



Reynolds 
Consumer Products

Q4 and FY 2022
Earnings Presentation
February 8, 2023

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 first quarter and fiscal year 2023 guidance. 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,” “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, management of costs and other disruptions and other strategies, 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. 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.

- Net revenues increased 7% as pricing more than offset a volume decline driven primarily by price elasticity and increased activity outside the home
- Net income decreased 20% versus the prior year, while Adjusted EBITDA decreased 9%, due to lower volume and higher advertising costs, partially offset by the timing of pricing actions to recover increased material, manufacturing and logistics costs
- Encouraged by three of four segments' recovery to pre-pandemic profitability and record profits in the fourth quarter
- Comprehensive Recovery Plan launched for Reynolds Cooking & Baking, including organizational changes, redesign of equipment reliability practices and new initiatives aimed at driving operational excellence - expect our execution of this plan to contribute to our anticipated return to pre-pandemic profitability over the course of 2023

Fiscal Year 2022 Financial Highlights

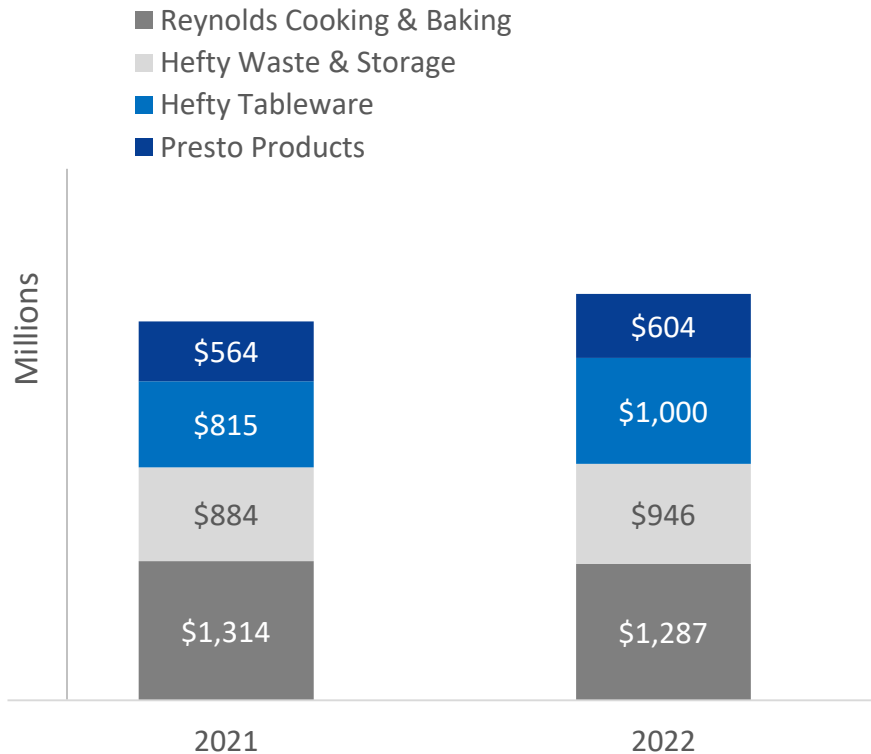


\$3,817m
Net Revenues

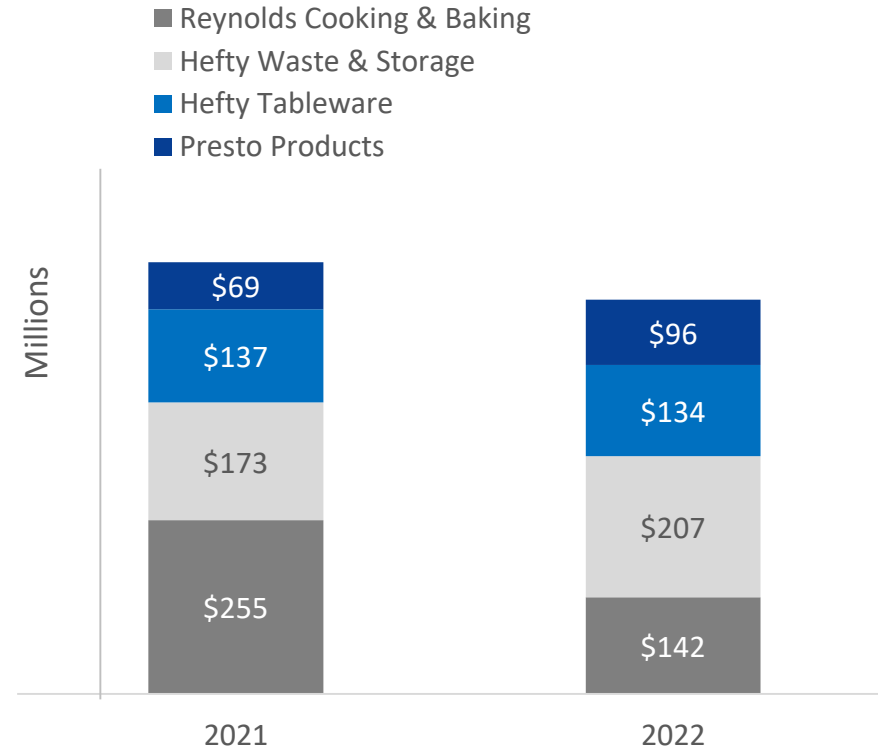
\$546m
Adj. EBITDA

14%
Adj. EBITDA margin

Net Revenues By Segment¹



Adj EBITDA By Segment¹



¹ Excludes Corporate/Unallocated Revenue and Expense

Q4 2022 Financial Highlights



\$1,089m

Net Revenues

\$200m

Adj. EBITDA

18%

Adj. EBITDA margin

- Net revenues increased 7%, as pricing more than offset a volume decline driven primarily by price elasticity and increased activity outside the home
- Net income increased by 2% versus the same prior year period. Adjusted EBITDA increased by 10%, driven by implementation of pricing actions in response to higher costs partially offset by the impact of lower volume, most prominently in Reynolds Cooking & Baking where we lapped the impact of prior year retailer inventory replenishment as well as higher manufacturing and material costs
- Net Income of \$107 million; Adjusted Net Income of \$111 million
- Earnings Per Share of \$0.51 and Adjusted Earnings Per Share of \$0.53 (vs. \$0.50 and \$0.51, respectively, in the year ago period)



Q4 2022 Segment Results

Net Revenues \$398 million

Adj. EBITDA \$45 million

% Adj. EBITDA margin 11%

- Net revenues decreased 3%, driven by lower volume, partially offset by higher pricing in response to cost increases. Adjusted EBITDA decreased 49% driven by lower volume and increases in material and manufacturing costs.
- Volume decreased 10% driven by lower household foil consumption as well as lapping of retailer inventory replenishment in the fourth quarter of 2021.
- Reynolds Wrap gained additional market share in Q4 as features and displays increased, promotions to key price points continued and price gaps to private label narrowed. The Reynolds brand also maintained higher share in adjacent categories (ie oven bags and slow cooker liners) and continued to benefit from product innovations, including Reynolds Kitchens Air Fryer liners.
- Reynolds Cooking & Baking earnings were negatively impacted by additional unplanned equipment downtime, which in turn, increased manufacturing costs and required supplemental purchases of milled aluminum at a premium to our costs. Lower household foil consumption also contributed.
- Launched a comprehensive and well-resourced plan to maintain commercial momentum and reduce operational impediments to achieve the recovery of historical levels of profitability.



Q4 2022 Segment Results

Net Revenues	\$242 million
Adj. EBITDA	\$72 million
<i>% Adj. EBITDA margin</i>	<i>30%</i>

- Net revenues increased 4%, driven by higher pricing in response to cost increases, partially offset by lower volume. Adjusted EBITDA increased 57%, reflecting the timing of pricing actions relative to cost increases and the execution of cost savings initiatives partially offset by the impact of lower volume. Volume decreased 5% driven by price elasticity and increased consumer activity outside the home.
- Hefty waste bags gained share in the quarter and for the year, and waste bag usage continued well above 2019 levels as consumers continued cooking and working more at home as compared to 2019. Innovation remained a major driver of share gains including the launch of Hefty 4 & 8 gallon drawstring trash bags with new Fabuloso® Lavender and Ocean Water scents and Hefty Fabuloso® Lavender products gained additional points of distribution in the quarter.
- Hefty Slider trends improved in the quarter with increased advertising and innovation, including the national launch of Hefty Storage half gallon and calendar bags in the e-commerce channel, contributing to the improvement.



Q4 2022 Segment Results

Net Revenues	\$297 million
Adj. EBITDA	\$62 million
<i>% Adj. EBITDA margin</i>	<i>21%</i>

- Net revenues increased 28%, primarily driven by higher pricing in response to cost increases. Adjusted EBITDA increased 88% driven by timing of pricing actions and execution of cost savings initiatives.
- Volume increased 1% driven by Hefty disposable plates and continued strength in the club channel.
- Hefty Tableware gained brand share of disposable tableware in the quarter and for the year driven by Hefty disposable plates and innovation and also implementing additional pricing in the quarter.
- Hefty ECOSAVE™ remained a major contributor to growth, gaining additional distribution, and Hefty Compostable Printed Plates continued delivering strong initial results.



Q4 2022 Segment Results

Net Revenues \$156 million

Adj. EBITDA \$30 million

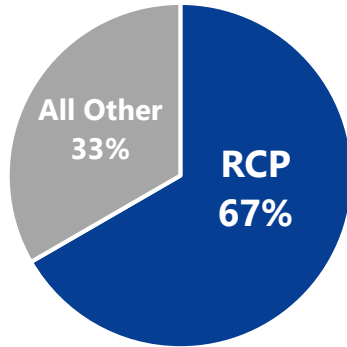
% Adj. EBITDA margin 19%

- Net revenues increased 8%, driven by higher pricing in response to cost increases and volume growth. Adjusted EBITDA increased 76% driven by timing of pricing actions, higher volume and the impact of cost reduction initiatives.
- Volume increased 3% driven by increased consumption and share of private label food bags.
- Presto gained additional share of private label food bags in the quarter and for the year, and new products remained a major contributor of growth.

Category Share

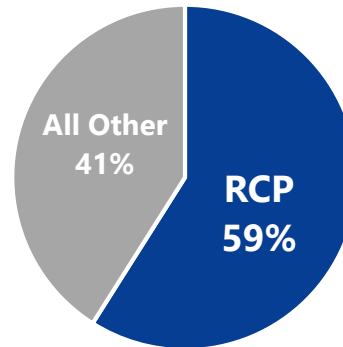
Aluminum Foil

Total Category: \$970 million



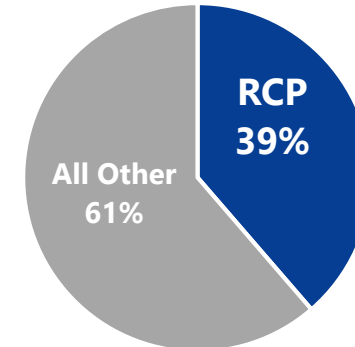
Convenience Cooking

Total Category \$309 million
(parchment, wax & freezer paper, slow cooker liners, oven bags & baking cups)



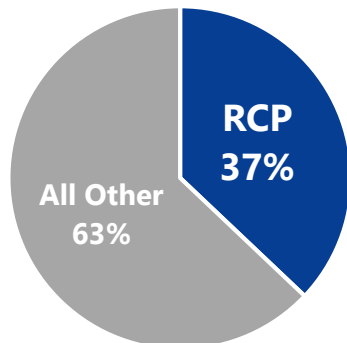
Trash Bags

Total Category \$3.5 billion



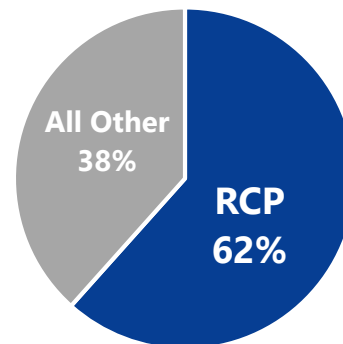
Food Storage Bags

Total Category: \$1.9 billion



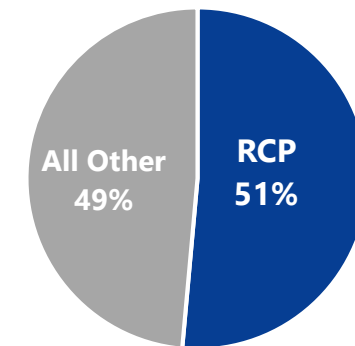
Foam Dishes

Total Category: \$898 million



Plastic Cups

Total Category: \$785 million



Q1 and Fiscal Year 2023 Outlook



Metric	Q1 2023 Outlook	Fiscal Year 2023 Outlook
Net Revenues	Flat +/- 1% growth	Flat +/- 1% growth
Net Income	\$12 to \$20 million	\$274 to \$296 million
Adjusted EBITDA	\$75 to \$85 million	\$605 to \$635 million
Earnings Per Share	\$0.06 to \$0.09	\$1.30 to \$1.41
Net Debt <i>(as of December 31, 2023)</i>	NA	\$1.8 to \$1.9 billion

Note: The Company is not providing projected adjusted net income or adjusted earnings per share, as it does not anticipate using or presenting such non-GAAP metrics in these periods.

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			
We will offer products and packaging that help consumers make a positive impact with their buying and recycling habits	We will relentlessly pursue the overall health, safety, and well-being of all RCP employees	We will activate our communities to make more sustainable choices and recycle more	We will reduce the impact of our operations on the planet
Targets			
<p>SUSTAINABLE PRODUCT OFFERING Offer sustainable 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>

Non-GAAP Financial Measures



We use non-GAAP financial measures “Adjusted EBITDA,” “Adjusted Net Income,” “Adjusted Earnings Per Share,” and “Net Debt” 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, and 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 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. 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 and first quarter 2023, where adjusted, is provided on a non-GAAP basis. The Company cannot reconcile its expected Net Debt at December 31, 2023 to expected total debt without reasonable effort because certain items that impact total debt 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, 2023 Net Debt outlook, as described above) to the most directly comparable GAAP measures, beginning on the following slide.

Adjusted EBITDA Reconciliation



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

	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2022	2021	2022	2021
Net income – GAAP	\$ 107	\$ 105	\$ 258	\$ 324
Income tax expense	30	34	80	106
Interest expense, net	28	12	76	48
Depreciation and amortization	30	27	117	109
IPO and separation-related costs ⁽¹⁾	3	3	12	14
Other	2	—	3	—
Adjusted EBITDA (Non-GAAP)	\$ 200	\$ 181	\$ 546	\$ 601

(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.

Net Debt Reconciliation



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

	<u>As of December 31, 2022</u>
Current portion of long-term debt	\$ 25
Long-term debt	2,066
Total debt	<u>2,091</u>
Cash and cash equivalents	(38)
Net debt (non-GAAP)	<u><u>\$ 2,053</u></u>

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 December 31, 2022			Three Months Ended December 31, 2021		
	Net Income	Diluted Shares	Diluted EPS	Net Income	Diluted Shares	Diluted EPS
As Reported - GAAP	\$ 107	210	\$ 0.51	\$ 105	210	\$ 0.50
Adjustments:						
IPO and separation-related costs ⁽¹⁾	2	210	0.01	2	210	0.01
Other ⁽¹⁾	2	210	0.01	—	—	—
Adjusted (Non-GAAP)	\$ 111	210	\$ 0.53	\$ 107	210	\$ 0.51

(1) Amounts are after tax, calculated using a tax rate of 22.2% and 24.3% for the three months ended December 31, 2022 and 2021, respectively, which is our effective tax rate for the periods presented.

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Net Income	Diluted Shares	Diluted EPS	Net Income	Diluted Shares	Diluted EPS
As Reported - GAAP	\$ 258	210	\$ 1.23	\$ 324	210	\$ 1.54
Adjustments:						
IPO and separation-related costs ⁽¹⁾	9	210	0.04	11	210	0.05
Other ⁽¹⁾	2	210	0.01	—	—	—
Adjusted (Non-GAAP)	\$ 269	210	\$ 1.28	\$ 335	210	\$ 1.59

(1) Amounts are after tax, calculated using a tax rate of 23.6% and 24.6% for the years ended December 31, 2022 and 2021, respectively, which is our effective tax rate for the periods presented.

Outlook Reconciliation of Net Income to Adjusted EBITDA



Reynolds Consumer Products Inc.
Reconciliation of Q1 2023 and FY2023 Net Income Guidance to Adjusted EBITDA Guidance
(amounts in millions)

	Three Months Ended March 31, 2023		Year Ended December 31, 2023	
	Low	High	Low	High
Net income (GAAP)	\$ 12	\$ 20	\$ 274	\$ 296
Income tax expense	4	6	91	99
Interest expense, net	30	30	120	120
Depreciation and amortization	29	29	120	120
Adjusted EBITDA	\$ 75	\$ 85	\$ 605	\$ 635

