Reynolds Consumer Products

Q1 2025
Earnings Call

April 30, 2025

Safe Harbor

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 second quarter and fiscal year 2025 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,” “look forward,” “potential” “on track”, 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, 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. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Our products simplify daily life so you can enjoy what matters most

We make cooking, serving, clean-up and storage simpler and easier, providing people a little more time for the things that matter

Advancing our 2025 Priorities

- ✓ Continue treating employee and company safety as our top priority, and build further on our world class safety performance
- ✓ Accelerate growth through distribution wins and product innovation, and build a more sustainable level of low-single-digit growth in the future
- ✓ Execute cost savings to set the stage for margin expansion
- ✓ Deliver a more stable earnings growth model
- ✓ Invest in people and develop our leaders to drive and support a growing business

Strategy: Accelerate Growth & Drive Elevated Financial Results

Revenue Growth

- ✓ Drive organic retail volume growth
- ✓ Drive distribution wins
- ✓ Higher impact innovation (often catalyst to new distribution)
- ✓ Implementing revenue growth management to benefit RCP and its retail partners

Margin Expansion

- ✓ Execution of cost reduction initiatives to improve margins and unlock additional growth opportunities
- ✓ Reducing costs to the entire supply chain from raw materials to finished goods

ROI

- ✓ Returns based mindset
- ✓ Focus on free cash flow and disciplined capital allocation
- ✓ Increased investment in high return growth and productivity projects

Q1 2025
Financial Results

"We are executing well in a dynamic consumer and retail environment, outperforming our categories by two points in the quarter. Our US-centric manufacturing platform and business model are resilient, and we are effectively navigating the near-term macro challenges in partnership with our retail customers. We are also making progress advancing initiatives to drive growth and margin expansion that deliver long term value."

- Scott Huckins, President and CEO

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Q1 2025 Financial Performance

Q1 2025 Performance Highlights

- ✓ Executing well in a dynamic consumer and retail environment
- ✓ Continue to invest in growth and margin expansion
- ✓ Outperformed our categories by 2pts at retail
- ✓ Delivered our earnings guide, despite retailer destocking
- ✓ Implementing spring resets and price increases according to plan

Q1 2025 Financial Highlights

$818m	$117m	14%
Net Revenues	Adj. EBITDA[1]	Adj. EBITDA margin[1]

	Reynolds Cooking & Baking		Hefty Waste & Storage		Hefty Tableware		Presto Products	
First Quarter Ended 3/31/25	**Net Revenues[2]**	**$259M**	**Net Revenues[2]**	**$240M**	**Net Revenues[2]**	**$179M**	**Net Revenues[2]**	**$143M**
	Adj. EBITDA	**$38M**	**Adj. EBITDA**	**$59M**	**Adj. EBITDA**	**$17M**	**Adj. EBITDA**	**$26M**
	% margin	15%	**% margin**	25%	**% margin**	9%	**% margin**	18%
Performance Highlights	Retail volume decreased 4% driven by inventory destocking and the later Easter timing, despite Reynolds Wrap growing and gaining share at retail. The Adjusted EBITDA increase was driven by higher pricing and lapping of higher operational costs, partially offset by lower volume.		Retail volume increased 3% despite the impact of retailer destocking, and Hefty Waste & Storage continued to outperform its categories. Hefty Fabuloso® waste bags, Hefty Press to Close food bags and other new products continued to deliver strong growth while expanding distribution with promotional spend flat to the prior year. The Adjusted EBITDA decrease was driven by higher operational costs, partially offset by higher volume.		Retail volume decreased 16%, driven by foam declines, retailer destocking and the later Easter timing. The remainder of the Tableware portfolio grew and continued to outperform its categories at retail. The Adjusted EBITDA decrease was driven by lower foam volume and higher operational costs, partially offset by higher pricing reflecting the timing of promotional activities.		Retail volume was unchanged and was impacted by retailer destocking. Presto's portfolio gained additional share in store brand food bags at retail. The Adjusted EBITDA decrease was driven by higher operational costs.	

[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.
[2] Excludes Corporate/Unallocated Revenue and Adjusted EBITDA

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Q2 and FY 2025 Financial Outlook

Q2 2025 Outlook

Net Revenues	• Down 2% to 5% • Lower volume, partially offset by pricing
Adj EPS[1]	$0.35 - $0.39
Adj EBITDA[1]	$155 million - $165 million

[1]Adjusted EBITDA and Adjusted Earnings per Share are non-GAAP financial measures. The Company is not able to quantify certain other items that will be excluded from forward-looking Adjusted EBITDA and Adjusted EPS without unreasonable efforts due to uncertainties and potential variability of those items. Such unavailable information is not expected to have a significant impact on the Company's future GAAP financial results.

2025 Outlook

Net Revenues	• Down low single digits • 2 to 4 points of positive pricing to offset cost increases resulting directly or indirectly from tariffs • Retail volumes at or above category performance
Adj EPS[1]	$1.54 - $1.61
Adj EBITDA[1]	$650 - $670 million

[1]Adjusted Net Income, Adjusted EBITDA and Adjusted EPS are non-GAAP financial measures. The Company is not able to quantify certain other items that will be excluded from forward looking Adjusted Net Income, Adjusted EBITDA and Adjusted EPS without unreasonable efforts due to uncertainties and potential variability of those items. Such unavailable information is not expected to have a significant impact on the Company's future GAAP financial results. Full-year 2025 expected Adjusted Net Income reflects the following estimated adjustments from Net Income: $25 million to $35 million of pre-tax CEO transition costs and strategic investments in cost savings and revenue growth initiatives and $13 million of pre-tax costs related to refinancing the Company’s term loan in the first quarter. In addition, full-year 2025 expected Adjusted EBITDA excludes estimated depreciation and amortization of approximately $130 million.

Non-GAAP Financial Measures

Non-GAAP Financial Measures

We use non-GAAP financial measures “Adjusted EBITDA,” “Adjusted Net Income,” “Adjusted Earnings Per Share,” “Net Debt,” and “Net Debt to Trailing Twelve Months Adjusted EBITDA” 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, debt refinancing expense, depreciation and amortization, costs to execute strategic initiatives and CEO transition 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 the after-tax impact of debt refinancing expense, costs to execute strategic initiatives and CEO transition 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 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 EPS 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 present Conversion of Adjusted EBITDA as it measures our management of working capital and profit conversion 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 and second quarter 2025, where adjusted, is provided on a non-GAAP basis. While the Company is providing estimated amounts for certain of the expected adjustments in this presentation, the Company cannot provide full reconciliations for its expected second quarter and fiscal year 2025 Adjusted EBITDA and Adjusted EPS to expected Net Income and expected EPS under “Q2 2025 Outlook” and “2025 Outlook” without unreasonable effort because certain items that impact Net Income and EPS and other reconciling metrics are out of the Company’s control and/or cannot be reasonably predicted at this time, which unavailable information is not expected to 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 fiscal year and second quarter 2025 Adjusted EBITDA and Adjusted EPS outlook, as described above) to the most directly comparable GAAP measures, beginning on the following page.

Reconciliation of Net Income to Adjusted EBITDA

	Three Months Ended March 31,	
	2025	2024
	(in millions)	
Net income – GAAP	**$ 31**	**$ 49**
Income tax expense	11	16
Interest expense, net	21	25
Debt refinancing expense[(1)]	13	—
Depreciation and amortization	32	32
Costs to execute strategic initiatives[(2)]	5	—
CEO transition costs[(3)]	4	—
Adjusted EBITDA (Non-GAAP)	**$ 117**	**$ 122**

(1) Reflects the expense recorded related to our March 2025 Term Loan Facility refinancing.

(2) Reflects costs related to the execution of cost savings and revenue growth strategic initiatives.

(3) Reflects compensation and other costs related to the CEO transition effective January 1, 2025.

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

(in millions, except for per share data)	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024		
	Net Income	Diluted Shares	Diluted EPS	Net Income	Diluted Shares	Diluted EPS
As Reported - GAAP	**$ 31**	**210.3**	**$ 0.15**	**$ 49**	**210.1**	**$ 0.23**
Adjustments:						
Debt refinancing expense[(1)]	10	210.3	0.05	—	210.1	—
Costs to execute strategic initiatives[(1)]	4	210.3	0.02	—	210.1	—
CEO transition costs[(1)]	4	210.3	0.02	—	210.1	—
Adjusted (Non-GAAP)	**$ 49**	**210.3**	**$ 0.23**	**$ 49**	**210.1**	**$ 0.23**

(1) Amounts are after tax, calculated based on the applicable tax treatment of each adjustment, using a normalized effective tax rate of 23.9% for deductible items and 0% for non-deductible items.

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Reconciliation of Trailing Twelve Months Net Income to Trailing Twelve Months Adjusted EBITDA *(amounts in millions)*

	Twelve Months Ended March 31, 2025	Twelve Months Ended December 31, 2024
Net income – GAAP	**$ 335**	**$ 352**
Income tax expense	93	99
Interest expense, net	93	98
Debt refinancing expense	13	—
Depreciation and amortization	130	129
Costs to execute strategic initiatives	5	—
CEO transition costs	4	—
Adjusted EBITDA (Non-GAAP)	**$ 673**	**$ 678**

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 March 31, 2025		
Current portion of long-term debt	$	16
Long-term debt		1,621
Total debt		1,637
Cash and cash equivalents		(58)
Net debt (Non-GAAP)	**$**	**1,579**
For the twelve months ended March 31, 2025		
Adjusted EBITDA (Non-GAAP)	**$**	**673**
Net Debt to Trailing Twelve Months Adjusted EBITDA		**2.3x**

As of December 31, 2024		
Current portion of long-term debt	$	—
Long-term debt		1,686
Total debt		1,686
Cash and cash equivalents		(137)
Net debt (Non-GAAP)	**$**	**1,549**
For the twelve months ended December 31, 2024		
Adjusted EBITDA (Non-GAAP)	**$**	**678**
Net Debt to Trailing Twelve Months Adjusted EBITDA		**2.3x**

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