



Quad Upgraded by S&P to 'BB-' with Stable Outlook on Reduced Debt and Improved Leverage

SUSSEX, WI, December 11, 2024 — Quad/Graphics, Inc. (NYSE: QUAD) (“Quad” or the “Company”), a global marketing experience company, today announced that S&P Global Ratings (“S&P”) upgraded its issuer credit rating for Quad to ‘BB-’ from ‘B+’ with a stable outlook. S&P also raised its issue-level rating on the Company’s senior secured debt to ‘BB-’.

S&P based the rating upgrade primarily on Quad’s active debt repayment and improved leverage, and strong cost management practices amid ongoing revenue pressures.

In its research update, S&P noted: “Due to the Company’s rapid debt repayment, it now expects it will reduce its reported net leverage to 1.5x (approximately 2.3x on an S&P Global Ratings-adjusted basis) by the end of 2024.”

S&P added: “The stable outlook reflects our expectation that the Company’s S&P Global Ratings-adjusted leverage will remain below 3x and its free operating cash flow (FOCF) to debt will remain above 15% over the next 12 months, primarily due to its debt repayment (using the proceeds from its asset sales) and a modest improvement in its EBITDA margin to the 8%-9% range in 2024.”

Joel Quadracci, Quad Chairman, President & CEO, commented: “We are pleased to see S&P recognize Quad’s ongoing commitment to operational excellence and balance sheet strength – a reflection of our long-standing disciplined approach to managing all strategic and financial aspects of our business. With our strong cash generation and deleveraged balance sheet, Quad is well-positioned to continue making strategic investments in innovative solutions that align with our growth priorities as well as shareholder returns including dividends and share buybacks.”

The Company shared an overview of its strategy, growth opportunities and long-term financial goals at its 2024 Investor Day on November 20. The full presentation, including webcast replay, is available for viewing on [Quad’s Investor Relations site](#). Key takeaways from Investor Day include:

- How Quad’s proprietary household-based data stack is driving new AI-backed solutions that enable brands to create highly personalized content at scale across multiple marketing channels.
- The significant market opportunity in omnichannel retail media networks (RMNs) and Quad’s investment in in-store RMNs.

Quad

- How brands and marketers are leveraging Quad’s MX Solutions Suite to streamline marketing efficiencies and drive business outcomes.
- Quad’s operational focus on its variable cost structure and efficiencies, resulting in continued margin expansion.
- Quad’s long-term financial goals, including 3-year goals for revenue growth, EBITDA margin expansion, and increased free cash flow conversion.

About Quad

Quad (NYSE: QUAD) is a global marketing experience company that helps brands make direct consumer connections, from household to in-store to online. Supported by state-of-the-art technology and data-driven intelligence, Quad uses its suite of media, creative and production solutions to streamline the complexities of marketing and remove friction from wherever it occurs in the marketing journey. Quad tailors its uniquely flexible, scalable and connected solutions to clients’ objectives, driving cost efficiencies, improving speed to market, strengthening marketing effectiveness, and delivering value on client investments.

Quad employs approximately 13,000 people in 14 countries and serves approximately 2,700 clients including industry leading blue-chip companies that serve both businesses and consumers in multiple industry verticals, with a particular focus on commerce, including retail, consumer packaged goods, and direct-to-consumer; financial services; and health. Quad is ranked among the largest agency companies in the U.S. by *Ad Age*, buoyed by its full-service Rise media agency and Betty creative agency. Quad is also one the largest commercial printers in North America, according to *Printing Impressions*.

For more information about Quad, including its commitment to ongoing innovation, culture and sustainable impact, visit quad.com.

Forward-Looking Statements

This press release 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

Quad

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

Quad

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.

Investor Relations Contact

Don Pontes
Executive Director of Investor Relations
916-532-7074
dwpontes@quad.com