



Reynolds
Consumer Products

**Q1 2024
Earnings Call
May 8, 2024**

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 full year 2024 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

\$3,756M

2023 Net Revenues

~6,000

Employees



Headquarters:
Lake Forest, IL

#1 or #2 US market share position in the 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, serving, clean-up and storage simpler and easier,
providing people a little more time for the things that matter*



2024 Priorities

- ✓ Protect and drive volume by leveraging our competitively advantaged business model and investing in our categories and product innovation
- ✓ Innovate with new sustainable solutions and other new products to further differentiate our offerings in our categories
- ✓ Continue to optimize our retail product portfolio
- ✓ Drive productivity and other **REY***✓***OLUTION** cost savings across our business, providing additional margin growth
- ✓ Continue increasing financial flexibility by paying down debt



“We delivered strong first quarter results reflecting our commitment to driving our categories, expanding margins and increasing financial flexibility. Our business is performing well and we are implementing plans to advance this performance while investing in strategic opportunities to drive growth.”

- Lance Mitchell, President and CEO



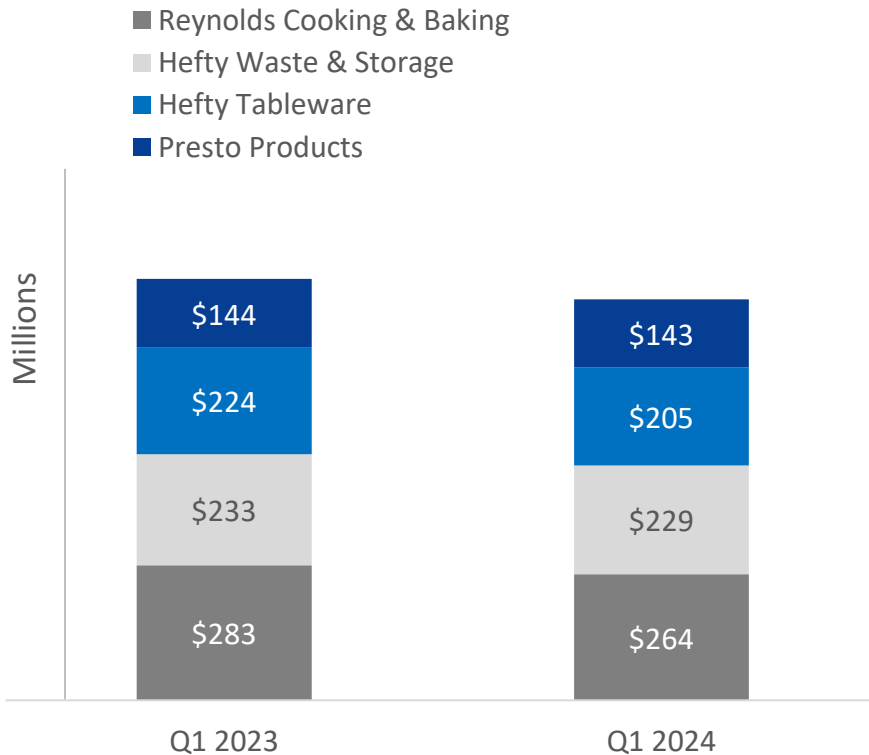
Q1 2024 Financial Highlights

\$833m
Net Revenues

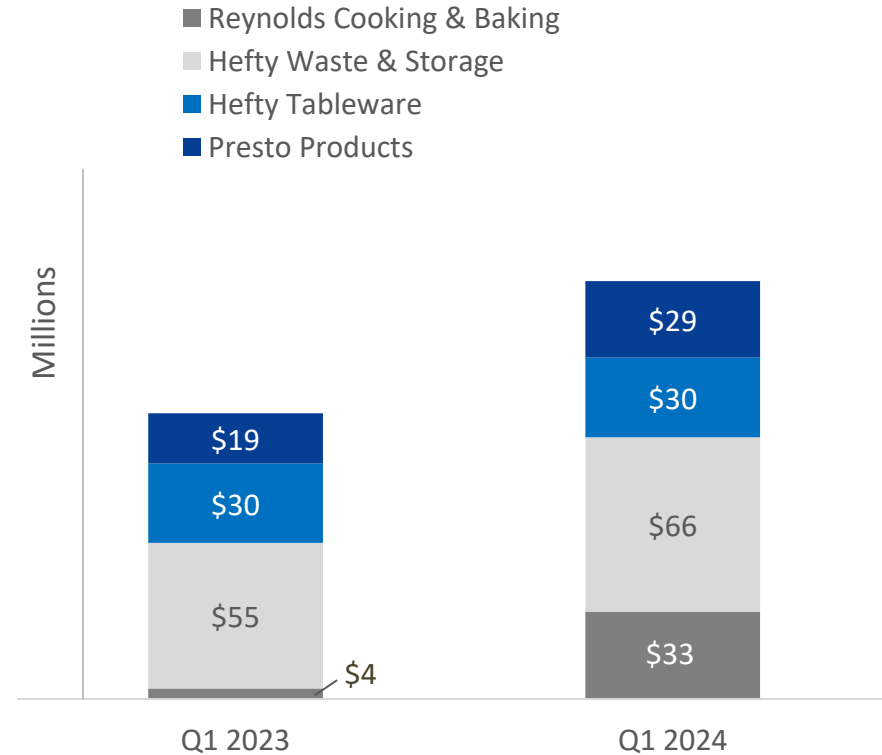
\$122m
Adj. EBITDA¹

15%
Adj. EBITDA margin¹

Net Revenues By Segment²



Adj EBITDA By Segment^{1,2}



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

Q1 '24

Q1 '23

Net Revenues

\$264 million

\$283 million

Adj. EBITDA

\$33 million

\$4 million

% Adj. EBITDA margin

13%

1%

Adjusted EBITDA increased significantly, driven by improved operational stability and lower operational costs.

Volume was down 8%, with performance slightly ahead of expectations. Retail volume decreased 2%, including 3 points from product portfolio optimization, and outperformed the household foil and other cooking & baking categories. Six points of the 8-point volume headwind was from low margin non-retail sales, as expected.

Key commercial highlights for the quarter include higher volume and improving share trends in parchment paper driven by the national rollout of Reynolds Kitchens® Stay Flat Parchment with SmartGrid® and further distribution gains by Reynolds Kitchens® Air Fryer liners. The Company launched Chef's Kiss marketing campaign to drive awareness with young cooks, during the quarter. The brand launched multi-product advertising with influencers, highlighting products in the portfolio, which was amplified in digital and social channels.

Hefty Waste & Storage



Segment Results	Q1 '24	Q1 '23
Net Revenues	\$229 million	\$233 million
Adj. EBITDA	\$66 million	\$55 million
<i>% Adj. EBITDA margin</i>	<i>29%</i>	<i>24%</i>

Adjusted EBITDA increased \$11 million driven by lower operational costs.

Volume decreased 2%, consistent with category trends.

Innovation highlights include the successful launch of Hefty® Ultra Strong with Coastal Plastic and Fabuloso Citrus & Fruits, while Hefty Ultra Strong Fabuloso® continued to demonstrate strong growth reaching \$180 million in annual retail sales over the last twelve months. The shift to a broader sustainable portfolio continued with significant distribution gains for Hefty® Waste Bags made with post-consumer recycled materials.

During the quarter, the Company launched a new omnichannel advertising campaign calling attention to the everyday moments requiring all types of strength to take out the trash. The campaign featuring John Cena highlights “strength that is anything but ordinary” and will continue to roll out over the course of the year showcasing the strength and durability of Hefty® Ultra Strong trash bags.

Hefty Tableware



Segment Results	Q1'24	Q1'23
Net Revenues	\$205 million	\$224 million
Adj. EBITDA	\$30 million	\$30 million
<i>% Adj. EBITDA margin</i>	15%	13%

Volume decreased 6% and improved, by comparison, to the second half and fourth quarter 2023 performance.

Lower operational costs offset the decline in revenues resulting in unchanged Adjusted EBITDA.

Hefty Tableware is implementing comprehensive plans to drive improved trends including optimized trade programs, lower pack counts at competitive price points, cross portfolio promotions and introduction and expansion of multiple new products. Highlights of the quarter included accelerated sustainable product growth, expanded distribution of Hefty® ZooPals® and growth of Hefty containers.

Presto Products



Segment Results

Q1'24

Q1'23

Net Revenues

\$143 million

\$144 million

Adj. EBITDA

\$29 million

\$19 million

% Adj. EBITDA margin

20%

13%

Adjusted EBITDA increased \$10 million driven by lower operational costs.

Volume decreased 1% reflecting sequential improvement in private label food bags, partially offset by continued optimization of the retail product portfolio.

Strong retail performance continued to benefit from product innovation including press to close stand and fill bags and bio-based sandwich bags with 20% plant & ocean materials, which continues to be the number one selling sustainable food bag in the U.S.



Outlook

Q2 and Full Year 2024 Outlook

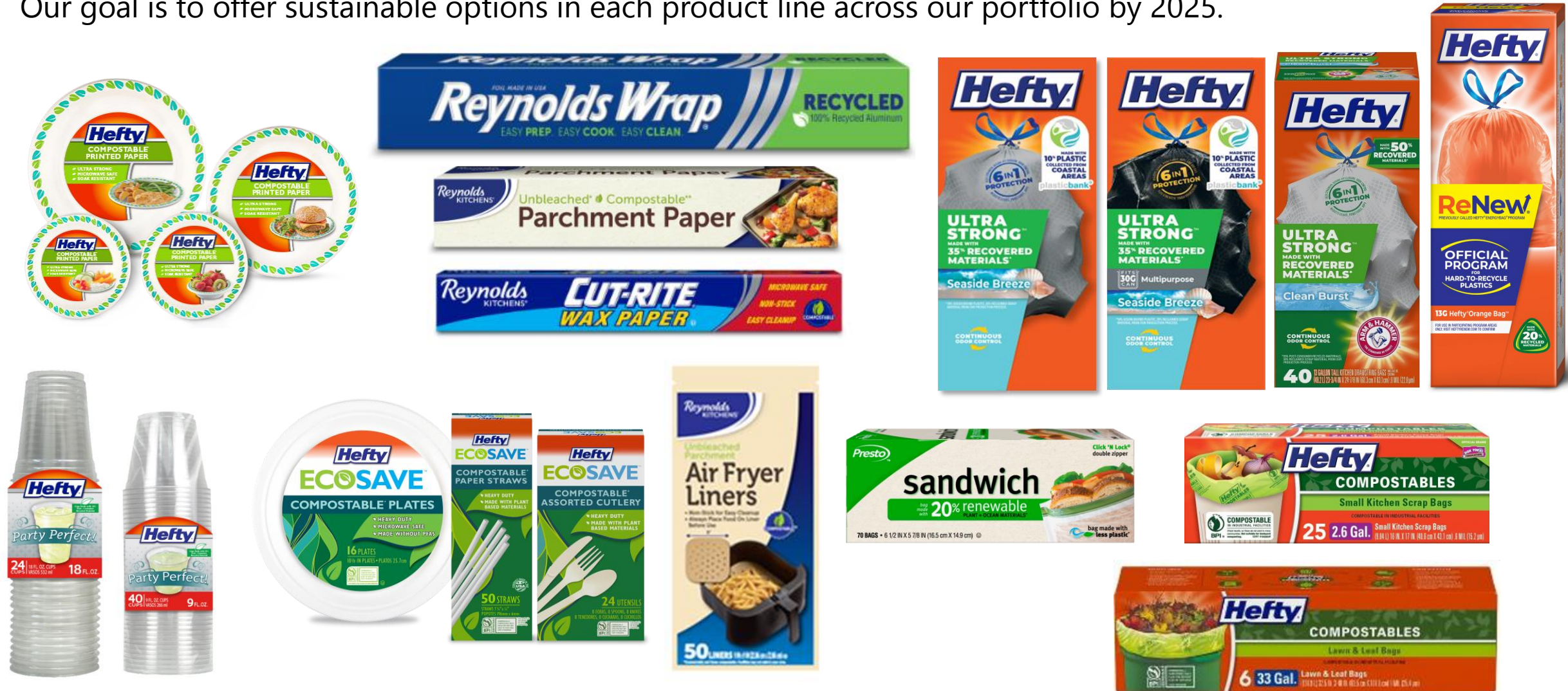
Metric	Q2 2024 Outlook	Prior FY 2024 Outlook	Current FY 2024 Outlook
Net Revenues	\$875 to \$900 million	\$3,530 to \$3,640 million	\$3,530 to \$3,640 million
Net Income and Adj Net Income	\$88 to \$96 million ¹	\$331 to \$347 million	\$341 to \$357 million ¹
Adjusted EBITDA	\$160 to \$170 million	\$660 to \$680 million	\$660 to \$680 million
EPS and Adj EPS	\$0.42 to \$0.46 ¹	\$1.57 to \$1.65	\$1.62 to \$1.70 ¹
Net Debt <i>(at December 31, 2024)</i>		\$1.5 to \$1.6 billion	\$1.5 to \$1.6 billion

¹Second quarter and full-year Net Income estimates include an approximate \$10 million tax benefit, or approximately \$0.05 per share, resulting from updated expectations on income taxes.

Note: Adjusted EBITDA and Net Debt are non-GAAP financial measures. 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

Our goal is to offer sustainable options in each product line across our portfolio by 2025.



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



**Non-GAAP
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 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, depreciation and amortization and further adjusted to exclude certain, non-recurring items, if applicable. 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 sum of certain, non-recurring items, if applicable. 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 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 Months 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 second quarter 2024, where adjusted, is provided on a non-GAAP basis. The Company cannot reconcile its expected Net Debt at December 31, 2024 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, 2024 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 March 31,	
	2024	2023
Net income – GAAP	\$ 49	\$ 17
Income tax expense	16	6
Interest expense, net	25	29
Depreciation and amortization	32	30
Adjusted EBITDA (Non-GAAP)	\$ 122	\$ 82

Reconciliation of Trailing Twelve Months Net Income to Trailing Twelve Months Adjusted EBITDA

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

	Twelve Months Ended March 31, 2024	Twelve Months Ended December 31, 2023
Net income – GAAP	\$ 330	\$ 298
Income tax expense	105	95
Interest expense, net	115	119
Depreciation and amortization	126	124
Adjusted EBITDA (Non-GAAP)	\$ 676	\$ 636

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 March 31, 2024

Current portion of long-term debt	\$	—
Long-term debt		1,833
Total debt		1,833
Cash and cash equivalents		(135)
Net debt (Non-GAAP)	\$	1,698
For the twelve months ended March 31, 2024		
Adjusted EBITDA (Non-GAAP)	\$	676

Net Debt to Trailing Twelve Months Adjusted EBITDA **2.5x**

As of December 31, 2023

Current portion of long-term debt	\$	—
Long-term debt		1,832
Total debt		1,832
Cash and cash equivalents		(115)
Net debt (Non-GAAP)	\$	1,717
For the twelve months ended December 31, 2023		
Adjusted EBITDA (Non-GAAP)	\$	636

Net Debt to Trailing Twelve Months Adjusted EBITDA **2.7x**

Reconciliation of Q2 2024 and FY2024 Net Income Guidance to Adjusted EBITDA Guidance

Reynolds Consumer Products Inc.
Reconciliation of Q2 2024 and FY2024 Net Income Guidance to Adjusted EBITDA Guidance
(amounts in millions)

	Three Months Ended June 30, 2024		Year Ended December 31, 2024	
	Low	High	Low	High
Net income (GAAP)	\$ 88	\$ 96	\$ 341	\$ 357
Income tax expense	16	18	98	102
Interest expense, net	26	26	100	100
Depreciation and amortization	30	30	121	121
Adjusted EBITDA	\$ 160	\$ 170	\$ 660	\$ 680

