

Q3 2025 Earnings Call *(Corrected version)*

✓ **Event Details**

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Company: Reynolds Consumer Products, Inc.

Ticker: REYN-US

✓ **Company Participants**

Mark David Swartzberg - Reynolds Consumer Products, Inc., Vice President-Investor Relations

Scott Edward Huckins - Reynolds Consumer Products, Inc., President, Chief Executive Officer & Director

Nathan D. Lowe - Reynolds Consumer Products, Inc., Chief Financial Officer

✓ **Other Participants**

Robert Ottenstein - Analyst

Kaumil Gajrawala - Analyst

Lauren R. Lieberman - Analyst

Andrea Teixeira - Analyst

Peter Grom - Analyst

Brian C. McNamara - Analyst

MANAGEMENT DISCUSSION SECTION

Operator

Greetings and welcome to the Reynolds Consumer Products, Inc. Third Quarter 2025 Earnings Conference Call. At this time, all participants are in a listen-only mode. A brief question-and-answer session will follow the formal presentation. As a reminder, this conference is being recorded.

It is now my pleasure to introduce your host, Mark Swartzberg, Vice President of Investor Relations. Thank you, sir. You may begin.

Mark David Swartzberg

Thank you, operator. Good morning and thank you for joining us for Reynolds Consumer Products third quarter earnings conference call. Please note that this call is being webcast on the Investor Relations section of our corporate site at reynoldsconsumerproducts.com. Our earnings press release and investor deck are also available.

With me on the call today are Scott Huckins, our President and Chief Executive Officer and Nathan Lowe, our Chief Financial Officer. Following prepared remarks, we will open the call for a brief question-and-answer session.

Before we begin, I would like to remind you that this morning's discussion will contain forward-looking statements which are subject to risks, uncertainties and changes in circumstances that could cause actual results and outcomes to differ materially from those described today. Please refer to the Risk Factors section in our SEC filings.

The company does not intend to update or alter these forward-looking statements to reflect events or circumstances arising after the call. During today's call, we will refer to certain non-GAAP or adjusted financial measures. Reconciliations of these GAAP to non-GAAP financial measures are available in our earnings press release, investor presentation deck and Form 10-Q, which can be found on the Investor Relations section of our site.

Now, I'd like to turn the call over to Scott.

Scott Edward Huckins

Thank you, Mark, and good morning, everyone. I am pleased with our latest results and how we are performing in what continues to be a challenging environment. As we review the third quarter, we achieved strong retail performance, gaining market share overall and in the vast majority of our categories. We demonstrated increased agility and effectiveness in managing profitability. Additionally, we successfully advanced long-term initiatives that enhance our value, including our strength as a US centric business. I will review our performance and these initiatives before turning the call over to Nathan for more on the quarter and our guide.

Our retail share increases were driven by multiple business units and product lines. These include Hefty waste bags, Hefty party cups, Reynolds Wrap, Reynolds Kitchens parchment products and store brand food bags. We are pleased by the breadth and depth of the share gains demonstrating that both our products and our execution are winning in the marketplace.

In terms of pricing, the increases in aluminum foil that we talked about on the Q2 call were implemented according to plan. Reynolds Wrap volume outperformed the category in the third quarter and reflected our position as the US's only vertically integrated foil manufacturer. This performance was driven by several factors, including the brand's strong equity and reduced price gaps compared to store brand foil offering consumers a compelling value proposition. The combination of share gains and pricing actions across the portfolio, together with continued cost discipline, delivered improved results in all four business units in the quarter. In terms of cost discipline, we are making progress managing manufacturing, supply chain and SG&A costs, while continuing to drive our categories and gain market share.

Turning to the environment. The operating environment remains challenging with low and middle income consumers under continued pressure and retailers facing cost inflation, especially from overseas suppliers subject to tariffs. This backdrop presents both opportunities and risks. In terms of risks, this environment can lead to more transactional relationships between suppliers and retailers. For example, our leadership in store brands could result in a customer shifting part of their business to another supplier. However, this also presents a huge opportunity. We can leverage our category leadership while working to become an even more valued supplier by reducing product costs and inefficiencies in our supply chain.

Our strong US centric manufacturing footprint and supply chain remain a source of advantage, especially in this climate of economic and trade uncertainty. Our new Chief Commercial Officer, Carlen Hooker, has hit the ground running and is leading growth programs to further drive share category by category at each of our major customers. There are multiple components of our team's work, including the improvements in revenue growth management processes and tools that I mentioned last quarter. These improvements benefited performance in multiple channels in the quarter and we are continuing the shift to higher return programs this holiday season and beyond.

Household foil is an important category for us and an example of where the implementation of these tools contributed to solid category performance in the quarter. Reynolds Wrap retail sales were up 7%, similar to the category, with volumes a point better than the categories minus 1%. As I mentioned, price gaps to store brands also narrowed in the quarter, creating a constructive backdrop further benefiting volume performance. As you would expect, we are monitoring aluminum costs in foil dynamics very closely and we'll continue adjusting our pricing and promotional plans to advance the category in our business.

Our innovation is another competitive advantage and we are strengthening our ability to convert consumer insights into products that drive their categories. Reynolds Wrap Fun Foil is expanding distribution for the holidays and performing strongly online, creating new usage occasions by responding to consumers' appetite for customization and variety.

The Reynolds brand also continues to drive transformation in the rapidly growing parchment segment. Circana recently recognized Reynolds Kitchens Air Fryer liners as a 2025 new product pacesetter for our record of growth and strong alignment with consumer trends. Further, our newest parchment innovations Reynolds Kitchens Air Fryer cups and parchment cooking bags recently earned additional e-com and mass distribution gains. Our other flagship brand, Hefty, is a nearly \$2 billion brand that might be best known for its waste bag momentum. However, Hefty's growth potential extends far beyond waste, consistent with its positioning as a brand that is both strong and dependable. Our 80-count Halloween party cups were recently introduced in mass and are doing well.

Velocities for new Hefty ECOSAVE compostable cutlery introduced in club and mass earlier this year continue to be very encouraging. And Hefty remains very strong in waste bags leading the scented waste bags segment which is driving the more than \$4 billion waste bag category. The Hefty Fabuloso combination of brands immediately resonated with consumers when it began four years ago, including the opportunity to build on the two brands strong shopper loyalty. Today, the Hefty Fabuloso portfolio continues to drive the waste bag category as more and more consumers find scents they love in a waste bag associated with strength that they can trust.

Our newest line, Hefty Fabuloso Watermelon, has achieved ACV of over 50 (00:17:13) less than a year after launch and especially popular with the Gen Z consumers who love it not only for its scent, but also for its fun, hot pink color.

Our innovation is not limited to Reynolds and Hefty either. We are winning in multiple other categories as well. Notably, our store brand food bag business is gaining significant market share, driven by the increased distribution of new products in the club channel. In fact, all of the growth in the food bag category was driven by RCP supplied products in the quarter. These new products are performing well because they offer consumers strength, reliability and product features at a retail price that represents strong consumer value.

Turning to profitability, as I touched on earlier, I am pleased to report that we are driving out manufacturing and supply chain costs. We have been making progress on manufacturing productivity since the start of the year and are now moving to the next leg of that journey. That involves leaning more heavily on technology, the expansion of lean principles and additional automation throughout our operations. To lead us in that work, we recently hired Scott Vail as Chief Operations Officer. Scott is responsible for the implementation of our manufacturing initiatives across our entire organization in partnership with our business unit teams. He comes to us from Anheuser-Busch InBev and Ball Corporation, where he led similar operational initiatives.

In closing, we are operating with increased agility, outperforming our categories and driving improved financial results. We are also making RCP even stronger by driving out manufacturing and supply chain costs,

positioning us as an even more important supplier to our customers and source of value for our shareholders.

Nathan, over to you.

Nathan D. Lowe

Thank you, Scott, and good morning, everyone. I'm pleased to review our third quarter performance, which demonstrates our effectiveness driving results as revenue exceeded our expectations and earnings was at the upper end of our guide. Third quarter net revenues were \$931 million, an increase of more than 2% from \$910 million in the year-ago period. Retail revenue of \$864 million, increased 1% by comparison to retail revenue in the third quarter of 2024 and our retail volume grew 1% excluding foam products. As Scott mentioned, we increased share in multiple categories and our pricing actions have been executed as planned. Our non-retail revenues also increased \$13 million to \$67 million in the quarter.

In terms of profit, each of our business units grew EBITDA in the quarter and consolidated adjusted EBITDA was \$168 million compared to \$171 million in the year-ago period, reflecting improved results in all operating segments and the timing of corporate expenses in the prior year. Adjusted EPS was \$0.42 versus \$0.41 in the year-ago period, reflecting lower interest costs and tax initiatives. Third quarter 2025 adjusted EPS excludes \$0.04 of strategic investments in revenue growth and operational cost savings initiatives as well as CEO transition costs.

Before turning to the guide, there are few points I want to highlight regarding gross profit, SG&A and performance in our tableware business. Gross profit was down \$6 million versus the year-ago period, but to a much lesser extent than in the second quarter, with increased alignment between pricing and input costs driving sequential improvement. As a reminder, implemented and in-flight pricing is designed to fully recover commodity and tariff impacts.

SG&A was similar to the second quarter levels and down \$29 million year-to-date, reflecting changes we have implemented to lower our cost base and create a more agile organization. And our tableware business grew EBITDA in the quarter in contrast to tableware sales volumes which were down 13%, demonstrating increasing success driving profitability in this business as we tailor strategies for managing the various parts of the portfolio differently.

Looking ahead, we are pleased to increase our revenue and adjusted EPS guides for the year, reflecting confidence in our retail trends and the programs we are implementing to drive near and longer-term results. As a result, for the full year, we now expect net revenues to be flat to down 1% by comparison to 2024 net revenues of \$3.7 billion, adjusted EBITDA of \$655 million to \$665 million and adjusted EPS of \$1.60 to \$1.64.

Key features of our expectations included the following: Retail volume performance in line with or better than our categories; pricing representing full recovery of increased commodity and tariff costs; non-retail revenue contributing 1 point of growth for the year; early flow through of productivity gains from the various strategic initiatives we have been working on and continued discipline in all areas of controllable costs including SG&A. Our full year expectations for adjusted EBITDA and adjusted EPS exclude debt refinancing costs recognized in the first quarter and approximately \$40 million of pre-tax costs to execute strategic initiatives and CEO transition costs.

In the fourth quarter, we expect net revenues to be down 1% to 5% by comparison to the fourth quarter 2024 net revenues of \$1.021 billion, including an assumption of flat non-retail revenues. We expect adjusted

EBITDA to be between \$208 million and \$218 million by comparison to fourth quarter 2024 adjusted EBITDA of \$213 million. And we expect Q4 adjusted EPS in a range of \$0.56 to \$0.60 versus \$0.58 in the year-ago period.

Turning to cash flow and capital allocation. Subsequent to quarter end, we made a voluntary principal payment of \$50 million on our term loan facility. The elimination of relatively high cost interest expense generates an attractive return in addition to the other attractive capital allocation options for us. We continue to be inside our target leverage range of 2 times to 2.5 times EBITDA, positioning us well to continue investing against our pipeline of attractive capital investment opportunities. We still anticipate an approximately \$30 million to \$40 million increase in capital spending for the year as we invest in high return projects to support growth, drive margin and deliver a more robust earnings model.

Much of this investment is in support of growth, the manufacturing initiatives Scott mentioned and accelerated onshoring of production, reducing the already small portion of our business not self-manufactured. And we have multiple in-flight programs across our business that are driving productivity and cost improvements that require no additional capital for implementation.

In closing, we head into the holiday season, driving our categories and pulling all levers to drive earnings in a dynamic operating environment. In addition, we are investing in the business and remain on track implementing programs that unlock even more of RCP's long-term growth and earnings potential.

With that, let's open the floor for your questions. Operator?

QUESTION AND ANSWER SECTION

Operator

Thank you. We will now be conducting a question-and-answer session. We ask that analysts to limit themselves to one question and a follow-up, so that others have an opportunity to ask questions as well. One moment, please, while we poll for questions. Our first question comes from Kaumil Gajrawala with Jefferies. Please proceed with your question. Kaumil, are you there?

Answer – Scott Edward Huckins: Maria, maybe we go to Robert and come back.

Operator

Perfect.

Answer – Scott Edward Huckins: Kaumil's having a problem with his line.

Operator

Okay. Perfect. Oh, Kaumil, are you there now? Okay. We will move over to Rob Ottenstein with Evercore ISI. Please proceed with your question.

Analyst:Robert Ottenstein

Question – Robert Ottenstein: Great. Thank you very much. So, I was wondering if you can kind of give us a sense of how you see the setup for the important holiday season, both in terms of promo intensity, we're seeing increase in promos in many categories and I think your promos is starting to tick up a little bit in a couple of areas. So, do you see that continuing? So, love to get the sense of the promo intensity, will that continue? And then, on the other hand, how is the consumer – how do you see the consumer developing into the holidays? Affordability is an issue. You mentioned stress, middle and lower income areas, sections of the population, how are you playing into that? And do you think that that can drive growth over last year? So, that's my first question.

And then, as a follow-up, I also wanted to ask, you mentioned in the call that you saw a risk that retailers could shift store brands to other suppliers. Just wanted to understand why you flag that. Is there something that looks like it's in the works and how are you dealing with that? Thanks.

Answer – Scott Edward Huckins: Good morning, Robert. It's Scott. Thanks for, I guess, the series of questions. I'll try to take them, I think, in the order that you asked. So, I think on the topic of promo intensity, there's really two categories in our portfolio that we see away from us, a degree of increased promotional activity and those two categories would be waste bags and food bags. When we think about, though, our level of promotional intensity in each of those categories that are really in line (00:29:17), meaning they look a lot like our overall level of promotion, which in turn looks a lot like the level of promotion we've seen pre-pandemic. And I think results are important, right, which is as we look at waste bags, you look at Hefty branded waste bags year-to-date, retail takeaways are plus 9%, outperforming the category in the quarter by 10 points. If you look at food bag performance, you can see on the Presto segment volume growth of 9%, so I would say we feel pretty good about our ability to navigate the promotional environment.

Second question, I think, is around the state of the consumer and I go back to this is to remind, I think when we initiated the 2025 guide, we talked about we felt a consumer that was challenged and under pressure, that remains to be the case. Couple of bullet points there I think that will help put some dimension to that. As we as we think about elements of the economy, we still see inflation in that sort of 3% zone above the Fed's target of 2%. So generally, not helpful or ideal. Number two, we also see the labor market cooling a bit unemployment levels in the low 4s. But I think the most important one as we see it would be consumer sentiment, yet again to move 3, 4 points down in terms of confidence in the month of September, October came out last night, down again, a point but the takeaway there to me is we're double-digits down year-to-date, heading into the holidays. So, we remain of the view the consumer is under pressure.

I think the sub-question you asked then is how is the business prepared to respond to that? And I think it's a bit of a barbell. So more affluent consumers will tend to be brand shoppers and brand loyalists. We certainly have formidable brands that address those sets of consumer needs. The lower income demographics will tend to be more value oriented, potentially more store brand focused. Our portfolio has got a fulsome offering there and feel good about our ability to serve, if you like, both parts of the barbell.

I think the last question was about flagging what's happening in store brands or activity there. The reason for bringing that up is, in a climate where you've got general challenges in the economy, uncertainty in supply chains from all the tariff activity, we would certainly expect to see a step up in retailers' bid activity for private brands business as those retailers are trying to drive value for their consumers in an effort to take share. And so, we expect to see that environment. But I'd say, having said all of that, as a US centric manufacturer, we would certainly expect to win more than we lose, but we thought it is important to flag as we see that evolution.

Question – Robert Ottenstein: Thank you very much.

Operator

Our next question comes from Kaumil Gajrawala with Jefferies. Please proceed with your question.

Analyst:Kaumil Gajrawala

Question – Kaumil Gajrawala: Sorry about that earlier, guys. So, I guess, you're doing some hiring, you're making some changes in terms of operational capabilities. Can you maybe just talk about what the sort of grand plan is related to? Does that maybe tick up with the long-term algorithm should be, is it more about share gains, is it more about category growth, just some of the things that you talked about very specifically in your prepared remarks, maybe just talk about the where it should – what impact that should have on the business going forward?

Answer – Scott Edward Huckins: Sure. Good morning, Kaumil. So, a couple of thoughts and we certainly added some key executives to the team. Really, if you think of it from a P&L landscape perspective, , a new Chief Commercial Officer, Carlen Hooker, who comes to us with an extensive background of building growth programs. And then, I mentioned in prepared remarks the addition of Scott Vail as Chief Operations Officer, so probably stay with those two. Those are designed to do – if you go back to the beginning of the year, we talked about initiatives across the business, one, to drive growth and just as a reminder, what we're after there is three things; prioritized innovation; two, the implementation of revenue growth management tools, which we commented on in prepared remarks; and then three, our opportunity to drive additional share at the customer by customer and product level.

Then on the cost side, we've talked about driving manufacturing and supply chain costs out of the business. And so, what we see in Scott is additional veteran leadership who has experience driving results in partnership with our business units over time. So, really just think of that as key talent being added to the organization mapped specifically against the initiatives we talked about at the beginning of the year.

Question – Kaumil Gajrawala: Thank you.

Operator

Our next question comes from Lauren Lieberman with Barclays. Please proceed with your question.

Analyst:Lauren R. Lieberman

Question – Lauren R. Lieberman: Great. Thanks. Good morning. I wanted to, I guess, first just ask about tableware. So, down probably more than we expected, but more importantly, just line of sight to stabilization, where are we now and how large or how small foam is and how should we maybe think about it look more broadly, say, over the next 12 months, do we get to a point where it has less of a weight on the overall company performance?

Answer – Scott Edward Huckins: Yeah. You bet. Good morning, Lauren. Let me start. So, tableware definitely down in the quarter, maybe put some dimension to it. About 80% of the decline would have been a function

of the foam headwinds, which we'll come back to in a moment. 20% a function of non-foam declines. And on that second point in the non-foam part of the portfolio, more a reminder that nearly two-thirds of the use occasions in disposable tableware are really convenience and probably more discretionary, certainly, than the portfolio taken as a whole.

Having said all of that, we're very pleased, frankly, with how Ryan and that team has managed the business, I guess, if you look at the profit metric, despite the volumes being down low double-digits, profits actually increased about 10%. So, I think we're managing that quite effectively.

In terms of foresight, not a ton to add. This year certainly stands to be greater headwinds in line with reasonably think about in foam for next year more a function of the state of California as an example, we're comping all year long this year and selling foam versus obviously a very large state in the US economy where we did sell foam in the previous year. So I think, takeaway would be, we would generally see foam being a lesser degree of a headwind next year and very pleased about how we're managing the business from a profit standpoint.

Operator

Our next question comes from Andrea Teixeira with JPMorgan Chase. Please proceed with your question.

Analyst:Andrea Teixeira

Question – Andrea Teixeira: Thank you, operator. And good morning, everyone. My question is more on the Hefty Waste & Storage, I mean, definitely impressive numbers on the volume side. And I guess, year-to-date, your pretty much profitability and it's impressive also because that's the highest profitability you have among all the four divisions, it's slightly down, but I was hoping to see from, I mean, obviously is a function of your RGM and promo most likely and correct me if I'm wrong, but also the fact that you have been gaining distribution. So, I was hoping to see if you can give us a little bit more of a detail on the promo impact and also how to think about like when you're going to lap those distribution gains or if you are hoping to see more of those as you go into 2026. Thank you.

Answer – Scott Edward Huckins: You bet. Good morning, Andrea. Thanks for the question. So I think from a promo environment standpoint, we certainly have seen competitors in the category step up level of promo intensity. We feel as though ours are very much in line. I was mentioning a moment ago that our level of promotional activity really looks a lot like the rest of the company and in turn, what we've seen pre-pandemic. So, what that tells us is, ultimately products and execution are really driving that business. You commented on the plus nine-year-to-date, I think that'd be pretty good evidence of both the products resonating from insights wit consumers and our supply chain team has done an outstanding job keeping those products in-stock.

And we are consistently running in high-90s in terms of case fill rates for our customers. I think those are really the ingredients for success. Not a lot to offer for next year other than we continue – as I've said before, we're going to continue to invest our financial and human resources against innovation that has some size and durability. And I think if you looked at the Hefty Waste & Storage portfolio, certainly scented waste bags have been winning in the marketplace.

Question – Andrea Teixeira: Yeah. That's super helpful. If I can just like, a follow-up to that ask obviously, your private label is huge in that segment. Can you comment on how – and you spoke before barbell and it's pretty much a good representation of what the consumer is right now. But if you talk about like how you're

positioning yourself into that consumer that needs a higher value product, especially your largest client, if you can kind of give us a State of the Union, how that consumer has been behaving and if you're taking any pricing to offset anything? I'm assuming you did not on the entry level, but just curious how you're balancing that part of the portfolio, both the high end obviously with the (00:39:53) Fabuloso on the bags on the higher end bags, but also on how to protect the value for the entry level.

Answer – Scott Edward Huckins: Sure. What's interesting, and this is probably a good comment for the company taken as a whole. We operate in very, very stable categories. And so, we generally do not see much movement in the mix between brands and store brands taken as a whole. Meaning, in any given period, you might see a 1 or 2 point change in either direction. Interestingly enough, the sales mix in waste bags is really quite static. Said differently, there's not a pronounced change in the brand store brand mix. So, I think, what that at least tells us is, the brand loyalists continue to an increasing degree by the Hefty items and by definition, looking at the plus 5% of volume growth in the segment overall. That must also mean that we're doing a pretty good job, satisfying a private label, so.

Question – Andrea Teixeira: Great. Thank you so much (00:41:01).

Answer – Scott Edward Huckins: Thank you.

Operator

Our next question comes from Peter Grom with UBS. Please proceed with your question.

Analyst:Peter Grom

Question – Peter Grom: Thanks, operator, and good morning, everyone. So, two for me. First, just a follow up on the promotional commentary. Your response to Andrea's and Robert's question, it was helpful. But, we're starting to hear or we've heard from some larger food companies and food, including one last night, that the return on kind of these promotions are not in line with what we've seen or what they have seen historically. So, I know you feel good about your performance, but I'm curious if you're seeing a similar dynamic in the categories where you compete.

Answer – Scott Edward Huckins: I guess, not a ton to offer. But all I can really (00:41:46) say to that is we have certainly spent a lot of this year as I think you're aware, really investing in building out a more robust RGM or revenue growth management capability which by design really is about migrating trade or investment promotional dollars to their highest value to use. I wouldn't really call out anything positive or negative in terms of, kind of, structural characteristics about trade effectiveness for example. I would more say our focus remains on ensuring that those dollars are optimally deployed at both the product level and customer level.

Question – Peter Grom: Okay. That's helpful. And then, a follow-up just on gross margins and, maybe just some perspective on what you're seeing from a cost tariff standpoint. I think back in the summer, the outlook contemplated a 2 point to 4-point headwind from commodities and tariffs. So, is that still the case as we sit here today and then just the commentary on the gradual recovery as we move through the year, as pricing begins to flow through? So, how should we be thinking about fourth quarter gross margin? And maybe specifically, how does that exit rate inform our view of looking out to 2026?

Answer – Scott Edward Huckins: Okay. Three questions there. Good morning. So, let's start with the pricing. So I'd say 2 points to 4 points is still a good estimate both on the cost headwinds from commodities and tariffs. So both the cost and the price side, 2 points to 4 points is a good estimate. That was a full year estimate. As you look at the third quarter is roughly 4 points of pricing, so that would tell you that we're in (00:43:25) year-to-date 2 points. So, we're right in that inside that range as expected. And with all of the pricing intended to fully offset those cost headwinds.

We don't get into specifics around gross profit or EBITDA from a guidance perspective, but certainly we're pleased with the progression of gross profit from quarter-to-quarter this year and would expect some continuation of that. Really happy with how our earnings is starting to inflect as the guide would be the strongest EBITDA performance for quarterly performance for the year and really happy with the progress we're making on the various strategic initiatives. So, we'll, of course, be back in February to tell you more about that and what that means for 2026.

Question – Peter Grom: Great. Thank you so much. I'll pass it on.

Operator

Our next question comes from Brian McNamara with Canaccord Genuity. Please proceed with your question.

Analyst:Brian C. McNamara

Question – Brian C. McNamara: Good morning, guys. Thanks for taking the questions. So, my first one is kind of a three for one, but it all ties into the same theme here as it relates to consumer behavior. So, Hefty Waste & Storage continues to do well. I know innovation is helping there, but how much is the typical lower price point in some of the categories there relative to your primary branded competitor help in this environment? Second, Presto had its best quarter for volume growth, I think since 2020. I know you mentioned share gains across store branded bags, but does that also reflect store branded share gains from branded bags as a whole as consumers trade down? And then, finally, restaurants continue to see traffic declines. So, why wouldn't we be seeing better volume growth in Reynolds Cooking & Baking acknowledging you're outperforming there? Thanks.

Answer – Scott Edward Huckins: Yeah. Good morning, Brian. Thank you for the questions. I guess the first one is really around the waste bag category and what I think the question is really around what's driving the success there and I think it's two constructs. The first, certainly innovation has been a large part of that business for many years and we're enjoying that, today, as – I think I mentioned in prepared remarks. And I think certainly the second would be really represent the performance brand. So certainly a performance brand, I think in this climate especially is probably a solid place to be in that part of the marketplace.

In terms of Presto, thank you, the team will enjoy those comments. You're right, there's a significant growth in the quarter, 9 points of volume. No question, there were some share wins in the food bag category from both other store brand players as well as brands. And I think the why is around that team has had a very, very efficient, or has been very efficient at designing really premium quality bags that yet are able to be priced at retail in a fashion that offers considerable consumer value. And I think that strategy continues to win in the marketplace as evidenced by the plus 9 points.

I think the last question you asked about is consumer behavior with respect to dining out versus at-home and how that might interact with the Reynolds Cooking & Baking business unit. I'd say there's probably some modest tailwinds from incremental cooking at home, I think, that'd be a fair a fair assessment. And I think

what probably has a bit of an offsetting effect to that, though, is increasing prices in the marketplace, reflecting the run up in aluminum. So, it's hard to be super precise about that, but I think those are the two forces competing against each other.

Question – Brian C. McNamara: That's helpful. Scott, you laid out a new strategy in February with new work streams, with dedicated leaders, process, resource to go after incremental growth and ROI. You've also operated in a very difficult environment, to say the least, this year. So I'm curious, where is the company today relative to where you thought it would be on those initiatives and what should give investors' confidence that these will bear fruit as we finish 2025 and go into 2026?

Answer – Scott Edward Huckins: Very much appreciate the question. We are feeling really good about the progress that we're making. Obviously, as we started the year, a lot has changed in the year from a macro climate as everybody on this call is well aware. So, we've been put to the test, I think, to execute in a pretty challenging environment, but I think the direct answer is we're really seeing, Carlen in our commercial part of the business or the front end of business really hitting stride, it's been off to a very fast start, both in leading the RGM initiatives, but also what we referred to as a share gap. So, again, we may have share of X percent in a category, but that's not necessarily true of every retailer. And so, putting programs in place to drive against those. Very pleased with that progress.

And then, the second on cost, I think whether you look at COGS or SG&A, again, feel like we're right on schedule with the progress that we're making. And as you heard a few minutes ago, also invest importantly in talent against those to drive those forward. So, I'd say we're about where we had hoped to be and we're certainly seeing the effects starting to flow through the P&L.

Question – Brian C. McNamara: Great. Thanks very much. I'll pass it on.

Answer – Scott Edward Huckins: Thank you.

Operator

We have reached the end of our question-and-answer session. I would now like to turn the floor back over to Scott for closing comments.

Thank you, operator, and certainly thank you to our analysts and investors for your interest in our business. I also like to pass on our appreciation for our 6,400 teammates as we continue to do the work to unlock additional value for the company. And with that, I wish everybody a great day.

Operator

This concludes today's teleconference. You may disconnect your lines at this time. Thank you for your participation.