

# VERITIV CORP

## FORM 8-K (Current report filing)

Filed 09/10/14 for the Period Ending 09/10/14

Address	6400 POPLAR AVENUE MEMPHIS, TN 38197
Telephone	(901) 409-9000
CIK	0001599489
Symbol	VRTV
SIC Code	5110 - Paper And Paper Products
Fiscal Year	12/31

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

**Date of Report (Date of earliest event reported): September 10, 2014 (September 10, 2014)**

**VERITIV CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation)

**001-36479**  
(Commission File Number)

**42-3234977**  
(IRS Employer Identification No.)

**6600 Governors Lake Parkway**  
**Norcross, GA**  
(Address of principal executive offices)

**30071**  
(Zip Code)

**Registrant's telephone number, including area code: (770) 447-9000**

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(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 7.01 Regulation FD Disclosure.**

On September 10 and 11, 2014, certain members of management of Veritiv Corporation (the “Company”) are scheduled to attend and deliver presentations at the KeyBanc Capital Markets Basic Materials and Packaging Conference and the UBS Global Paper and Forest Products Conference, respectively. A copy of the presentation materials to be used at each conference is attached hereto as Exhibit 99.1

The information in this Current Report on Form 8-K: (i) is being furnished and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section and (ii) will not be incorporated by reference into any registration statement or other document filed by the Company under the Securities Act of 1933, as amended, or the Exchange Act, unless specifically identified therein as being incorporated by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

The following exhibit is furnished with this report:

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Presentation materials of Veritiv Corporation to be used on September 10 and 11, 2014.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 10, 2014

**VERITIV CORPORATION**

/s/ Mark W. Hianik

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Mark W. Hianik  
Senior Vice President, General Counsel  
& Corporate Secretary

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## EXHIBIT INDEX

Exhibit No.   Exhibit Description

99.1          Presentation materials of Veritiv Corporation to be used on September 10 and 11, 2014.

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**Veritiv Corporation**  
KeyBanc Capital Markets  
Basic Materials & Packaging  
Conference  
September 10, 2014

The Veritiv logo consists of the word "Veritiv" in a green, sans-serif font. To the left of the text is a large, stylized graphic element made of three overlapping chevron shapes pointing downwards and to the right. The top chevron is a medium green, the middle one is a darker green, and the bottom one is the darkest green. The background of the slide is light green with a subtle pattern of overlapping chevron shapes.

The logo graphic consists of two large, downward-pointing chevrons. The left chevron is a dark green color, and the right chevron is a lighter green color. They are positioned on the right side of the slide, partially overlapping the text area.

**Veritiv Corporation**  
UBS Global Paper  
& Forest Products Conference

September 11, 2014

**Veritiv**

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# Safe Harbor Provision

Certain statements contained in this presentation regarding Veritiv Corporation's (the "Company") future operating results, performance, business plans, prospects, guidance and any other statements not constituting historical fact are "forward-looking statements" subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. Where possible, the words "believe," "expect," "anticipate," "intend," "should," "will," "would," "planned," "estimated," "potential," "goal," "outlook," "may," "predicts," "could," or the negative of such terms, or other comparable expressions, as they relate to the Company or its management, have been used to identify such forward-looking statements. All forward-looking statements reflect only the Company's current beliefs and assumptions with respect to future operating results, performance, business plans, prospects, guidance and other matters, and are based on information currently available to the Company. Accordingly, the statements are subject to significant risks, uncertainties and contingencies, which could cause the Company's actual operating results, performance or business plans or prospects to differ materially from those expressed in, or implied by, these statements.

Factors that could cause actual results to differ materially from current expectations include risks and other factors described in the Company's publicly available reports filed with the SEC, which contain a discussion of various factors that may affect the Company's business or financial results. Such risks and other factors, which in some instances are beyond the Company's control, include: the industry-wide decline in demand for paper and related products; procurement and other risks in obtaining packaging, paper and facility products from our suppliers for resale to our customers; increased competition, from existing and non-traditional sources; loss of significant customers; successful integration of the Unisource and xpedx businesses and realization and timing of the expected synergy and other cost savings from the merger; our ability to collect trade receivables from customers to whom we extend credit; fuel cost increases; inclement weather, anti-terrorism measures and other disruptions to the transportation network; our ability to generate sufficient cash to service our debt; our ability to comply with the covenants contained in our debt agreements; our ability to refinance or restructure our debt on reasonable terms and conditions as might be necessary from time to time; increasing interest rates; foreign currency fluctuations; changes in accounting standards and methodologies; regulatory changes and judicial rulings impacting our business; adverse results from litigation, governmental investigations or tax related proceedings or audits; the effects of work stoppages, union negotiations and union disputes; our reliance on third-party vendors for various services; and other events of which we are presently unaware or that we currently deem immaterial that may result in unexpected adverse operating results. The Company is not responsible for updating the information contained in this presentation beyond the published date, or for changes made to this document by wire services or Internet service providers. This presentation is being furnished to the SEC through a Form 8-K.

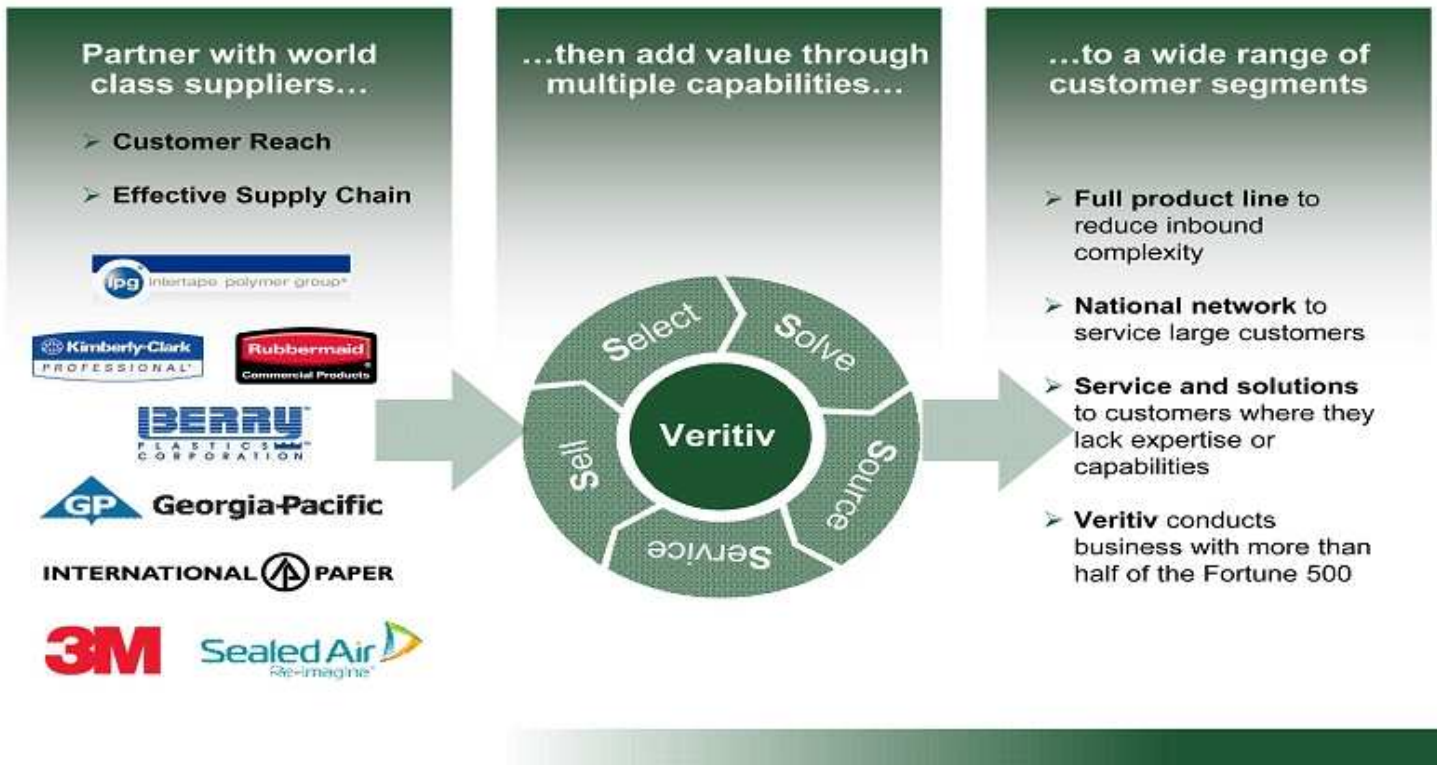
We reference non-GAAP financial measures in this presentation. Please see the appendix for reconciliations of non-GAAP measures to the most comparable GAAP measures.



# Mary Laschinger

Chairman & Chief Executive Officer

# Veritiv's Business Model



# Creating An Industry Leader



## Market Leadership

- Creates North American market leader
- Improves market position by combining top industry leaders
- Strengthens relationships with top customers and suppliers
  - Minimal customer overlap
  - Greater supply chain capability
  - Greater sourcing strategies

## Value Creation

- Bigger, stronger, and more stable company
- Better able to service our customers
- Growth for suppliers
- Opportunity to capture significant synergies
  - Strategic sourcing
  - Supply chain efficiencies
  - Fixed costs

## Strategic Focus

- Creates a standalone company allowing for strategic focus
- Better positioned to take advantage of higher margin growth
- Creates a unique combination of two like companies

# Segments



Print



Publishing & Print Mgmt.



Packaging

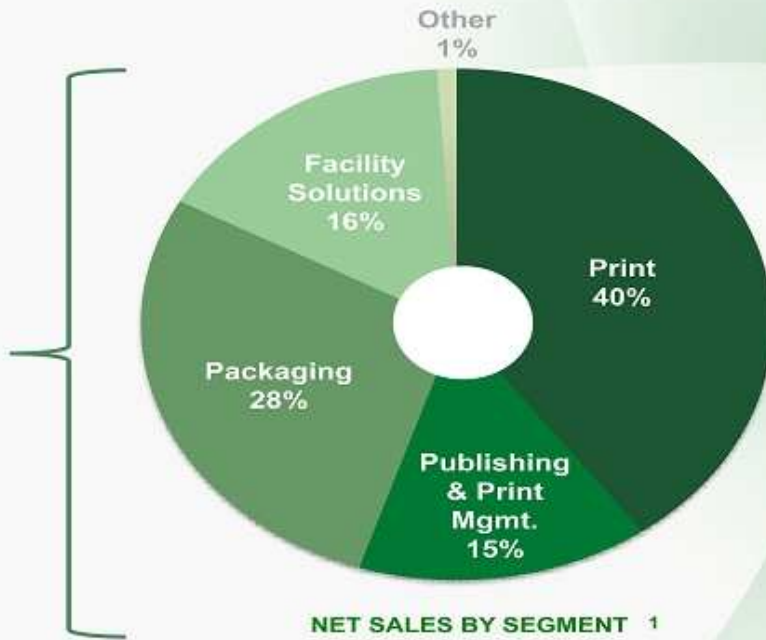


Facility Solutions

# Segments

PRODUCTS &  
SERVICES SOURCED <sup>1</sup>  
**~\$8**  
BILLION

NET SALES <sup>1</sup>  
**~\$9**  
BILLION



1) Year end 2013

# Print/Publishing & Print Mgmt.



1) Based on industry analysis and management estimates of Printing & Writing Paper sales  
 2) Combined xpedx and Unisource 2013 data

# Packaging



1) Based on industry analysis and management estimates; does not include value added services  
2) Combined xpedx and Unisource 2013 data

# Facility Solutions



1) Based on industry analysis and management estimates for the cleaning & mtc. (Jan/San) away from home market  
2) Combined xpedx and Unisource 2013 data



# Priorities Through 2014



# Steve Smith

Chief Financial Officer

# Veritiv 2Q14 Results\*

## Limited Financial Results

- SEC registration was effective in 2Q14, but the merger occurred after the June 2Q14 end.
- For accounting purposes, the merger is treated as a subsequent event in Veritiv's 2Q14 Form 10-Q.
- 3Q14 Form 10-Q, which we currently anticipate filing in mid-November, will include consolidated financial results for the combined company.

## Veritiv Pro Forma Results

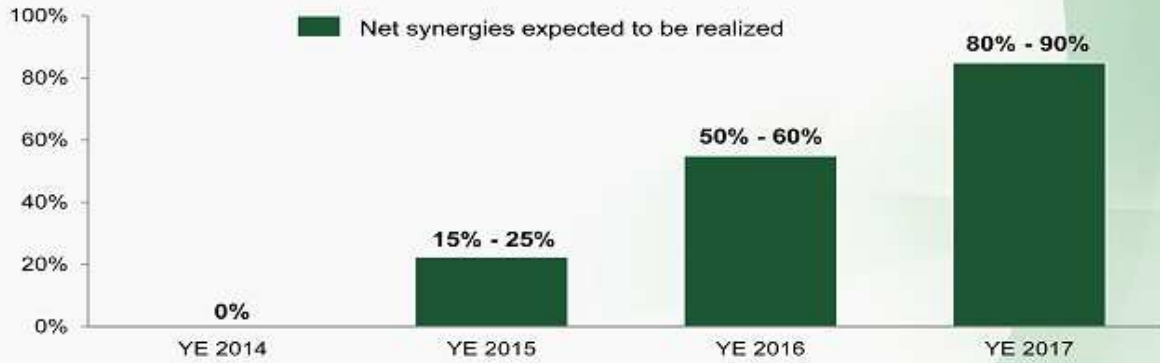
- Pro Forma results for the second quarter ended June 30, 2014:
  - Net sales were \$2.3 billion.
    - Sales performed as expected
    - Roughly 8% decline in Print and Facility Solutions segments
    - Partially offset by an increase of approximately 4% in Packaging segment
  - Adjusted EBITDA was \$37.8 million.
    - Results on track with our expectations
    - For the full year 2014, continue to expect adjusted EBITDA range of \$135 million to \$145 million

# Synergies & One-Time Integration Costs



**Veritiv expects significant net synergies of \$150M - \$225M**

- Key areas that synergies will be derived from include:
  - Supply chain efficiencies
  - Selling, General and Administrative (SG&A)



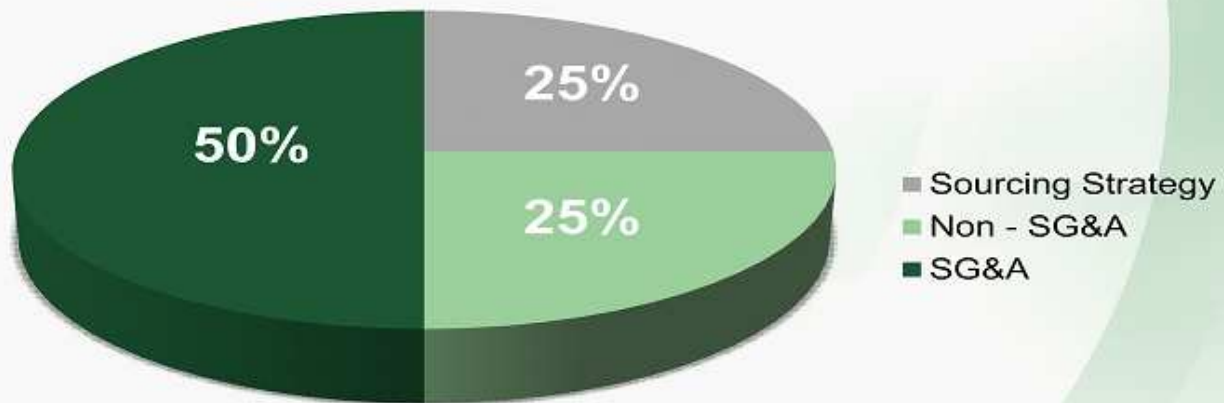
Costs to achieve <sup>1</sup> (\$225M):	30-35%	60-70%	80- 90%	90-100%
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**Management intends to improve Adjusted EBITDA by an incremental \$100 million over next few years**

1) Includes - \$55 million of one-time integration capital expenditures

# Synergy Capture

**Veritiv expects significant net synergies of \$150M - \$225M**



# Asset Based Loan (ABL) Facility & Capital Allocation

## Capital Structure

- New \$1.4 billion ABL facility in place, matures 2019
  - Initial draw down of approximately \$755 million at closing
  - Available liquidity at closing of approximately \$500 million
- Initial ABL drawings used to repay Unisource debt and to fund IP cash dividend of \$400 million
- Over the next few years, Veritiv expects revolver availability plus cash flow from operations will be sufficient to fund costs of achieving synergies and other working capital needs

## Capital Allocation

- Capital allocation priorities:
  - Fund costs of synergies and reinvest in the business
  - Pay down debt
  - Position company to return value to shareholders over time

## Appendix: Non-GAAP Measures

We supplement our financial information prepared in accordance with GAAP with Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, cash and non-cash restructuring (income) charges, stock-based compensation expense, LIFO (income) expense, asset impairment charges, (gain) loss on sale of joint venture, non-restructuring severance charges, merger and integration costs, income (loss) from discontinued operations, net of income taxes and certain other costs) because we believe investors commonly use Adjusted EBITDA as a main component of valuing companies such as ours. In addition, the credit agreement governing our ABL Facility permits us to exclude these and other charges and expenses in calculating "Consolidated EBITDA" pursuant to such credit agreement.

Adjusted EBITDA is not a measurement of financial performance under GAAP. Non-GAAP measures do not have definitions under GAAP and may be defined differently by and not be comparable to, similarly titled measures used by other companies. As a result, we consider and evaluate non-GAAP measures in connection with a review of the most directly comparable measure calculated in accordance with GAAP. We caution investors not to place undue reliance on such non-GAAP measures, but also to consider them with the most directly comparable GAAP measure. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analyzing our results as reported under GAAP. Please see the following schedules and related footnotes for reconciliations of these non-GAAP measures to the most comparable GAAP measures.





