

GREIF INC  
Form 10-K  
December 20, 2017  
Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-K

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ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended October 31, 2017

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number: 001-00566

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GREIF, INC.  
(Exact name of Registrant as specified in its charter)

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State of Delaware	31-4388903
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
425 Winter Road, Delaware, Ohio	43015
(Address of principal executive offices) (Zip Code)	
Registrant's telephone number, including area code 740-549-6000	
Securities registered pursuant to Section 12(b) of the Act:	
Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock	New York Stock Exchange
Class B Common Stock	New York Stock Exchange
Securities registered pursuant to Section 12(g) of the Act: None	

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Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in the definitive proxy or information

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statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.   
Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange). Yes  No

The aggregate market value of voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the Registrant’s most recently completed second fiscal quarter was as follows:

Non-voting common equity (Class A Common Stock) – \$1,465,214,314

Voting common equity (Class B Common Stock) – \$361,903,339

The number of shares outstanding of each of the Registrant’s classes of common stock, as of December 14, 2017, was as follows:

Class A Common Stock – 25,835,281

Class B Common Stock – 22,007,725

Listed hereunder are the documents, portions of which are incorporated by reference, and the parts of this Form 10-K into which such portions are incorporated:

1. The Registrant’s Definitive Proxy Statement for use in connection with the Annual Meeting of Stockholders to be held on February 27, 2018 (the “2018 Proxy Statement”), portions of which are incorporated by reference into Parts II and III of this Form 10-K. The 2018 Proxy Statement will be filed within 120 days of October 31, 2017.

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Table of Contents

**IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS**

All statements, other than statements of historical facts, included in this Annual Report on Form 10-K of Greif, Inc. and subsidiaries (this "Form 10-K") or incorporated herein, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected costs, goals and plans and objectives of management for future operations and initiatives, are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "aspiration," "objective," "project," "believe," "continue," "on track" or "target" or the negative thereof or variations thereon or similar terminology. All forward-looking statements made in this Form 10-K are based on information currently available to our management. Forward-looking statements speak only as of the date the statements were made. Although we believe that the expectations reflected in forward-looking statements have a reasonable basis, we can give no assurance that these expectations will prove to be correct. Forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed in or implied by the statements. For a discussion of the most significant risks and uncertainties that could cause our actual results to differ materially from those projected, see "Risk Factors" in Item 1A of this Form 10-K. The risks described in this Form 10-K are not all inclusive, and given these and other possible risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. All forward-looking statements made in this Form 10-K are expressly qualified in their entirety by reference to such risk factors. Except to the limited extent required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Table of Contents

Index to Form 10-K Annual Report for the Year ended October 31, 2017

Form 10-K Item	Description	Page
<u>Part I</u>	1 <u>Business</u>	<u>4</u>
	<u>(a) General Development of Business</u>	<u>4</u>
	<u>(b) Financial Information about Segments</u>	<u>4</u>
	<u>(c) Narrative Description of Business</u>	<u>4</u>
	<u>(d) Financial Information about Geographic Areas</u>	<u>6</u>
	<u>(e) Available Information</u>	<u>6</u>
	<u>(f) Other Matters</u>	<u>6</u>
	1A. <u>Risk Factors</u>	<u>7</u>
	1B. <u>Unresolved Staff Comments</u>	<u>17</u>
	2 <u>Properties</u>	<u>18</u>
	3 <u>Legal Proceedings</u>	<u>20</u>
	4 <u>Mine Safety Disclosures</u>	<u>20</u>
<u>Part II</u>	5 <u>Market for the Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	<u>20</u>
	6 <u>Selected Financial Data</u>	<u>22</u>
	7 <u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>22</u>
	7A. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>46</u>
	8 <u>Financial Statements and Supplementary Data</u>	<u>49</u>
	<u>Consolidated Statements of Income</u>	<u>49</u>
	<u>Consolidated Statements of Comprehensive Income (Loss)</u>	<u>50</u>
	<u>Consolidated Balance Sheets</u>	<u>51</u>
	<u>Consolidated Statements of Cash Flows</u>	<u>53</u>
	<u>Consolidated Statements of Changes in Shareholders’ Equity</u>	<u>55</u>
	<u>Note 1 – Basis of Presentation and Summary of Significant Accounting Policies</u>	<u>56</u>
	<u>Note 2 – Acquisitions and Divestitures</u>	<u>65</u>
	<u>Note 3 – Sale of Non-United States Accounts Receivable</u>	<u>65</u>
	<u>Note 4 – Assets and Liabilities Held for Sale and Disposals of Property, Plant and Equipment, Net</u>	<u>67</u>
	<u>Note 5 – Goodwill and Other Intangible Assets</u>	<u>68</u>
	<u>Note 6 – Restructuring Charges</u>	<u>70</u>
	<u>Note 7 – Consolidation of Variable Interest Entities</u>	<u>71</u>
	<u>Note 8 – Long-Term Debt</u>	<u>73</u>
	<u>Note 9 – Financial Instruments and Fair Value Measurements</u>	<u>76</u>
	<u>Note 10 – Stock-Based Compensation</u>	<u>79</u>
	<u>Note 11 – Income Taxes</u>	<u>79</u>
	<u>Note 12 – Post Retirement Benefit Plans</u>	<u>81</u>
	<u>Note 13 – Contingent Liabilities and Environmental Reserves</u>	<u>92</u>
	<u>Note 14 – Earnings Per Share</u>	<u>93</u>
	<u>Note 15 – Equity Earnings of Unconsolidated Affiliates, Net of Tax and Net (Income) Loss Attributable to Noncontrolling Interests</u>	<u>95</u>
	<u>Note 16 – Leases</u>	<u>95</u>
	<u>Note 17 – Business Segment Information</u>	<u>96</u>
	<u>Note 18 – Comprehensive Income (Loss)</u>	<u>98</u>
	<u>Note 19 – Quarterly Financial Data (Unaudited)</u>	<u>99</u>
	<u>Note 20 – Redeemable Noncontrolling Interests</u>	<u>100</u>



Table of Contents

	<u>Report of Independent Registered Public Accounting Firm</u>	<u>101</u>
9	<u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosures</u>	<u>103</u>
9A.	<u>Controls and Procedures</u>	<u>103</u>
	<u>Report of Independent Registered Public Accounting Firm</u>	<u>104</u>
9B.	<u>Other Information</u>	<u>105</u>
<u>Part III</u>	10 <u>Directors, Executive Officers and Corporate Governance</u>	<u>105</u>
	11 <u>Executive Compensation</u>	<u>105</u>
	12 <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	<u>105</u>
	13 <u>Certain Relationships and Related Transactions, and Director Independence</u>	<u>105</u>
	14 <u>Principal Accountant Fees and Services</u>	<u>106</u>
<u>Part IV</u>	15 <u>Exhibits and Financial Statement Schedules</u>	<u>107</u>
	16 <u>Form 10-K Summary</u>	<u>113</u>
	<u>Signatures</u>	<u>113</u>
Schedules	<u>Schedule II</u>	<u>115</u>
Exhibits	<u>Exhibits and Certifications</u>	

Table of Contents

PART I

ITEM 1. BUSINESS

(a) General Development of Business

We are a leading global producer of industrial packaging products and services with operations in over 40 countries. We offer a comprehensive line of rigid industrial packaging products, such as steel, fibre and plastic drums, rigid intermediate bulk containers, closure systems for industrial packaging products, transit protection products, water bottles and remanufactured and reconditioned industrial containers, and services, such as container life cycle management, filling, logistics, warehousing and other packaging services. We produce containerboard and corrugated products for niche markets in North America. We are also a leading global producer of flexible intermediate bulk containers. We sell timber to third parties from our timberland in the southeastern United States that we manage to maximize long-term value. In addition, we sell, from time to time, timberland and special use land, which consists of surplus land, higher and better use (“HBU”) land, and development land. Our customers range from Fortune 500 companies to medium and small-sized companies in a cross section of industries.

We were founded in 1877 in Cleveland, Ohio, as “Vanderwyst and Greif,” a cooperage shop co-founded by one of four Greif brothers. One year after our founding, the other three Greif brothers were invited to join the business, renamed Greif Bros. Company, making wooden barrels, casks and kegs to transport post-Civil War goods nationally and internationally. We later purchased nearly 300,000 acres of timberland to provide raw materials for our cooperage plants. We still own significant timber properties located in the southeastern United States. In 1926, we incorporated as a Delaware corporation and made a public offering as The Greif Bros. Cooperage Corporation. In 1951, we moved our headquarters from Cleveland, Ohio to Delaware, Ohio, which is in the Columbus metro-area, where our corporate headquarters are currently located. Since the latter half of the 1900s, we have transitioned from our keg and barrel heading mills, stave mills and cooperage facilities to a global producer of industrial packaging products. Following our acquisition of Van Leer Packaging in 2001, a global steel and plastic drum manufacturer, we changed our name to Greif, Inc.

Our fiscal year begins on November 1 and ends on October 31 of the following year. Any references in this Form 10-K to the years 2017, 2016 or 2015, or to any quarter of those years, relate to the fiscal year ended in that year.

As used in this Form 10-K, the terms “Greif,” “the Company,” “we,” “us,” and “our” refer to Greif, Inc. and its subsidiaries.

(b) Financial Information about Segments

We operate in eight business segments, which are aggregated into four reportable business segments: Rigid Industrial Packaging & Services; Paper Packaging & Services; Flexible Products & Services; and Land Management. Information related to each of these segments is included in Note 17 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K.

(c) Narrative Description of Business

Products and Services

In the Rigid Industrial Packaging & Services segment, we are a leading global producer of rigid industrial packaging products, including steel, fibre and plastic drums, rigid intermediate bulk containers, closure systems for industrial packaging products, transit protection products, water bottles and remanufactured and reconditioned industrial containers, and services, such as container life cycle management, filling, logistics, warehousing and other packaging services. We sell our rigid industrial packaging products to customers in industries such as chemicals, paints and pigments, food and beverage, petroleum, industrial coatings, agricultural, pharmaceutical and mineral products, among others.

In the Paper Packaging & Services segment, we sell containerboard, corrugated sheets, corrugated containers and other corrugated products to customers in North America in industries such as packaging, automotive, food and building products. Our corrugated container products are used to ship such diverse products as home appliances, small machinery, grocery products, automotive components, books and furniture, as well as numerous other applications.

In the Flexible Products & Services segment, we are a leading global producer of flexible intermediate bulk containers and related services. Our flexible intermediate bulk containers consist of a polypropylene-based woven fabric that is produced at our production sites, as well as sourced from strategic regional suppliers. Our flexible products are sold globally and service customers and market segments similar to those of our Rigid Industrial Packaging & Services

segment. Additionally, our flexible products significantly expand our presence in the agricultural and food industries, among others.

4

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## Table of Contents

In the Land Management segment, we are focused on the active harvesting and regeneration of our United States timber properties to achieve sustainable long-term yields. While timber sales are subject to fluctuations, we seek to maintain a consistent cutting schedule, within the limits of market and weather conditions. We also sell, from time to time, timberland and special use land, which consists of surplus land, HBU land and development land. As of October 31, 2017, we owned approximately 245,000 acres of timber property in the southeastern United States.

### Customers

Due to the variety of our products, we have many customers buying different types of our products and due to the scope of our sales, no one customer is considered principal in our total operations.

### Backlog

We supply a cross-section of industries, such as chemicals, paints and pigments, food and beverage, petroleum, industrial coatings, agricultural, pharmaceutical, mineral, packaging, automotive and building products, and must make spot deliveries on a day-to-day basis as our products are required by our customers. We do not operate on a backlog to any significant extent and maintain only limited levels of finished goods. Many customers place their orders weekly for delivery during the week.

### Competition

The markets in which we sell our products are highly competitive with many participants. Although no single company dominates, we face significant competitors in each of our businesses. Our competitors include large vertically integrated companies as well as numerous smaller companies. The industries in which we compete are particularly sensitive to price fluctuations caused by shifts in industry capacity and other cyclical industry conditions. Other competitive factors include design, quality and service, with varying emphasis depending on product line. In both the rigid industrial packaging industry and the flexible products industry, we compete by offering a comprehensive line of products on a global basis. In the paper packaging industry, we compete by concentrating on providing value-added, higher-margin corrugated products to niche markets. In addition, over the past several years we have closed higher cost facilities and otherwise restructured our operations, which we believe have significantly improved our cost competitiveness.

### Compliance with Governmental Regulations Concerning Environmental Matters

Our operations are subject to extensive federal, state, local and international laws, regulations, rules and ordinances relating to pollution, the protection of the environment, the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials and numerous other environmental laws and regulations. In the ordinary course of business, we are subject to periodic environmental inspections and monitoring by various governmental agencies. In addition, certain of our production facilities require environmental permits that are subject to revocation, modification and renewal. As of the date of filing this Form 10-K, and based on current information, we believe that the probable costs of the remediation of company-owned property will not have a material adverse effect on our financial condition or results of operations. We believe that we have adequately reserved for our liability for these matters as of October 31, 2017.

We do not believe that compliance with federal, state, local and international provisions, which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, has had or will have a material adverse effect upon our capital expenditures, earnings or competitive position. We do not anticipate any material capital expenditures related to environmental control in 2018. However, during 2017, three reconditioning facilities in the Milwaukee, Wisconsin area that are owned by Container Life Cycle Management LLC ("CLCM"), our U.S. reconditioning joint venture company, have been subject to investigations and proceedings conducted by federal, state and local governmental agencies concerning, among other matters, potential violations of environmental laws and regulations. We have cooperated with the governmental agencies in these investigations and proceedings. As of the filing date of this Form 10-K, no citations have been issued or fines assessed with respect to any of these proceedings. As a result of these investigations and proceedings, we will review all options for future actions at these facilities, including changes to existing reconditioning operations, installation of control technology, other capital expenditures, and facility relocation or closure. While not expected to be material, the cost of any of these actions could be sizeable. See Item 3 of this Form 10-K for information concerning these investigations and proceedings.

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Refer also to Note 13 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K for additional information concerning environmental expenses and cash expenditures for the periods ended October 31, 2017, 2016 and 2015, and our reserves for environmental liabilities as of October 31, 2017.

Table of Contents

Raw Materials

Steel, resin and containerboard, as well as used industrial packaging for reconditioning, are the principal raw materials for the Rigid Industrial Packaging & Services segment, resin is the primary raw material for the Flexible Products & Services segment, and pulpwood, old corrugated containers for recycling and containerboard are the principal raw materials for the Paper Packaging & Services segment. We satisfy most of our needs for these raw materials through purchases on the open market or under short-term and long-term supply agreements. All of these raw materials are purchased in highly competitive, price-sensitive markets, which have historically exhibited price, demand and supply cyclicality. From time to time, some of these raw materials have been in short supply at certain of our manufacturing facilities. In those situations, we ship the raw materials in short supply from one or more of our other facilities with sufficient supply to the facility or facilities experiencing the shortage. To date, raw material shortages have not had a material adverse effect on our financial condition or results of operations.

Research and Development

While research and development projects are important to our continued growth, the amount expended in any year is not material in relation to our results of operations.

Other

Our businesses are not materially dependent upon patents, trademarks, licenses or franchises.

No material portion of our businesses is subject to renegotiation of profits or termination of contracts or subcontracts at the election of a governmental agency or authority.

The businesses of our segments are not seasonal to any material extent, although the businesses of some of our customers who are in the agricultural industries and purchase our rigid industrial packaging products and flexible products may be seasonal in nature.