



Second Quarter 2021
Earnings Presentation
August 2, 2021



Disclaimer



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 third quarter and fiscal year 2021 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 commodity derivatives 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 a tax legislation change under the CARES Act enacted March 27, 2020 and any unrealized gains or losses on commodity 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 adjusted for 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 the third quarter and fiscal year 2021, 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 “Third Quarter 2021 Guidance” and “Fiscal Year 2021 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 third quarter and fiscal 2021 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.

Second Quarter Results



\$873m
Net Revenues

\$148m
Adj. EBITDA

17%
Adj. EBITDA margin

for the second quarter ended 6/30/2021

	Cooking products		Waste & Storage products				Tableware	
Segments	Reynolds Cooking & Baking		Hefty Waste & Storage		Presto Products		Hefty Tableware	
Second Quarter Ended 6/30/21	Net Revenues	\$303m	Net Revenues	\$220m	Net Revenues	\$142m	Net Revenues	\$217m
	Adj. EBITDA	\$59m	Adj. EBITDA	\$45m	Adj. EBITDA	\$21m	Adj. EBITDA	\$45m
	% margin	19%	% margin	20%	% margin	15%	% margin	21%

Performance Highlights

Net revenues increased 3%, driven by price increases, partially offset by a volume decline.

Adjusted EBITDA decreased 11%, driven by lower volume as the pricing actions fully offset increases in material and other costs.

Net revenues increased 8%, driven by price increases and volume.

Adjusted EBITDA decreased 29% as increases in material costs outpaced price increases.

Net revenues increased 3%, driven by price increases, partially offset by a volume decline.

Adjusted EBITDA decreased 25%, as increases in material costs outpaced price increases.

Net revenues increased 17%, driven by higher volume and price increases.

Adjusted EBITDA increased 5%, primarily driven by higher volume, partially offset by material cost increases outpacing price increases.

Selected products



Metric	Fiscal Year Guide 2021
Net Revenues	High single-digit growth (compared to \$3,263 million in FY20)
Net Income	\$311 million to \$332 million
Adjusted Net Income	\$323 million to \$344 million
Adjusted EBITDA	\$590 million to \$620 million
EPS	\$1.48 to \$1.58
Adjusted EPS	\$1.54 to \$1.64
Net Debt ¹	Approximately \$1.9 billion

(1) As of December 31, 2021

Metric	Third Quarter Guide 2021
Net Revenues	High single-digit growth (compared to \$823 million in Q3 2020)
Net Income	\$59 million to \$66 million
Adjusted Net Income	\$63 million to \$70 million
Adjusted EBITDA	\$125 million to \$135 million
EPS	\$0.28 to \$0.31
Adjusted EPS	\$0.30 to \$0.33

Free Cash Flow Profile



For the Quarter Ended June 30, 2021
(\$ in millions)

	2021	2020
Cash from operations	\$9	\$258
Change in related party payables	2	-
Change in related party receivables	(2)	5
Change in related party accrued interest payable	-	-
Interest expense, net, related party borrowings	-	-
Repurchase of Accounts Receivable in conjunction with IPO	-	-
Adjusted cash flow from operations⁽¹⁾	\$9	\$263

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

Simplify daily life to enjoy what matters most

Environmental and social issues affect not only the communities in which we operate, but also the long-term sustainability of our business.

Our Products	Our People	Our Communities	
Goals			
<p>We will offer products and packaging that help consumers make a positive impact with their buying and recycling habits</p>	<p>We will relentlessly pursue the overall health, safety, and well-being of all RCP employees</p>	<p>We will activate our communities to make more sustainable choices and recycle more</p>	<p>We will reduce the impact of our operations on the planet</p>
Targets			
<p>SUSTAINABLE PRODUCT OFFERINGS Offer sustainable¹ options in each product line across our portfolio by 2025</p> <p>SUSTAINABLE PACKAGING Use recyclable or reusable packaging for all of our branded products and make available for private label products, by 2025</p> <p>POST-CONSUMER WASTE Provide recycling instructions for all of our branded products by 2022</p>	<p>SAFETY Strive for zero incidents</p> <p>DIVERSITY Commit to increasing our gender and ethnicity representation at all levels through year-over-year improvements</p> <p>PAY EQUITY Continue our commitment to maintaining pay equity</p>	<p>COMMUNITY COLLABORATION Divert hard-to-recycle plastics from landfills by expanding availability of the Hefty® EnergyBag® program</p> <p>RECYCLING EDUCATION Create enthusiasm around consumer recycling and composting through education and partnerships</p>	<p>GREENHOUSE GAS EMISSIONS Set science-based targets by 2023 to reduce greenhouse gas emissions</p> <p>WASTE TO LANDFILL Achieve zero waste to landfill for manufacturing and logistics by 2025*</p> <p><small>*Zero waste to landfill certifications range from 90-95% waste diverted</small></p>

(1) A sustainable product is a product that is recyclable, reusable, compostable, made with recycled content, or made with raw materials derived from renewable resources.

Appendix



Adjusted EBITDA Reconciliation



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

	Three Months Ended June 30,	
	2021	2020
Net income – GAAP	\$ 80	\$ 112
Income tax expense	25	36
Interest expense, net	12	17
Depreciation and amortization	27	24
IPO and separation-related costs ⁽¹⁾	4	7
Unrealized (gains) losses on derivatives ⁽²⁾	—	(3)
Other	—	—
Adjusted EBITDA (Non-GAAP)	\$ 148	\$ 193

(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 condensed consolidated statements of income.

(2) Reflects the mark-to-market movements in our commodity derivatives.

Net Debt Reconciliation



Reynolds Consumer Products Inc.
Reconciliation of Net Debt
(amounts in millions)

	As of June 30, 2021
Current Portion of Long-Term Debt	\$ 25
Long-Term Debt	2,097
Total Debt	\$ 2,122
Cash and Cash Equivalents	(49)
Net Debt (Non-GAAP)	\$ 2,073

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 June 30, 2021			Three Months Ended June 30, 2020		
	Net Income	Diluted Shares	Diluted EPS	Net Income	Diluted Shares	Diluted EPS
As Reported – GAAP	\$ 80	210	\$ 0.38	\$ 112	210	\$ 0.53
Adjustments:						
IPO and separation-related costs ⁽¹⁾	3	210	0.01	5	210	0.03
Unrealized gains on derivatives ⁽¹⁾	—	—	—	(2)	210	(0.01)
Adjusted (Non-GAAP)	\$ 83	210	\$ 0.39	\$ 115	210	\$ 0.55

(1) Amounts are after tax, calculated using a tax rate of 24.5% for the three months ended June 30, 2021 and 2020, which is our effective tax rate for the periods presented excluding discrete tax items.

Adjusted Net Income and EPS 2021 Guidance Reconciliation



Reynolds Consumer Products Inc.
Reconciliation of Q3 2021 Net Income and EPS Guidance to Adjusted Net Income and Adjusted EPS Guidance
(amounts in millions, except per share data)

	Net Income		Diluted Shares Outstanding	Diluted Earnings Per Share	
	Low	High		Low	High
Q3 2021 – Guidance	\$ 59	\$ 66	210	\$ 0.28	\$ 0.31
Adjustments:					
IPO and separation-related costs ⁽¹⁾	4	4	210	\$ 0.02	\$ 0.02
Q3 2021 – Adjusted Guidance	<u>\$ 63</u>	<u>\$ 70</u>	210	<u>\$ 0.30</u>	<u>\$ 0.33</u>

Reynolds Consumer Products Inc.
Reconciliation of 2021 Net Income and EPS Guidance to Adjusted Net Income and Adjusted EPS Guidance
(amounts in millions, except per share data)

	Net Income		Diluted Shares Outstanding	Diluted Earnings Per Share	
	Low	High		Low	High
Fiscal Year 2021 – Guidance	\$ 311	\$ 332	210	\$ 1.48	\$ 1.58
Adjustments:					
IPO and separation-related costs ⁽¹⁾	12	12	210	\$ 0.06	\$ 0.06
Fiscal Year 2021 – Adjusted Guidance	<u>\$ 323</u>	<u>\$ 344</u>	210	<u>\$ 1.54</u>	<u>\$ 1.64</u>

(1) Amounts are after tax calculated using a tax rate of 25%, which is the Company's expected tax rate for Q3 and FY 2021.

