

# Reynolds Consumer Products **Investor Day 2024**

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MARCH 19, 2024



**Mark Swartzberg**

Vice President of Investor  
Relations

# Welcome

# Agenda

- IR Welcome – Mark Swartzberg
- Corporate Overview – Lance Mitchell
- Reynolds Cooking & Baking – Judi Buckner
- Hefty Waste & Storage – Lisa Smith
- Presto Products – Chris Corey
- Break
- Hefty Tableware – Rachel Bishop
- Financial Overview – Scott Huckins
- Closing Remarks – Lance Mitchell
- Break
- Q&A Live Panel – All Speakers

# Safe Harbor

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This presentation contains statements reflecting our views about our future performance that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including our full year 2024 guidance and long-term goals. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “intends,” “outlook,” “forecast,” “position,” “committed,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “model,” “assumes,” “confident,” “look forward,” “potential” or “continue,” the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth and recovery of profitability, management of costs and other disruptions and other strategies, estimates for total addressable market and other metrics, and anticipated trends in our business, including expected levels of commodity costs and volume. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements, including but not limited to the risk factors set forth in our most recent Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q. For additional information on these and other factors that could cause our actual results to materially differ from those set forth herein, please see our filings with the Securities and Exchange Commission, including our most recent annual report on Form 10-K and subsequent filings. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

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**Lance Mitchell**

President and  
Chief Executive Officer

# Corporate Overview

# IPO Through Today



<sup>1</sup> This is a non-GAAP financial measure. See the reconciliation tables at the end of this presentation for a reconciliation to the most directly comparable GAAP measure

# Key Takeaways



We win through **our people**



We will grow through **innovation, emerging technologies and targeted opportunities to expand** into adjacent categories



We are a **leading provider** of cooking, serving, clean up and storage products



We prioritize the commercialization of **affordable sustainable solutions**



We win by **championing our categories** for our customers and consumers



We are focused on expanding margins and driving cash flow to **increase financial flexibility**

# Speakers



**Lance Mitchell**

President and Chief  
Executive Officer



**Scott Huckins**

Chief Financial  
Officer



**Mark Swartzberg**

Vice President of  
Investor Relations



**Judi Buckner**

President, Reynolds  
Cooking & Baking



**Lisa Smith**

President, Hefty  
Waste & Storage



**Chris Corey**

President, Presto  
Products



**Rachel Bishop**

President, Hefty  
Tableware

# 2030 RCP Strategic Vision

## Our Mission

Simplify daily life to enjoy what matters most

## Our Goal

Be the leading supplier of products used for cooking, serving, clean-up and storage in North America

## Pillars and Strategies

### Grow the Core

- Champion our categories in both brands and premium private label as the preferred supplier to our strategic customers
- Leverage innovation and deep insights to serve both customers and consumers with the right products at the right prices
- Prioritize sustainability through innovation and reduce our environmental footprint

### Expand Margins

- Leverage Reyvolution for operational efficiencies, and growth programs
- Relentless commitment to operational excellence and cost management
- Drive process optimization through digital transformation and intelligent factory

### Champion Cash

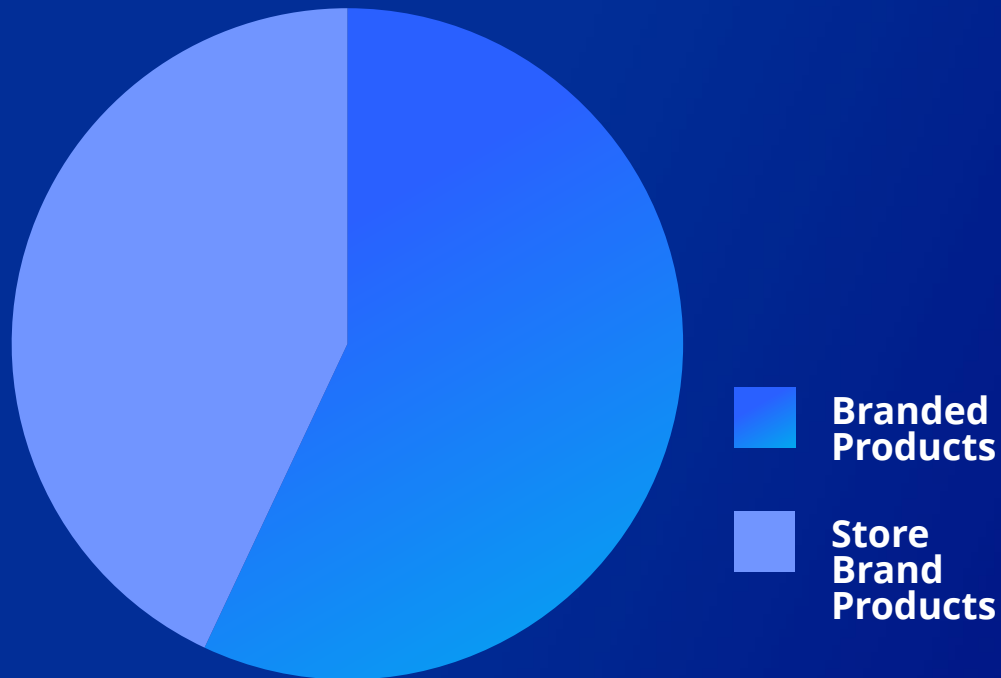
- Invest in core business to drive sales and EBITDA Growth
- Extend working capital efficiency through inventory discipline and payable improvement
- Increase financial flexibility by reducing debt

### Explore for More

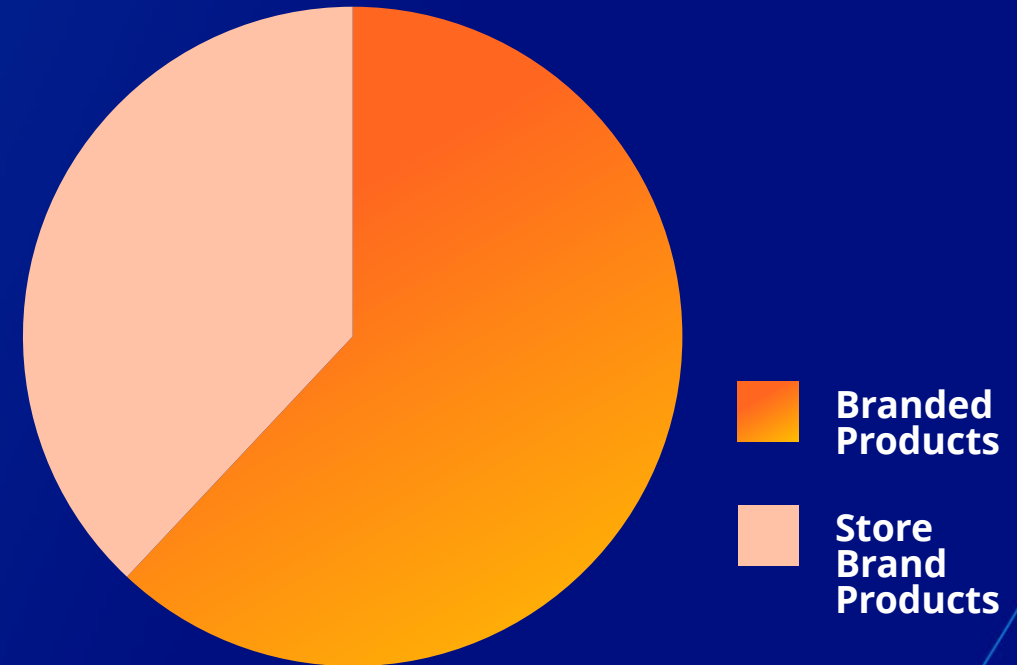
- Develop products for adjacent categories
- Explore growth opportunities through mergers & acquisitions
- Acquire and develop enabling technologies

# Integrated Business Model is Strategic Advantage

2019 Revenue



2023 Revenue



# Iconic Brands Resonate with Consumers

95%

US households with at least one RCP product in their home<sup>1</sup>

65%

Sales from products with #1 market position<sup>2</sup>

*Reynolds Wrap* /// & *Reynolds*KITCHENS



Aluminum Foil



Oven Bags



Parchment Paper



Slow Cooker Liners



Wax Paper



Freezer Paper

**Hefty**



Food Bags



Trash Bags



Party Cups



Foam Dishes

<sup>1</sup> Source: RCP Custom Research Nov 2023

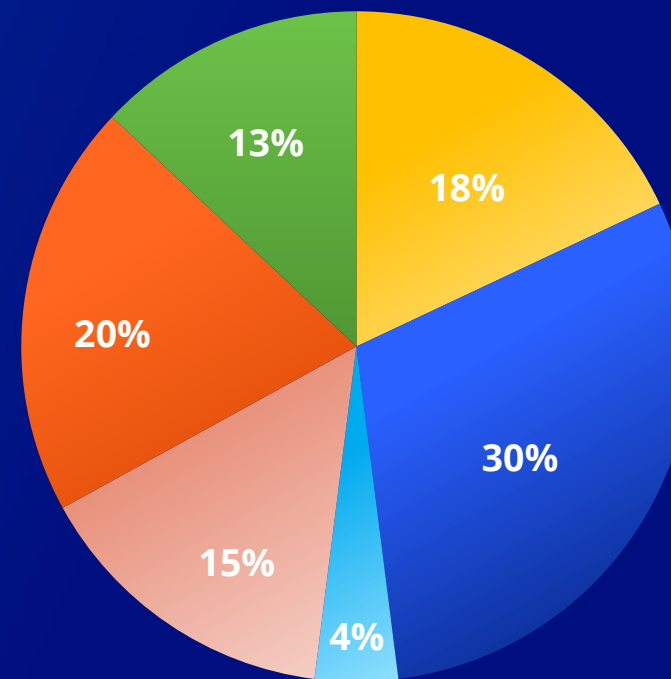
<sup>2</sup> Source: Circana; MULO; CY 2023



# Diverse Channel Mix

Online Sales  
Growing  
Double Digits

2023 Channel Mix



■ E-Commerce ■ Mass ■ Dollar ■ Club ■ Grocery ■ Other



# Unique Marketing Focused on the Next Generation of Consumers



2023 advertising  
spending has  
surpassed  
pre-pandemic  
levels

# Innovation Drives Our Success



20%+

Sales from products  
introduced in the last  
three years

# Sustainability

## Products

Sustainable options across 100% of our product lines by 2025



## Manufacturing

Acquired Atacama: manufacturer of highly compostable bioplastics



## Community

Extending sustainability to supporting communities

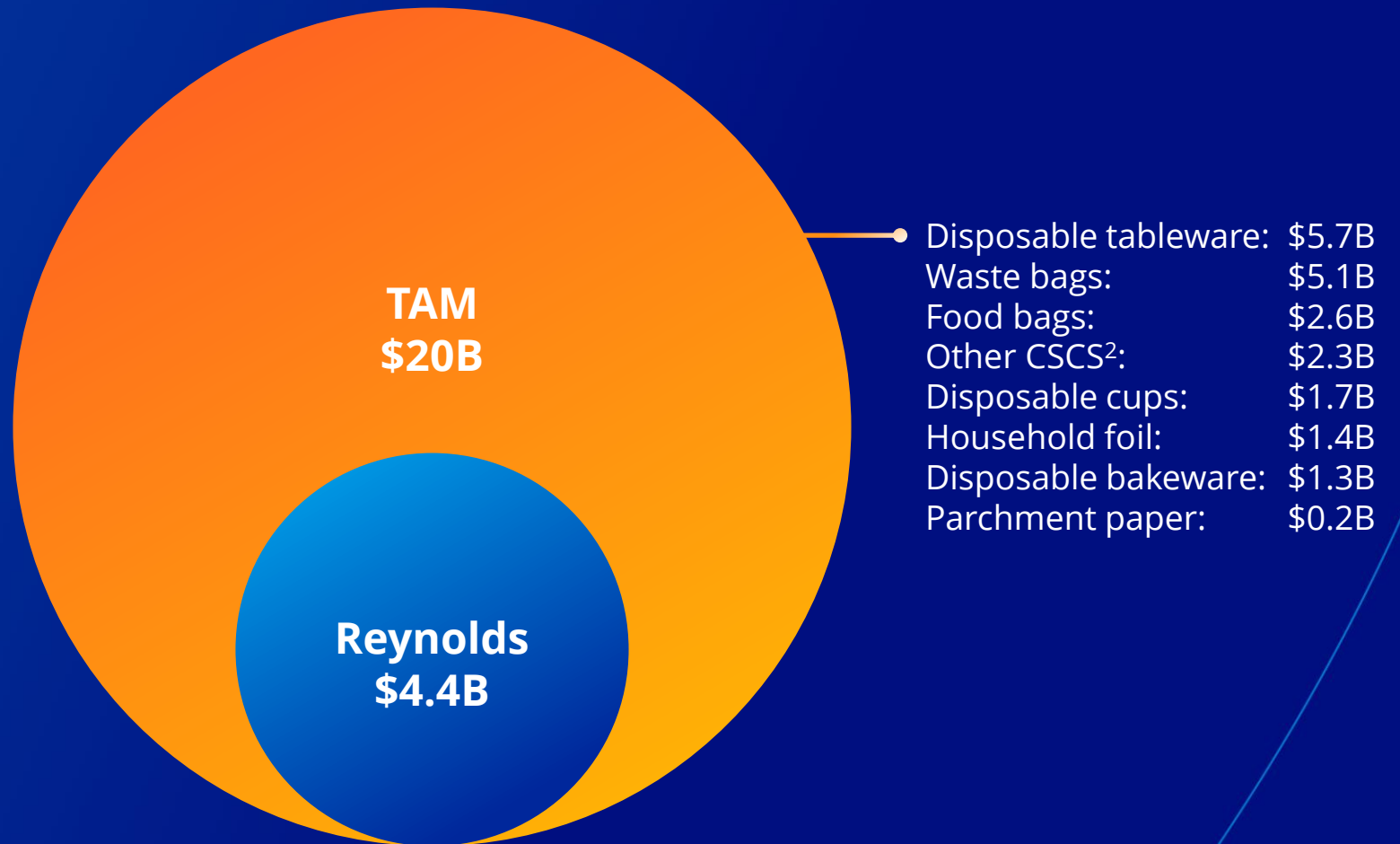




# Retail TAM ~\$20B<sup>1</sup>

Across All Retail Channels

**Significant  
Room For  
Growth In  
Existing  
Categories**



Note: Disposable cups, dishes and cutlery do not include specialty SKUS

<sup>1</sup> Retail selling price

<sup>2</sup> Other CSCS stands for cooking, serving, clean-up and storage

Source: Third Party Research and Analysis; Circana POS and Panel Data; CY 2023



# Together We Make Great Things Happen



# Focus Five Principles

**FOCUS**



- 1 Prioritize safety and security of our employees and business
- 2 Drive revenue through profitable volume growth
- 3 Advance ESG across products, people and environment
- 4 Drive operational excellence
- 5 Protect and drive margins and cash flow



**Judi Buckner**

President, Reynolds Cooking  
& Baking

# Reynolds Cooking & Baking





# Reynolds Making Mealtimes Easier for Over 75 Years





# 7 of 10

Categories with  
#1 market share

# 10 of 10

Categories with higher  
branded sales over  
private label

## #1 Market Share



# Vertical Integration



Only vertically-integrated manufacturer of aluminum foil in the USA



Strategic metal buying and blending team delivering cost efficiencies



Sole US player converting virgin and recycled aluminum

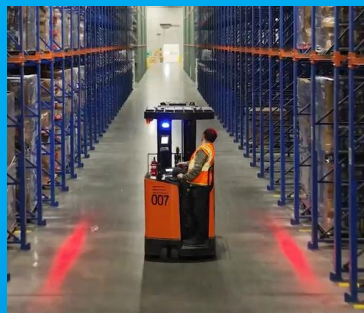


# Reynolds Recovery Plan

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**A Focused Effort to  
Restore Operational  
Stability**



**Streamline Inventory  
& Supply Planning**



**Reduce Reliance on  
Outside Material**

# 2023 Results



## Operational Stability

Daily production has returned to historic rates



## Margin Recovery

'23 Adj EBITDA<sup>1</sup>  
+30% YOY



## Commercial Growth

Reynolds Wrap  
volume share +3pts  
compared to '22

<sup>1</sup> This is a non-GAAP financial measure. See the reconciliation tables at the end of this presentation for a reconciliation to the most directly comparable GAAP measure

# Reynolds Cooking and Baking 2023 Financial Performance

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Revenue  
**\$1.3B**

Adj EBITDA  
**\$184M**

+30% vs PY



# Gen Z and Millennial Trends



Millennials and Gen Zs Value  
**Quality, Price,  
Sustainability, Community**

## New Cooking Habits

- Learning variety of styles through social media
- Seeking convenient kitchen solutions

# Our New Chef's Kiss Campaign



**EASY PREP. EASY COOK. EASY CLEAN.**



**MAKE IT EASY.**





# Robust Library of Digital and Social Content





# Feeding America Campaign



FEEDING  
AMERICA

1 box purchased = 1 meal\* donated

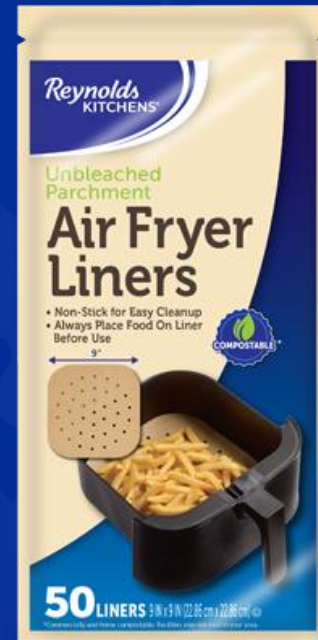
7.5M

meals donated  
to date

Nearly  
2B

advertising  
impressions

# Product Innovation



Making  
Cooking and  
Cleanup  
Easier

# Sustainability Timeline

**2019**



Unbleached parchment paper launched

**2021**



Recycled aluminum foil wrap launched

Reynolds Wrap packaging becomes more recyclable

**2022**



Wax paper certified compostable

Compostable butcher paper launched

**2023**



Unbleached air fryer liners launched

# Expanding Margins



## **Vertical Integration**

greater control over the chemistry and mechanical properties, ensuring consistent, superior quality



## **Modernization**

improving long-term equipment reliability and continuing our laser focus on safety and quality



## **Portfolio SKU management**

focus on high-margin, high-velocity SKUs

# Key Takeaways



Reynolds is an iconic, **75-year-old brand** synonymous with cooking, easy cleanup, serving, and storage



We are the **only vertically integrated manufacturer of aluminum foil** in the USA with a continuous focus on driving cost savings through operational excellence, modernization, and automation



Reynolds is positioned for growth as the steward of our categories, with a demonstrated track record of **expansion into new categories with innovation, enhancing the mix, and increasing sustainable offerings**





**Lisa Smith**

President, Hefty Waste & Storage

# Hefty Waste & Storage

# Hefty is a Strong, Growing Mega Brand



- 60 years of innovation
- \$2B brand
- Strong portfolio of products that are **#1 or #2 in category**
- **40% retail sales growth since 2019**



## Categories

- Waste Bags
- Food Storage Bags
- Disposable Dishes
- Cups, Straws & Lids
- Cutlery
- Disposable Food Containers
- Trash Cans
- Plastic Storage
- Flexible Totes
- Compression Bags



# Key Metrics that Drive Purchase

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**Brand Trust**



**Quality**



**Strength**



**Durability**

**Hefity**®

# Umbrella Campaign for Hefty Family



# Waste & Storage Categories

RCP is a key leader in the  
Waste and Storage categories

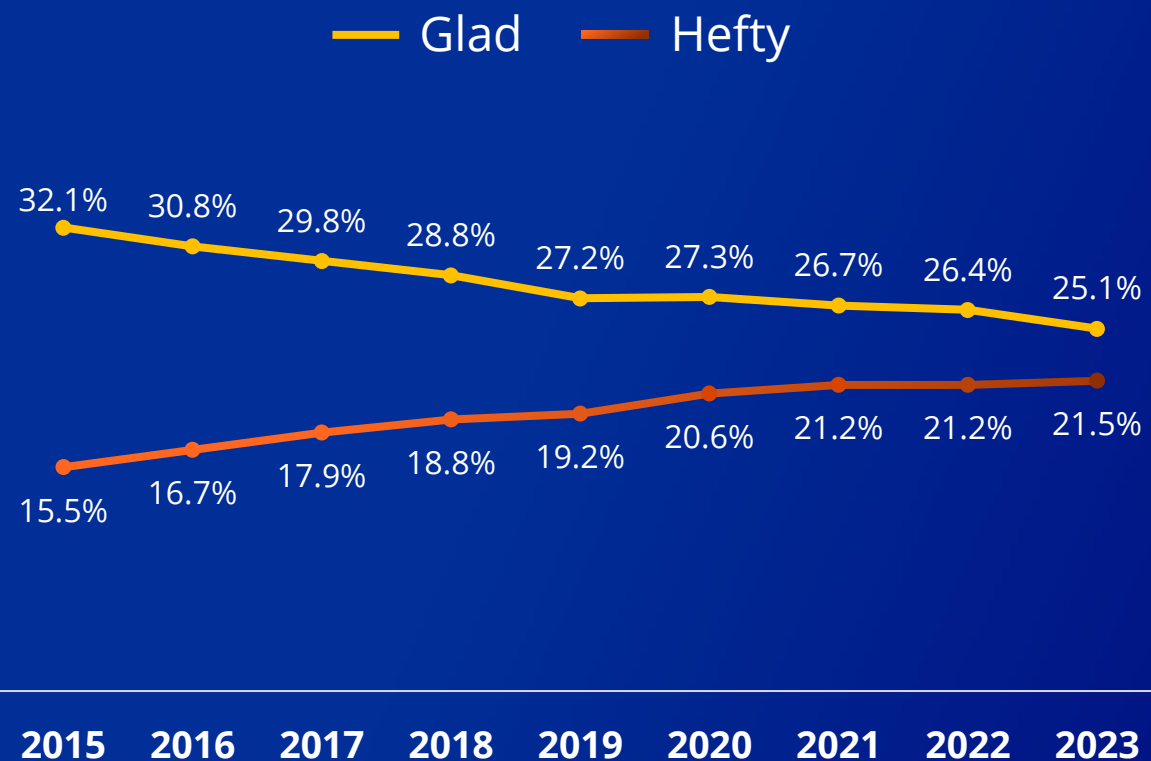
Waste Bag TAM **\$5.1B**

Food Bag TAM **\$2.6B**





# Waste Bag \$ Share Trends



## Waste Bag Growth

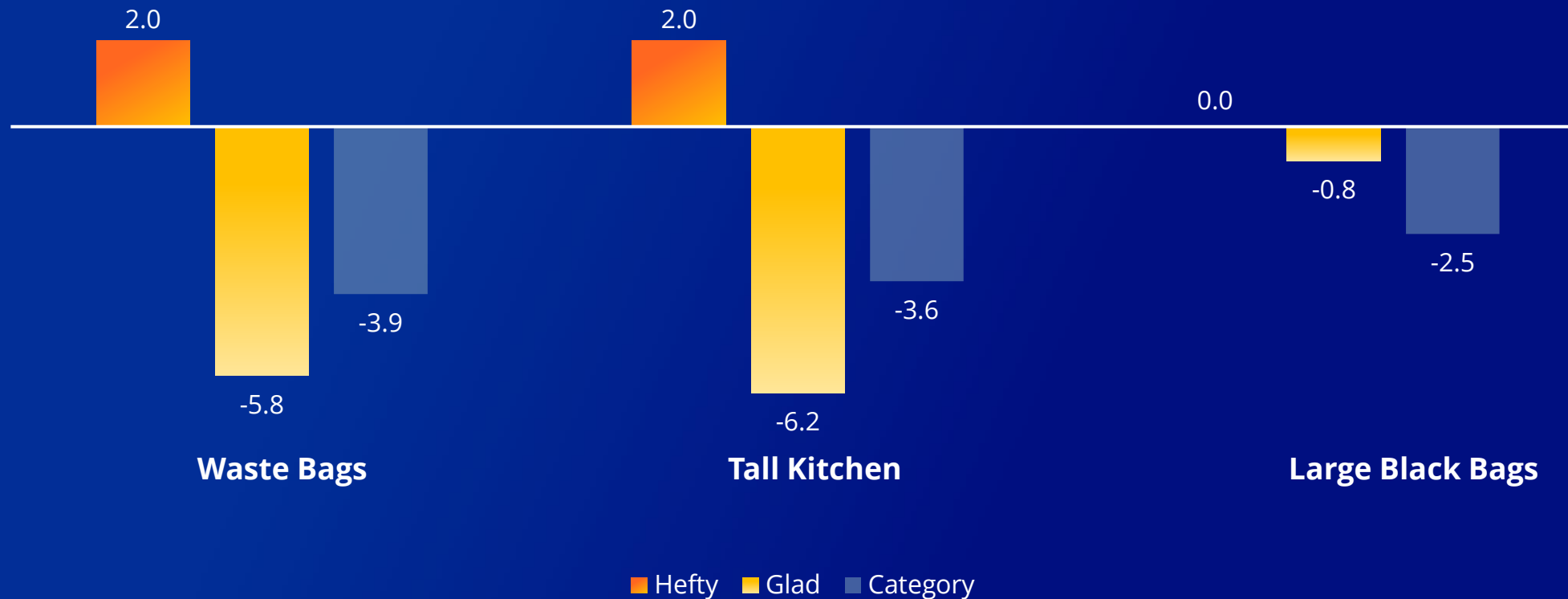
Dollar Share Growth  
for past 8 years

From  
**16%**  
2015

To  
**22%**  
2023

# Household Penetration

Household penetration **increased 2 pts** between 2019 and 2023



# Hefty Press-to-Close Storage Bags



Category-Leading Quality



Unique Benefits



Performance Pricing for Shoppers

# Growth Through Relentless Innovation



- Odor Control & Scent
- Drawstring Introduction
- Embossing Technology
- Sustainable Solutions



# Hefty Ultra Strong

**+3.3pts**

Market Share Over  
First 3 Years

**2018**

Nielsen Breakthrough  
Innovation Award Winner



# Hefty Ultra Strong with Fabuloso

2022

Circana Pacesetters  
Innovation Award

\$160M+

In Retail Sales



2021

\$60M  
Retail Sales

2022

\$120M  
Retail Sales

2023

\$160M  
Retail Sales

2024

# Half-Gallon Slider Bag Storage and Freezer





# Creating Sustainable Portfolios





# Sustainable Packaging Initiatives

## Reduction of



**3M lbs of  
paperboard &  
corrugate**



**20K wood  
pallets**



**280 trucks  
off the road**



**5K tons of  
greenhouse gas  
emissions**

# Hefty Ultra Strong with Coastal Plastic



**35%**  
Recovered Materials

**10%**  
Coastal Plastic

# Hefty Renew Program Impact



2,600

tons of plastic diverted  
from the landfills

2M

households with  
curbside access by  
end of 2024

# Advertising & Media Leadership



Advertising Awareness  
**+10 pts**  
Across Millennials and Gen Z



Advertising Recall  
**3:1**  
Vs Competition

Brand Association  
**2:1**  
Vs Competition



# Partnership with John Cena

**+7pts**

**Top-of-Mind  
Brand Awareness  
Since 2016**



# Advertising & Media Leadership



Advertising Awareness  
**+10 pts**  
Across Millennials and Gen Z



Advertising Recall  
**3:1**  
Vs Competition

Brand Association  
**2:1**  
Vs Competition

# Hefty Waste & Storage 2023 Financial Performance

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Revenue  
**\$942M**

Adj EBITDA  
**\$261M**

+26% vs PY

# Key Takeaways



We are poised for growth due to our large categories with **healthy trends**, **strong brand equity**, a **rich innovation pipeline**, and **breakthrough advertising**



We are committed to **creating sustainable portfolios**, reducing **greenhouse gas emissions**, and driving **community recycling**



We will continue driving **profitable growth** through our focus on driving volume, Reyvolution cost savings, and improved trade efficiency





Together We Make Great Things Happen



**Chris Corey**

President, Presto Products

Presto



# Presto Overview



## Presto Goal

Build on our **#1 leadership position** in private label press-to-close food bags and deliver **profitable growth**

Founded in  
**1961**

**2011**

Presto becomes  
part of RCP

# Presto is a Strong Player in Private Label Across Categories



**Food Bags**



**Waste Bags**



**Containers**



**Plastic Wrap**

The food bag category is the largest and most attractive category. Presto is focused on the most profitable segments within food bags.



# Importance of Presto Private Label Press-To-Close Food Storage Solutions



Retailers are increasingly focused on differentiation and innovation



Presto is well-diversified to serve changing consumer needs & the private label market leader for food bags



Private label provides an affordable option

# Presto Market Share

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**52%**

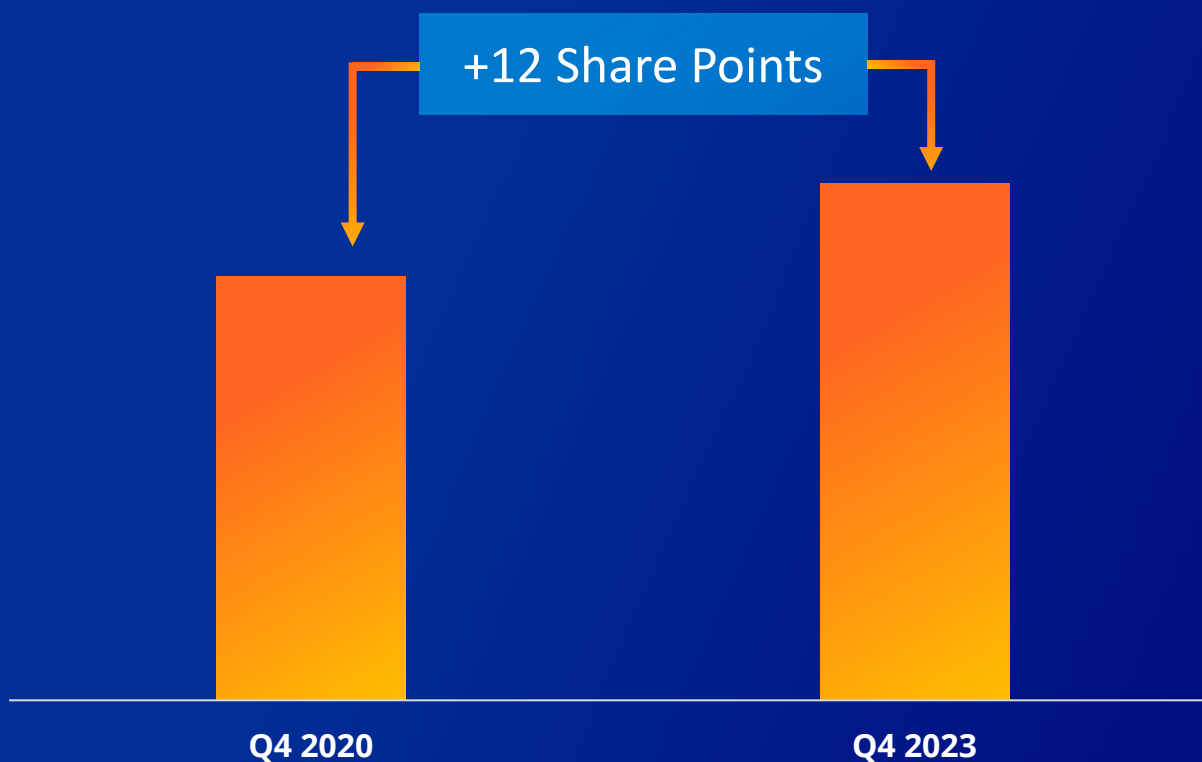
Presto share of private label  
food bags

**47%**

Private label market share of  
food bags

# Winning Share in PL PTC Food Bags

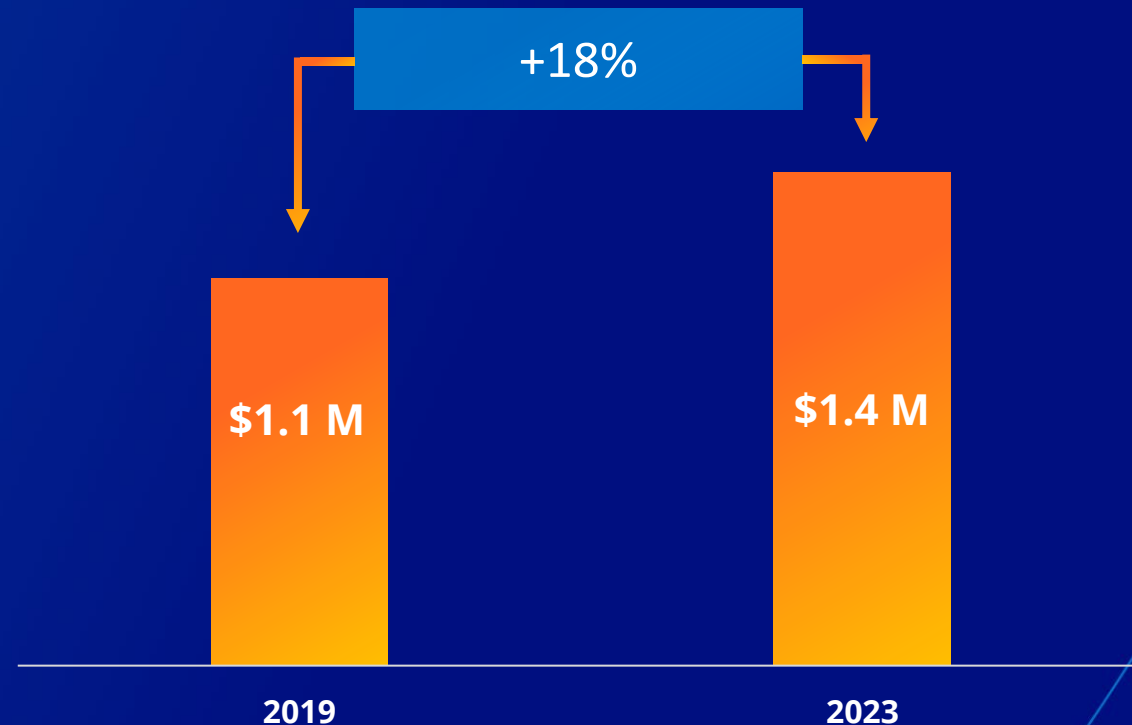
## RCP Dollar Share of PL PTC



- RCP value proposition delivers share growth
- Consumers finding value in private label
- Retailers seeking better margins, strategic brand identity

# Quart and Gallon Drive Category

## Quart & Gallon Food Bag Retail Growth





# The Presto Advantage

The power to transform retailer partnerships



## **Research, Development, & Engineering (RD&E)**

Presto innovation  
and RCP product  
expertise



## **Operational and Supply Chain Synergies**

Boosting operational  
excellence and  
responsiveness to  
market demands



## **Procurement & Manufacturing**

RCP scale provides  
cost reductions &  
streamlined  
production



## **Market Expertise and Leadership**

RCP's established  
category  
captaincy

# Drivers of Growth in Food Bags



## **Customer Acquisition**

The comprehensive value offered by RCP positions us to attract new customers



## **Key Product Categories**

Strategically focused on expansion into untracked channels and market opportunities



## **Innovative and Sustainable Solutions**

Significant revenue attributable to product innovation

# Delivering Functional Solutions

Presto's gusseted  
storage bag:

91%

Preference vs Flat Bag

63%

Preference vs Leading Brand



Meeting consumer demands through  
innovation that anticipates their needs

# Sustainable Solutions



Land & Sea technology made with 20% less plastic



Best-selling sustainable food bag in dollar, unit, and volume sales across MULO channels



Volume sales 4x vs closest sustainable item



# Food Storage Sustainability Strategy

Deliver solutions across sustainable platforms that reduce waste or offer better end-of-life options, while meeting regulatory restrictions

## Sustainability Journey

### Renewable



### Compostable



### Recycled Content



# Cost Savings and Margin Expansion



## Operational Excellence

- Hourly turnover reduction
- Staffing level optimization
- OEE improvement
- Specialty scrap reduction
- Improved fixed cost absorption
- Lower MRO cost through 3D printing



## R&D and Procurement

- Alternate resin flexibility
- RPP utilization improvement
- Lower-cost filter implementation
- Non-resin components cost reduction
- Lower cost finished goods imports



## Supply Chain Optimization

- Presto consumer integration with RCP SC
- Presto Specialty S&OP implementation
- Warehousing footprint optimization
- SKU rationalization & customer ordering optimization



## Upgrade manufacturing assets

- Automation rollout across multiple touchpoints
- Cross-plant asset optimization

# Presto 2023 Financial Overview

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Revenue  
**\$593M**

Adj EBITDA  
**\$112M**

+17% vs PY

# Key Takeaways



Presto is well positioned **to expand our leadership in private label food bags and accelerate growth** through customer acquisition, functional innovation and affordable sustainable solutions



Presto **benefits from RCP's cross-category scale** and infrastructure



We remain focused on **expanding margins and delivering strong shareholder returns**





**Rachel Bishop**

President, Hefty Tableware

# Hefty Tableware

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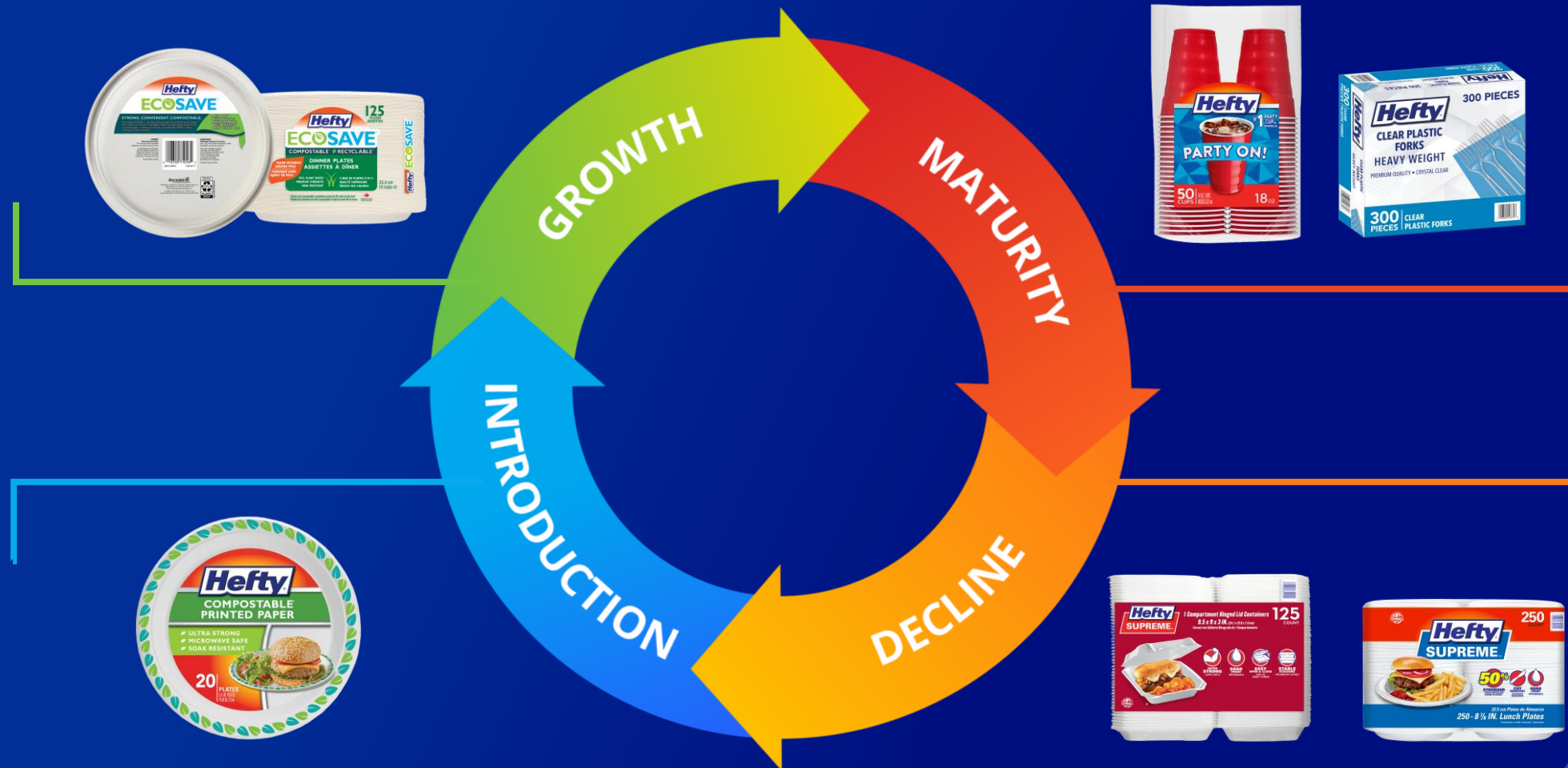
# Hefty stands as a megabrand supported by tremendous brand equity

This market position is founded on two pillars:

**VALUE and QUALITY**



# Tableware Portfolio Management





# Tableware Innovation Themes



## **Cost Leadership**

- Automation
- Efficiency
- Value Engineering



## **Fun & Function**

Help communities thrive

- Safety
- Diversity
- Pay Equity
- Community Collaboration



## **Sustainability**

Use resources responsibly

- Greenhouse Gas Emissions
- Plastics Recovery
- Waste to Landfill

# Convenience to Daily Life and Bringing Families Together



**60%** of disposable tableware sales are for daily usage occasions<sup>1</sup>

**Hefty Party Cups<sup>2</sup>**  
outsells competitors by  
**2:1**

**#1**  
Party Cup in America

<sup>1</sup> Source: Habits & Practices Study, C+R Research, June 2023

<sup>2</sup> Source: Circana; MULO; CY 2023

# We Bring the Fun to Party Cups!





# Relaunch of ZooPals



Monumental success & enduring popularity



3.7B in earned media impressions<sup>1</sup>



Best selling kids' dish for entirety of 2023

<sup>1</sup>Source: MuckRack

<sup>2</sup>Source: Profitero; Launched In August 2023



# Growth Through Innovation and Affordable Sustainability



## ECOSAVE

- 95% plant-based materials
- Fully compostable



## Hefty Recycled Cup

- Made with 100% rPET
- Widely recyclable

# A New Chapter in Sustainability

## ATACAMA

- Innovative sustainable materials company
- Driven to make sustainable products more available and affordable
- Adds to RCP's sustainable product development technology
- Expands ability to commercialize and scale sustainable products



# Hefty & The New Norm



- Hefty provided The New Norm a \$125,000 research grant
- **The New Norm** - Targets plastics that are not commonly recycled in our existing infrastructure, transforming them into sustainable, wearable fabric

# Hefty Tableware 2023 Financial Performance

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Revenue  
**\$967M**

Adj EBITDA  
**\$174M**

+30% vs PY



# Key Takeaways



Hefty is a mega brand with **exceptional brand equity** and on its way to a **\$2B brand**



Hefty is becoming the **leader in affordable, sustainable product offerings** and expanding the portfolio through advanced sustainable innovation



We have **unrivaled customer relationships**, taking an integrated brand and private label approach across the most comprehensive product portfolio



We are committed to always putting the **“fun”** in function

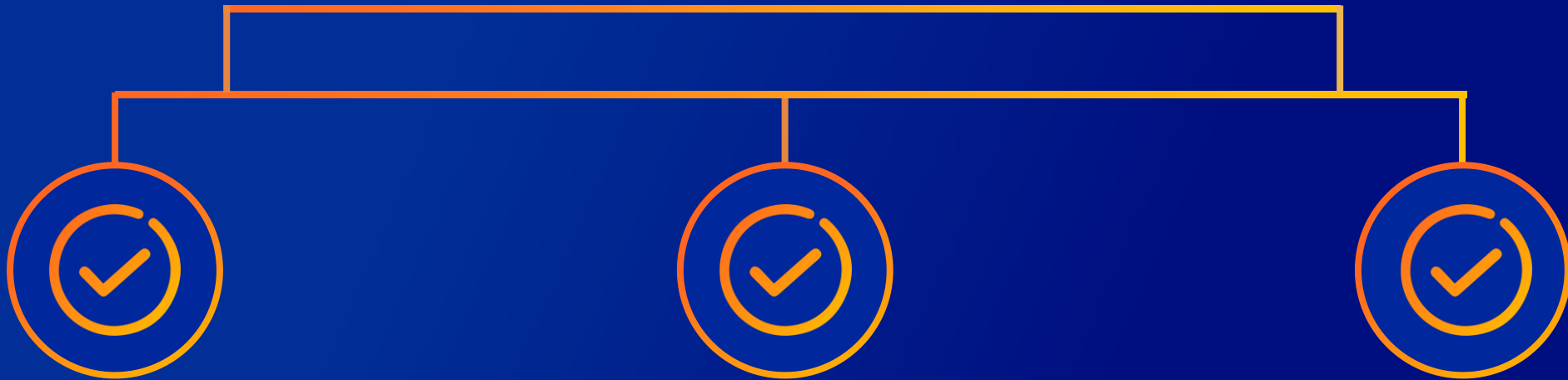


**Rachel Bishop**

President, Hefty Tableware

ESG

# 2023 ESG Accomplishments



## Recycling Instructions

100% of US consumer branded products<sup>1</sup> have recycling instructions on the product label or on the company website

## Pay Equity

100% pay equity across gender and ethnicity

## SBTi

Baseline science-based data and targets to reduce greenhouse gas emissions approved by SBTi

<sup>1</sup> International, Canada & B2B products not included  
Source: [2023 ESG Approach, Metrics, and Scorecard](#)

# ESG Strategy – Core Pillars



## Products

Create products  
people love

- Sustainable Products
- Sustainable Packaging
- Product Circularity



## People

Help communities thrive

- Safety
- Diversity
- Pay Equity
- Community Collaboration



## Environment

Use resources responsibly

- Greenhouse Gas Emissions
- Plastics Recovery
- Waste to Landfill





**Scott Huckins**

Chief Financial Officer

# Financial Update

# Agenda

- 2023 Results and 2024 Guide Recap
- Financial Algorithm Update
- Cash Flow and Capital Allocation Framework
- Extended Total Addressable Market (TAM)
- Total Shareholder Return (TSR)
- Key Takeaways

# 2022 & 2023 Financial Highlights

## 2024 Guide

	2022	2023	2024 Guide
<b>Revenue</b>	\$3,817M	\$3,756M	\$3,530 - \$3,640M
<b>Net Income</b>	\$258M	\$298M	\$331 - \$347M
<b>EPS</b>	\$1.28 <sup>1</sup>	\$1.42	\$1.57 - \$1.65
<b>Adj EBITDA<sup>2</sup></b>	\$546M	\$636M	\$660 - \$680M
<b>Net Debt<sup>2</sup></b>	\$2,053M	\$1,717M	\$1,500 - \$1,600M

### 2024 Revenue Drivers

- Pricing -1%
- Non-retail & portfolio optimization -3%
- Category volumes -2%
- RCP retail volumes -2% to +1%

<sup>1</sup> 2022 EPS is an Adjusted non-GAAP financial measure. See the reconciliation tables at the end of this presentation for a reconciliation to the most directly comparable GAAP measure

<sup>2</sup> This is a non-GAAP financial measure. See the reconciliation tables at the end of this presentation for a reconciliation to the most directly comparable GAAP measure

# 2023 Performance & 2024 Guide

At the Center of Guidance Range



¹ This is a non-GAAP financial measure. See the reconciliation tables at the end of this presentation for a reconciliation to the most directly comparable GAAP measure



# Framing Our Long-Term Outlook

Principal of Continuity: Roll-Forward Current Macro Economics



**Stable  
Commodity Costs**



**Interest  
Rates**



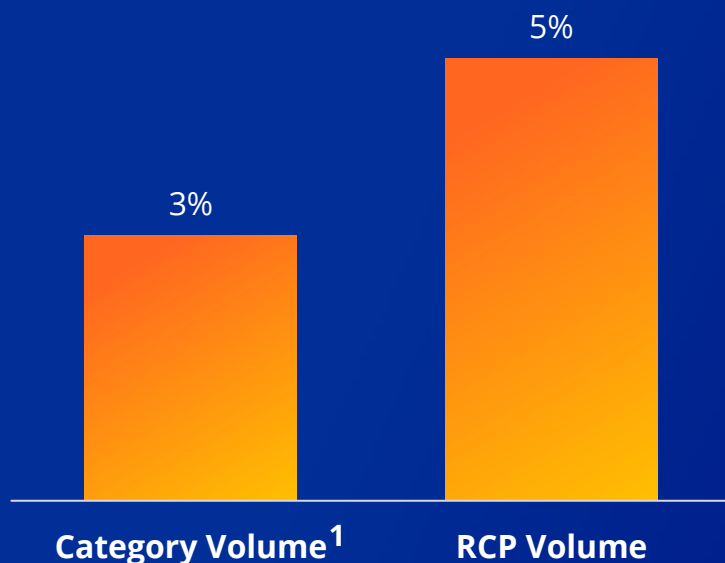
**Retailer and  
Consumer  
Conditions**



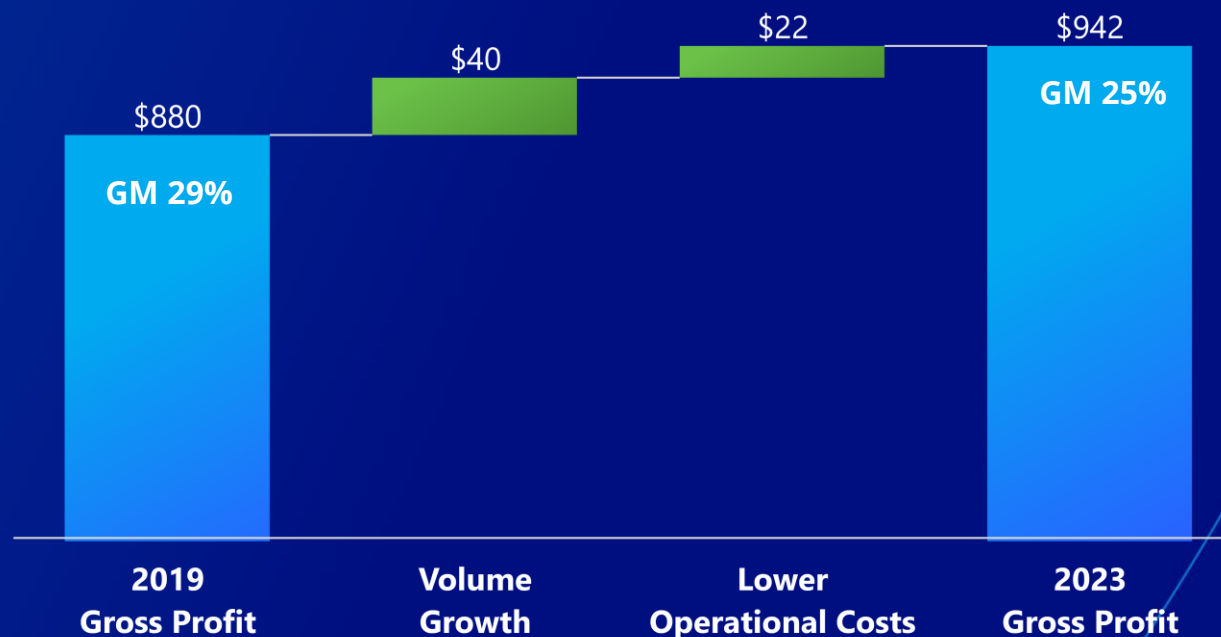
**Inflation**

# Historical Financial Performance Informs Future Expectations

Volume Growth  
2019 - 2023



Gross Profit  
2019 - 2023

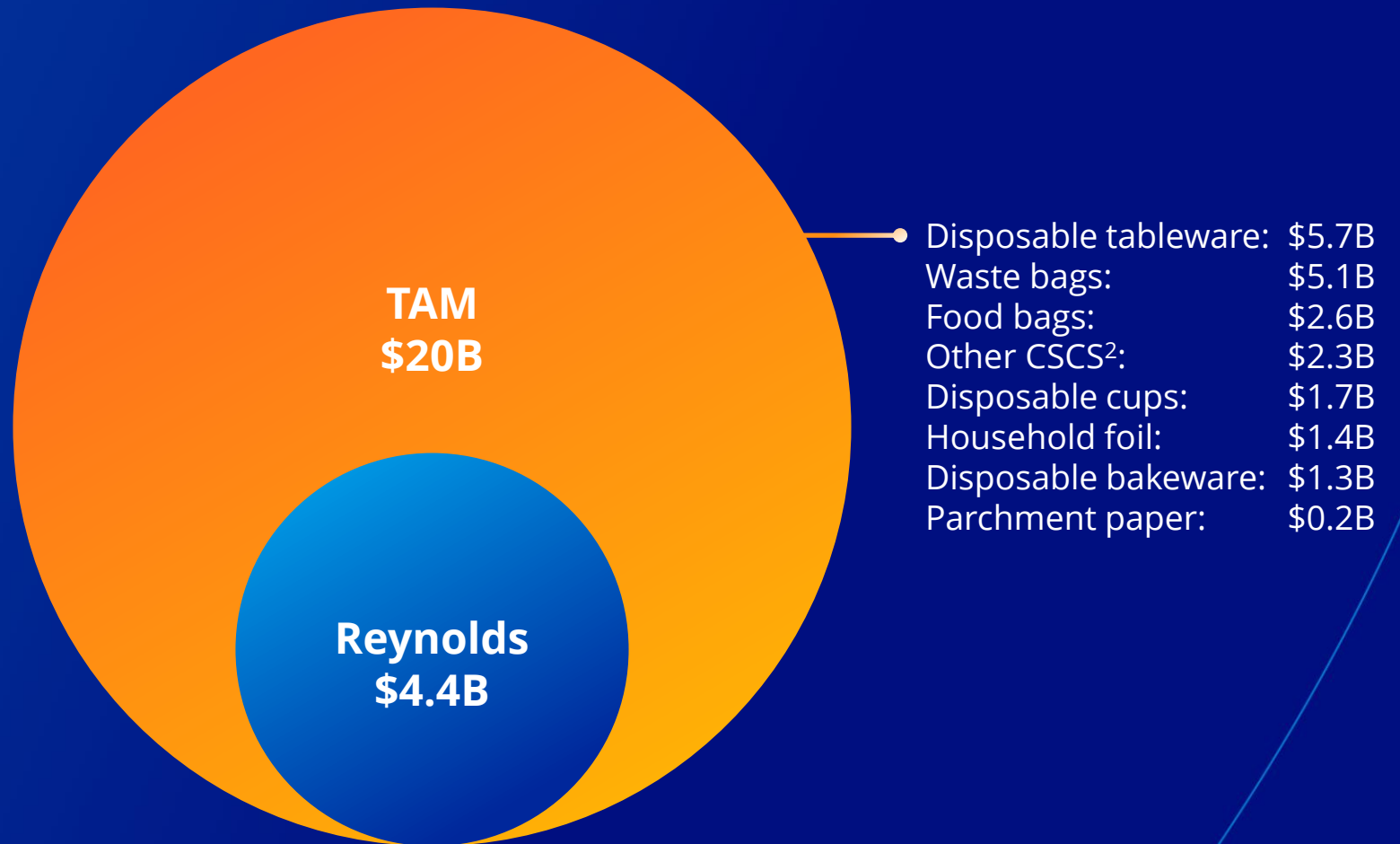


<sup>1</sup> Volume Growth per Circana data  
Note: RCP adjusted for retail product portfolio optimization

# Retail TAM ~\$20B<sup>1</sup>

Across All Retail Channels

**Significant  
Room For  
Growth In  
Existing  
Categories**



Note: Disposable cups, dishes and cutlery do not include specialty SKUS

<sup>1</sup> Retail selling price

<sup>2</sup> Other CSCS stands for cooking, serving, clean-up and storage

Source: Third Party Research and Analysis; Circana POS and Panel Data; CY 2023

# Long-Term Financial Framework

## IPO to Current Outlook

	IPO	Today
 <b>Net revenue / volume growth</b>	Low-single digits	Low-single digits
 <b>Adj EBITDA<sup>1</sup> growth</b>	Low- to mid-single digits	Low- to mid-single digits
 <b>Net income growth</b>	Mid-single digits	Mid-single digits
 <b>Leverage target</b>	2 to 2.5 times Adjusted EBITDA <sup>1</sup>	2 to 2.5 times Adjusted EBITDA <sup>1</sup>
 <b>Quarterly dividend payment</b>	\$.15 / share <sup>2</sup>	\$.23 / share

**Algorithm**  
remains unchanged

<sup>1</sup> This is a non-GAAP financial measure. See the reconciliation tables at the end of this presentation for a reconciliation to the most directly comparable GAAP measure

<sup>2</sup> Prorated for the period subsequent to the IPO



# Long-Term Financial Algorithm

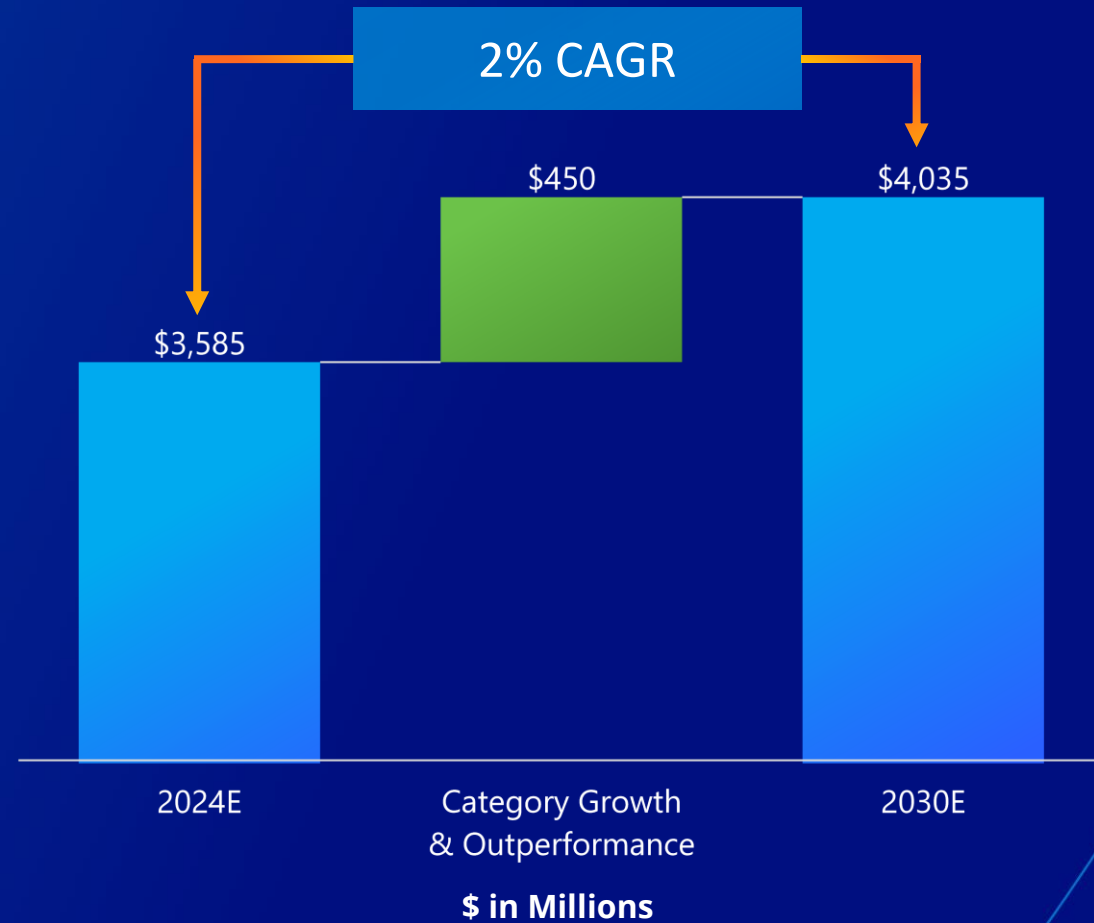
		IPO	Today
	<b>Net revenue / volume growth</b>	Low-single digits	Low-single digits
	<b>Adj EBITDA<sup>1</sup> growth</b>	Low- to mid-single digits	Low- to mid-single digits
	<b>Net income growth</b>	Mid-single digits	Mid-single digits
	<b>Leverage Target</b>	2 to 2.5 times Adjusted EBITDA <sup>1</sup>	2 to 2.5 times Adjusted EBITDA <sup>1</sup>
	<b>Quarterly Dividend payment</b>	\$.15 / share <sup>2</sup>	\$.23 / share

<sup>1</sup> This is a non-GAAP financial measure. See the reconciliation tables at the end of this presentation for a reconciliation to the most directly comparable GAAP measure

<sup>2</sup> Prorated for the period subsequent to the IPO

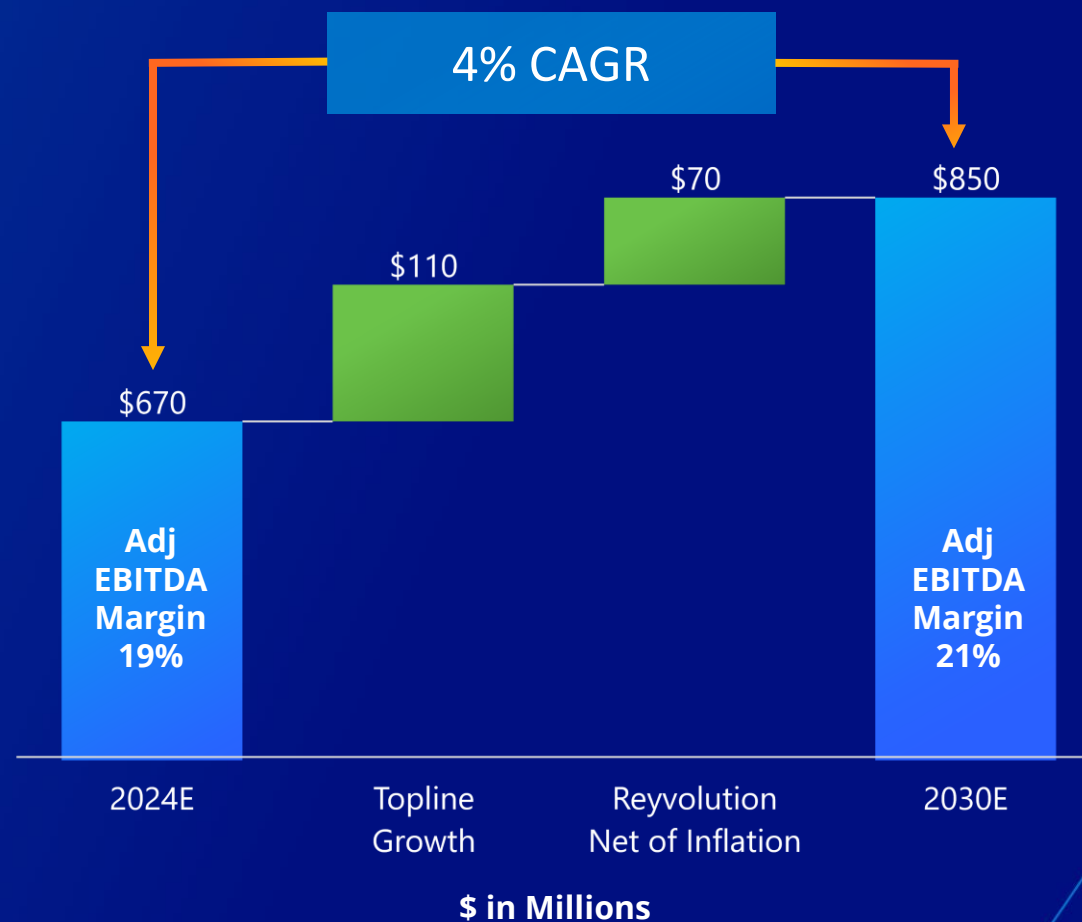
# Revenue Bridge

- **Category growth** returns per third party research
- **RCP continues to outperform** category growth



# Adj EBITDA<sup>1</sup> Bridge

- Topline driving **gross margin** expansion
- **Reyvolution savings** driving additional margin expansion



<sup>1</sup> This is a non-GAAP financial measure. See the reconciliation tables at the end of this presentation for a reconciliation to the most directly comparable GAAP measure

# Free Cash Flow Conversion Enhances Investment Capacity

**50% - 60%**

**Adj EBITDA Conversion  
To Free Cash Flow<sup>1</sup>**

Net Debt Leverage <sup>1</sup>	2030
Capacity at 2.5x Leverage	\$2.0B

<sup>1</sup> This is a non-GAAP financial measure. See Appendix.



# Capital Allocation

Deleverage to Target



## Organic

Growth &  
Cost Takeout



## Inorganic

M&A



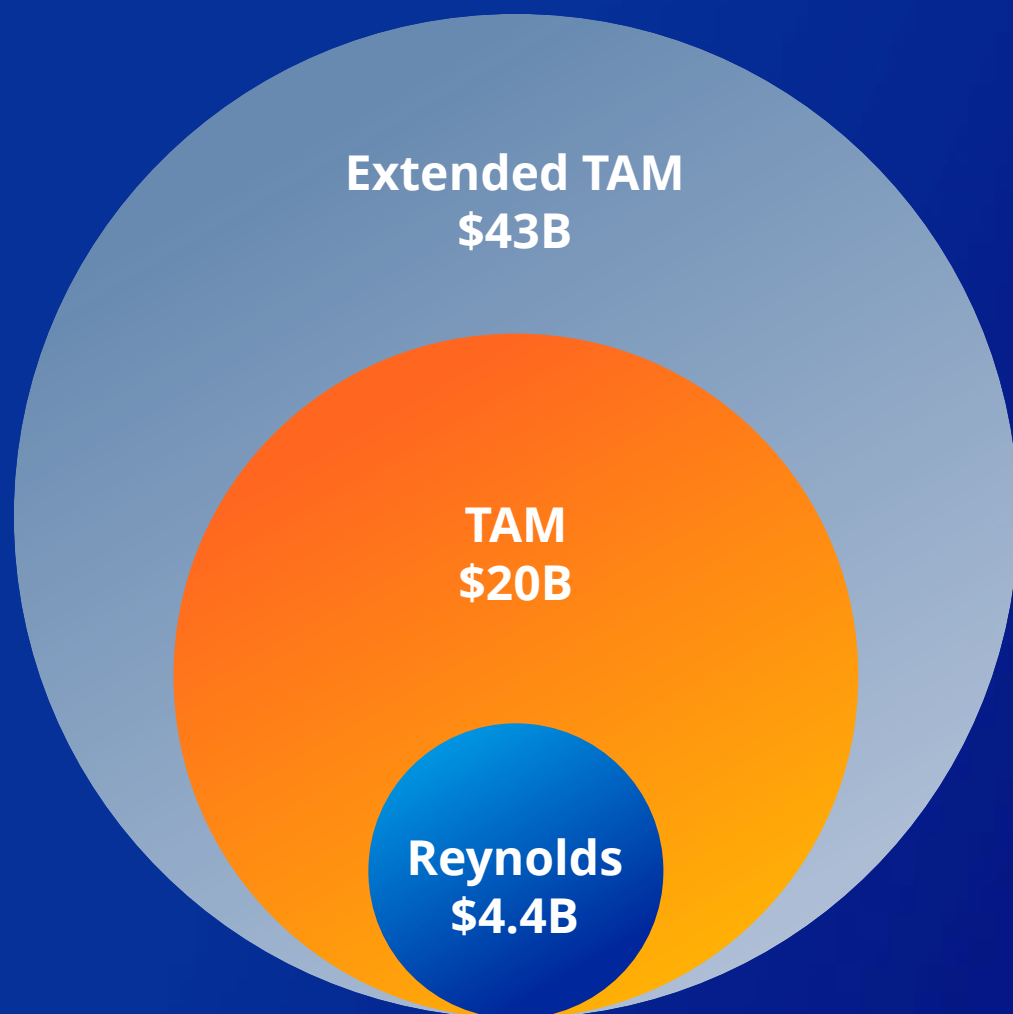
## Return of Capital

Dividends  
Share Repurchases

Pillars Compete For Investment On A Return Basis

# Extended TAM ~\$43B<sup>1</sup>

Consists of current and adjacent cooking, serving, clean-up and storage categories.



Entry into extended TAM categories based on a balanced approach of product innovation and targeted acquisitions

# Valuation and TSR

2023 – 2025 CAGR <sup>1</sup>	Reynolds	Household Product Median
EPS Growth	10.1%	8.4%
Dividend Yield	3.1%	2.3%
Total Shareholder Return	13.2%	10.6%
NTM P/E	18.0x	23.6x
NTM P/E / TSR	1.4	2.2

- Durable earnings and growth
- Strong free cash flow
- Strong dividend yield

<sup>1</sup> EPS CAGR based on FactSet consensus estimates and analysis by Goldman Sachs

# Key Takeaways



**RCP is entering an inflection point**  
where profitability has been returned to pre-pandemic levels and leverage is near target



**Significant financial flexibility and investment capacity** from a healthy balance sheet and strong free cash flow conversion



**Algorithm implies continuation of demonstrated performance;** does not imply a “bend in the curve”



Management committed to **TSR-based capital allocation framework**



**Lance Mitchell**

President and  
Chief Executive Officer

# Closing Thoughts



# Key Takeaways



We win through **our people**



We will grow through **innovation, emerging technologies and targeted opportunities to expand** into adjacent categories



We are a **leading provider** of cooking, serving, clean up and storage products



We prioritize the commercialization of **affordable sustainable solutions**



We win by **championing our categories** for our customers and consumers



We are focused on expanding margins and driving cash flow to **increase financial flexibility**

# Appendix

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# Use of Non-GAAP Financial Measures

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We use non-GAAP financial measures "Adjusted EBITDA," "Adjusted Net Income," "Adjusted Earnings Per Share," "Net Debt," "Net Debt to Trailing Twelve Months Adjusted EBITDA," "Free Cash Flow," and "Adjusted EBITDA Conversion to Free Cash Flow" in evaluating our past results and future prospects. We define Adjusted EBITDA as net income calculated in accordance with GAAP, plus the sum of income tax expense, net interest expense, depreciation and amortization and further adjusted to exclude IPO and separation-related costs, as well as other non-recurring costs. We define Adjusted Net Income and Adjusted Earnings Per Share ("Adjusted EPS") as Net Income and Earnings Per Share ("EPS") calculated in accordance with GAAP, plus IPO and separation-related costs, as well as other non-recurring costs. We define Net Debt as the current portion of long-term debt plus long-term debt less cash and cash equivalents. We define Net Debt to Trailing Twelve Months Adjusted EBITDA as Net Debt (as defined above) as of the end of the period to Adjusted EBITDA (as defined above) for the period. We define Free Cash Flow as net cash provided by operating activities in the period minus the acquisition of property, plant and equipment in the period. We define Adjusted EBITDA Conversion to Free Cash Flow as Free Cash Flow (as defined above) as of the end of the period to Adjusted EBITDA (as defined above) for the period.

We present Adjusted EBITDA because it is a key measure used by our management team to evaluate our operating performance, generate future operating plans and make strategic decisions. In addition, our chief operating decision maker uses Adjusted EBITDA of each reportable segment to evaluate the operating performance of such segments. We use Adjusted Net Income and Adjusted Earnings Per Share as supplemental measures to evaluate our business' performance in a way that also considers our ability to generate profit without the impact of certain items. We use Net Debt as we believe it is a more representative measure of our liquidity. We use Net Debt to Trailing Twelve Months Adjusted EBITDA because it reflects our ability to service our debt obligations. We use Free Cash Flow because it measures our ability to generate additional cash from our business operations. We use Adjusted EBITDA Conversion to Free Cash Flow because it measures our ability to convert our earnings to cash. Accordingly, we believe presenting these measures provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management team and board of directors.

Non-GAAP information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, our non-GAAP financial measures may not be the same as or comparable to similar non-GAAP financial measures presented by other companies.

Guidance for fiscal year 2024 and other projected amounts, where adjusted, are provided on a non-GAAP basis. The Company cannot reconcile its expected Net Debt at December 31, 2024 to expected total debt, or expected ratios involving Net Debt, as well as 2030 Adjusted EBITDA Margin, or the Adjusted EBITDA Conversion to Free Cash Flow estimate without reasonable effort because certain items that impact these measures and other reconciling measures are out of the Company's control and/or cannot be reasonably predicted at this time, to which unavailable information could have a significant impact on the Company's GAAP financial results.

Please see reconciliations of non-GAAP measures used in this release (with the exception of our December 31, 2024 Net Debt outlook, 2030 Adjusted EBITDA and the Adjusted EBITDA Conversion to Free Cash Flow estimate as described above) to the most directly comparable GAAP measures, beginning on the following slide.

# Reconciliation of Net Income to Adjusted EBITDA

**Reynolds Consumer Products Inc.**  
**Reconciliation of Net Income to Adjusted EBITDA**  
*(amounts in millions)*

	For the Years Ended December 31,	
	2023	2022
	(in millions)	
<b>Net income – GAAP</b>	<b>\$ 298</b>	<b>\$ 258</b>
Income tax expense	95	80
Interest expense, net	119	76
Depreciation and amortization	124	117
IPO and separation-related costs <sup>(1)</sup>	—	12
Other	—	3
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 636</b>	<b>\$ 546</b>

(1) *Reflects costs related to the IPO process, as well as costs related to our separation to operate as a stand-alone public company. These costs are included in Other expense, net in our consolidated statements of income.*

# Reconciliation of Net Income and EPS to Adjusted Net Income and Adjusted EPS

**Reynolds Consumer Products Inc.**  
**Reconciliation of Net Income and EPS to Adjusted Net Income and Adjusted EPS**  
*(amounts in millions, except per share data)*

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Net Income	Diluted Shares	Diluted EPS	Net Income	Diluted Shares	Diluted EPS
<b>As Reported - GAAP</b>	<b>\$ 298</b>	<b>210</b>	<b>\$ 1.42</b>	<b>\$ 258</b>	<b>210</b>	<b>\$ 1.23</b>
<b>Adjustments:</b>						
IPO and separation-related costs <sup>(1)</sup>	—	—	—	9	210	0.04
Other <sup>(1)</sup>	—	—	—	2	210	0.01
<b>Adjusted (Non-GAAP)</b>	<b><u>\$ 298</u></b>	<b><u>210</u></b>	<b><u>\$ 1.42</u></b>	<b><u>\$ 269</u></b>	<b><u>210</u></b>	<b><u>\$ 1.28</u></b>

(1) Amounts are after tax, calculated using a tax rate of 23.6% for the twelve months ended December 31, 2022, which is our effective tax rate for the period presented.



# Reconciliation of Total Debt and Calc of Net Debt to TTM Adj EBITDA

**Reynolds Consumer Products Inc.**  
**Reconciliation of Total Debt to Net Debt and Calculation of Net Debt to Trailing Twelve Months Adjusted EBITDA**  
*(amounts in millions, except for Net Debt to Trailing Twelve Months Adjusted EBITDA)*

**As of December 31, 2023**

Current portion of long-term debt	\$	—
Long-term debt		1,832
<b>Total debt</b>		<b>1,832</b>
Cash and cash equivalents		(115)
<b>Net debt (Non-GAAP)</b>	<b>\$</b>	<b>1,717</b>
<b>For the twelve months ended December 31, 2023</b>		
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$</b>	<b>636</b>

<b>Net Debt to Trailing Twelve Months Adjusted EBITDA</b>	<b>2.7x</b>
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**As of December 31, 2022**

Current portion of long-term debt	\$	25
Long-term debt		2,066
<b>Total debt</b>		<b>2,091</b>
Cash and cash equivalents		(38)
<b>Net debt (Non-GAAP)</b>	<b>\$</b>	<b>2,053</b>
<b>For the twelve months ended December 31, 2022</b>		
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$</b>	<b>546</b>

<b>Net Debt to Trailing Twelve Months Adjusted EBITDA</b>	<b>3.8x</b>
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# Reconciliation of Net Cash provided by Operating Activities to Free Cash Flow

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Reynolds Consumer Products Inc.  
Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow  
*(amounts in millions)*

	For the Years Ended December 31	
	2023	2022
Net cash provided by operating activities	\$ 644	\$ 219
Acquisition of property, plant and equipment	(104)	(128)
Free cash flow	<u>\$ 540</u>	<u>\$ 91</u>

# Reconciliation of FY2024 Net Income Guidance to Adjusted EBITDA Guidance

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**Reynolds Consumer Products Inc.**  
**Reconciliation of FY2024 Net Income Guidance to Adjusted EBITDA Guidance**  
*(amounts in millions)*

	Year Ended December 31, 2024	
	Low	High
<b>Net income (GAAP)</b>	<b>\$ 331</b>	<b>\$ 347</b>
Income tax expense	108	112
Interest expense, net	100	100
Depreciation and amortization	121	121
<b>Adjusted EBITDA</b>	<b>\$ 660</b>	<b>\$ 680</b>