

Ranpak Holdings Corp. Reports Third Quarter 2023 Financial Results

- **Packaging System placement up 2.5% year over year to approximately 142,000 machines at September 30, 2023**
- **Net revenue for the third quarter increased 6.4% year over year to \$82.8 million and increased 1.9% year over year on a constant currency basis to \$85.7 million**
- **Net loss for the third quarter of \$3.3 million compared to net loss of \$8.7 million in the prior period and Adjusted EBITDA (“AEBITDA”) of \$18.0 million up 8.4%, or \$1.4 million, year over year**

CONCORD TOWNSHIP, Ohio, October 31, 2023 – Ranpak Holdings Corp (NYSE: PACK) (“Ranpak” or “the Company”), a leading provider of environmentally sustainable, systems-based, product protection solutions for e-Commerce and industrial supply chains, today reported its third quarter 2023 financial results.

“We are pleased to report continued improvement in our operating and financial profile as volumes increased year over year and we continue to see gross margin expansion,” said Omar M. Asali, Chairman and Chief Executive of Ranpak. “Sales for the quarter increased 6.4% year over year, or 1.9% on a constant currency basis, as volumes increased 5% but were partially offset by price giveback in certain regions. Overall the environment remains challenging as consumer spend is more heavily allocated to experiences rather than discretionary goods and the impact of inflationary and interest rate pressures continue to impact consumer and corporate spend. In addition to seeing volumes improve for the first time since 2021, the continued favorable input cost environment drove gross margin expansion of more than 650 bps year over year and 1000 bps above the fourth quarter of 2022 to 38.0%, or 38.2% on a constant currency basis. Gross profit improvement of 29.1%, or 23.4% on a constant currency basis, drove an increase of Adjusted EBITDA by 8.4% year over year to \$18.0 million on a constant currency basis.”

“Although the environment remains inconsistent, we are pleased to see the continued year over year improvement of Gross Profit and Adjusted EBITDA on a constant currency basis and expect to build on that in the fourth quarter as we enter our seasonal peak. Although there is a great deal of uncertainty in the world right now, I believe we have turned the corner in the business and are on the path to realizing the benefits of the investments and efforts we have made over the past few years. I believe we are exiting 2023 with good momentum in the pipeline for PPS and Automation and that we will build on the progress we have made this year. In addition to driving topline and returning to growth, our top priorities as an organization are deleveraging and maximizing the return on our existing investments.”

Third Quarter 2023 Highlights

- Packaging systems placement increased 2.5% year over year, to approximately 142,000 machines as of September 30, 2023
- Net revenue increased 6.4% and increased 1.9% adjusting for constant currency
- Net loss of \$3.3 million compared to net loss of \$8.7 million
- Constant currency AEBITDA¹ of \$18.0 million for the three months ended September 30, 2023 is up 8.4%

Net revenue for the third quarter of 2023 was \$82.8 million compared to \$77.8 million in the third quarter of 2022, an increase of \$5.0 million or 6.4% year over year. Net revenue was positively impacted by increases in cushioning, void-fill, and other products, partially offset by a decrease in wrapping. Currency rates contributed a benefit of 4.5%, though revenue was negatively affected by lower economic activity, the impact inflationary pressures are having on consumer and corporate budgets, and increased business sponsoring costs. Cushioning increased \$2.3 million, or 6.9%, to \$35.7 million from \$33.4 million; void-fill increased \$2.9 million, or 9.3%, to \$34.2 million from \$31.3 million; wrapping decreased \$1.5 million, or 15.6%, to \$8.1 million from \$9.6 million; and other sales increased \$1.3 million, or 37.1%, to \$4.8 million from \$3.5 million for the third quarter of 2023 compared to the third quarter of 2022. Other net revenue includes automated box sizing equipment and non-paper revenue from packaging systems installed in the field, such as systems accessories. The increase in net revenue is quantified by an increase in the volume of sales of our paper consumable products of approximately 5.2% and a 4.5% decrease in the price or mix of our paper consumable products, partially offset by an increase of 1.1% in sales of automated box sizing equipment. Constant currency net revenue was \$85.7 million for the third quarter of 2023, a 1.9% increase from \$84.1 million for the third quarter of 2022.

Net revenue in North America for the third quarter of 2023 totaled \$34.9 million compared to \$33.4 million in the third quarter of 2022. The increase of \$1.5 million, or 4.5%, was primarily attributable to increases in void-fill, partially offset by decreases in wrapping, cushioning, and other sales.

¹ Please refer to “Non-GAAP Financial Data” in this press release for an explanation and related reconciliation of the Company’s non-GAAP financial measures and further discussion related to certain other non-GAAP metrics included in this press release.

Net revenue in Europe/Asia for the third quarter of 2023 totaled \$47.9 million compared to \$44.4 million in the third quarter of 2022. The increase of \$3.5 million, or 7.9%, was driven by increases from void-fill, cushioning and other sales, partially offset by a decrease in wrapping. Constant currency net revenue in Europe/Asia was \$50.8 million for the third quarter of 2023, a \$0.1 million, or 0.2%, increase from \$50.7 million for the third quarter of 2022.

Year-to-Date 2023 Highlights

- Net revenue decreased 0.5% and decreased 1.5% adjusting for constant currency
- Net loss of \$17.8 million compared to net loss of \$34.1 million
- Constant currency AEBITDA of \$52.1 million for the nine months ended September 30, 2023 is down 3.3%

Balance Sheet and Liquidity

Ranpak completed the third quarter of 2023 with a strong liquidity position, including a cash balance of \$52.1 million and no borrowings on its \$45 million Revolving Credit Facility. As of September 30, 2023, the Company had First Lien Term Loan facilities outstanding consisting of a \$250.0 million USD-denominated term loan and €134.4 million euro-denominated term loan resulting in an Adjusted EBITDA net leverage ratio of 5.6x based on results on a constant currency basis through the third quarter of 2023. The First Lien Term Loan facilities mature in June 2026.

The following table presents Ranpak’s installed base of protective packaging systems by product line as of September 30, 2023 and 2022:

	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>Change</u>	<u>% Change</u>
PPS Systems	(in thousands)			
Cushioning machines	34.8	35.4	(0.6)	(1.7)
Void-Fill machines	84.7	81.2	3.5	4.3
Wrapping machines	22.5	22.0	0.5	2.3
Total	142.0	138.6	3.4	2.5

Conference Call Information

The Company will host a conference call and webcast at 8:30 a.m. (ET) on Tuesday, October 31, 2023. The conference call and earnings presentation will be webcast live at the following link: <https://events.q4inc.com/attendee/482231394>. Investors who cannot access the webcast may listen to the conference call live via telephone by dialing (833) 470-1428 or (833) 950-0062 and use the Conference ID: 524301.

A telephonic replay of the webcast also will be available starting at 11:30 a.m. (ET) on Tuesday, October 31, 2023 and ending at 11:59 p.m. (ET) on Tuesday, November 7, 2023. To listen to the replay, please dial (866) 813-9403 and use the passcode: 703241.

Note Regarding Forward-Looking Statements

This news release contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Our forward-looking statements include, but are not limited to, statements regarding our or our management team’s expectations, hopes, beliefs, intentions or strategies regarding the future. Statements that are not historical facts, including statements about the parties, perspectives and expectations, are forward-looking statements. In addition, any statements that refer to estimates, projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this news release include, for example, statements about our expectations around the future performance of the business, including our forward-looking guidance.

The forward-looking statements contained in this news release are based on our current expectations and beliefs concerning future developments and their potential effects on us taking into account information currently available to us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks include, but are not limited to: (i) our inability to secure a sufficient supply of paper to meet our production requirements; (ii) the impact of the price of kraft paper on our results of operations; (iii) our reliance on third party suppliers; (iv) the COVID-19 pandemic, the Russia and Ukraine conflict, and associated responses; (v) the high degree of competition in the markets in which we operate; (vi) consumer sensitivity to increases in the prices of our products; (vii) changes in consumer preferences with respect to paper products generally; (viii) continued consolidation in the markets in which we operate; (ix) the loss of significant end-users of our products or a large group of such end-users; (x) our failure to develop new products that meet our sales or margin expectations; (xi) our future operating results fluctuating, failing to match performance or to meet expectations; (xii) our ability to fulfill our public company obligations; (xiii) our exposure to changes in interest rates; and (xiv) other risks and uncertainties indicated from time to time in filings made with the SEC.

Should one or more of these risks or uncertainties materialize, they could cause our actual results to differ materially from the forward-looking statements. We are not undertaking any obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. You should not take any statement regarding past trends or activities as a representation that the trends or activities will continue in the future. Accordingly, you should not put undue reliance on these statements.

Ranpak Holdings Corp.
Unaudited Condensed Consolidated Statements of Operations
and Comprehensive Income (Loss)
(in millions, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Paper revenue	\$ 64.8	\$ 62.6	\$ 192.4	\$ 199.0
Machine lease revenue	13.2	11.7	38.7	36.4
Other revenue	4.8	3.5	14.8	11.7
Net revenue	82.8	77.8	245.9	247.1
Cost of goods sold	51.3	53.4	156.7	169.8
Gross profit	31.5	24.4	89.2	77.3
Selling, general and administrative expenses	20.9	26.8	64.4	86.8
Depreciation and amortization expense	8.1	7.8	24.2	24.0
Other operating expense, net	0.9	1.5	3.5	3.4
Income (loss) from operations	1.6	(11.7)	(2.9)	(36.9)
Interest expense	6.8	5.3	18.4	15.2
Foreign currency (gain) loss	(0.7)	(1.2)	0.2	(4.1)
Other non-operating income, net	(0.1)	(4.0)	(0.8)	(4.0)
Loss before income tax expense (benefit)	(4.4)	(11.8)	(20.7)	(44.0)
Income tax expense (benefit)	(1.1)	(3.1)	(2.9)	(9.9)
Net loss	\$ (3.3)	\$ (8.7)	\$ (17.8)	\$ (34.1)
Two-class method				
Loss per share				
Basic	\$ (0.04)	\$ (0.11)	\$ (0.22)	\$ (0.42)
Diluted	\$ (0.04)	\$ (0.11)	\$ (0.22)	\$ (0.42)
Class A – earnings (loss) per share				
Basic	\$ (0.04)	\$ (0.11)	\$ (0.22)	\$ (0.42)
Diluted	\$ (0.04)	\$ (0.11)	\$ (0.22)	\$ (0.42)
Class C – earnings (loss) per share				
Basic	\$ (0.03)	\$ (0.10)	\$ (0.21)	\$ (0.41)
Diluted	\$ (0.03)	\$ (0.10)	\$ (0.21)	\$ (0.41)
Weighted average number of shares outstanding – Class A and C				
Basic	82,322,957	81,979,986	82,297,985	81,833,718
Diluted	82,322,957	81,979,986	82,297,985	81,833,718
Other comprehensive income (loss), before tax				
Foreign currency translation adjustments	\$ (4.6)	\$ (9.8)	\$ (2.0)	\$ (24.3)
Interest rate swap adjustments	(2.2)	3.3	(5.3)	14.1
Cross-currency swap adjustments	2.7	2.7	1.0	7.0
Total other comprehensive income (loss), before tax	(4.1)	(3.8)	(6.3)	(3.2)
Provision (benefit) for income taxes related to other comprehensive income (loss)	0.1	1.5	(1.1)	5.2
Total other comprehensive income (loss), net of tax	(4.2)	(5.3)	(5.2)	(8.4)
Comprehensive loss, net of tax	\$ (7.5)	\$ (14.0)	\$ (23.0)	\$ (42.5)

Ranpak Holdings Corp.
Unaudited Condensed Consolidated Balance Sheets
(in millions, except share data)

	September 30, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 52.1	\$ 62.8
Accounts receivable, net	32.2	33.0
Inventories, net	18.6	25.0
Income tax receivable	3.7	2.1
Prepaid expenses and other current assets	16.8	16.7
Total current assets	123.4	139.6
Property, plant and equipment, net	134.6	124.0
Operating lease right-of-use assets, net	21.8	6.0
Goodwill	445.4	446.7
Intangible assets, net	349.5	372.1
Deferred tax assets	0.6	0.6
Other assets	43.9	44.5
Total assets	\$ 1,119.2	\$ 1,133.5
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 19.7	\$ 24.3
Accrued liabilities and other	18.1	10.6
Current portion of long-term debt	2.3	1.3
Operating lease liabilities, current	3.0	2.0
Deferred revenue	2.8	0.9
Total current liabilities	45.9	39.1
Long-term debt	390.0	391.7
Deferred tax liabilities	78.1	80.8
Derivative instruments	2.7	3.7
Operating lease liabilities, non-current	23.2	4.0
Other liabilities	1.7	1.4
Total liabilities	541.6	520.7
Commitments and contingencies – Note 13		
Shareholders' equity		
Class A common stock, \$0.0001 par, 200,000,000 shares authorized at September 30, 2023 and December 31, 2022		
Shares issued and outstanding: 79,652,315 and 79,086,372 at September 30, 2023 and December 31, 2022, respectively	-	-
Convertible Class C common stock, \$0.0001 par, 200,000,000 shares authorized at September 30, 2023 and December 31, 2022		
Shares issued and outstanding: 2,921,099 at September 30, 2023 and December 31, 2022	-	-
Additional paid-in capital	692.1	704.3
Accumulated deficit	(114.5)	(96.7)
Accumulated other comprehensive income	-	5.2
Total shareholders' equity	577.6	612.8
Total liabilities and shareholders' equity	\$ 1,119.2	\$ 1,133.5

Ranpak Holdings Corp.
Unaudited Condensed Consolidated Statements of Cash Flows
(in millions)

	Nine Months Ended September 30,	
	2023	2022
Cash Flows from Operating Activities		
Net loss	\$ (17.8)	\$ (34.1)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	49.4	52.8
Amortization of deferred financing costs	1.5	1.1
Loss on disposal of fixed assets	0.8	0.9
Deferred income taxes	(1.5)	(8.2)
Amortization of initial value of interest rate swap	(1.6)	(0.6)
Currency (gain) loss on foreign denominated debt and notes payable	0.2	(3.8)
Amortization of restricted stock units	(11.8)	20.8
Amortization of cloud-based software implementation costs	2.2	2.1
Unrealized gain on investments in small private businesses	-	(3.9)
Changes in operating assets and liabilities:		
(Increase) decrease in receivables, net	(4.1)	(0.2)
(Increase) decrease in inventory	3.3	(1.5)
(Increase) decrease in prepaid expenses and other assets	(1.9)	(3.3)
Increase (decrease) in accounts payable	(1.2)	(4.2)
Increase (decrease) in accrued liabilities	11.3	(4.9)
Change in other assets and liabilities	(5.8)	(22.5)
Net cash provided by (used in) operating activities	23.0	(9.5)
Cash Flows from Investing Activities		
Capital expenditures:		
Converter equipment	(17.5)	(23.4)
Other capital expenditures	(17.4)	(10.6)
Total capital expenditures	(34.9)	(34.0)
Cash paid for investments in small private businesses	-	(2.1)
Cash inflow from settlement of net investment hedges	-	10.0
Patent and trademark expenditures	-	(1.0)
Proceeds from sale of plant, property, and equipment	2.9	-
Net cash used in investing activities	(32.0)	(27.1)
Cash Flows from Financing Activities		
Proceeds from equipment financing	2.3	-
Financing costs of debt facilities	(1.0)	-
Principal payments on term loans	(1.5)	(1.2)
Payments on finance lease liabilities	(0.7)	(0.6)
Tax payments for withholdings on stock-based awards distributed	(0.5)	(2.5)
Net cash used in financing activities	(1.4)	(4.3)
Effect of Exchange Rate Changes on Cash	(0.3)	(1.7)
Net Decrease in Cash and Cash Equivalents	(10.7)	(42.6)
Cash and Cash Equivalents, beginning of period	62.8	103.9
Cash and Cash Equivalents, end of period	\$ 52.1	\$ 61.3

Non-GAAP Financial Data

In this press release, we present Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) and constant currency EBITDA and constant currency adjusted EBITDA (“Constant currency AEBITDA”), which are non-GAAP financial measures. We have included EBITDA, constant currency EBITDA and constant currency AEBITDA because they are key measures used by our management and Board of Directors to understand and evaluate our operating performance and trends, to prepare and approve our annual budget and to develop short- and long-term operational plans. In particular, the exclusion of certain expenses in calculating EBITDA, constant currency EBITDA and constant currency AEBITDA can provide a useful measure for period-to-period comparisons of our primary business operations.

However, EBITDA, constant currency EBITDA and constant currency AEBITDA have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. In particular, EBITDA, constant currency EBITDA and constant currency AEBITDA should not be viewed as substitutes for, or superior to, net income (loss) prepared in accordance with GAAP as a measure of profitability or liquidity. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and EBITDA, constant currency EBITDA and constant currency AEBITDA do not reflect all cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- EBITDA, constant currency EBITDA and constant currency AEBITDA do not reflect changes in, or cash requirements for, our working capital needs;
- constant currency AEBITDA does not consider the potentially dilutive impact of equity-based compensation;
- EBITDA, constant currency EBITDA and constant currency AEBITDA do not reflect the impact of the recording or release of valuation allowances or tax payments that may represent a reduction in cash available to us;
- constant currency AEBITDA does not take into account any restructuring and integration costs;
- constant currency EBITDA and constant currency AEBITDA are presented on a constant currency basis and give effect to the impact of currency fluctuations; and
- other companies, including companies in our industry, may calculate EBITDA, constant currency EBITDA and constant currency AEBITDA differently, which reduces their usefulness as comparative measures.

EBITDA — EBITDA is a non-GAAP financial measure that we calculate as net income (loss), adjusted to exclude: benefit from (provision for) income taxes; interest expense; and depreciation and amortization.

Constant currency EBITDA — Constant currency EBITDA is a non-GAAP financial measure that we present on a constant currency basis and we calculate as net income (loss), adjusted to exclude: benefit from (provision for) income taxes; interest expense; and depreciation and amortization.

Constant currency AEBITDA — Constant currency AEBITDA is a non-GAAP financial measure that we present on a constant currency basis and calculate as net income (loss), adjusted to exclude: benefit from (provision for) income taxes; interest expense; depreciation and amortization; stock-based compensation expense; and, in certain periods, certain other income and expense items; as further adjusted to reflect the performance of the business on a constant currency basis.

We present constant currency EBITDA and constant currency AEBITDA on a constant currency basis because it allows a better insight into the performance of our businesses that operate in currencies other than our reporting currency. Before consolidation, our Europe/Asia financial data is derived in Euros. To calculate the adjustment that we apply to present constant currency EBITDA and constant currency AEBITDA on a constant currency basis, we multiply this Euro-derived data by 1.15 to reflect an exchange rate of 1 Euro to 1.15 U.S. dollars (“USD”), which we believe is a reasonable exchange rate to use to give a stable depiction of the business without currency fluctuations between periods, to calculate Europe/Asia data in constant currency USD. We believe that using an exchange rate of 1.15 is reasonable because it approximates the average exchange rate of the Euro to USD over the past five years. In addition, we include certain other unaudited, non-GAAP constant currency data for the three and nine months ended September 30,

2023 and 2022. This data is based on our historical financial statements, adjusted (where applicable) to reflect a constant currency presentation between periods for the convenience of readers. We reconcile this data to our GAAP data for the same period for the three and nine months ended September 30, 2023 and 2022.

This press release also includes forecasts for certain non-GAAP metrics. We are unable to provide a reconciliation of our forecast of net revenue on a constant currency basis for 2023 to a forecast of net revenue on a GAAP basis without unreasonable effort primarily because we are unable to forecast with reasonable certainty the associated currency impact. In addition, a reconciliation of our forecast for constant currency AEBITDA for 2023 to GAAP net income cannot be provided without unreasonable effort because we are unable to forecast with reasonable certainty several of the items necessary to calculate such comparable GAAP measure, including asset impairments, integration related expenses, reorganizations and discontinued operations related expenses, legal settlement costs, constant currency adjustments, as well as other unusual or non-recurring gains or losses. These items are uncertain, depend on various factors, and could be material to our results computed in accordance with GAAP. We believe the inherent uncertainties in reconciling such non-GAAP measures for projected periods to the most comparable GAAP measures would make the forecasted comparable GAAP measures difficult to predict with reasonable certainty or reliability.

Ranpak Holdings Corp.
Non-GAAP Financial Data

Reconciliation and Comparison of GAAP Statement of Income Data to Non-GAAP EBITDA and Constant Currency AEBITDA
For the Third Quarter of 2023 and 2022

Please refer to our discussion and definitions of Non-GAAP financial measures

	Three Months Ended September		\$ Change	% Change
	2023	2022		
Net revenue	\$ 82.8	\$ 77.8	\$ 5.0	6.4
Cost of goods sold	51.3	53.4	(2.1)	(3.9)
Gross profit	31.5	24.4	7.1	29.1
Selling, general and administrative expenses	20.9	26.8	(5.9)	(22.0)
Depreciation and amortization expense	8.1	7.8	0.3	3.8
Other operating expense, net	0.9	1.5	(0.6)	(40.0)
Income (loss) from operations	1.6	(11.7)	13.3	(113.7)
Interest expense	6.8	5.3	1.5	28.3
Foreign currency gain	(0.7)	(1.2)	0.5	(41.7)
Other non-operating income, net	(0.1)	(4.0)	3.9	(97.5)
Loss before income tax benefit	(4.4)	(11.8)	7.4	(62.7)
Income tax expense (benefit)	(1.1)	(3.1)	2.0	(64.5)
Net loss	(3.3)	(8.7)	5.4	(62.1)
Depreciation and amortization expense – COS	8.3	8.3	-	-
Depreciation and amortization expense – D&A	8.1	7.8	0.3	3.8
Interest expense	6.8	5.3	1.5	28.3
Income tax expense (benefit)	(1.1)	(3.1)	2.0	(64.5)
EBITDA⁽¹⁾	18.8	9.6	9.2	95.8
Adjustments⁽²⁾:				
Unrealized (gain) loss translation	(0.6)	(1.3)	0.7	(53.8)
Non-cash impairment losses	-	0.3	(0.3)	(100.0)
M&A, restructuring, severance	1.5	0.1	1.4	1,400.0
Amortization of restricted stock units	(5.1)	6.7	(11.8)	(176.1)
Amortization of cloud-based software implementation costs ⁽³⁾	0.7	0.7	-	-
Cloud-based software implementation costs	0.7	1.7	(1.0)	(58.8)
Unrealized gain on investment in small private business	-	(3.9)	3.9	(100.0)
SOX remediation costs	1.0	-	1.0	—
Other adjustments	0.4	0.8	(0.4)	(50.0)
Constant currency	0.6	1.9	(1.3)	(68.4)
Constant Currency AEBITDA⁽¹⁾	\$ 18.0	\$ 16.6	\$ 1.4	8.4

Ranpak Holdings Corp.
Non-GAAP Financial Data

**Reconciliation and Comparison of GAAP Statement of Income Data to Non-GAAP EBITDA and Constant Currency AEBITDA
For the Nine Months Ended September 30, 2023 and 2022**

Please refer to our discussion and definitions of Non-GAAP financial measures

	Nine Months Ended September 30,		\$ Change	% Change
	2023	2022		
Net revenue	\$ 245.9	\$ 247.1	\$ (1.2)	(0.5)
Cost of goods sold	156.7	169.8	(13.1)	(7.7)
Gross profit	89.2	77.3	11.9	15.4
Selling, general and administrative expenses	64.4	86.8	(22.4)	(25.8)
Depreciation and amortization expense	24.2	24.0	0.2	0.8
Other operating expense, net	3.5	3.4	0.1	2.9
Income (loss) from operations	(2.9)	(36.9)	34.0	(92.1)
Interest expense	18.4	15.2	3.2	21.1
Foreign currency gain	0.2	(4.1)	4.3	(104.9)
Other non-operating income, net	(0.8)	(4.0)	3.2	(80.0)
Loss before income tax benefit	(20.7)	(44.0)	23.3	(53.0)
Income tax benefit	(2.9)	(9.9)	7.0	(70.7)
Net loss	(17.8)	(34.1)	16.3	(47.8)
Depreciation and amortization expense – COS	25.2	28.7	(3.5)	(12.2)
Depreciation and amortization expense – D&A	24.2	24.0	0.2	0.8
Interest expense	18.4	15.2	3.2	21.1
Income tax benefit	(2.9)	(9.9)	7.0	(70.7)
EBITDA⁽¹⁾	47.1	23.9	23.2	97.1
Adjustments⁽²⁾:				
Unrealized gain translation	0.2	(4.2)	4.4	(104.8)
Non-cash impairment losses	0.9	0.5	0.4	80.0
M&A, restructuring, severance	3.0	1.7	1.3	76.5
Amortization of restricted stock units	(11.8)	20.8	(32.6)	(156.7)
Amortization of cloud-based software implementation costs ⁽³⁾	2.2	2.1	0.1	4.8
Cloud-based software implementation costs	3.1	6.5	(3.4)	(52.3)
Unrealized gain on investment in small private business	-	(3.9)	3.9	(100.0)
SOX remediation costs	3.4	-	3.4	—
Other adjustments	1.8	3.3	(1.5)	(45.5)
Constant currency	2.2	3.2	(1.0)	(31.3)
Constant Currency AEBITDA⁽¹⁾	\$ 52.1	\$ 53.9	\$ (1.8)	(3.3)

Ranpak Holdings Corp.

Non-GAAP Financial Data

Reconciliation of GAAP Statement of Income Data to Non-GAAP Constant Currency Statement of Income Data, Constant Currency EBITDA, and Constant Currency AEBITDA

For the Third Quarter of 2023

Please refer to our discussion and definitions of Non-GAAP financial measures, including Non-GAAP Constant Currency

	Three Months Ended September 30, 2023		
	As reported	Constant Currency⁽⁴⁾	Non-GAAP
Net revenue	\$ 82.8	\$ 2.9	\$ 85.7
Cost of goods sold	51.3	1.7	53.0
Gross profit	31.5	1.2	32.7
Selling, general and administrative expenses	20.9	0.7	21.6
Depreciation and amortization expense	8.1	0.1	8.2
Other operating expense, net	0.9	-	0.9
Loss from operations	1.6	0.4	2.0
Interest expense	6.8	-	6.8
Foreign currency gain	(0.7)	0.1	(0.6)
Other non-operating income, net	(0.1)	0.3	0.2
Loss before income tax benefit	(4.4)	-	(4.4)
Income tax benefit	(1.1)	(0.1)	(1.2)
Net loss	<u>(3.3)</u>	<u>0.1</u>	<u>(3.2)</u>
Constant currency-effected add⁽¹⁾:			
Depreciation and amortization expense – COS			8.5
Depreciation and amortization expense – D&A			8.2
Interest expense			6.8
Income tax benefit			(1.2)
Constant currency EBITDA			19.1
Constant currency-effected adjustments⁽²⁾:			
Unrealized (gain) loss translation			(0.6)
Non-cash impairment losses			-
M&A, restructuring, severance			1.4
Amortization of restricted stock units			(5.3)
Amortization of cloud-based software implementation costs ⁽³⁾			0.7
Cloud-based software implementation costs			0.7
SOX remediation costs			1.0
Other adjustments			1.0
Constant currency AEBITDA			<u>\$ 18.0</u>

Ranpak Holdings Corp.

Non-GAAP Financial Data

Reconciliation of GAAP Statement of Income Data to Non-GAAP Constant Currency Statement of Income Data, Constant Currency

EBITDA, and Constant Currency AEBITDA

For the Third Quarter of 2022

Please refer to our discussion and definitions of Non-GAAP financial measures, including Non-GAAP Constant Currency

	Three Months Ended September 30, 2022		
	As reported	Constant Currency⁽⁴⁾	Non-GAAP
Net revenue	\$ 77.8	\$ 6.3	\$ 84.1
Cost of goods sold	53.4	4.2	57.6
Gross profit	24.4	2.1	26.5
Selling, general and administrative expenses	26.8	1.1	27.9
Depreciation and amortization expense	7.8	0.3	8.1
Other operating expense, net	1.5	0.9	2.4
Income from operations	(11.7)	(0.2)	(11.9)
Interest expense	5.3	0.1	5.4
Foreign currency gain	(1.2)	0.3	(0.9)
Other non-operating income, net	(4.0)	-	(4.0)
Loss before income tax benefit	(11.8)	(0.6)	(12.4)
Income tax benefit	(3.1)	(0.1)	(3.2)
Net loss	(8.7)	(0.5)	(9.2)
Constant currency-effected add⁽¹⁾:			
Depreciation and amortization expense – COS			8.9
Depreciation and amortization expense – D&A			8.1
Interest expense			5.4
Income tax benefit			(3.2)
Constant currency EBITDA			10.0
Constant currency-effected adjustments⁽²⁾:			
Unrealized gain translation			(0.9)
Non-cash impairment losses			0.3
M&A, restructuring, severance			0.2
Amortization of restricted stock units			6.7
Amortization of cloud-based software implementation costs ⁽³⁾			0.8
Cloud-based software implementation costs			1.6
Unrealized gain on investment in a small private business			(3.9)
Other adjustments			1.8
Constant currency AEBITDA			\$ 16.6

Ranpak Holdings Corp.

Non-GAAP Financial Data

Reconciliation of GAAP Statement of Income Data to Non-GAAP Constant Currency Statement of Income Data, Constant Currency EBITDA, and Constant Currency AEBITDA

For the Nine Months Ended September 30, 2023

Please refer to our discussion and definitions of Non-GAAP financial measures, including Non-GAAP Constant Currency

	Nine Months Ended September 30, 2023		
	As reported	Constant Currency⁽⁴⁾	Non-GAAP
Net revenue	\$ 245.9	\$ 9.2	\$ 255.1
Cost of goods sold	156.7	5.6	162.3
Gross profit	89.2	3.6	92.8
Selling, general and administrative expenses	64.4	2.1	66.5
Depreciation and amortization expense	24.2	0.4	24.6
Other operating expense, net	3.5	-	3.5
Loss from operations	(2.9)	1.1	(1.8)
Interest expense	18.4	0.2	18.6
Foreign currency gain	0.2	0.1	0.3
Other non-operating income, net	(0.8)	1.2	0.4
Loss before income tax benefit	(20.7)	(0.4)	(21.1)
Income tax benefit	(2.9)	(0.4)	(3.3)
Net loss	\$ (17.8)	\$ -	\$ (17.8)
Constant currency-effected add⁽¹⁾:			
Depreciation and amortization expense – COS			25.9
Depreciation and amortization expense – D&A			24.6
Interest expense			18.6
Income tax benefit			(3.3)
Constant currency EBITDA			48.0
Constant currency-effected adjustments⁽²⁾:			
Unrealized gain translation			0.3
Non-cash impairment losses			1.0
M&A, restructuring, severance			3.1
Amortization of restricted stock units			(12.0)
Amortization of cloud-based software implementation costs ⁽³⁾			2.3
Cloud-based software implementation costs			3.1
SOX remediation costs			3.4
Other adjustments			2.9
Constant currency AEBITDA			\$ 52.1

Ranpak Holdings Corp.
Non-GAAP Financial Data

Reconciliation of GAAP Statement of Income Data to Non-GAAP Constant Currency Statement of Income Data, Constant Currency EBITDA, and Constant Currency AEBITDA
For the Nine Months Ended September 30, 2022

Please refer to our discussion and definitions of Non-GAAP financial measures, including Non-GAAP Constant Currency

	Nine Months Ended September 30, 2022		
	As reported	Constant Currency ⁽⁴⁾	Non-GAAP
Net revenue	\$ 247.1	\$ 11.9	\$ 259.0
Cost of goods sold	169.8	8.0	177.8
Gross profit	77.3	3.9	81.2
Selling, general and administrative expenses	86.8	2.4	89.2
Depreciation and amortization expense	24.0	0.5	24.5
Other operating expense, net	3.4	1.6	5.0
Income from operations	(36.9)	(0.6)	(37.5)
Interest expense	15.2	0.2	15.4
Foreign currency gain	(4.1)	0.5	(3.6)
Other non-operating income, net	(4.0)	-	(4.0)
Loss before income tax benefit	(44.0)	(1.3)	(45.3)
Income tax benefit	(9.9)	(0.4)	(10.3)
Net income	\$ (34.1)	\$ (0.9)	\$ (35.0)

Constant currency-effected add⁽¹⁾:

Depreciation and amortization expense – COS	29.9
Depreciation and amortization expense – D&A	24.5
Interest expense	15.4
Income tax benefit	(10.3)
Constant currency EBITDA	24.5

Constant currency-effected adjustments⁽²⁾:

Unrealized loss translation	(3.7)
Non-cash impairment losses	0.5
M&A, restructuring, severance	1.8
Amortization of restricted stock units	20.8
Amortization of cloud-based software implementation costs ⁽³⁾	2.2
Cloud-based software implementation costs	6.6
Unrealized gain on investment in small private business	(3.9)
Other adjustments	5.1
Constant currency AEBITDA	\$ 53.9

(1) Reconciliations of EBITDA and constant currency AEBITDA for each period presented are to net (loss) income, the nearest GAAP equivalent.

(2) Adjustments are related to non-cash unusual or infrequent costs such as: effects of non-cash foreign currency remeasurement or adjustment; impairment of returned machines; costs associated with the evaluation of acquisitions; costs associated with executive severance; costs associated with restructuring actions such as plant rationalization or realignment, reorganization, and reductions in force; costs associated with the implementation of the global ERP system; and other items deemed by management to be unusual, infrequent, or non-recurring.

(3) Represents amortization of capitalized costs related to the implementation of the global ERP system, which are included in SG&A.

(4) Effect of Euro constant currency adjustment to a rate of €1.00 to \$1.15 on each line item is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net revenue	\$ 2.9	\$ 6.3	\$ 9.2	\$ 11.9
Cost of goods sold	1.7	4.2	5.6	8.0
Gross profit	1.2	2.1	3.6	3.9
Selling, general and administrative expenses	0.7	1.1	2.1	2.4
Depreciation and amortization expense	0.1	0.3	0.4	0.5
Other operating expense, net	-	0.9	-	1.6
Loss from operations	0.4	(0.2)	1.1	(0.6)
Interest expense (income)	-	0.1	0.2	0.2
Foreign currency (gain) loss	0.1	0.3	0.1	0.5
Other non-operating income, net	0.3	-	1.2	-
Income (loss) before income tax benefit	-	(0.6)	(0.4)	(1.3)
Income tax benefit	(0.1)	(0.1)	(0.4)	(0.4)
Net income (loss)	\$ 0.1	\$ (0.5)	\$ -	\$ (0.9)