



Q3 2023
Earnings Call
November 8, 2023

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 fourth 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.

At-A-Glance

Nasdaq: REYN

IPO January 2020

\$3,817M

2022 Net Revenues

~6,000
Employees



Headquarters:
Lake Forest, IL

#1 or #2 US market share position in majority of product categories

95% of households across the US have at least 1 RCP product



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

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



2023 Priorities

- ✓ 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

“RCP continues to perform very effectively in a dynamic operating environment, and I am extremely proud of all that our team has accomplished.

We accelerated margin expansion and delivered earnings at the upper end of our guide driven by market share gains, continued execution of the Reynolds Cooking & Baking recovery plan and significant improvements in profitability of our other businesses.

We are converting more of our earnings to cash through ongoing initiatives to reduce working capital and continued capital spending discipline. As a result, we anticipate 2023 earnings at the high end of our previous range and expect to return to leverage below three times Adjusted EBITDA by year end.”

- Lance Mitchell, President and Chief Executive Officer



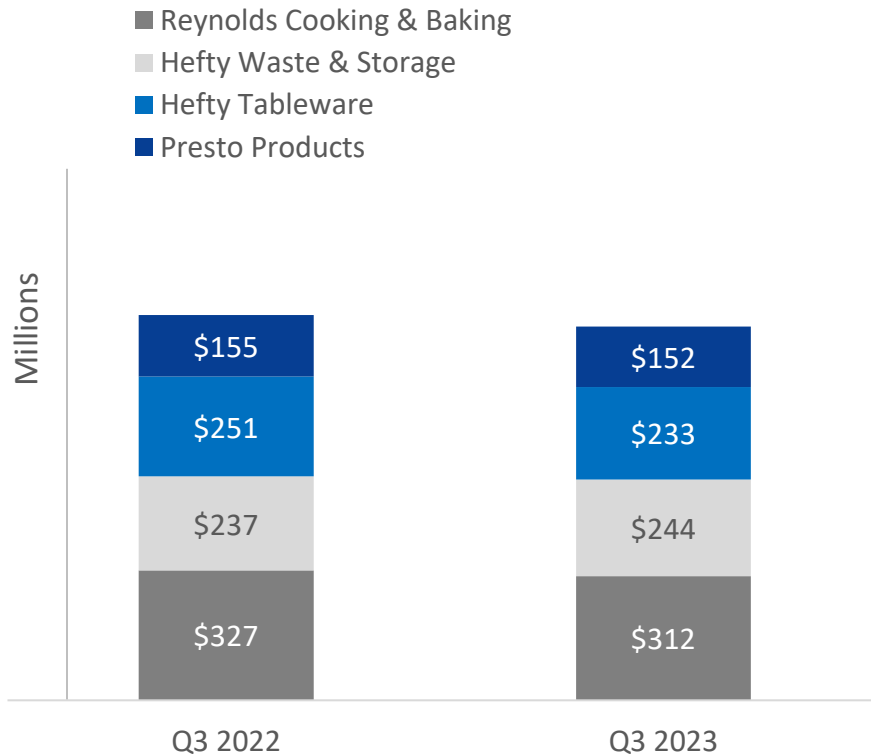
Q3 2023 Financial Highlights

\$935m
Net Revenues

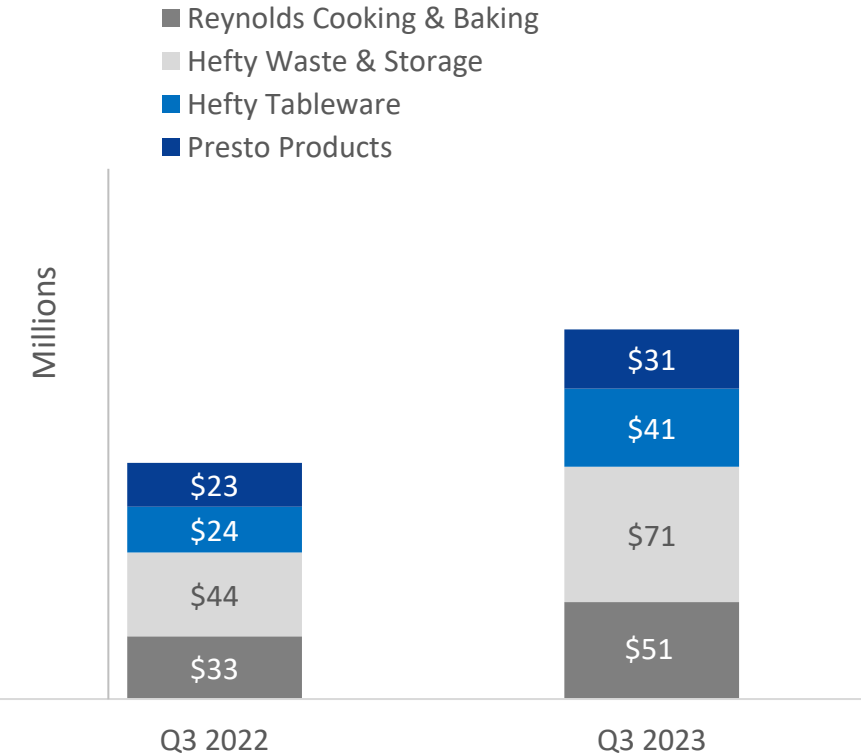
\$165m
Adj. EBITDA¹

18%
Adj. EBITDA margin¹

Net Revenues By Segment²



Adj EBITDA By Segment²



¹This 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.

²Excludes Corporate/Unallocated Revenue and Adjusted EBITDA

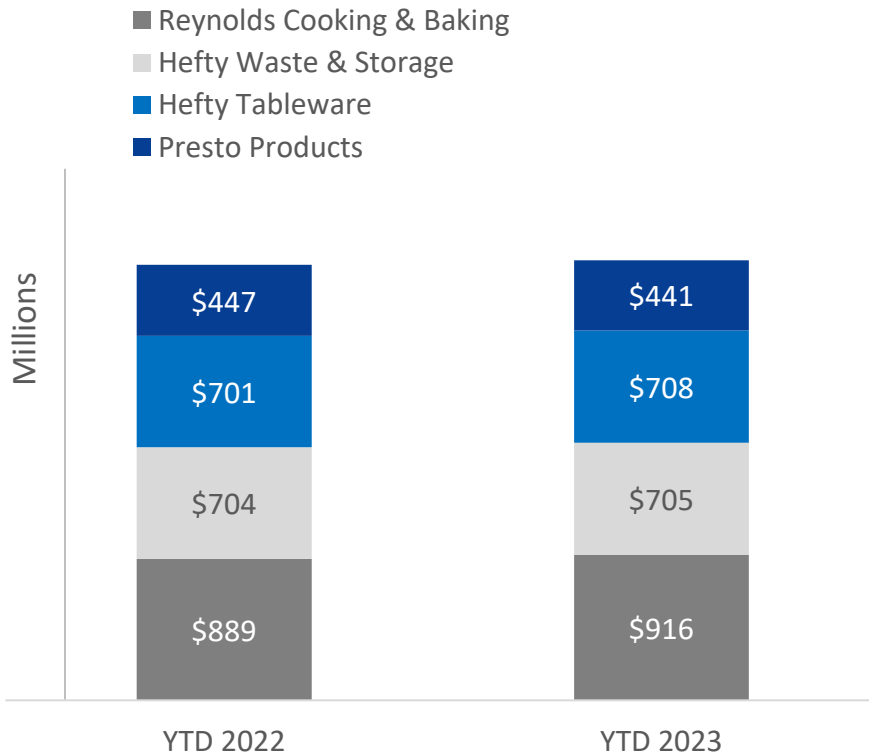
YTD Financial Highlights

\$2,750m
Net Revenues

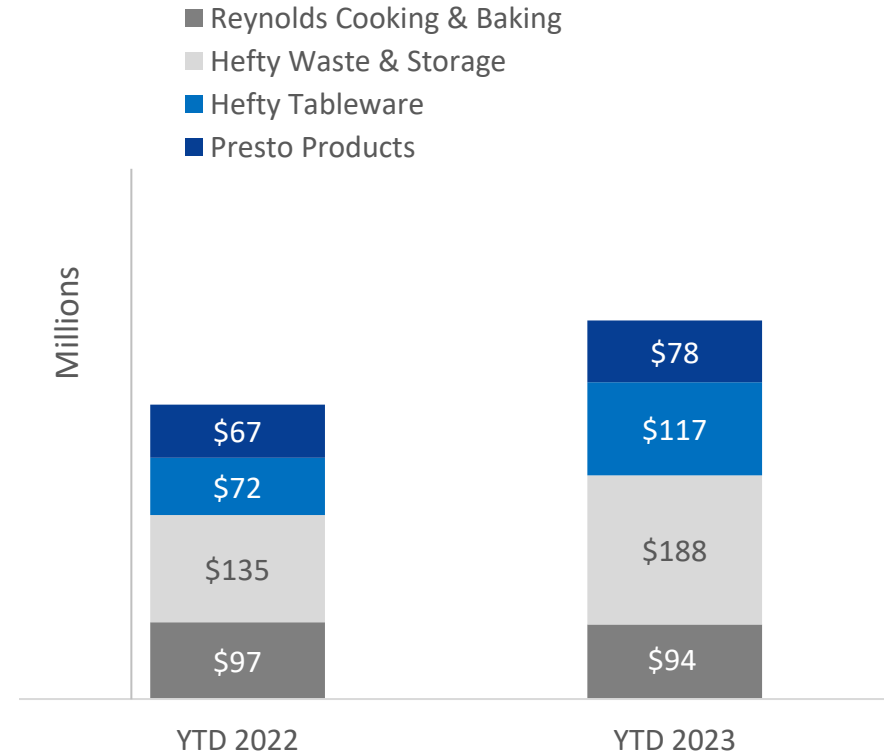
\$398m
Adj. EBITDA¹

14%
Adj. EBITDA margin¹

Net Revenues By Segment²



Adj EBITDA By Segment²



¹This 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.

²Excludes Corporate/Unallocated Revenue and Adjusted EBITDA

Reynolds Cooking & Baking



Segment Results	Q3 '23	Q3 '22
Net Revenues	\$312 million	\$327 million
Adj. EBITDA	\$51 million	\$33 million
% Adj. EBITDA margin	16%	10%

- Volume was down 3% for the quarter. The 1% increase in retail volume in the third quarter was more than offset by volume declines in our non-retail sales
- Reynolds partnered with Feeding America® during September's Hunger Action Month and donated over 3 million meals to families in need
- Implementation of the Reynolds Cooking & Baking recovery plan continues to progress exceptionally well

Hefty Waste & Storage



Segment Results

Q3 '23

Q3 '22

Net Revenues

\$244 million

\$237 million

Adj. EBITDA

\$71 million

\$44 million

% Adj. EBITDA margin

29%

19%

- 1% volume increase as Hefty gained additional share of waste bags during the quarter
- **Hefty Fabuloso®** was recognized by Circana (previously known as IRI) with a top-three 2023 Pacesetter award
- Back by popular demand, **Hefty® Cinnamon Pumpkin Spice Ultra Strong™ Trash Bags** has been relaunched for a limited time
- Hefty launched a new product entry in the food bag segment with a press-to-close bag available in multiple sizes

Hefty Tableware



Segment Results	Q3 '23	Q3 '22
Net Revenues	\$233 million	\$251 million
Adj. EBITDA	\$41 million	\$24 million
% Adj. EBITDA margin	18%	10%

- Adjusted EBITDA increased 71% driven by previously implemented pricing actions and lower operational costs, partially offset by higher advertising costs
- Volume decreased 11%, in line with the category, in response to significant retail price increases over the last three years and consumers' emphasis on affordability.
- Hefty maintained category share, benefiting from planned increases in promotion and advertising.
- Hefty® Zoo Pals™** were reintroduced resulting in widespread media coverage including over 3 billion social media impressions following the online only relaunch

Presto Products



Segment Results	Q3 '23	Q3 '22
Net Revenues	\$152 million	\$155 million
Adj. EBITDA	\$31 million	\$23 million
<i>% Adj. EBITDA margin</i>	<i>20%</i>	<i>15%</i>

- Adjusted EBITDA increased 35% reflecting lower operational costs.
- Volume decreased 3% driven by SKU rationalization and lower specialty product demand.
- Innovation highlights include the recent launch of renewable sandwich bags made with sustainable resin-based technology blended with plant and ocean materials. These Bio-Based bags are made with 20% plant and ocean materials using a proprietary blended technology that employs a reduced amount of traditional plastic by comparison to standard food bags.

Q4 and Full Year 2023 Outlook

Metric	New Q4 2023 Outlook	Prior FY2023 Outlook	Updated FY2023 Outlook
Net Revenues	-9 to -7%	+/- 1%	- 2%
Net Income	\$127 to \$135 million	\$281 to \$296 million	\$288 to \$296 million
Adjusted EBITDA	\$227 to \$237 million	\$615 to 635 million	\$625 to \$635 million
Earnings Per Share	\$0.60 to \$0.64	\$1.34 to \$1.41	\$1.37 to \$1.41
Net Debt <i>(as of December 31, 2023)</i>	NA	\$1.8 to \$1.9 billion	\$1.8 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.

Advancing Sustainability Through Innovative Solutions



Please refer to the [Hefty.com](https://www.hefty.com) and [ReynoldsBrands.com](https://www.reynoldsbrands.com) for specific product and packaging features



Reconciliation Tables

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 month 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, 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, as well as 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 define Net Debt to Trailing Twelve Month Adjusted EBITDA as Net Debt (as defined above) as of the end of the period to Adjusted EBITDA (as defined above).

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. We use Net Debt to Trailing Twelve Month Adjusted EBITDA because it reflects our ability to service our debt obligations. 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 fourth 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, or expected ratios involving Net 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 page.

Reconciliation of Net Income to Adjusted EBITDA

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)		(in millions)	
Net income – GAAP	\$ 78	\$ 48	\$ 161	\$ 152
Income tax expense	25	15	54	49
Interest expense, net	31	20	91	48
Depreciation and amortization	31	30	92	87
IPO and separation-related costs ⁽¹⁾	—	3	—	10
Adjusted EBITDA (Non-GAAP)	\$ 165	\$ 116	\$ 398	\$ 346

(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.*

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)

(in millions, except for per share data)	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
	Net Income	Diluted Shares	Diluted EPS	Net Income	Diluted Shares	Diluted EPS
As Reported - GAAP	\$ 78	210	\$ 0.37	\$ 48	210	\$ 0.23
Adjustments:						
IPO and separation-related costs ⁽¹⁾	—	210	—	2	210	0.01
Adjusted (Non-GAAP)	\$ 78	210	\$ 0.37	\$ 50	210	\$ 0.24

(1) Amounts are after tax, calculated using a tax rate of 24.0% for the three months ended September 30, 2022, which is our effective tax rate for the period presented.

(in millions, except for per share data)	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	Net Income	Diluted Shares	Diluted EPS	Net Income	Diluted Shares	Diluted EPS
As Reported - GAAP	\$ 161	210	\$ 0.77	\$ 152	210	\$ 0.72
Adjustments:						
IPO and separation-related costs ⁽¹⁾	—	210	—	8	210	0.04
Adjusted (Non-GAAP)	\$ 161	210	\$ 0.77	\$ 160	210	\$ 0.76

(1) Amounts are after tax, calculated using a tax rate of 24.5% for the nine months ended September 30, 2022, which is our effective tax rate for the period presented.

Reconciliation of Net Income to Trailing Twelve Months Adjusted EBITDA

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

	<u>Twelve Months Ended September 30, 2023</u>	<u>Twelve Months Ended December 31, 2022</u>
	(in millions)	
Net income – GAAP	\$ 268	\$ 258
Income tax expense	84	80
Interest expense, net	119	76
Depreciation and amortization	122	117
IPO and separation-related costs ⁽¹⁾	3	12
Other	2	3
Adjusted EBITDA (Non-GAAP)	\$ 598	\$ 546

(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.*

Reconciliation of Total Debt to Net Debt and Calculation of Net Debt to Trailing Twelve Months Adjusted EBITDA

Reynolds Consumer Products Inc.

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 September 30, 2023

Current portion of long-term debt	\$	—
Long-term debt		1,981
Total debt		1,981
Cash and cash equivalents		(124)
Net debt (non-GAAP)	\$	1,857

For the twelve months ended September 30, 2023

Adjusted EBITDA (Non-GAAP)	\$	598
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Net Debt to Trailing Twelve Months Adjusted EBITDA		3.1x
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As of December 31, 2022

Current portion of long-term debt	\$	25
Long-term debt		2,066
Total debt		2,091
Cash and cash equivalents		(38)
Net debt (non-GAAP)	\$	2,053

For the twelve months ended December 31, 2022

Adjusted EBITDA (Non-GAAP)	\$	546
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Net Debt to Trailing Twelve Months Adjusted EBITDA		3.8x
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Reconciliation of Q3 2023 and FY2023 Net Income Guide to Adjusted EBITDA Guide

Reynolds Consumer Products Inc.
Reconciliation of Q3 2023 and FY2023 Net Income Guidance to Adjusted EBITDA Guidance
(amounts in millions)

	Three Months Ended December 31, 2023		Year Ended December 31, 2023	
	Low	High	Low	High
Net income (GAAP)	\$ 127	\$ 135	\$ 288	\$ 296
Income tax expense	43	45	97	99
Interest expense, net	28	28	119	119
Depreciation and amortization	29	29	121	121
Adjusted EBITDA	<u>\$ 227</u>	<u>\$ 237</u>	<u>\$ 625</u>	<u>\$ 635</u>

