Packaging Corporation of America
RISI International Containerboard Conference

November 2018

Mark W. Kowlzan
Chairman & CEO
Certain statements in this presentation are forward-looking statements. Forward-looking statements include statements about our future financial condition, our industry and our business strategy. Statements that contain words such as “anticipate”, “believe”, “expect”, “intend”, “estimate”, “hope” or similar expressions, are forward-looking statements. These forward-looking statements are based on the current expectations of PCA.

Because forward-looking statements involve inherent risks and uncertainties, the plans, actions and actual results of PCA could differ materially. Among the factors that could cause plans, actions and results to differ materially from PCA’s current expectations are those identified under the caption “Risk Factors” in PCA’s Form 10K filed with the Securities and Exchange Commission and available at the SEC’s website at “www.sec.gov”.

Non-GAAP financial measures are reconciled to the most comparable GAAP measure in the Appendix.
PCA Operations

**Containerboard Mills**
- 6 manufacturing facilities
- 4.4 MM tons of capacity
- 3rd largest producer in North America
- Low-cost virgin fiber production
- Highest vertical integration level in the industry (95%)

**Corrugated Products Plants**
- 95 plants in 30 states
- 56 BSF shipped in 2017
- Value and margin driven

**White Paper Mills**
- 2 manufacturing facilities
- 1 MM tons of capacity
- 3rd largest producer of uncoated freesheet in North America
Why PCA

- Best Performing Company Over an Extended Period of Time
  - Best volume growth, margins and ROIC in the industry
  - Low-cost virgin mills
  - Lowest OCC usage in the industry
  - Highest vertical integration in the industry
  - Strong customer base, two-thirds “local” accounts
  - Limited currency risk
  - Strong management / track record
Why PCA

- Focus and History of Returning Value to Shareholders Through Balanced Capital Allocation Strategy
  - Value-creating acquisitions
  - Capital spending discipline
  - Strong, sustainable approach to dividends
  - Opportunistic share repurchases
  - Financial flexibility with strong balance sheet
Solid and Consistent Financial Results

Earnings Per Share CAGR of 25% Over Last Six Years

Earnings Per Share

- 2016: $4.88
- 2017: $6.02
- LTM 9/30/18: $7.42

Return on Invested Capital

- 2016: 13%
- 2017: 14%
- LTM 9/30/18: 17%

Note: Figures above refer to Adj EPS and Adj EBITDA margin which exclude special items; see Appendix for reconciliation to reported EPS and calculation of EBITDA margins.

ROIC = net operating profit after tax (adjusted to exclude special items) / average invested capital (equity & interest-bearing debt).
Steadily Growing Cash Flow Allows Continuous Value-Creating Opportunities

$ Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Flow from Operations</th>
<th>Free Cash Flow (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$736</td>
<td>$316</td>
</tr>
<tr>
<td>2015</td>
<td>$769</td>
<td>$454</td>
</tr>
<tr>
<td>2016</td>
<td>$807</td>
<td>$533</td>
</tr>
<tr>
<td>2017</td>
<td>$856</td>
<td>$513</td>
</tr>
<tr>
<td>LTM 9/30/18</td>
<td>$1,107</td>
<td>$586</td>
</tr>
</tbody>
</table>

(1) See Appendix for calculation of free cash flow.
Meaningful and Sustainable Approach to Dividends

Per Share Annualized

$0.60 $0.80 $1.00 $1.51 $1.60 $2.20 $2.52 $3.16

2010 2011 2012 2013 2014 2015 2016 2018

+25%
Strong Balance Sheet Provides for Financial Flexibility

Lowest Leverage Among Industry Peers

**Leverage Ratio**

- 2016: 2.1x
- 2017: 1.8x
- LTM 9/30/18: 1.5x

**Interest Coverage**

- 2016: 12.4x
- 2017: 12.8x
- LTM 9/30/18: 13.8x
Strategic Focus Areas

- Continued Operational Excellence in Manufacturing and Sales

- Continue Containerboard / Corrugated System Optimization with Acquisitions and Wallula Linerboard Conversion

- Enhance Revenue thru Profitable Organic Box Volume Growth and Strategic Box Plant Acquisitions

- Balanced and Disciplined Capital Allocation

- Maintain Financial Flexibility with Strong Balance Sheet
## Appendix

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>LTM 9/30/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Earnings per share, as reported</strong></td>
<td>$4.75</td>
<td>$7.07</td>
<td>$8.47</td>
</tr>
<tr>
<td>Wallula mill restructuring (1)</td>
<td>0.02</td>
<td>0.21</td>
<td>0.27</td>
</tr>
<tr>
<td>Internal legal entity consolidation (2)</td>
<td>-</td>
<td>0.04</td>
<td>-</td>
</tr>
<tr>
<td>Facilities closure, acquisition and integration related costs and other costs (3)</td>
<td>0.11</td>
<td>(0.03)</td>
<td>(0.03)</td>
</tr>
<tr>
<td>DeRidder mill incident (4)</td>
<td>-</td>
<td>0.03</td>
<td>-</td>
</tr>
<tr>
<td>Hexacomb working capital adjustment (5)</td>
<td>-</td>
<td>(0.01)</td>
<td>-</td>
</tr>
<tr>
<td>Expiration of timberland repurchase option (6)</td>
<td>-</td>
<td>(0.01)</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Deferred debt issuance costs (7)</td>
<td>-</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Tax reform (8)</td>
<td>-</td>
<td>(1.29)</td>
<td>(1.29)</td>
</tr>
<tr>
<td>Sale of St. Helens paper mill site (9)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DeRidder restructuring (10)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted earnings per share</strong></td>
<td>$4.88</td>
<td>$6.02</td>
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<td>$736</td>
<td>$769</td>
<td>$807</td>
<td>$856</td>
<td>$1,107</td>
</tr>
<tr>
<td>Less: additions to PP&amp;E</td>
<td>(420)</td>
<td>(315)</td>
<td>(274)</td>
<td>(343)</td>
<td>(521)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>$316</td>
<td>$454</td>
<td>$533</td>
<td>$513</td>
<td>$586</td>
</tr>
</tbody>
</table>

(1) Represents costs related to ceased production of softwood market pulp and the permanent shutdown of the No. 1 machine in Q4 2016, and the announced Q2 2018 discontinuation of UFS and coated one-side grades associated with the machine conversion at our Wallula, WA mill.

(2) Represents tax expense related to an internal legal entity consolidation.

(3) Represents facility closure costs, acquisition and integration related costs, and costs related to withdrawals from multi-employer pension plans.

(4) Represents costs related to the property damage and business interruption insurance deductible corresponding to the February 2017 explosion at our DeRidder, LA mill.

(5) Represents income related to a working capital adjustment from the April 2015 sale of our Hexacomb operations in Europe and Mexico.

(6) Represents gain related to the expiration of a repurchase option corresponding to timberland previously sold.

(7) Represents write-off of deferred debt issuance costs in connection with the December 2017 debt refinancing.

(8) Represents the estimated tax benefit related to the enactment in December 2017 of the Tax Cuts and Jobs Act (H.R.1).

(9) Represents the gain on the sale of the St. Helens paper mill site.

(10) Represents charges related to the restructuring of our DeRidder, LA mill.
### Appendix

<table>
<thead>
<tr>
<th></th>
<th>Packaging</th>
<th>Paper</th>
<th>Corporate</th>
<th>Total</th>
<th>Packaging</th>
<th>Paper</th>
<th>Corporate</th>
<th>Total</th>
<th>Packaging</th>
<th>Paper</th>
<th>Corporate</th>
<th>Total</th>
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<tbody>
<tr>
<td>Net income, as reported</td>
<td>$437</td>
<td>$450</td>
<td>$669</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Interest expense, net and other</td>
<td>86</td>
<td>94</td>
<td>103</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>228</td>
<td></td>
<td></td>
<td></td>
<td>239</td>
<td></td>
<td>160</td>
<td></td>
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<td></td>
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<tr>
<td>Income from operations</td>
<td>$715</td>
<td>$113</td>
<td>$751</td>
<td>$719</td>
<td>$131</td>
<td>$673</td>
<td>$783</td>
<td>$950</td>
<td>$54</td>
<td>$72</td>
<td>$932</td>
<td></td>
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<tr>
<td>DD&amp;A</td>
<td>297</td>
<td>96</td>
<td>356</td>
<td>293</td>
<td>60</td>
<td>5</td>
<td>358</td>
<td>317</td>
<td>68</td>
<td>6</td>
<td>391</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>$1,012</td>
<td>$168</td>
<td>$1,107</td>
<td>$1,012</td>
<td>$191</td>
<td>$62</td>
<td>$1,141</td>
<td>$1,276</td>
<td>$122</td>
<td>$66</td>
<td>$1,323</td>
<td></td>
</tr>
</tbody>
</table>

**Special items:**

- **Wallula mill restructuring (1):**
  - ( )
- **Facilities closure and other costs (2):**
  - ( )
- **DeRidder mill incident (3):**
  - ( )
- **Acquisition and integration related costs (4):**
  - 4 - 9 - 13 - 10 - 1 - 11 (7) - (1) (6)
- **Hexacomb working capital adjustment (5):**
  - (2)
- **Expiration of timberland repurchase option (6):**
  - (2)
- **Sale of St. Helens paper mill site (7):**
  - (2)
- **DeRidder restructuring (8):**
  - (7)

**Adjusted EBITDA:**

|                | $1,009 | $161 | $1,160 | $1,026 | $193 | $62 | $1,157 | $1,263 | $145 | $66 | $1,342 | |
|----------------|-------|------|--------|--------|------|-----|--------|--------|------|-----|--------|
| Net sales, as reported | $4,477 | $1,143 | $5,742 | $4,595 | $1,094 | $100 | $5,779 | $5,312 | $1,052 | $81 | $6,445 | |
| Adjusted EBITDA margin | 22.5% | 14.1% | N/A | 19.3% | 22.4% | 17.6% | 20.0% | 23.3% | 13.8% | N/A | 20.8% | |

(a) Effective January 1, 2018, the non-service cost components of net periodic pension expense are required to be shown separately outside the subtotal of operating income. 2016 and 2017 Cost of sales, SG&A, and Interest expense, net and other amounts were adjusted to reflect this change.

(1) Represents costs related to ceased production of softwood market pulp and the permanent shutdown of the No. 1 machine in Q4 2016, and the announced Q2 2018 discontinuation of UFS and coated one-side grades associated with the machine conversion at our Wallula, WA mill

(2) Represents facility closure costs and costs related to withdrawals from multiemployer pension plans

(3) Represents costs related to property damage and business interruption insurance deductible corresponding to the February 2017 explosion at our DeRidder, LA mill

(4) Represents costs related to the acquisition of TimBar, Columbus Container, and Sacramento Container

(5) Represents income related to a working capital adjustment from the April 2015 sale of our Hexacomb operations in Europe and Mexico

(6) Represents income related to a repurchase option corresponding to timberland previously sold

(7) Represents the gain on the sale of the St. Helens paper mill site

(8) Represents charges related to the restructuring of the DeRidder mill

(9) Represents charges related to the restructuring of the DeRidder mill