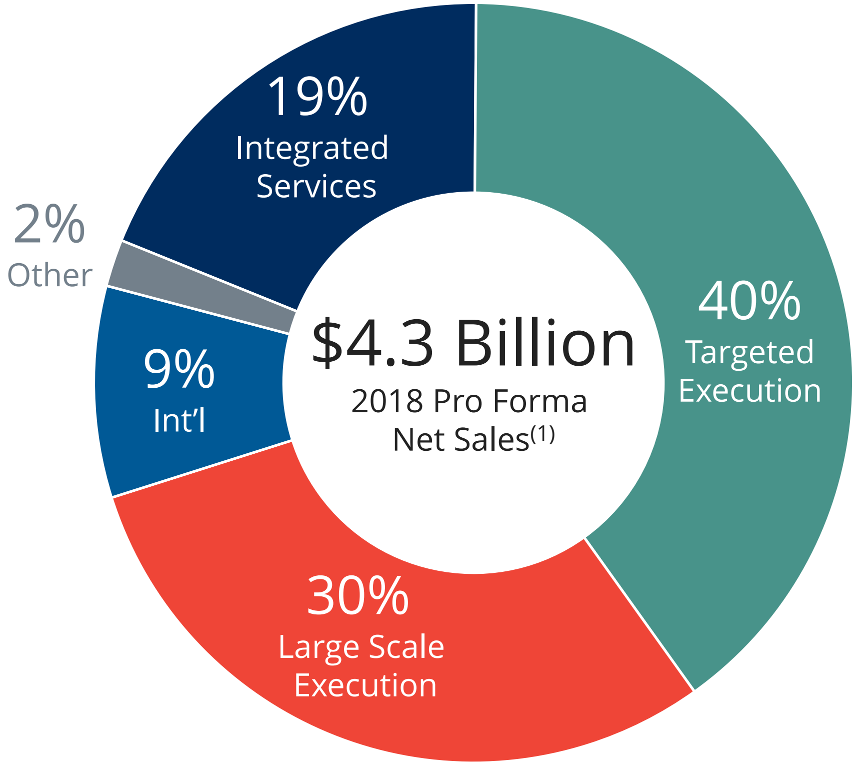
MEDIA DEPLOYMENT

2018 Pro Forma Net Sales

Quad/Graphics



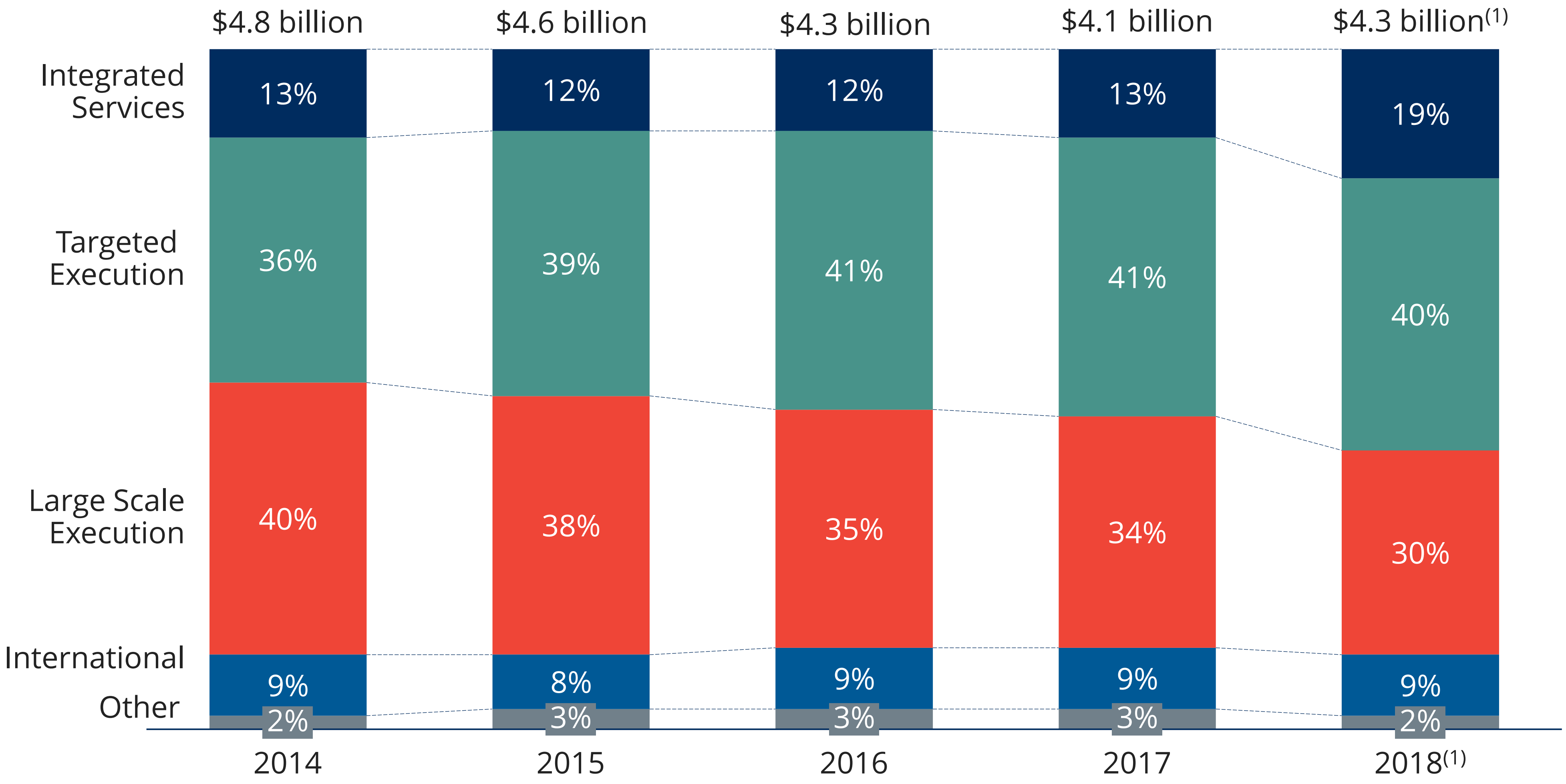
Quad



Integrated Services | Targeted Execution | Large Scale Execution | International | Other

(1) 2018 Pro Forma Net Sales — *Reflects the January 3, 2019 acquisition of Periscope, Inc*

Evolution of Quad 3.0 — Net Sales



5 Year

Annual Growth	Organic Growth
+ 7%	- 1%
+ 1%	0%
- 8%	- 10%
- 3%	- 3%

(1) 2018 Pro Forma Net Sales — *Reflects the January 3, 2019 acquisition of Periscope, Inc*

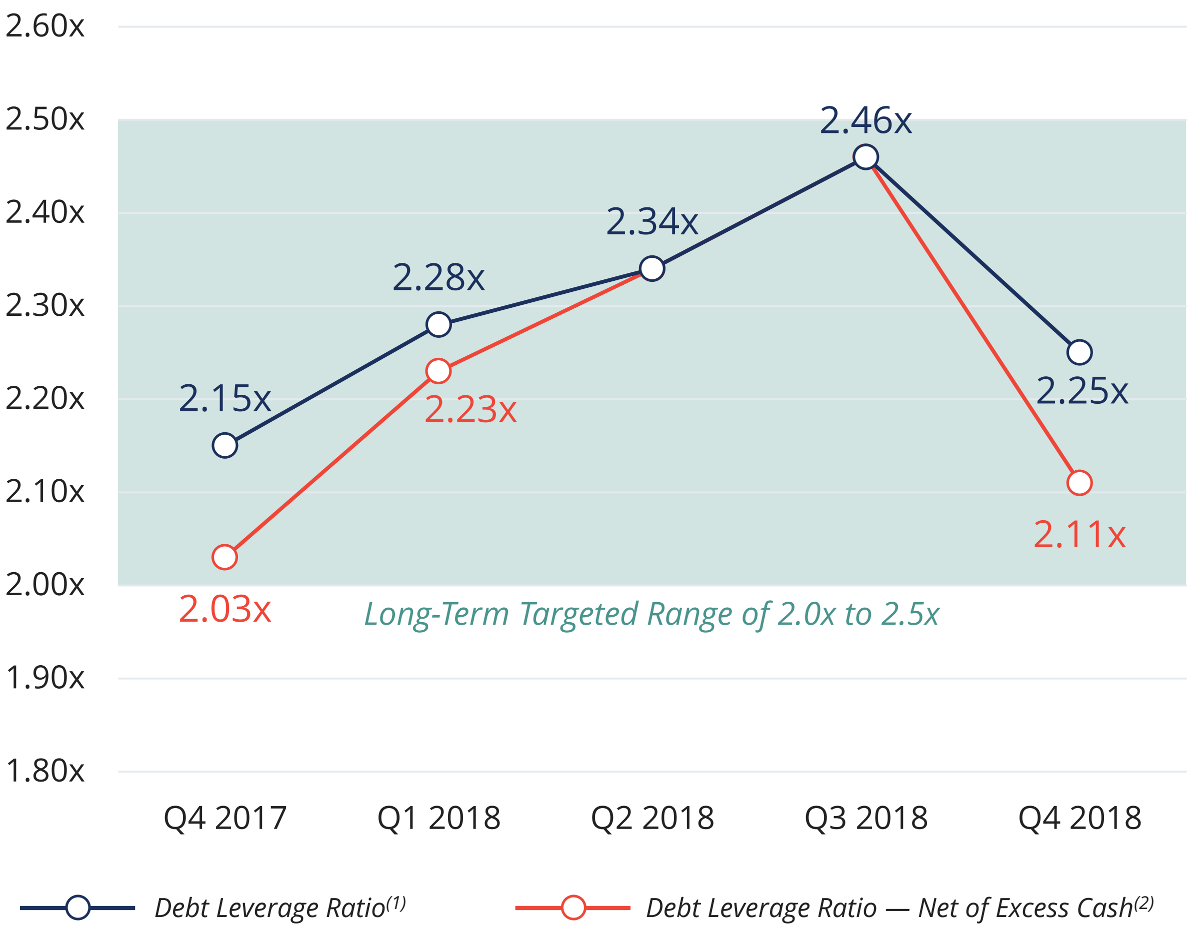
Financial Overview

	Fourth Quarter		Full Year	
US $ Millions	**December 31, 2018**	**December 31, 2017**	**December 31, 2018**	**December 31, 2017**
STATEMENT OF OPERATIONS				
Net Sales	$ 1,181.6	$ 1,164.2	$ 4,193.7	$ 4,131.4
Cost of Sales	978.5	928.5	3,429.3	3,259.4
Selling, General and Administrative Expenses	93.6	113.4	372.1	423.8
Adjusted EBITDA(1)	**$ 109.5**	**$ 122.3**	**$ 414.6**	**$ 448.2**
Adjusted EBITDA Margin(1)	**9.3%**	**10.5%**	**9.9%**	**10.8%**
STATEMENT OF CASH FLOWS				
Net Cash Provided By Operating Activities			$ 260.6	$ 344.0
Capital Expenditures			(96.3)	(85.9)
Free Cash Flow(1)			**$ 164.3**	**$ 258.1**

(1) See slide 15 for definitions of our non-GAAP measures and slides 16 & 17 for reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin and slide 18 for a reconciliation of Free Cash Flow as non-GAAP measures.

Debt & Pension Obligations

Debt Leverage Ratio[1]



Debt & Pension Obligations

US $ Millions	December 31, 2018	December 31, 2017	Change
Debt & Capital Leases			
Debt	$ 925.5	$ 945.5	$ (20.0)
Capital Leases	15.4	19.3	(3.9)
Total Debt & Capital Leases	**$ 940.9**	**$ 964.8**	**$ (23.9)**
Pension & MEPP Obligations			
Pension Obligations	$ 82.6	$ 84.1	$ (1.5)
MEPP Obligations	50.9	28.2	22.7
Total Pension & MEPP Obligations	**$ 133.5**	**$ 112.3**	**$ 21.2**

(1) *See slide 15 for definitions of our Non-GAAP measures and slide 19 for a reconciliation of Debt Leverage Ratio as a Non-GAAP measure.*
(2) *The Company typically has cash balance of approximately $10 million. The Debt Leverage Ratio – Net of Excess Cash assumes that any cash balance over $10 million is used to further pay down debt.*

Debt Capital Structure & Refinancing

Debt Refinancing Summary

Revolver		Term Loan A (Delayed Draw)		Term Loan B	
$725 million *Previous Capacity*	$800 million *New Capacity*	$375 million *Previous*	$825 million *New*	$300 million *Previous*	$500 million *New*
2021 *Previous Maturity*	2024 *New Maturity*	2021 *Previous Maturity*	2024 *New Maturity*	2021 *Previous Maturity*	2026 *New Maturity*

Debt Capital Structure — December 31, 2018

5.4%
Blended Interest Rate

$691 million
Available on Revolver

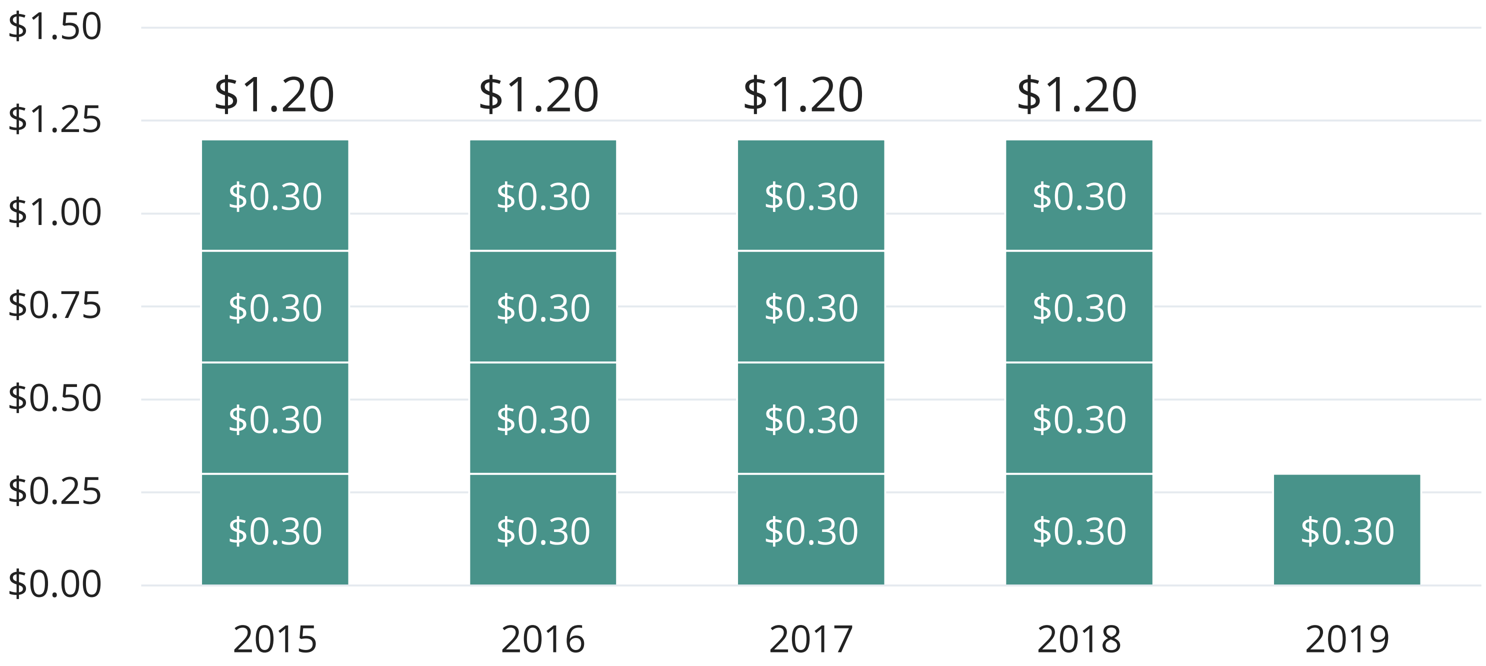
2019 Annual Guidance[1]

US $ Millions	2019
Net Sales	$4.05 to $4.25 billion
Adjusted EBITDA[2]	$360 to $400 million
Free Cash Flow[2] Before LSC-Related Payments[3]	$145 to $185 million
LSC-Related Payments[3]	$20 to $30 million
Interest Expense	$90 to $100 million
Depreciation & Amortization	$225 to $235 million
Restructuring and Transaction-Related Cash Expense	$30 to $40 million
Capital Expenditures	$100 to $110 million
Pension Cash Contributions[4]	Approximately $15 million
Cash Taxes	$15 to $20 million

(1) *2019 annual guidance only reflects Quad on a stand-alone basis and does not contemplate the pending acquisition of LSC Communications, Inc.*
(2) *See slide 15 for definitions of our non-GAAP measures.*
(3) *LSC-Related Payments are primarily related to incremental interest expense associated with the amended financing and transaction costs.*
(4) *Includes single employer pension plans and multi-employer pension plans.*

Shareholder Value

Commitment to the Dividend



Declared dividend of $0.30 per share to be payable on March 8, 2019, to shareholder of record as of February 25, 2019.

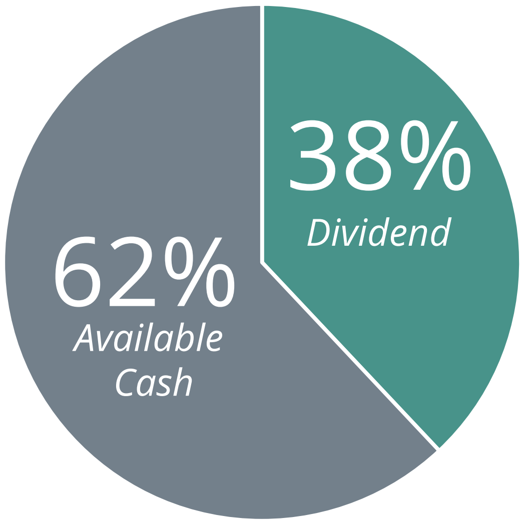
8%

Dividend Yield as of February 19, 2019

22%

Free Cash Flow(1) Yield as of February 19, 2019

Dividend as % of Free Cash Flow(1)



(1) *Calculation is based on the midpoint of Quad's 2019 Free Cash Flow guidance as detailed on slide 11. See slide 15 for definitions of our non-GAAP measures and slide 18 for a reconciliation of Free Cash Flow as a non-GAAP measure.*

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, 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 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 16 – 22.
- Adjusted EBITDA is defined as net earnings (loss) attributable to Quad/Graphics common shareholders excluding interest expense, income tax expense (benefit), depreciation and amortization, restructuring, impairment and transaction-related charges, net pension income, employee stock ownership plan contribution, loss (gain) on debt extinguishment, equity in (earnings) loss of unconsolidated entity and net earnings (loss) attributable to noncontrolling interests.
- Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by net sales.
- Free Cash Flow is defined as net cash provided by operating activities less purchases of property, plant and equipment.
- Debt Leverage Ratio is defined as total debt and capital lease obligations divided by the last twelve months of Adjusted EBITDA.
- Adjusted Diluted Earnings Per Share is defined as earnings (loss) before income taxes and equity in (earnings) loss of unconsolidated entity excluding restructuring, impairment and transaction-related charges, employee stock ownership plan contribution, loss (gain) on debt extinguishment, and adjusted for income tax expense at a normalized tax rate, divided by diluted weighted average number of common shares outstanding.

Adjusted EBITDA

Fourth Quarter

	Three Months Ended December 31,	
US $ Millions	**2018**	**2017**
Net earnings (loss) attributable to Quad common shareholders	$ (20.8)	$ 55.3
Interest expense	19.3	17.5
Income tax benefit	(5.9)	(42.8)
Depreciation and Amortization	57.1	57.0
EBITDA [Non-GAAP]	$ 49.7	$ 87.0
EBITDA Margin [Non-GAAP]	4.2%	7.5%
Restructuring, impairment and transaction-related charges	63.0	37.9
Net pension income	(3.1)	(1.8)
Equity in earnings of unconsolidated entity	(0.3)	(0.8)
Net earnings attributable to noncontrolling interests	0.2	—
Adjusted EBITDA [Non-GAAP]	**$ 109.5**	**$ 122.3**
Adjusted EBITDA Margin [Non-GAAP]	**9.3%**	**10.5%**

Adjusted EBITDA

Full Year

	Year Ended December 31,	
US $ Millions	**2018**	**2017**
Net earnings attributable to Quad common shareholders	$ 8.5	$ 107.2
Interest expense	73.3	71.1
Income tax benefit	(9.8)	(16.0)
Depreciation and Amortization	230.7	232.5
EBITDA [Non-GAAP]	$ 302.7	$ 394.8
EBITDA Margin [Non-GAAP]	7.2%	9.6%
Restructuring, impairment and transaction-related charges	103.6	60.4
Net pension income	(12.4)	(9.6)
Employee stock ownership plan contribution	22.3	—
Loss on debt extinguishment	—	2.6
Equity in earnings of unconsolidated entity	(1.0)	—
Net loss attributable to noncontrolling interests	(0.6)	—
Adjusted EBITDA [Non-GAAP]	**$ 414.6**	**$ 448.2**
Adjusted EBITDA Margin [Non-GAAP]	**9.9%**	**10.8%**

Free Cash Flow

Full Year

	Year Ended December 31,	
US $ Millions	**2018**	**2017**
Net cash provided by operating activities	$ 260.6	$ 344.0
Less: purchases of property, plant and equipment	(96.3)	(85.9)
Free Cash Flow [Non-GAAP]	**$ 164.3**	**$ 258.1**

Debt Leverage Ratio

	Year Ended December 31,	
US $ Millions	**2018**	**2017**
Total debt and capital lease obligations on the balance sheets	$ 940.9	$ 964.8
Divided by:		
Adjusted EBITDA for Quad for the year ended [Non-GAAP]	$ 414.6	$ 448.2
Pro Forma Adjusted EBITDA for Ivie & Associates(1) [Non-GAAP]	2.9	—
Adjusted EBITDA for the year ended [Non-GAAP]	$ 417.5	$ 448.2
Debt Leverage Ratio [Non-GAAP]	**2.25x**	**2.15x**
Debt Leverage Ratio — Net of Excess Cash [Non-GAAP](2)	**2.11x**	**2.03x**

(1) As permitted by the Company's senior secured credit facility, certain pro forma financial information related to the acquisition of Ivie & Associates ("Ivie") was included in calculating the Debt Leverage Ratio as of December 31, 2018. As the acquisition of Ivie was completed on February 21, 2018, the $2.9 million pro forma Adjusted EBITDA represents the period from January 1, 2018, to February 20, 2018. Adjusted EBITDA for Ivie was calculated in a consistent manner with the calculation above for Quad. Ivie's financial information has been consolidated within Quad's financial results since the date of acquisition. If the two months of pro forma Adjusted EBITDA for Ivie was not included in the calculation, the Company's Debt Leverage Ratio would have been 2.27x as of December 31, 2018.

(2) The Company had $70 million and $64 million in cash and cash equivalents at December 31, 2018 and 2017, respectively. Based on the Company's typical year-end cash balance of approximately $10 million, Quad had $60 million and $54 million of excess cash at December 31, 2018 and 2017, respectively. If the excess cash in each year was used to further pay down debt, the Debt Leverage Ratio would have been 2.11x and 2.03x at December 31, 2018 and 2017, respectively.

Balance Sheet

US $ Millions	December 31, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	$ 69.5	$ 64.4
Receivables	528.7	552.5
Inventories	300.6	246.5
Other current assets	47.8	45.1
Property, plant and equipment—net	1,257.4	1,377.6
Goodwill	54.6	—
Intangible assets—net	112.6	43.4
Other long-term assets	97.9	122.9
Total assets	**$ 2,469.1**	**$ 2,452.4**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 511.0	$ 381.6
Accrued liabilities	282.2	306.2
Current debt and capital leases	48.0	47.6
Long-term debt and capital leases	892.9	917.2
Deferred income taxes	32.1	41.9
Single and multi-employer pension obligations	133.5	112.3
Other long-term liabilities	109.2	123.2
Total liabilities	**$ 2,008.9**	**$ 1,930.0**
Shareholders' equity	**$ 460.2**	**$ 522.4**
Total liabilities and shareholders' equity	**$ 2,469.1**	**$ 2,452.4**

Adjusted Diluted Earnings Per Share

Fourth Quarter

	Three Months Ended December 31,	
US $ Millions (Except Per Share Data)	**2018**	**2017**
Earnings (loss) before income taxes and equity in earnings of unconsolidated entity	$ (26.8)	$ 11.7
Restructuring, impairment and transaction-related charges	63.0	37.9
	36.2	49.6
Income tax expense at normalized tax rate[1]	9.1	19.8
Adjusted net earnings [Non-GAAP]	$ 27.1	$ 29.8
Basic weighted average number of common shares outstanding	49.4	50.1
Plus: effect of dilutive equity incentive instruments [Non-GAAP]	1.5	2.2
Diluted weighted average number of common shares outstanding [Non-GAAP]	50.9	52.3
Adjusted Diluted Earnings Per Share [Non-GAAP]	**$ 0.53**	**$ 0.57**
Diluted earnings (loss) per share attributable to Quad common shareholders [GAAP]	$ (0.42)	$ 1.06

(1) A normalized income tax rate of 25% was used for the three months ended December 31, 2018, based on rates resulting from the enactment of the Tax Cuts and Jobs Act that in December 2017. The Company used a normalized income tax rate of 40% for the three months ended December 31, 2017, consistent with the normalized rate used prior to the enactment of the Tax Cuts and Jobs Act.

Adjusted Diluted Earnings Per Share

Full Year

	Year Ended December 31,	
US $ Millions (Except Per Share Data)	**2018**	**2017**
Earnings (loss) before income taxes and equity in earnings of unconsolidated entity	$ (2.9)	$ 91.2
Restructuring, impairment and transaction-related charges	103.6	60.4
Employee stock ownership plan contribution	22.3	—
Loss on debt extinguishment	—	2.6
	123.0	154.2
Income tax expense at normalized tax rate(1)	30.8	61.7
Adjusted net earnings [Non-GAAP]	$ 92.2	$ 92.5
Basic weighted average number of common shares outstanding	49.8	49.6
Plus: effect of dilutive equity incentive instruments	1.8	2.2
Diluted weighted average number of common shares outstanding	51.6	51.8
Adjusted Diluted Earnings Per Share [Non-GAAP]	**$ 1.79**	**$ 1.79**
Diluted earnings per share attributable to Quad common shareholders [GAAP]	$ 0.16	$ 2.07

(1) *A normalized income tax rate of 25% was used for the year ended December 31, 2018, based on rates resulting from the enactment of the Tax Cuts and Jobs Act in December 2017. The Company used a normalized income tax rate of 40% for the year ended December 31, 2017, consistent with the normalized rate used prior to the enactment of the Tax Cuts and Jobs Act.*