



FIRST QUARTER 2019 RESULTS

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May 1, 2019

SAFE HARBOR & NON-GAAP



USE OF FORWARD LOOKING STATEMENTS

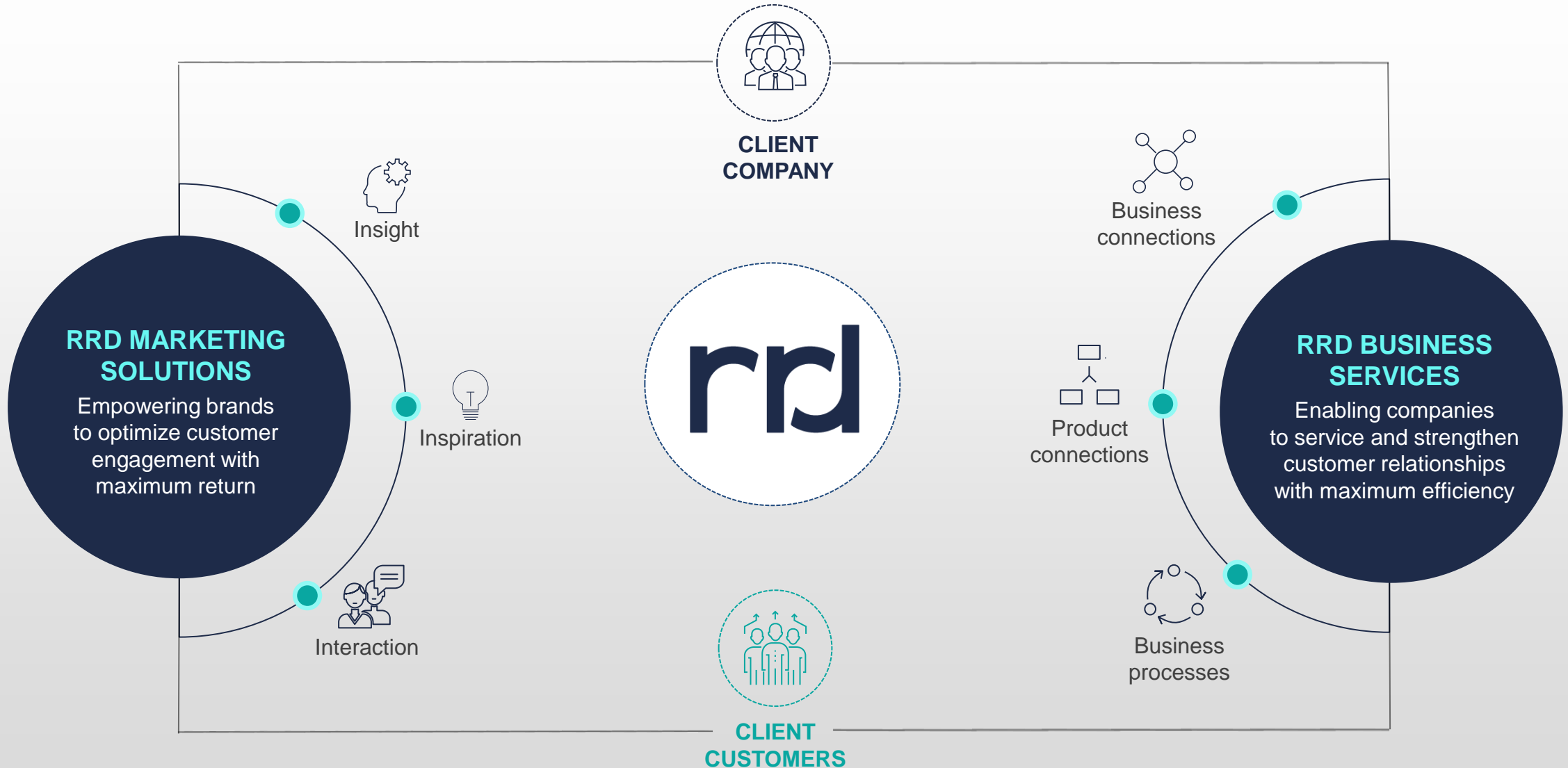
This presentation contains “forward-looking statements” within the meaning of, and subject to the safe harbor created by, Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the business, strategy and plans of the Company and its expectations relating to future financial condition and performance. These statements include all those on the page under the heading “Full Year 2019 Guidance.” Readers are cautioned not to place undue reliance on these forward-looking statements and any such forward-looking statements are qualified in their entirety by reference to the following cautionary statements. All forward-looking statements speak only as of the date of this presentation and are based on current expectations and involve a number of assumptions, risks and uncertainties that could cause the actual results to differ materially from such forward-looking statements. Words such as “believes”, “anticipates”, “estimates”, “expects”, “intends”, “aims”, “potential”, “will”, “would”, “could”, “may”, “considered”, “likely”, and variations of these words and similar future or conditional expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Such forward-looking statements are only predictions and involve known and unknown risks and uncertainties. The Company does not undertake to and specifically disclaims any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect future events or circumstances after the date of such statement or to reflect the occurrence of anticipated or unanticipated events. These factors include such risks and uncertainties detailed in the Company’s periodic public filings with the SEC, including but not limited to, those discussed under the “Risk Factors” section in the Company’s Form 10-K for the fiscal year ended December 31, 2018 and other filings with the SEC and in other investor communications from the Company from time to time.



NON-GAAP FINANCIAL INFORMATION

This document contains non-GAAP financial measures, including non-GAAP adjusted income from operations, non-GAAP adjusted operating margin, non-GAAP effective tax rate, non-GAAP adjusted diluted EPS and net organic sales growth rate. The Company believes that these non-GAAP measures, when presented in conjunction with comparable GAAP measures, provide useful information about its operating results and enhance the overall ability to assess the Company’s financial performance. Internally, the company uses this non-GAAP information as an indicator of business performance, and evaluates management’s effectiveness with specific reference to these indicators. These measures should be considered in addition to, not a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. A reconciliation of GAAP to non-GAAP financial measures can be found in our periodic filings with the Securities and Exchange Commission and in the investors section of our website, www.rrd.com.

RRD – A MARKETING AND BUSINESS COMMUNICATIONS COMPANY



RRD STRATEGIC PRIORITIES REMAIN THE SAME

Five Strategic Priorities

- Strengthen our Core
- Accelerate growth of higher value products and services
- Extend our capabilities to fuel organic growth with our existing customers
- Lower our cost to serve
- Maintain a disciplined approach to capital allocation with an emphasis on leverage reduction

FIRST QUARTER OVERVIEW

Highlights

- Financial results in line with expectations; adjusted income from operations and adjusted operating margin both improved versus prior year
- Made significant progress advancing key initiatives
 - Expanded Marketing Solutions capabilities through new strategic agreement with Marketing Evolution
 - Completed construction of new facility in China; on track to relocate printing operations by end of second quarter
 - Achieved planned milestones for 2020 Census project; scheduled to begin printing in July
 - Consolidated several commercial print facilities and closed unprofitable Brazil operations



Sales

- Consolidated
 - Reported: **(10.9%)**
 - Organic: **(3.3%)**
- Organic by Segment
 - Business Services: **(3.6%)**
 - Marketing Solutions: **(2.1%)**
 - Reflects lower volume in commercial print, including Brazil, planned exit of very low margin business, and softer logistics demand



Profitability

- Non-GAAP adjusted income from operations: **favorable \$3.5m**
 - Productivity improvements and favorable fx
 - Volume/price declines and inflationary cost increases
- Non-GAAP effective tax rate: **600.0%**
- Diluted EPS
 - GAAP: **(\$0.12)**
 - Non-GAAP adjusted: **(\$0.06)**



Cash/Debt

- Cash used in operating activities: **\$130.0m**
- CapEx: **\$37.4m**
 - Includes additional investments for new facility construction in China and 2020 Census project
- Total debt: **\$2.17b**
- Cash and cash equivalents: **\$274.3m**

A reconciliation of GAAP to non-GAAP financial measures can be found in our periodic filings with the SEC and in the investors section of our website, www.rrd.com, including in the Form 8-K furnished with the SEC on April 30, 2019.

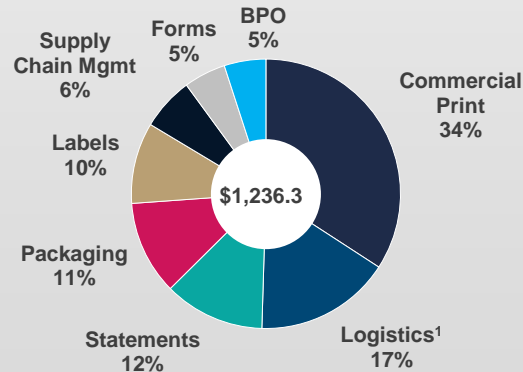
FIRST QUARTER NET SALES PERFORMANCE

(\$ in millions)

Business Services

	Q1 2019	YOY Change
Commercial Print	\$422.4	(8.6%)
Logistics ¹	\$201.7	(38.4%)
Statements	\$149.5	(6.4%)
Packaging	\$139.5	(1.3%)
Labels	\$120.5	2.6%
Supply Chain Management	\$78.5	(1.6%)
Forms	\$62.4	(6.9%)
Business Process Outsourcing	\$61.8	1.0%
Total - Reported¹	\$1,236.3	(12.7%)
Total - Organic²		(3.6%)

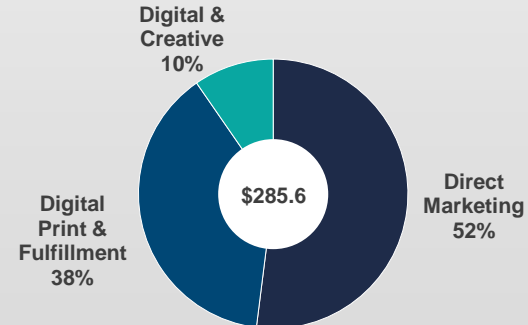
By Products and Services



Marketing Solutions

	Q1 2019	YOY Change
Direct Marketing	\$148.5	0.3%
Digital Print & Fulfillment	\$109.6	(1.1%)
Digital & Creative Solutions	\$27.5	(16.2%)
Total - Reported	\$285.6	(2.1%)
Total - Organic²		(2.1%)

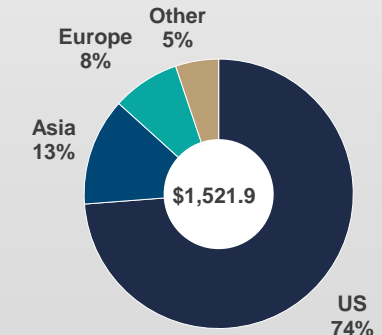
By Products and Services



Consolidated

	Q1 2019	YOY Change
US ¹	\$1,122.9	(12.3%)
Asia	\$196.6	(7.9%)
Europe	\$123.6	0.6%
Other	\$78.8	(13.8%)
Total - Reported¹	\$1,521.9	(10.9%)
Total - Organic²		(3.3%)

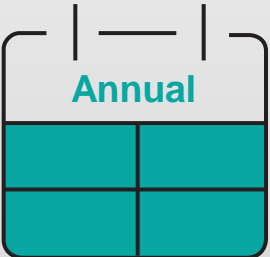
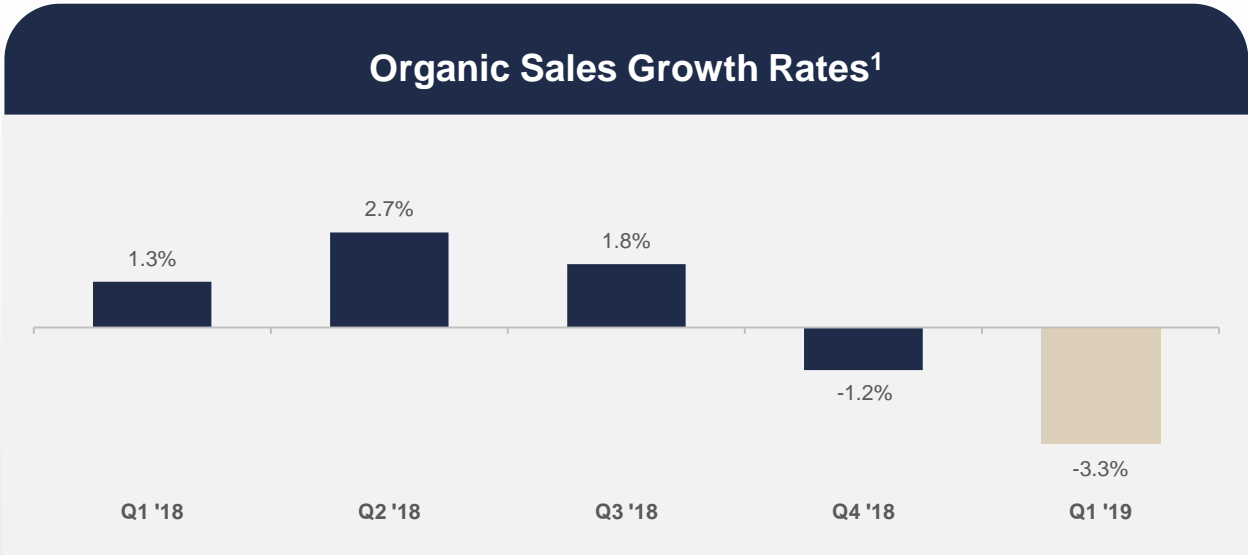
By Geography



(1) YOY Change not adjusted for net sales of the Company's Print Logistics business which was disposed in the third quarter of 2018 and generated \$107.4 million in net sales during Q1 2018.

(2) A reconciliation of GAAP to non-GAAP financial measures can be found in our periodic filings with the SEC and in the investors section of our website, www.rrd.com, including in the Form 8-K furnished with the SEC on April 30, 2019.

FINANCIAL TRENDS – ORGANIC SALES

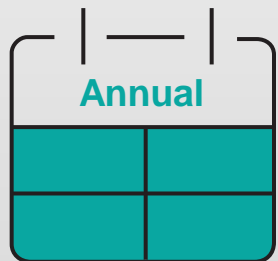
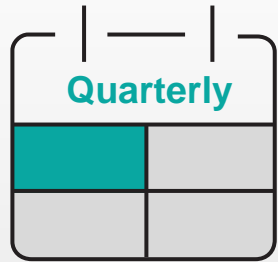


Comments on Performance

- Net sales were in line with our expectations
- Organic decline of (3.3%) driven by
 - Lower volume
 - Planned reductions in sourcing work
 - Lapping of significant new packaging work in Q1 2018
- Organic decline by segment
 - Business Services: (3.6%)
 - Marketing Solutions: (2.1%)
- 3 out of 11 products/services categories delivered growth

(1) A reconciliation of GAAP to non-GAAP financial measures can be found in our periodic filings with the SEC and in the investors section of our website, www.rrd.com, including in the Forms 8-K furnished with the SEC on April 18, 2018, May 1, 2018, August 1, 2018, October 30, 2018, February 26, 2019 and April 30, 2019 and the Safe Harbor & Non-GAAP presentation available on our website.

FINANCIAL TRENDS – PROFITABILITY



Non-GAAP Adjusted Income from Operations¹ (\$ in millions)



Non-GAAP Adjusted EPS¹



Comments on Q1 Performance

- Adjusted income from operations and margins increased vs. prior year period
 - Favorable fx impact of ~\$11 million
 - Productivity improvements
 - Unfavorable product mix
 - Volume/price declines
 - Inflationary cost increases
- Interest expense lower by \$1.6 million
- 2019 adjusted effective tax rate – 600.0%
 - Losses with no tax benefit and disallowed interest expense deductions in the US
 - Expect to normalize in last half



(1) A reconciliation of GAAP to non-GAAP financial measures can be found in our periodic filings with the SEC and in the investors section of our website, www.rrd.com, including in the Forms 8-K furnished with the SEC on February 27, 2018, April 18, 2018, May 1, 2018, August 1, 2018, October 30, 2018, February 26, 2019 and April 30, 2019 and the Safe Harbor & Non-GAAP presentation available on our website.

FIRST QUARTER OPERATING PERFORMANCE

(\$ in millions)	Q1 2019	Q1 2018	Better/(Worse)		Organic Sales Change ¹
			\$	%	
Net Sales	\$1,521.9	\$1,707.8	(\$185.9)	(10.9%)	(3.3%)
<i>Business Services</i>	\$1,236.3	\$1,416.1	(\$179.8)	(12.7%)	(3.6%)
<i>Marketing Solutions</i>	\$285.6	\$291.7	(\$6.1)	(2.1%)	(2.1%)
Adjusted Income from Operations¹	\$36.4	\$32.9	\$3.5	10.6%	
<i>Business Services</i>	\$41.8	\$38.1	\$3.7	9.7%	
<i>Marketing Solutions</i>	\$8.7	\$13.8	(\$5.1)	(37.0%)	
<i>Corporate</i>	(\$14.1)	(\$19.0)	\$4.9	25.8%	
Adjusted Operating Margins¹	2.4%	1.9%		50 bps	
<i>Business Services</i>	3.4%	2.7%		70 bps	
<i>Marketing Solutions</i>	3.0%	4.7%		(170 bps)	

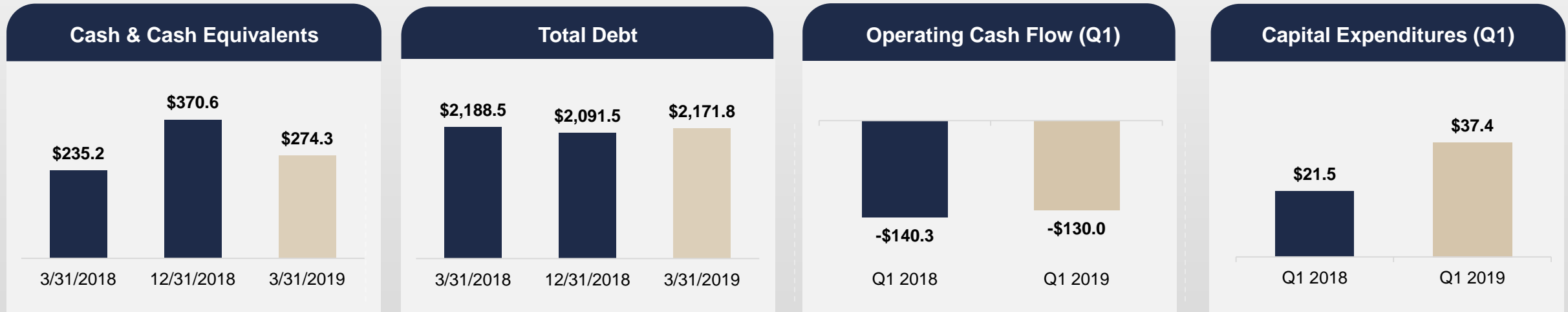
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BALANCE SHEET AND CASH FLOW

Key capital allocation priorities include strategic investments, debt pay down and dividends

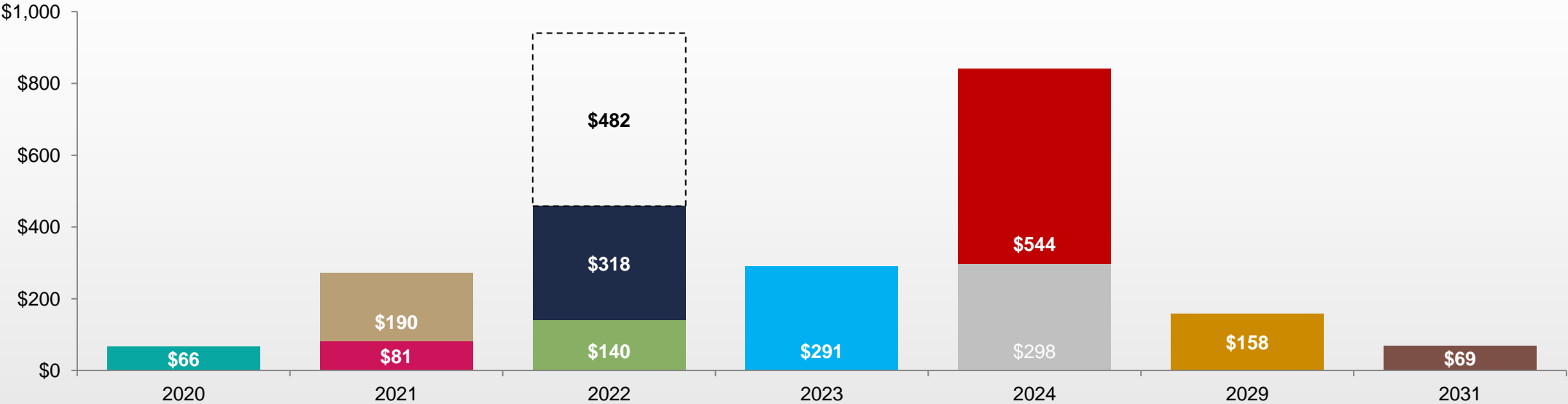
- Management's capital priorities:
 - Invest in the business/pursue growth opportunities
 - Pay down debt/reduce leverage and increase flexibility
 - Continue to return capital through dividend
- \$172 million February 2019 debt maturity retired
- Asset based lending agreement:
 - \$800 million facility with maturity of 2022
 - \$318 million drawn; \$378 million available as of March 31, 2019

(\$ in millions)



CURRENT DEBT MATURITY PROFILE

(\$ in millions)



- 7.625% Senior Notes due June 15, 2020
- 8.875% Debentures due April 15, 2021
- 7.875% Senior Notes due March 15, 2021
- 7.000% Senior Notes due February 15, 2022
- 6.500% Senior Notes due November 15, 2023
- 6.000% Senior Notes due April 1, 2024
- 6.625% Debentures due April 15, 2029
- 8.820% Debentures due April 15, 2031
- ABL Revolving Credit Facility (\$800 million) - Drawn
- ▨ ABL Revolving Credit Facility (\$800 million) - Undrawn
- Term Loan B due January 15, 2024 (principal payments of \$5.5 million due annually)

FULL YEAR 2019 GUIDANCE

	Full Year 2019 Guidance
Net sales ¹	\$6.40 billion to \$6.60 billion
Adjusted income from operations - non-GAAP ²	\$225 million to \$265 million
Adjusted diluted EPS - non-GAAP ²	\$0.60 to \$0.90
Cash flow from operations ³	\$150 million to \$180 million
Depreciation and amortization	Approximately \$175 million
Interest expense - net	Approximately \$160 million
Adjusted effective tax rate - non-GAAP ^{2, 4}	Approximately 50%
Capital expenditures ⁵	\$135 million to \$145 million
Proceeds from facility sales ⁶	Approximately \$25 million

(1) The Company has reduced its full year net sales guidance due to the closure of its Brazil operations on March 31, 2019. The previous guidance as of February 26, 2019 was \$6.50 to \$6.70 billion. Net sales for the Brazil operations were \$78.1 million in 2018 and \$8.8 million in the first quarter of 2019. Adjusted loss from operations – Non-GAAP for the Brazil operations was (\$11.9) million in 2018 and (\$3.9) million in the first quarter of 2019. The closure is not expected to have a significant impact on full year adjusted income from operations – non-GAAP guidance for 2019 as expected operating losses in the second and third quarters were expected to be offset by operating income in the fourth quarter. Prior year results will not be restated.

(2) Certain components of the guidance given in the table above are provided on a non-GAAP basis only, without providing a reconciliation to guidance provided on a GAAP basis. Information is presented in this manner, consistent with SEC rules, because the preparation of such a reconciliation could not be accomplished without "unreasonable efforts." The Company does not have access to certain information that would be necessary to provide such a reconciliation, including non-recurring items and other items that are not indicative of the Company's ongoing operations. Such items include, but are not limited to, restructuring charges, impairment charges, pension settlement charges, acquisition-related expenses, gains or losses on investments and business disposals, losses on debt extinguishment, OPEB curtailments and other similar gains or losses not reflective of the Company's ongoing operations. The Company does not believe that excluding such items is likely to be significant to an assessment of the Company's ongoing operations, given that such excluded items are not believed to be indicators of business performance.

(3) 2019 cash flow from operations guidance includes restructuring payments related to the previously announced sale and relocation of a printing facility in Shenzhen, China and higher net tax payments primarily related to lower tax refunds relative to 2018.

(4) 2019 adjusted effective tax rate - non-GAAP guidance reflects a significantly higher rate than the statutory domestic rate primarily due to continued limitations on the Company's domestic interest expense deduction. As earnings grow and debt is reduced, the Company expects the effective tax rate to improve over time.

(5) 2019 capital expenditures guidance assumed to be higher primarily related to investments associated with building a new facility following the sale and relocation of a printing facility in Shenzhen, China and additional investments related to the recently awarded 2020 Census contract. The Company expects its 2020 capital expenditures level to return to its previously stated range of 1.5% to 1.7% of net sales.

(6) 2019 proceeds from facility sales guidance reflects one additional non-refundable deposit expected to be collected related to the planned sale of the facility in China.

KEY TAKEAWAYS

- Made good progress in executing our strategic priorities across both our Marketing Solutions and Business Services Segments
- Taking actions to strengthen our core, including facility consolidations and exiting our Brazil operations
- Enhanced our capabilities through a strategic agreement with Marketing Evolution to provide our clients with best in class market attribution services
- Completed construction of our new printing facility in China and remain on track to relocate the business by the end of second quarter and are on track to begin printing the US Census in July
- Reaffirmed full year guidance, except for the sales impact related to the recently exited Brazil operations