**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): August 9, 2016 (August 9, 2016)**

\_\_\_\_\_\_\_\_



|  |  |
| --- | --- |
|  | **VERITIV CORPORATION** |
|  | (Exact name of registrant as specified in its charter) |
|  | \_\_\_\_\_\_\_\_ |
|  | **Delaware** |
|  | (State or other jurisdiction of incorporation) |
| **001-36479** | **42-3234977** |
| (Commission File Number) | (IRS Employer Identification No.) |
| **1000 Abernathy Road NE** |  |
| **Building 400, Suite 1700** |  |
| **Atlanta, Georgia** | **30328** |
| (Address of principal executive offices) | (Zip Code) |
|  | Registrant’s telephone number, including area code: **(770) 391-8200** |
|  | \_\_\_\_\_\_\_\_ |
|  | (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))



**Item 2.02.** **Results of Operations and Financial Condition.**

On August 9, 2016, Veritiv Corporation (the “Company”) issued a press release containing certain financial results of the Company and its direct and indirect wholly-owned subsidiaries for the three and six months ended June 30, 2016. A copy of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

**Item 7.01.** **Regulation FD Disclosure.**

The Company is furnishing herewith additional information in conjunction with the August 9, 2016 earnings release. This additional information includes general Company information and highlights of financial results of the Company and its direct and indirect wholly-owned subsidiaries for the three and six months ended June 30, 2016. The additional information, attached as Exhibit 99.2 to this Current Report on Form 8-K, is being furnished and will not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section.

The information in this Current Report on Form 8-K 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, unless specifically identified therein as being incorporated by reference.

**Item 9.01.** **Financial Statements and Exhibits.**

1. Exhibits.

The following exhibits are filed with this report:

|  |  |  |
| --- | --- | --- |
| Exhibit No. | | Exhibit Description |
|  |  |  |
| 99.1 |  | Press Release of Veritiv Corporation issued August 9, 2016. |
| 99.2 |  | Additional Information of Veritiv Corporation issued August 9, 2016. |

**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.

**VERITIV CORPORATION**

Dated: August 9, 2016 /s/ Mark W. Hianik



Mark W. Hianik

Senior Vice President, General Counsel & Corporate Secretary

|  |  |  |
| --- | --- | --- |
|  |  | **EXHIBIT INDEX** |
| Exhibit No. | | Exhibit Description |
|  |  |  |
| 99.1 |  | Press Release of Veritiv Corporation issued August 9, 2016. |
| 99.2 |  | Additional Information of Veritiv Corporation issued August 9, 2016. |

**Exhibit 99.1**



**Veritiv Announces Second Quarter 2016**

**Financial Results**

***Reports Second Quarter Net Income of $7.9 Million,***

***Basic and Diluted Earnings per Share of $0.49,***

***Adjusted EBITDA of $50.1 Million***

**ATLANTA (August 9, 2016) –** Veritiv Corporation (NYSE: VRTV), a North American leader in business-to-business distribution solutions, today announcedfinancial results for the second quarter ended June 30, 2016.

“We are pleased with our second quarter results,” said Mary Laschinger, Chairman and CEO of Veritiv Corporation. “Having reached the company’s two-year mark, we are proud of our accomplishments to date. Our integration efforts are proceeding as planned and we remain on track to meet our 2016 commitments.”

For the three months ended June 30, 2016:

* Net sales were $2.1 billion, a decrease of 4.6% from the prior year. Excluding the negative effect of foreign currency (0.6%) in the second quarter of 2016, net sales declined 4.0% from the prior year.
* Net income was $7.9 million, compared to $4.3 million in the prior year. Integration and restructuring charges were $5.8 million in the quarter and $12.5 million in the prior year.
* Basic and diluted earnings per share were $0.49, compared to $0.27 in the prior year.
* Adjusted EBITDA was $50.1 million, an increase of 23.1% from the prior year.
* Adjusted EBITDA as a percentage of net sales was 2.4%, an increase of 50 basis points from the prior year.

For the six months ended June 30, 2016:

* Net sales were $4.1 billion, a decrease of 5.0% from the prior year. Excluding the negative effect of foreign currency (0.7%) and positive effect of two more shipping days (1.5%) in the first six months of 2016, net sales declined 5.8% from the prior year.
* Net income was $11.2 million, compared to $2.1 million in the prior year. Integration and restructuring charges were $13.7 million in the first six months of 2016 and $25.9 million in the prior year.
* Basic and diluted earnings per share were $0.70, compared to $0.13 in the prior year.
* Adjusted EBITDA was $85.0 million, an increase of 23.0% from the prior year.
* Adjusted EBITDA as a percentage of net sales was 2.1%, an increase of 50 basis points from the prior year.

“Our increase in Adjusted EBITDA for the quarter was driven by ongoing improvements in segment and product mix, cost reductions from the integration, and a benefit from lower fuel expenses,” said Stephen Smith, Senior Vice President and Chief Financial Officer of Veritiv Corporation. “The deleveraging of our balance sheet also continued in the second quarter, once again driven by our solid cash flow generation.”

Veritiv Corporation will host a live conference call and webcast today, August 9, 2016, at 10 a.m. (ET) to discuss its second quarter 2016 financial results and full year 2016 guidance. All interested parties are invited to listen online at ir.veritivcorp.com. A replay of the call and webcast will be available online for a limited period of time at ir.veritivcorp.com shortly after the live webcast is completed.

Important information regarding GAAP and related reconciliations of non-GAAP financial measures to the most comparable GAAP measures can be found in the schedules to this press release, which should be thoroughly reviewed.

**About Veritiv**

Veritiv Corporation (NYSE: VRTV), headquartered in Atlanta and a Fortune 500® company, is a leading North American business-to-business distributor of print, publishing, packaging, and facility solutions; and also a provider of logistics and supply chain management services. Serving customers in a wide range of industries, the Company has approximately 180 distribution centers throughout the U.S., Mexico and Canada, and employs approximately 8,800 team members worldwide that help shape the success of its customers. For more information about Veritiv and its business segments visit **www.veritivcorp.com.**

**Safe Harbor Provision**

Certain statements contained in this press release 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 business, 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, business plans, prospects or guidance 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 under "Risk Factors" in our Annual Report on Form 10-K and elsewhere in the Company’s publicly available reports filed with the Securities and Exchange Commission (“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; increased competition from existing and non-traditional sources; adverse developments in general business and economic conditions as well as conditions in the global capital and credit markets; foreign currency fluctuations; our ability to collect trade receivables from customers to whom we extend credit; our ability to attract, train and retain highly qualified employees; the effects of work stoppages, union negotiations and union disputes; loss of significant customers; changes in business conditions in our international operations; procurement and other risks in obtaining packaging, paper and facility products from our suppliers for resale to our customers; changes in prices for raw materials; fuel cost increases; inclement weather, anti-terrorism measures and other disruptions to the transportation network; our dependence on a variety of IT and telecommunications systems and the Internet; our reliance on third-party vendors for various services; cyber-security risks; costs to comply with laws, rules and regulations, including environmental, health and safety laws, and to satisfy any liability or obligation imposed under such laws; regulatory changes and judicial rulings impacting our business; adverse results from litigation, governmental investigations or audits, or tax-related proceedings or audits; our inability to renew existing leases on acceptable terms, negotiate rent decreases or concessions and identify affordable real estate; our ability to adequately protect our material intellectual property and other proprietary rights, or to defend successfully against intellectual property infringement claims by third parties; our pension and health care costs and participation in multi-employer plans; increasing interest rates; 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; changes in accounting standards and methodologies; our ability to realize the anticipated synergies, cost savings and growth opportunities from the Merger, our ability to integrate the xpedx business with the Unisource business,

the possibility of incurring expenditures in excess of those currently budgeted in connection with the integration, 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 press release beyond the published date, or for changes made to this document by wire services or Internet service providers. This press release is being furnished to the SEC through a Form 8-K. The Company’s Quarterly Report on Form 10-Q for the three and six months ended June 30, 2016 to be filed with the SEC may contain updates to the information included in this release.

**Financial Statements**

**VERITIV CORPORATION**

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(in millions, except per share data, unaudited)

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Three Months Ended** | | | | |  | **Six Months Ended** | | | |  |
|  |  | **June 30,** | | |  |  |  | **June 30,** | | |  |  |
|  |  | **2016** |  |  | **2015** |  |  | **2016** |  |  | **2015** |  |
| Net sales | $ | 2,060.8 |  | $ | 2,159.3 |  | $ | 4,080.6 |  | $ | 4,297.2 |  |
| Cost of products sold (exclusive of depreciation and amortization |  | 1,687.9 |  |  | 1,768.3 |  |  | 3,342.4 |  |  | 3,530.2 |  |
| shown separately below) |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Distribution expenses |  | 121.7 |  |  | 129.5 |  |  | 249.2 |  |  | 260.2 |  |
| Selling and administrative expenses |  | 207.7 |  |  | 218.0 |  |  | 408.6 |  |  | 428.6 |  |
| Depreciation and amortization |  | 13.6 |  |  | 15.3 |  |  | 27.1 |  |  | 28.8 |  |
| Integration expenses |  | 6.1 |  |  | 10.3 |  |  | 12.3 |  |  | 20.3 |  |
| Restructuring charges (income) |  | (0.3) |  |  | 2.2 |  |  | 1.4 |  |  | 5.6 |  |
| **Operating income** |  | 24.1 |  |  | 15.7 |  |  | 39.6 |  |  | 23.5 |  |
| Interest expense, net |  | 6.4 |  |  | 6.4 |  |  | 12.9 |  |  | 12.8 |  |
| Other expense (income), net |  | 3.6 |  |  | (1.5) |  |  | 5.1 |  |  | 2.0 |  |
| **Income before income taxes** |  | 14.1 |  |  | 10.8 |  |  | 21.6 |  |  | 8.7 |  |
| Income tax expense |  | 6.2 |  |  | 6.5 |  |  | 10.4 |  |  | 6.6 |  |
| **Net income** | $ | 7.9 |  | $ | 4.3 |  | $ | 11.2 |  | $ | 2.1 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Earnings per share: |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic and diluted earnings per share | $ | 0.49 |  | $ | 0.27 |  | $ | 0.70 |  | $ | 0.13 |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Weighted average shares outstanding: |  |  |  |  |  |  |  |  |  |  |  |  |
| Basic and diluted |  | 16.00 |  |  | 16.00 |  |  | 16.00 |  |  | 16.00 |  |

**VERITIV CORPORATION**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(dollars in millions, except par value, unaudited)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **December 31,** |
|  |  | **June 30, 2016** | |  | **2015** |
| **Assets** |  |  |  |  |  |
| Current assets: |  |  |  |  |  |
| Cash | $ | 46.1 |  | $ | 54.4 |
| Accounts receivable, less allowances of $31.7 and $33.3, respectively |  | 999.2 |  |  | 1,037.5 |
| Related party receivable |  | 4.6 |  |  | 3.9 |
| Inventories |  | 692.9 |  |  | 720.6 |
| Other current assets |  | 110.4 |  |  | 108.8 |
| **Total current assets** |  | 1,853.2 |  |  | 1,925.2 |
| Property and equipment, net |  | 356.4 |  |  | 363.7 |
| Goodwill |  | 50.2 |  |  | 50.2 |
| Other intangibles, net |  | 28.4 |  |  | 30.2 |
| Deferred income tax assets |  | 67.0 |  |  | 73.3 |
| Other non-current assets |  | 30.9 |  |  | 34.3 |
| **Total assets** | $ | 2,386.1 |  | $ | 2,476.9 |
| **Liabilities and shareholders' equity** |  |  |  |  |  |
| Current liabilities: |  |  |  |  |  |
| Accounts payable | $ | 604.1 |  | $ | 565.1 |
| Related party payable |  | 11.1 |  |  | 10.7 |
| Accrued payroll and benefits |  | 96.7 |  |  | 120.5 |
| Other accrued liabilities |  | 90.6 |  |  | 100.4 |
| Current maturities of long-term debt |  | 2.6 |  |  | 2.8 |
| Financing obligations to related party, current portion |  | 14.9 |  |  | 14.7 |
| **Total current liabilities** |  | 820.0 |  |  | 814.2 |
| Long-term debt, net of current maturities |  | 697.5 |  |  | 800.5 |
| Financing obligations to related party, less current portion |  | 187.0 |  |  | 197.8 |
| Defined benefit pension obligations |  | 27.8 |  |  | 28.7 |
| Other non-current liabilities |  | 105.3 |  |  | 105.6 |
| **Total liabilities** |  | 1,837.6 |  |  | 1,946.8 |
| Commitments and contingencies |  |  |  |  |  |
| Shareholders' equity: |  |  |  |  |  |
| Preferred stock, $0.01 par value, 10.0 million shares authorized, none issued |  | — | |  | — |
| Common stock, $0.01 par value, 100.0 million shares authorized, 16.0 million shares issued and |  |  |  |  |  |
| outstanding |  | 0.2 |  |  | 0.2 |
| Additional paid-in capital |  | 571.3 |  |  | 566.2 |
| Accumulated earnings (deficit) |  | 9.9 |  |  | (1.3) |
| Accumulated other comprehensive loss |  | (32.9) |  |  | (35.0) |
| **Total shareholders' equity** |  | 548.5 |  |  | 530.1 |
| **Total liabilities and shareholders' equity** | $ | 2,386.1 |  | $ | 2,476.9 |
|  |  |  |  |  |  |

**VERITIV CORPORATION**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions, unaudited)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Six Months Ended June 30,** | | | |
|  |  | **2016** |  |  | **2015** |
| **Operating Activities** |  |  |  |  |  |
| Net income | $ | 11.2 |  | $ | 2.1 |
| Depreciation and amortization |  | 27.1 |  |  | 28.8 |
| Amortization of deferred financing fees |  | 2.2 |  |  | 2.2 |
| Provision for allowance for doubtful accounts |  | (2.6) |  |  | 5.8 |
| Deferred income tax provision |  | 6.5 |  |  | 5.5 |
| Stock-based compensation |  | 5.1 |  |  | 1.9 |
| Other non-cash items, net |  | 4.1 |  |  | 2.6 |
| Changes in operating assets and liabilities |  |  |  |  |  |
| Accounts receivable and related party receivable |  | 43.8 |  |  | 84.6 |
| Inventories |  | 31.9 |  |  | (44.2) |
| Accounts payable and related party payable |  | 36.9 |  |  | 53.1 |
| Accrued payroll and benefits |  | (28.8) |  |  | (6.3) |
| Other |  | (14.6) |  |  | (11.7) |
| Net cash provided by operating activities |  | 122.8 |  |  | 124.4 |
| **Investing Activities** |  |  |  |  |  |
| Property and equipment additions |  | (17.8) |  |  | (22.6) |
| Proceeds from asset sales |  | 4.9 |  |  | 0.2 |
| Net cash used for investing activities |  | (12.9) |  |  | (22.4) |
| **Financing Activities** |  |  |  |  |  |
| Change in book overdrafts |  | 0.9 |  |  | (18.5) |
| Borrowings of long-term debt |  | 2,202.5 |  |  | 2,292.8 |
| Repayments of long-term debt |  | (2,308.8) |  |  | (2,346.3) |
| Payments under equipment capital lease obligations |  | (1.8) |  |  | (2.0) |
| Payments under financing obligations to related party |  | (11.2) |  |  | (6.8) |
| Net cash used for financing activities |  | (118.4) |  |  | (80.8) |
| Effect of exchange rate changes on cash |  | 0.2 |  |  | 0.6 |
| Net change in cash |  | (8.3) |  |  | 21.8 |
| Cash at beginning of period |  | 54.4 |  |  | 57.6 |
| Cash at end of period | $ | 46.1 |  | $ | 79.4 |
| **Supplemental Cash Flow Information** |  |  |  |  |  |
| Cash paid for income taxes, net of refunds | $ | 2.0 |  | $ | 1.1 |
| Cash paid for interest |  | 10.3 |  |  | 10.5 |
| **Non-Cash Investing and Financing Activities** |  |  |  |  |  |
| Non-cash additions to property and equipment | $ | 1.9 |  | $ | 5.0 |

**Non-GAAP Measures**

We supplement our financial information prepared in accordance with GAAP with certain non-GAAP measures including Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, restructuring charges (income), stock-based compensation expense, LIFO (income) expense, non-restructuring severance charges, integration expenses, fair value adjustments on the contingent liability associated with the Tax Receivable Agreement ("TRA") and certain other adjustments) because we believe investors commonly use Adjusted EBITDA as a key financial metric for valuing companies such as ours. In addition, the credit agreement governing our asset-based lending facility permits us to exclude the foregoing and other charges in calculating “Consolidated EBITDA”, as defined in the facility. We approximate foreign currency effects by applying the foreign currency exchange rate for the prior period to the local currency results for the current period.

Adjusted EBITDA is not an alternative measure 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 and to consider them with the most directly comparable GAAP measures. 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 tables for reconciliations of non-GAAP measures to the most comparable GAAP measures.

**Table I**

**VERITIV CORPORATION**

**RECONCILIATION OF NON-GAAP MEASURES**

**NET INCOME TO ADJUSTED EBITDA; ADJUSTED EBITDA MARGIN**

(in millions, unaudited)

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Three Months Ended** | | | | |  | **Six Months Ended** | | | |
|  |  | **June 30,** | | |  |  |  | **June 30,** | | |  |
|  |  | **2016** |  |  | **2015** |  |  | **2016** |  |  | **2015** |
| Net income | $ | 7.9 |  | $ | 4.3 |  | $ | 11.2 |  | $ | 2.1 |
| Interest expense, net |  | 6.4 |  |  | 6.4 |  |  | 12.9 |  |  | 12.8 |
| Income tax expense |  | 6.2 |  |  | 6.5 |  |  | 10.4 |  |  | 6.6 |
| Depreciation and amortization |  | 13.6 |  |  | 15.3 |  |  | 27.1 |  |  | 28.8 |
| EBITDA |  | 34.1 |  |  | 32.5 |  |  | 61.6 |  |  | 50.3 |
| Restructuring charges (income) |  | (0.3) |  |  | 2.2 |  |  | 1.4 |  |  | 5.6 |
| Stock-based compensation |  | 3.1 |  |  | 0.9 |  |  | 5.1 |  |  | 1.9 |
| LIFO (income) expense |  | 2.2 |  |  | (4.8) |  |  | (3.1) |  |  | (10.0) |
| Non-restructuring severance charges |  | 1.4 |  |  | 1.0 |  |  | 2.2 |  |  | 1.4 |
| Integration expenses |  | 6.1 |  |  | 10.3 |  |  | 12.3 |  |  | 20.3 |
| Fair value adjustments on TRA contingent liability |  | 2.0 |  |  | (1.7) |  |  | 3.8 |  |  | (0.4) |
| Other |  | 1.5 |  |  | 0.3 |  |  | 1.7 |  |  | — |
| Adjusted EBITDA | $ | 50.1 |  | $ | 40.7 |  | $ | 85.0 |  | $ | 69.1 |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Net sales | $ | 2,060.8 |  | $ | 2,159.3 |  | $ | 4,080.6 |  | $ | 4,297.2 |
| Adjusted EBITDA as a % of net sales |  | 2.4% |  |  | 1.9% |  |  | 2.1% |  |  | 1.6% |

**Veritiv Contacts:**

Investors: Tom Morabito, 770-391-8451 Media: Ed Patterson, 770-391-8244





































