



**Reynolds**  
Consumer Products

**Q1 2023**  
**Earnings Presentation**  
*May 10, 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 second 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,” “look forward,” “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 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. 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.

- ✓ Maintain strong position of category leadership in all of our business segments
  - Innovate across our categories
  - Focus on sustainable solutions
- ✓ Execute against our Reynolds Cooking & Baking Recovery Plan
  - Drive major improvements in our manufacturing efficiencies
- ✓ **REY****VOLUTION**: 200bps incremental margin
- ✓ Optimize cash flow generation
  - Balance sheet efficiency
  - Maintain strategic capital spend discipline
- ✓ Capital allocation priorities
  - Return to debt pay down this year



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**Q1 2023  
Financial Results**

“Our results for the first quarter were in-line with our expectations and we believe we are well positioned for substantial earnings growth in 2023. The Reynolds Cooking & Baking recovery is off to a strong start, and our other three segments are also performing well, reflecting our category leadership and the advantage of our integrated brand and store brand model. I am extremely proud of the RCP team and look forward to building on our marketplace momentum, in addition to reporting strong financial results for the year.”

*- Lance Mitchell, President and Chief Executive Officer*



# Q1 2023 Financial Highlights

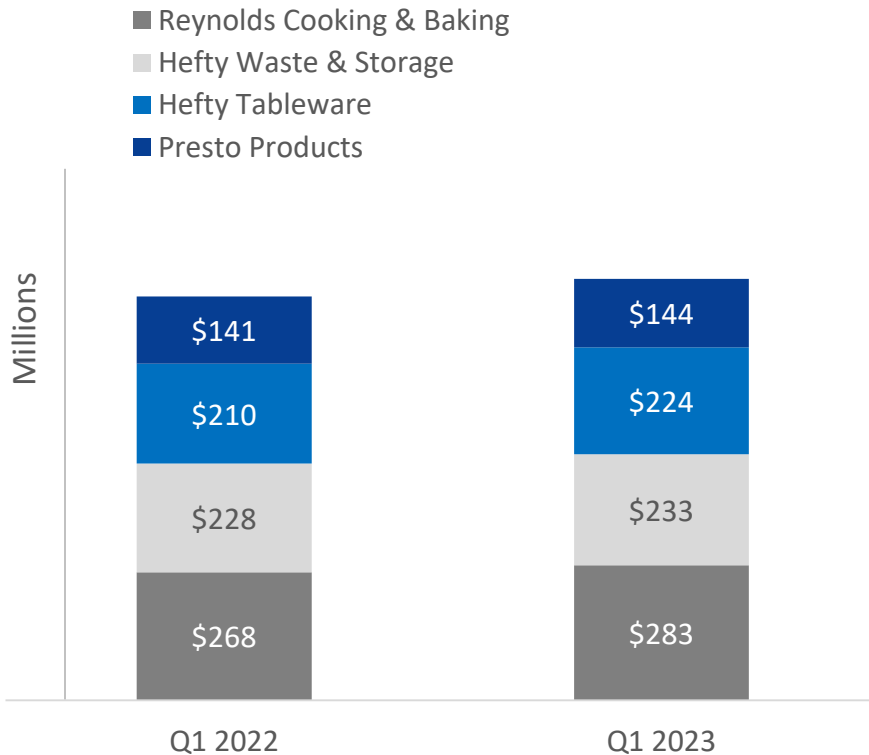


**\$874m**  
Net Revenues

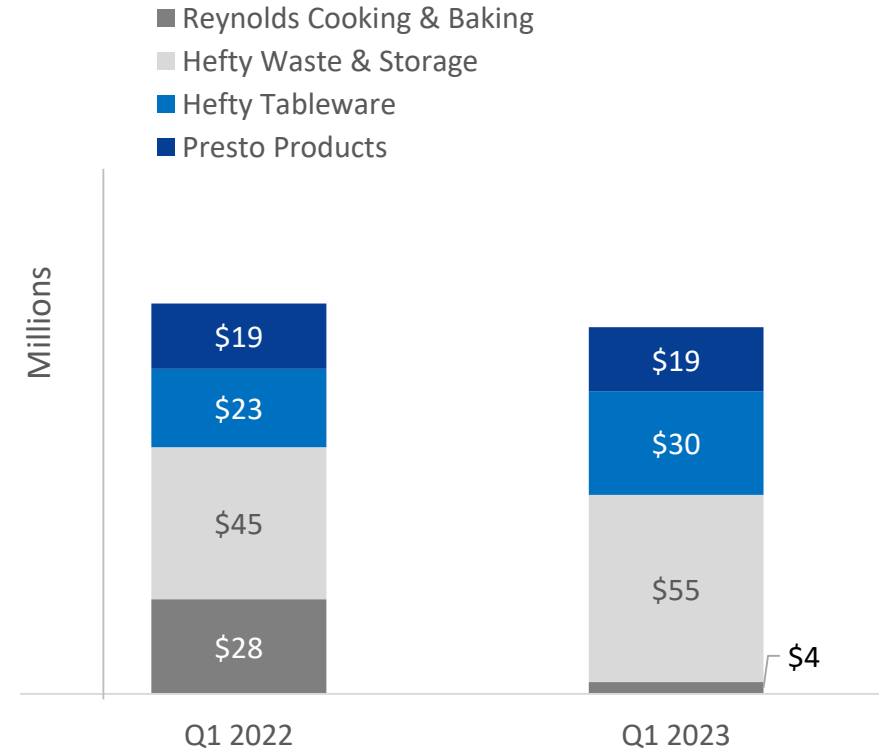
**\$82m**  
Adj. EBITDA<sup>1</sup>

**9.4%**  
Adj. EBITDA margin<sup>1</sup>

Net Revenues By Segment<sup>2</sup>



Adj EBITDA By Segment<sup>2</sup>



<sup>1</sup>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.

<sup>2</sup>Excludes Corporate/Unallocated Revenue and Adjusted EBITDA



## Q1 2023 Segment Results

Net Revenues	\$283 million
Adj. EBITDA	\$4 million
% Adj. EBITDA margin	1%

- Actions to stabilize operations and improve operational efficiencies performed well.
- New products are expected to be a key driver of growth for the year.
- Innovation highlights include
  - **Reynolds Kitchens Air Fryer Liners**, expanding distribution
  - **Reynolds Kitchens Stay Flat Parchment Paper**, shipping to retail
  - **Reynolds Wrap Heavy Duty Grill Bags**, shipping to retail



## Q1 2023 Segment Results

Net Revenues \$233 million

Adj. EBITDA \$55 million

% Adj. EBITDA margin 24%

- Increased advertising and performance of new products drove commercial performance in the quarter.
- Innovation highlights include:
  - Further expansion of **Hefty Fabuloso® Lavender** products
  - Increased distribution of new **Hefty Fabuloso® Lemon** products
  - Introduction of **Hefty and store branded waste bags with post-consumer recycled materials.**
- Hefty EnergyBag™ was relaunched as Hefty ReNew™ and now includes drawstring innovation.





## Q1 2023 Segment Results

Net Revenues	\$224 million
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Adj. EBITDA	\$30 million
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<i>% Adj. EBITDA margin</i>	<i>13%</i>
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- Hefty Tableware gained brand share of disposable tableware in the quarter driven by continued share growth of disposable plates.
- The sustainable dish portfolio also grew share in the quarter.



## Q1 2023 Segment Results

Net Revenues	\$144 million
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Adj. EBITDA	\$19 million
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<i>% Adj. EBITDA margin</i>	<i>13%</i>
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- Presto gained additional share of store branded food bags in the quarter, and new products remained a key contributor to growth.
- Innovation highlights include strength from stand-and-fill food bags, which continue to provide a point of difference for customers and consumers.

# Q2 and Fiscal Year 2023 Outlook



Metric	Q2 2023 Outlook	Fiscal Year 2023 Outlook
Net Revenues	Flat to 2% growth	Flat +/- 1% growth
Net Income	\$57 to \$64 million	\$274 to \$296 million
Adjusted EBITDA	\$135 to \$145 million	\$605 to \$635 million
Earnings Per Share	\$0.27 to \$0.30	\$1.30 to \$1.41
Net Debt <i>(as of December 31, 2023)</i>	NA	\$1.8 to \$1.9 billion

*Note: Adjusted EBITDA 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.*



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**Sustainability**

# Sustainable Products & Packaging



## The Hefty® Compostable Printed Paper Line:

- Ultra strong
- Compostable
- Made without PFAS
- Made with 98% plant-based materials
- Microwave safe
- Cut-resistant, Soak-resistant



## Reynolds Kitchens® Unbleached Parchment Paper Rolls:

- Unbleached & chlorine free
- Responsibly sourced, FSC (Forest Stewardship Council) certified
- Recyclable & compostable
- Packaging is recyclable



## Reynolds Wrap® 100% Recycled Aluminum Foil:

- 100% Recycled, 100% Tough
- Same great quality as Reynolds Wrap® Foil
- Easy open, easy close box
- Packaging is recyclable, including metal cutter bar



## The Hefty Ecosave® line of tableware products:

- Compostable
- Made without PFAS
- Made with 98% plant-based materials
- Heavy duty
- Microwave safe



## Reynolds Kitchens® Air Fryer Liners:

- Made with unbleached, FSC certified, parchment paper
- Compostable
- Non-stick
- Pre-cut with ¼" holes for easy air circulation



## The Hefty® Recycled Material Bags:

- Environmentally friendly
- Made with 20% recycled materials
- Ultra Strong® 6-in-1 Protection
- Arm & Hammer® Continuous Odor Control
- Reliable drawstring closure
- Box is recyclable



## Reynolds Kitchens® Parchment:

- Compostable
- Reusable
- BPA Free, Non-stick
- Oven, freezer & microwave safe
- Paper packaging is recyclable



## The Hefty® Compostable Bags:

- Lawn & Leaf + Small Kitchen
- Compostable
- BPI-Certified
- Benefits of composting include less landfill waste, better air quality, richer soil



## Reynolds Kitchens® Cut-Rite Wax Paper:

- Responsibly sourced
- Compostable
- Microwave safe
- No paper core
- Paper packaging is recyclable



## The Hefty® Party Perfect™ Clear Cup

- Made with 30% post consumer recycled materials
- Check locally for recycling availability
- Packaging for store drop-off recycling



## Reynolds Kitchens® Pink Butcher Paper:

- Compostable
- BPA Free
- Unbleached, chlorine free



Recyclable packaging is used across the entire Hefty® trash bags portfolio. Many Hefty® products now come in smaller packaging than before, helping reduce the amount of paperboard material used and shrink CO2 emissions.



All Reynolds Kitchen oven bags, slow cooker liners, and freezer paper are BPA Free



## Advancing Sustainability Efforts Through Innovative Solutions For Hard-to-Recycle Plastics

Designed to complement current recycling efforts, the Hefty ReNew™ program, formerly the Hefty® EnergyBag® Program, establishes a way to collect otherwise hard-to-recycle plastics at curbside and uses them as valued resources. These hard-to-recycle plastics include common items like candy wrappers and foam takeout containers.

The program helps divert these resources away from landfills, reduce dependence on fossil fuels, increase efficiency at recycling facilities, and improve the quality of other recycled materials. In doing so, the Hefty ReNew™ program takes an important step toward a more circular plastics economy and a more sustainable future.



1

Participants purchase Hefty® ReNew® bags at their local store.

2

They fill the orange bag with acceptable, hard-to-recycle plastics.

3

They tie up the full orange bag and put it into a curbside recycling bin / cart OR take to an approved drop-off facility, depending on the community.

4

The recycling truck picks up and delivers bags to a local recycling facility (MRF) as part of its routine service and schedule.

5

The orange bags are sorted at the MRF and sent to a facility for use as valued resources.

**2,000+**

tons of hard-to-recycle plastics diverted from landfills\*

**800,000+**

households with curbside recycling have access to the Hefty ReNew™ Program

## *Simplify Daily Life to Enjoy What Matters Most*

**Environmental and social issues not only affect the communities in which we operate, but also the long-term sustainability of our business. We have the opportunity to drive positive and meaningful change through our practices, investments and products.**

Our Products	Our People	Our Communities	
<p><b>SUSTAINABLE PRODUCT OFFERING</b> Offer sustainable options in each product line across our portfolio by 2025</p> <p><b>SUSTAINABLE PACKAGING</b> Use recyclable or reusable packaging for all of our branded products and make available for private label products, by 2025</p> <p><b>POST-CONSUMER WASTE</b> We provide recycling instructions for all of our branded products</p>	<p><b>SAFETY</b> Strive for zero incidents</p> <p><b>DIVERSITY</b> Commit to increasing our gender and ethnicity representation at all levels through year-over-year improvements</p> <p><b>PAY EQUITY</b> Continue our commitment to maintaining pay equity</p>	<p><b>COMMUNITY COLLABORATION</b> Divert hard-to-recycle plastics from landfills by expanding availability of the Hefty® Renew® program</p> <p><b>RECYCLING EDUCATION</b> Create enthusiasm around consumer recycling and composting through education and partnerships</p>	<p><b>GREENHOUSE GAS EMISSIONS</b> Science-based targets validated by SBTi to reduce greenhouse gas emissions</p> <p><b>WASTE TO LANDFILL</b> Achieve zero waste to landfill for manufacturing and logistics by 2025</p>



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## Reconciliation Tables



# 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. 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. 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 the second quarter and fiscal year 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 presentation (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.

# Net Income to Adjusted EBITDA Reconciliation



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

	Three Months Ended March 31,	
	2023	2022
	(in millions)	
<b>Net income – GAAP</b>	<b>\$ 17</b>	<b>\$ 52</b>
Income tax expense	6	16
Interest expense, net	29	12
Depreciation and amortization	30	28
IPO and separation-related costs <sup>(1)</sup>	—	4
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 82</b>	<b>\$ 112</b>

(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)*

	<b>As of March 31, 2023</b>
Current portion of long-term debt	\$ 25
Long-term debt	2,061
<b>Total debt</b>	<b>2,086</b>
Cash and cash equivalents	(50)
<b>Net debt (non-GAAP)</b>	<b>\$ 2,036</b>

# Outlook Reconciliation of Net Income to Adjusted EBITDA



**Reynolds Consumer Products Inc.**  
**Reconciliation of Q2 2023 and FY2023 Net Income Guidance to Adjusted EBITDA Guidance**  
*(amounts in millions)*

	Three Months Ended June 30, 2023		Year Ended December 31, 2023	
	Low	High	Low	High
<b>Net income (GAAP)</b>	<b>\$ 57</b>	<b>\$ 64</b>	<b>\$ 274</b>	<b>\$ 296</b>
Income tax expense	19	22	91	99
Interest expense, net	30	30	120	120
Depreciation and amortization	29	29	120	120
<b>Adjusted EBITDA</b>	<b>\$ 135</b>	<b>\$ 145</b>	<b>\$ 605</b>	<b>\$ 635</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 March 31, 2023			Three Months Ended March 31, 2022		
	Net Income	Diluted Shares	Diluted EPS	Net Income	Diluted Shares	Diluted EPS
<b>As Reported - GAAP</b>	\$ 17	210	\$ 0.08	\$ 52	210	\$ 0.25
<b>Adjustments:</b>						
IPO and separation-related costs <sup>(1)</sup>	—	210	—	3	210	0.01
<b>Adjusted (Non-GAAP)</b>	<u>\$ 17</u>	<u>210</u>	<u>\$ 0.08</u>	<u>\$ 55</u>	<u>210</u>	<u>\$ 0.26</u>

(1) *Amounts are after tax, calculated using a tax rate of 24.3% for the three months ended March 31, 2022, which is our effective tax rate for the period presented.*

