



Third Quarter 2020  
Earnings Presentation  
November 11, 2020



## Forward-Looking Statements and Other Information

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 fourth quarter and fiscal year 2020 guidance. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “outlook,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “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 strategies and anticipated trends in our business. 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. 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.

## Non-GAAP Financial Measures

We use non-GAAP financial measures “Adjusted EBITDA,” “Adjusted Net Income,” “Adjusted Earnings Per Share,” “Net Debt” and “Adjusted Cash Flow From Operations” 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 unrealized gains and losses on derivatives, factoring discounts (pre-IPO), the allocated related party management fee (pre-IPO) and IPO and separation-related costs. We define Adjusted Net Income and Adjusted Earnings Per Share as Net Income and Earnings Per Share calculated in accordance with GAAP, plus the sum of IPO and separation-related costs, the impact of tax legislation changes under the CARES Act enacted March 27, 2020 and any unrealized gains or losses on derivatives. We define Net Debt as the current portion of long term debt plus long term debt less cash and cash equivalents. We define Adjusted Cash Flow From Operations as cash flow from operations less the change in related party receivables, change in related party payables, change in related party accrued interest payable, interest expense from related party borrowings and the repurchase of accounts receivable in conjunction with the IPO.

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 metrics 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 Adjusted Cash Flow From Operations when evaluating our cash flow as it provides a more meaningful and comparable cash flow measure without the impact of certain related party items. Accordingly, we believe presenting these metrics provides 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 2020, where adjusted, is provided on a non-GAAP basis, which the Company will continue to identify as it reports its future financial results. The Company cannot reconcile its expected Adjusted EBITDA to expected Net Income under “Fourth Quarter 2020 Guidance” and “Fiscal Year 2020 Guidance” without unreasonable effort because certain items that impact net income and other reconciling metrics are out of the Company’s control and/or cannot be reasonably predicted at this time, which unavailable information could have a significant impact on the Company’s GAAP financial results. In addition, the Company cannot reconcile its expected Net Debt to expected total debt without reasonable effort because certain items that impact total debt and other reconciling metrics are out of the Company’s control and/or cannot be reasonably predicted at this time, 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 presentation (with the exception of our fourth quarter and fiscal 2020 Adjusted EBITDA guidance and Net Debt guidance as described above) to the most directly comparable GAAP measures on the “Free cash flow profile” slide and in the appendix of this presentation.

## Trademarks

The trademarks included herein are the property of the owners thereof and are used for reference purposes only. Such use should not be construed as an endorsement of the products or services of the Company.

# Strong Third Quarter Results



## \$823m

Net Revenues

## \$192m

Adj. EBITDA

## 23%

Adj. EBITDA margin

for the third quarter ended 9/30/2020

|                             | Cooking products   |        | Waste & Storage products   |        |  |        | Tableware  |        |
|-----------------------------|--|--------|--|--------|--|--------|--|--------|
| Segments                    | Reynolds Cooking & Baking  |        | Hefty Waste & Storage  |        | Presto Products  |        | Hefty Tableware  |        |
| Third Quarter Ended 9/30/20 | Net Revenues   | \$285m | Net Revenues   | \$209m | Net Revenues   | \$136m | Net Revenues   | \$192m |
|                             | Adj. EBITDA  | \$63m  | Adj. EBITDA  | \$65m  | Adj. EBITDA  | \$28m  | Adj. EBITDA  | \$43m  |
|                             | % margin   | 22%    | % margin   | 31%    | % margin   | 21%    | % margin   | 22%    |
| Description                 | Branded and store brand foil, parchment paper, oven bags, wax and freezer paper, disposable aluminum pans and slow cooker liners |        | Branded and store brand slider food storage bags, Hefty brand trash bags and large volume store brand trash bags |        | Store brand food storage bags, trash bags, plastic wrap and containers |        | Branded and store brand disposable dishes, plates, bowls, platters, cups and cutlery |        |
| Selected products           |  |        |  |        |  |        |  |        |

# RCP Focus – Our “North Star”



Our focus leads to strong cash flow generation, return on investment and value creation

| Metric          | Fourth Quarter Guide   |
|-----------------|--|
| Net Revenues    | Mid-single digit growth (compared to \$835 million in Q4 2019) |
| Net Income      | \$111 million to \$114 million                                 |
| Adjusted EBITDA | \$195 million to \$200 million                                 |

| Metric                | Updated Guide                      |
|-----------------------|------------------------------------|
| Net Revenues          | \$3,240 million to \$3,260 million |
| Net Income            | \$362 million to \$365 million     |
| EPS                   | \$1.77 to \$1.78                   |
| Adjusted EBITDA       | \$715 million to \$720 million     |
| Adjusted Net Income   | \$410 million to \$413 million     |
| Adjusted EPS          | \$1.95 to \$1.97                   |
| Net Debt <sup>1</sup> | \$1.9 billion                      |

(1) By December 31, 2020

# Free cash flow profile



For the Quarter Ended September 30, 2020  
(\$ in millions)

|   | 2020         | 2019        |
|---|--------------|-------------|
| <b>Cash from operations</b>                             | <b>\$144</b> | <b>\$68</b> |
| Change in related party receivables                     | 1            | 7           |
| Change in related party payables                        | 3            | 21          |
| Change in related party accrued interest payable        | -            | (12)        |
| Interest expense, net, related party borrowings         | -            | 7           |
| <b>Adjusted cash flow from operations<sup>(1)</sup></b> | <b>\$148</b> | <b>\$91</b> |

## Observations

- Historical net cash provided by operating activities includes related party items that will not exist going forward
- Adjusted cash flow from operations removes the impact of these related party items
- Strong cash flow supports our capital allocation priorities

(1) Adjusted cash flow from operations is a non-GAAP financial measure.

# Appendix





# Adjusted EBITDA Reconciliation



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

|  | Three months ended<br>September 30, |               | Nine months ended<br>September 30, |               |
|--|-------------------------------------|---------------|------------------------------------|---------------|
|  | 2020                                | 2019          | 2020                               | 2019          |
| <b>Net income – GAAP</b>               | \$ 113                              | \$ 63         | \$ 251                             | \$ 135        |
| Income tax expense                     | 37                                  | 20            | 112                                | 44            |
| Interest expense, net                  | 13                                  | 39            | 57                                 | 174           |
| Depreciation and amortization          | 24                                  | 21            | 72                                 | 63            |
| Factoring discount                     | -                                   | 5             | -                                  | 15            |
| Allocated related party management fee | -                                   | 3             | -                                  | 7             |
| IPO and separation-related costs       | 5                                   | 11            | 26                                 | 12            |
| Unrealized gains on derivatives        | -                                   | (1)           | 1                                  | (9)           |
| Other                                  | -                                   | 1             | -                                  | -             |
| <b>Adjusted EBITDA (Non-GAAP)</b>      | <b>\$ 192</b>                       | <b>\$ 162</b> | <b>\$ 519</b>                      | <b>\$ 441</b> |

# Adjusted Net Income and EPS Reconciliation



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

|  | Three Months Ended September 30, 2020 |                   |                | Nine Months Ended September 30, 2020 |                   |                |
|--|---------------------------------------|-------------------|----------------|--------------------------------------|-------------------|----------------|
|  | Net Income                            | Diluted<br>Shares | Diluted EPS    | Net Income                           | Diluted<br>Shares | Diluted EPS    |
| <b>As Reported - GAAP</b>                              | \$ 113                                | 210               | \$ 0.54        | \$ 251                               | 203               | \$ 1.24        |
| Assume full period impact of IPO shares <sup>(1)</sup> | —                                     | —                 | —              | —                                    | 7                 | —              |
| <b>Total</b>   | <b>\$ 113</b>                         | <b>210</b>        | <b>\$ 0.54</b> | <b>\$ 251</b>                        | <b>210</b>        | <b>\$ 1.20</b> |
| <b>Adjustments:</b>                                    |                                       |                   |                |                                      |                   |                |
| Impact of tax legislation change from the CARES Act    | —                                     | —                 | —              | 23                                   | 210               | 0.11           |
| IPO and separation-related costs <sup>(2)</sup>        | 4                                     | 210               | 0.02           | 19                                   | 210               | 0.09           |
| Unrealized (gain) losses on derivatives <sup>(2)</sup> | -                                     | 210               | -              | 1                                    | 210               | 0.00           |
| <b>Adjusted (Non-GAAP)</b>                             | <b>\$ 117</b>                         | <b>210</b>        | <b>\$ 0.56</b> | <b>\$ 294</b>                        | <b>210</b>        | <b>\$ 1.40</b> |

<sup>(1)</sup> *The Company has assumed the actual shares outstanding at September 30, 2020 to be outstanding for the full year period rather than the weighted average shares outstanding over the course of the period as it is a more meaningful calculation that provides consistency in comparability.*

<sup>(2)</sup> *Amounts are after tax calculated using a tax rate of 25%, which is the Company's effective tax rate for the three and nine months ended September 30, 2020.*

# Adjusted Net Income and EPS 2020 Guidance Reconciliation



**Reynolds Consumer Products Inc.**  
**Reconciliation of 2020 Net Income and EPS guidance to Adjusted Net Income and Adjusted EPS guidance**  
*(amounts in millions except per share data)*

|   | Net Income |        | Diluted shares<br>outstanding <sup>(1)</sup> | Diluted Earnings Per Share |         |
|---|------------|--------|--|----------------------------|---------|
|   | low        | high   |  | low                        | high    |
| <b>Fiscal Year 2020 - Guidance</b>                      | \$ 362     | \$ 365 | 205  | \$ 1.77                    | \$ 1.78 |
| Assumed full year impact of IPO shares                  | -          | -      | 5  | -                          | -       |
| <b>Fiscal Year 2020 - Guidance with adjusted shares</b> | \$ 362     | \$ 365 | 210  | \$ 1.72                    | \$ 1.74 |
| <b>Adjustments:</b>                                     |            |        |  |                            |         |
| IPO and separation-related costs <sup>(2)</sup>         | 25         | 25     | 210  | 0.12                       | 0.12    |
| Impact of tax legislation change from the CARES Act     | 23         | 23     | 210  | 0.11                       | 0.11    |
| <b>Fiscal Year 2020 - Adjusted Guidance</b>             | \$ 410     | \$ 413 | 210  | \$ 1.95                    | \$ 1.97 |

<sup>(1)</sup> The Company has assumed the actual shares outstanding at September 30, 2020 to be outstanding for the full year period rather than the weighted average shares outstanding over the course of the period as it is a more meaningful calculation that provides consistency in comparability.

<sup>(2)</sup> Amounts are after tax calculated using a tax rate of 25%, which is the Company's effective tax rate for the three and nine months ended September 30, 2020.

