



Reynolds Group Holdings Limited

Q3 2018 Results

October 31, 2018



Disclaimer

This presentation may contain “forward-looking statements” as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain the words “believe”, “anticipate”, “expect”, “estimate”, “intend”, “project”, “plan”, “will likely continue”, “will likely result”, or words or phrases with similar meaning. Forward-looking statements involve risks and uncertainties, including, without limitation, economic, competitive, governmental and technological factors outside of the control of Reynolds Group Holdings Limited (“RGHL”, “Reynolds” or the “Company”), that may cause Reynolds’ business, strategy or actual results to differ materially from the forward-looking statements. Factors that could cause actual results to differ materially from the forward-looking statements include without limitation:

- risks related to future costs of raw materials, energy, and freight, including the impact of tariffs, trade sanctions and similar matters affecting our importation of certain raw materials or sales of our products;
- risks related to economic downturns in our target markets;
- risks related to changes in consumer lifestyle, eating habits, nutritional preferences and health-related and environmental concerns that may harm our business and financial performance;
- risks related to complying with environmental, health and safety laws or as a result of satisfying any liability or obligation imposed under such laws;
- risks related to the impact of a loss of any of our key manufacturing facilities;
- risks related to our dependence on key management and other highly skilled personnel;
- risks related to the consolidation of our customer bases, loss of a significant customer, competition and pricing pressure;
- risks related to any potential supply of faulty or contaminated products;
- risks related to exchange rate fluctuations;
- risks related to dependence on the protection of our intellectual property and the development of new products;
- risks related to pension plans sponsored by us and others in our control group;
- risks related to strategic transactions, including completed and future acquisitions or dispositions;
- risks related to our hedging activities which may result in significant losses and in period-to-period earnings volatility;
- risks related to our suppliers of raw materials and any interruption in our supply of raw materials;
- risks related to information security, including a cyber-security breach or a failure of one or more of our information technology systems, networks, processes or service providers;
- risks related to our substantial indebtedness and our ability to service our current and future indebtedness;
- risks related to restrictive covenants in certain of our outstanding notes and our other indebtedness which could adversely affect our business by limiting our operating and strategic flexibility;
- risks related to increases in interest rates which would increase the cost of servicing our variable rate debt instruments; and
- risks related to other factors discussed or referred to in our quarterly reports and our annual report, including in the section entitled “Risk Factors.”

Some financial information in this presentation has been rounded and, as a result, the figures shown as totals in this presentation may vary slightly from the exact arithmetic aggregation of the figures that precede them.

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Disclaimer

Explanatory Note on Non-GAAP Financial Measures

In this presentation, we utilize certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA, that in each case are not recognized under IFRS or U.S. GAAP. These measures are presented as we believe that they and similar measures are widely used in the markets in which we operate as a means of evaluating a company's operating performance and financing structure. They may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS, U.S. GAAP or other generally accepted accounting principles, nor should they be considered as substitutes for the information contained in the financial statements included in this presentation.

EBITDA, a measure used by our management to measure operating performance, is defined as profit (loss) from continuing operations plus income tax, net financial expenses, depreciation of property, plant and equipment and amortization of intangible assets. EBITDA is not a measure of our financial condition, liquidity or profitability and should not be considered as a substitute for profit (loss) for the year, operating profit or any other performance measures derived in accordance with IFRS or as a substitute for cash flow from operating activities as a measure of our liquidity in accordance with IFRS.

Adjusted EBITDA is calculated as EBITDA adjusted for particular items relevant to explaining operating performance. These adjustments include significant items of an unusual nature that cannot be attributed to ordinary business operations, including items such as non-cash pension income or expense, restructuring and redundancy costs and gains and losses in relation to the valuation of derivatives. Pro Forma Adjusted EBITDA is defined as Adjusted EBITDA as adjusted to provide the full-period effect of implemented cost savings programs, divestments, acquisition synergies and business acquisitions to the extent not reflected in Adjusted EBITDA. Adjusted EBITDA is not a presentation made in accordance with IFRS, is not a measure of financial condition, liquidity or profitability and should not be considered as an alternative to profit (loss) for the period determined in accordance with IFRS or operating cash flows determined in accordance with IFRS. The determination of Pro Forma Adjusted EBITDA contains a number of estimates and assumptions that may prove to be incorrect and differ materially from actual.

Additionally, EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA are not intended to be a measure of free cash flow for management's discretionary use, as it does not take into account certain items such as interest and principal payments on our indebtedness, working capital needs, tax payments and capital expenditures. We believe that the inclusion of EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA in this presentation is appropriate to provide additional information to investors about our operating performance to provide a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. Because not all companies calculate EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA identically, the presentation of these non-GAAP financial measures may not be comparable to other similarly titled measures in other companies.

Presenters Overview

Tom Degnan	Chief Executive Officer
Allen Hugli	Chief Financial Officer
Lance Mitchell	Reynolds Consumer Products
John McGrath	Pactiv Foodservice
John Rooney	Graham Packaging
John Rooney	Evergreen
John Rooney	Closures

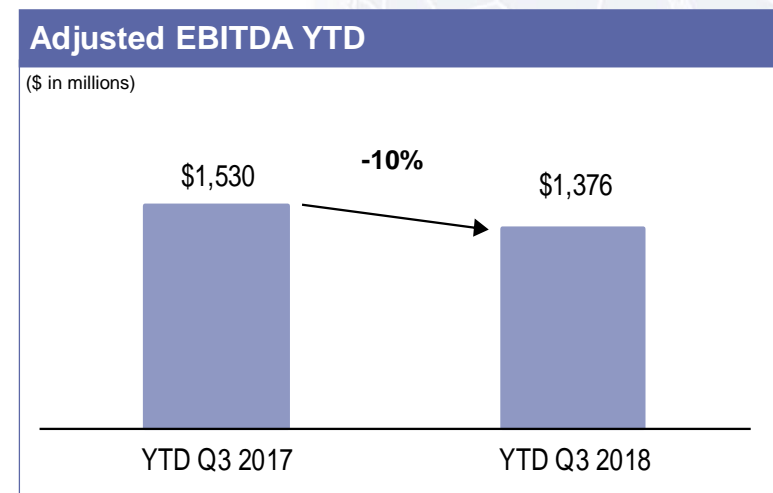
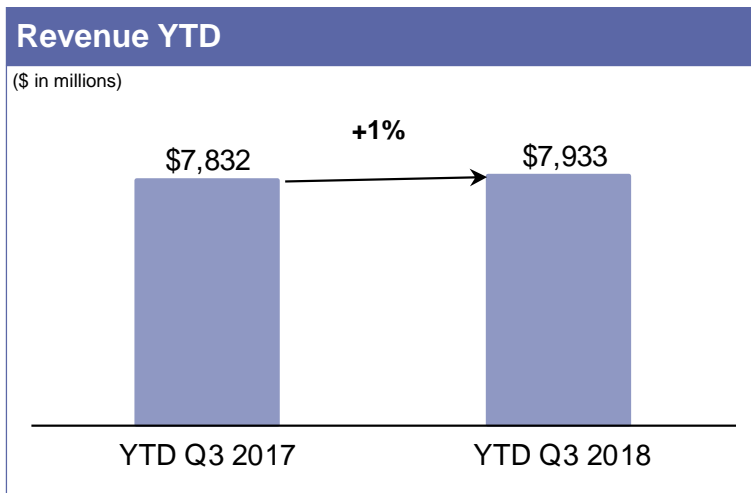
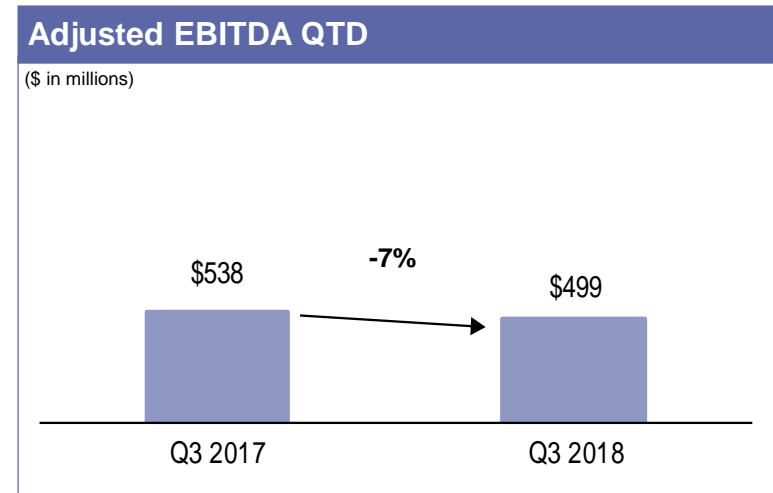
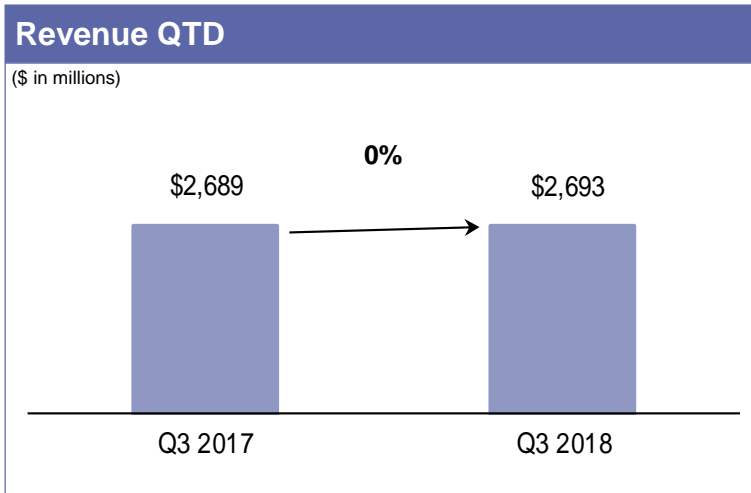


Reynolds Group Holdings Limited

Tom Degnan



Reynolds Group Revenue and Adjusted EBITDA



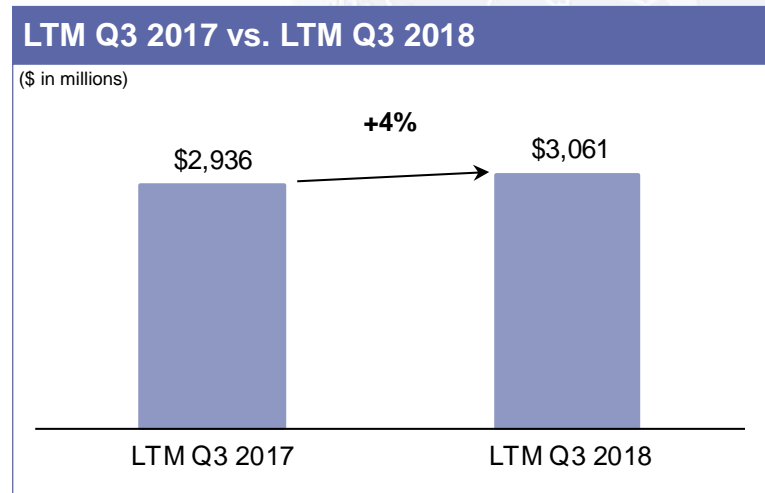
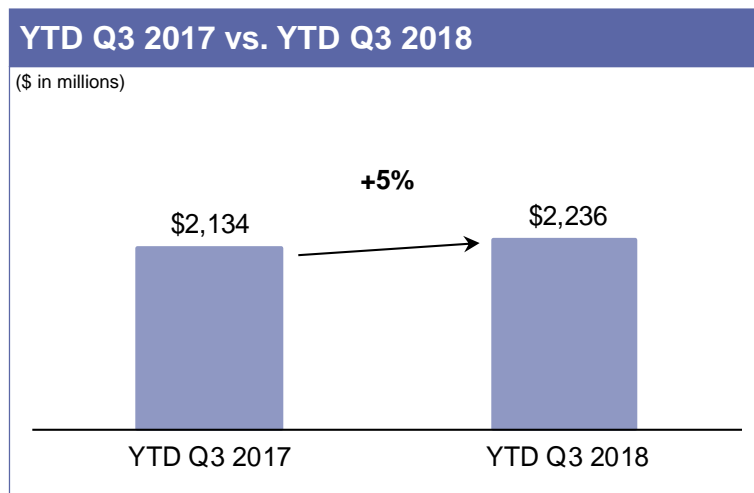
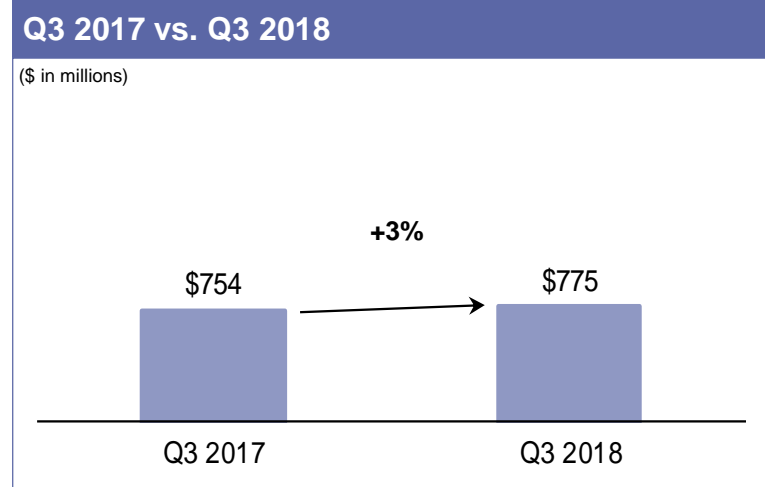
Reynolds Consumer Products

Lance Mitchell



Reynolds Consumer Products Revenue

- Revenue increased by 3% to \$775 million in Q3 2018
- Increase primarily driven by:
 - Pricing actions taken across most product lines
 - Partially offset by lower sales volume
- LTM revenue increased by 4% to \$3,061 million



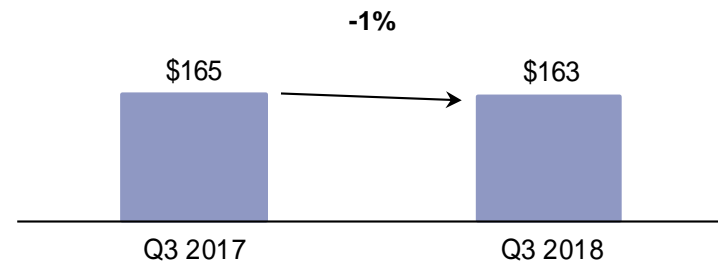
Reynolds Consumer Products Adjusted EBITDA



- Adjusted EBITDA decreased by 1% to \$163 million in Q3 2018
- Decrease primarily driven by:
 - Higher material costs and logistics costs
 - Partially offset by higher pricing and lower advertising expenses due to timing
- LTM Adjusted EBITDA increased to \$630 million

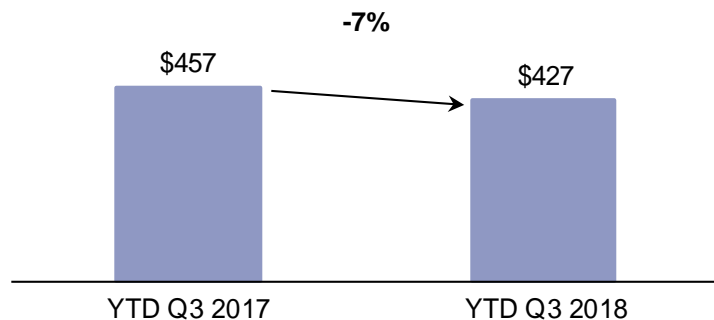
Q3 2017 vs. Q3 2018

(\$ in millions)



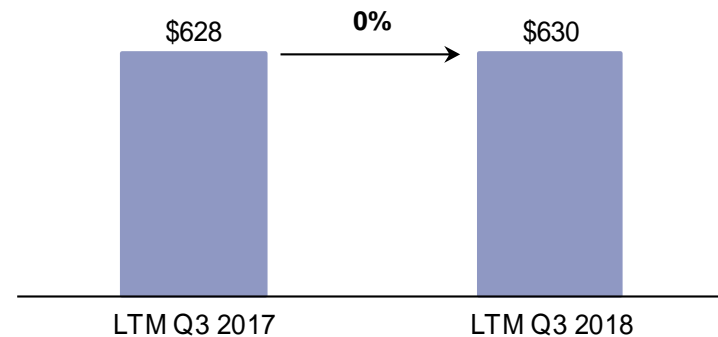
YTD Q3 2017 vs. YTD Q3 2018

(\$ in millions)



LTM Q3 2017 vs. LTM Q3 2018

(\$ in millions)



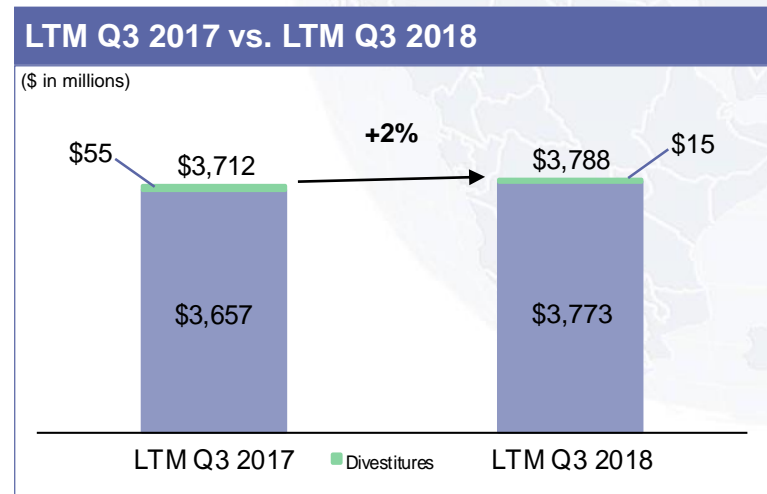
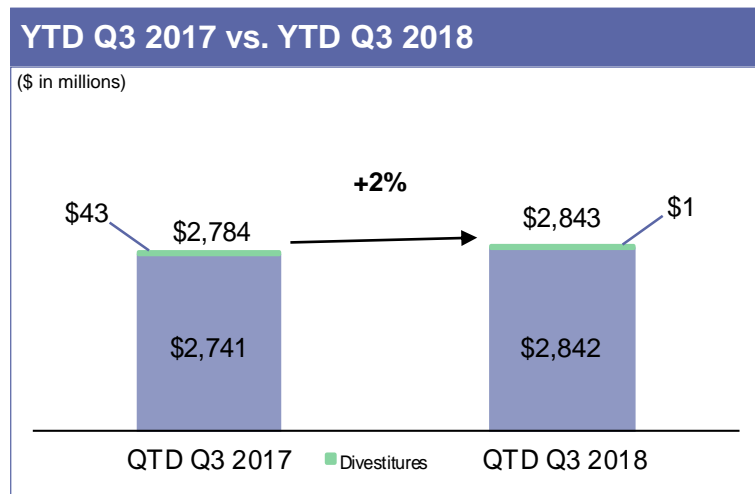
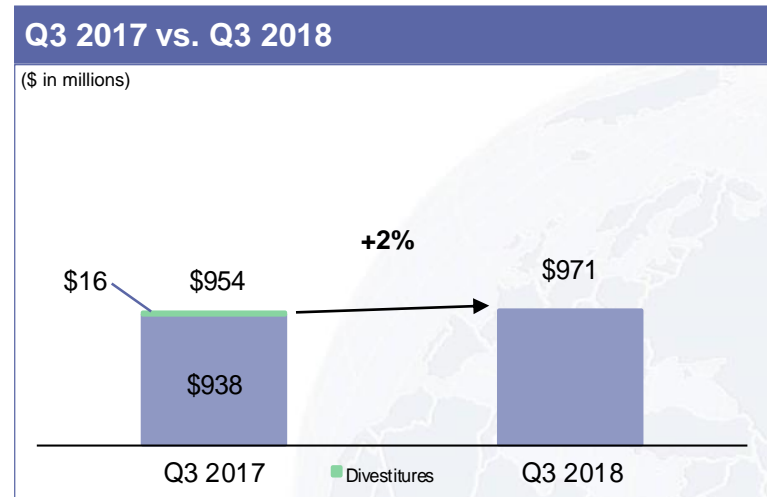
Pactiv Foodservice

John McGrath



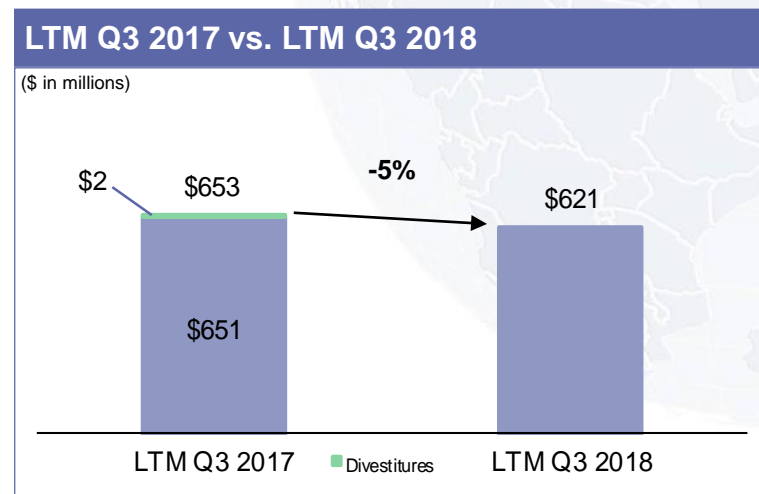
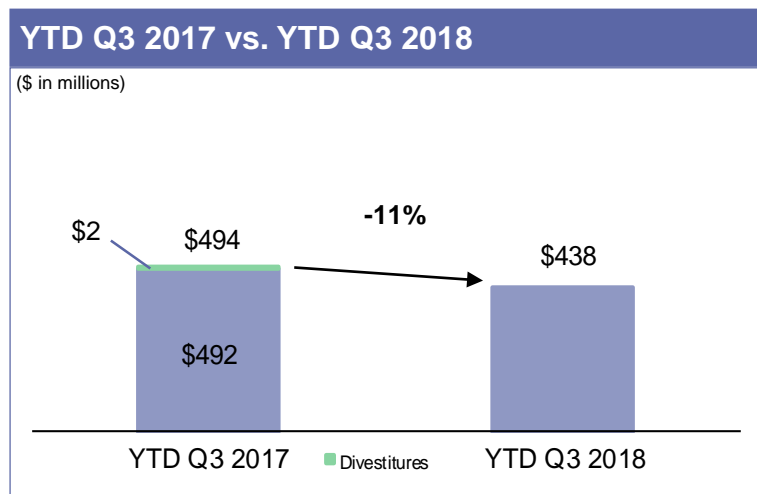
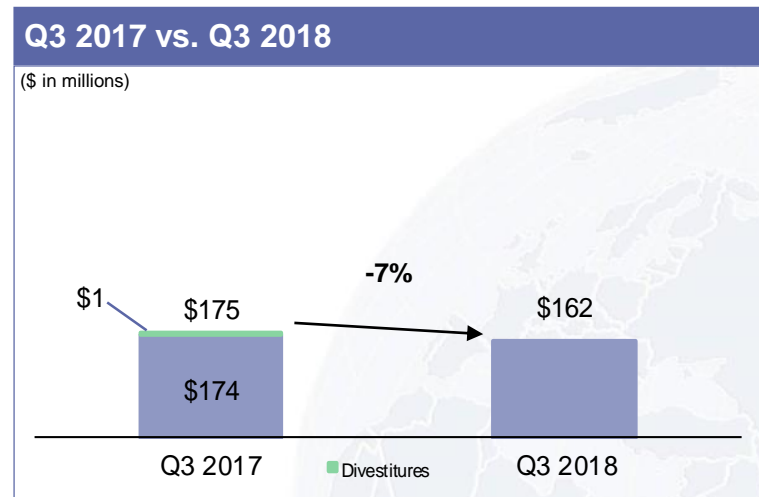
Pactiv Foodservice Revenue

- Revenue increased by 2% to \$971 million in Q3 2018
- Increase primarily driven by:
 - Favorable price pass-through, net of product mix
 - Partially offset by business divestitures
- LTM revenue increased by 2% to \$3,788 million



Pactiv Foodservice Adjusted EBITDA

- Adjusted EBITDA decreased by 7% to \$162 million in Q3 2018
- Decrease primarily driven by:
 - Higher raw material costs
 - Higher manufacturing costs
 - Higher logistics costs
 - Partially offset by increased pricing passed through and lower SG&A
- LTM Adjusted EBITDA decreased by 5% to \$621 million



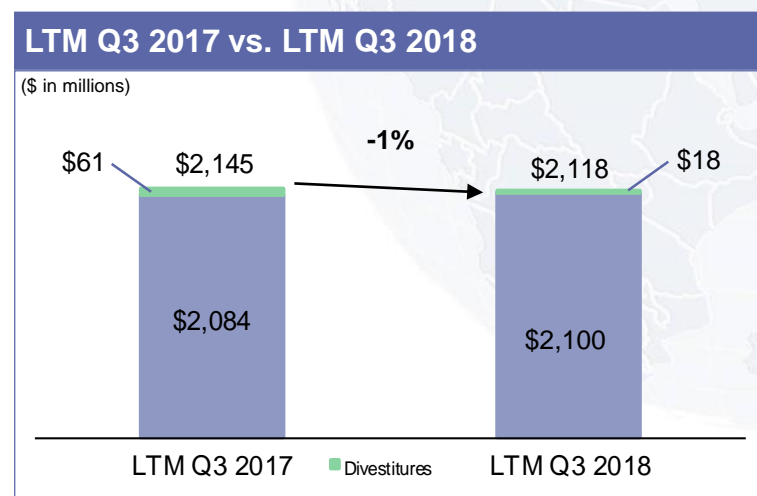
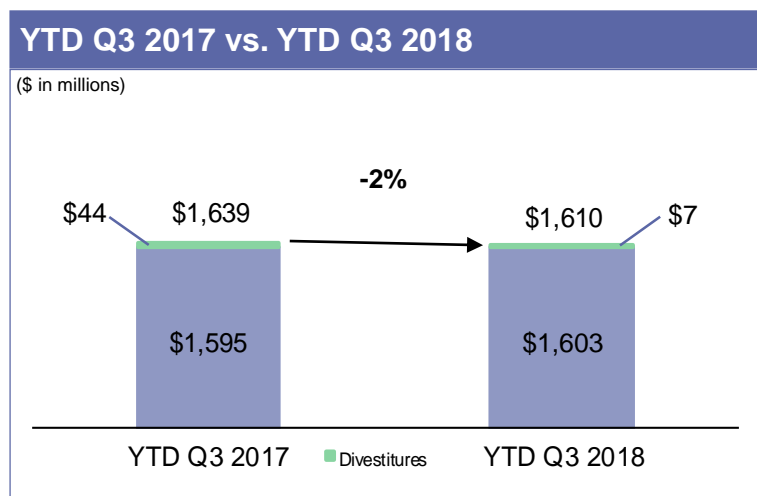
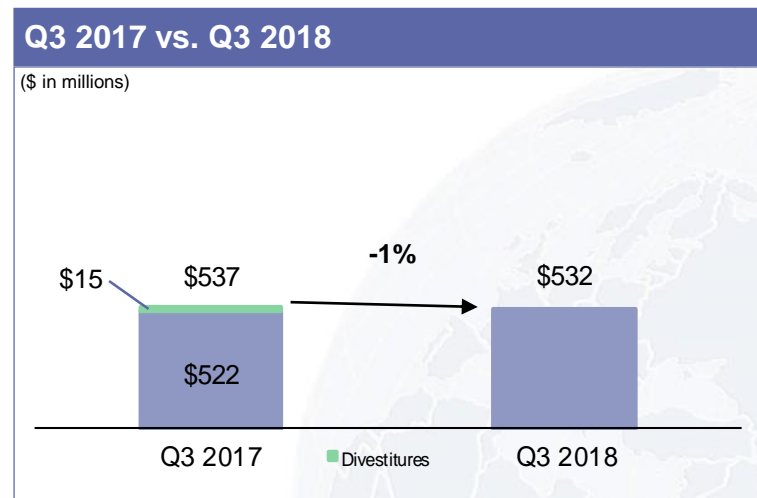
Graham Packaging

John Rooney



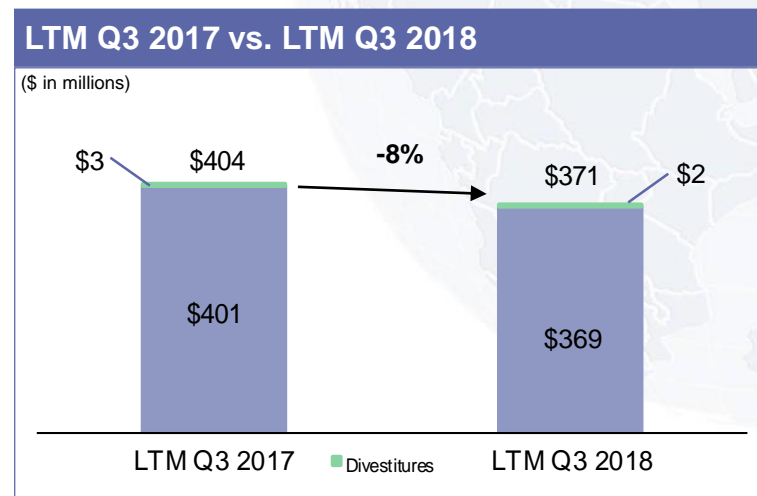
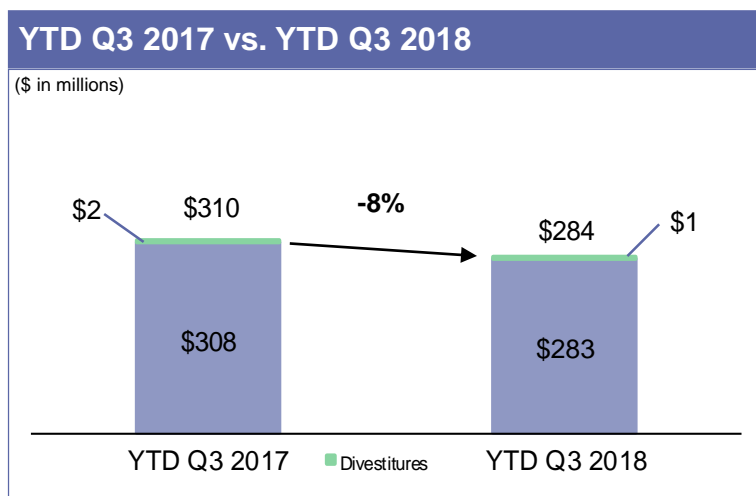
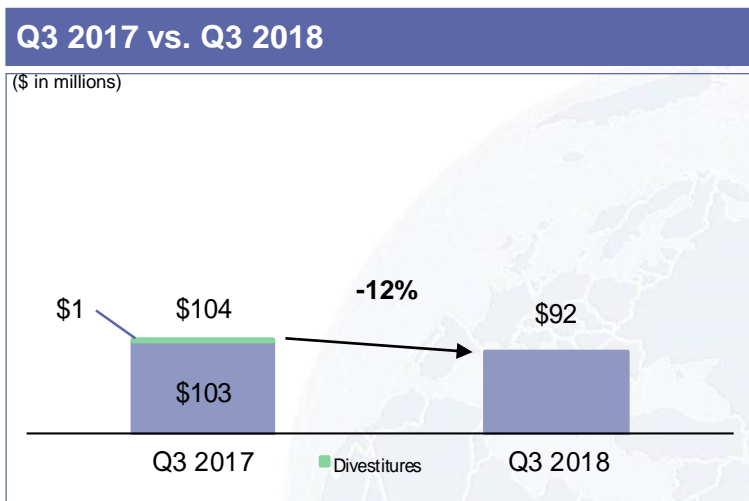
Graham Packaging Revenue

- Revenue decreased by 1% to \$532 million in Q3 2018
- Decrease primarily driven by:
 - Strategic business exits
 - Impact of \$13 million due to application of new revenue recognition standard
 - Unfavorable foreign currency impact
 - Partially offset by:
 - Increased pricing from higher resin costs passed through to customers
- LTM revenue decreased by 1% to \$2,118 million



Graham Packaging Adjusted EBITDA

- Adjusted EBITDA decreased by 12% to \$92 million in Q3 2018
- Decrease primarily driven by:
 - Higher logistics and manufacturing costs
 - Lower sales volume
 - Decline in pricing due to contractual price movements
- LTM Adjusted EBITDA decreased by 8% to \$371 million



Evergreen

John Rooney

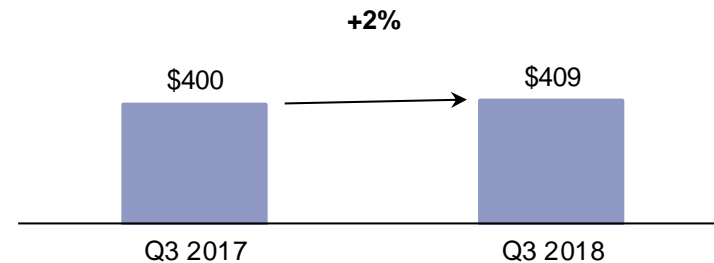


Evergreen Revenue

- Revenue increased by 2% to \$409 million in Q3 2018
- Increase primarily driven by:
 - Higher pricing
- LTM revenue increased by 3% to \$1,595 million

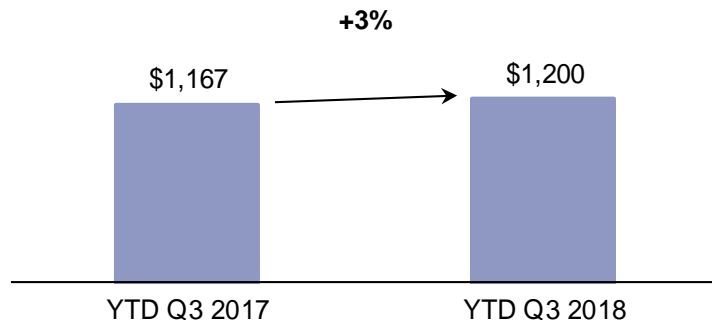
Q3 2017 vs. Q3 2018

(\$ in millions)



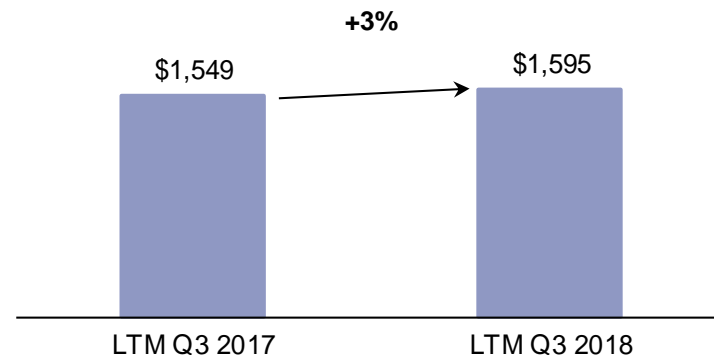
YTD Q3 2017 vs. YTD Q3 2018

(\$ in millions)



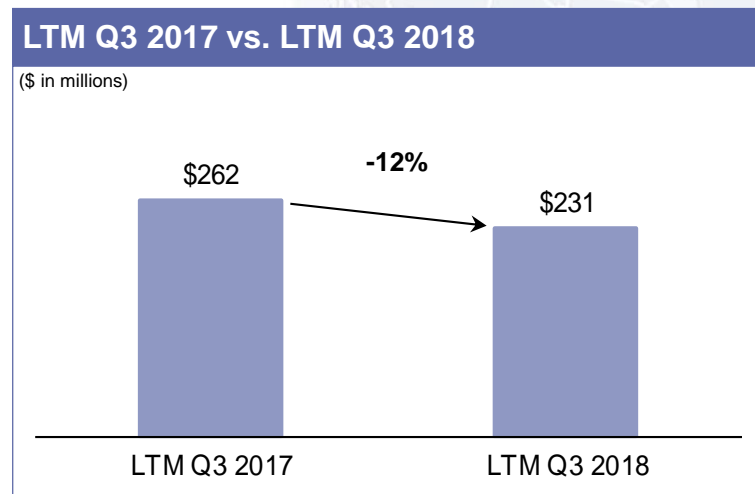
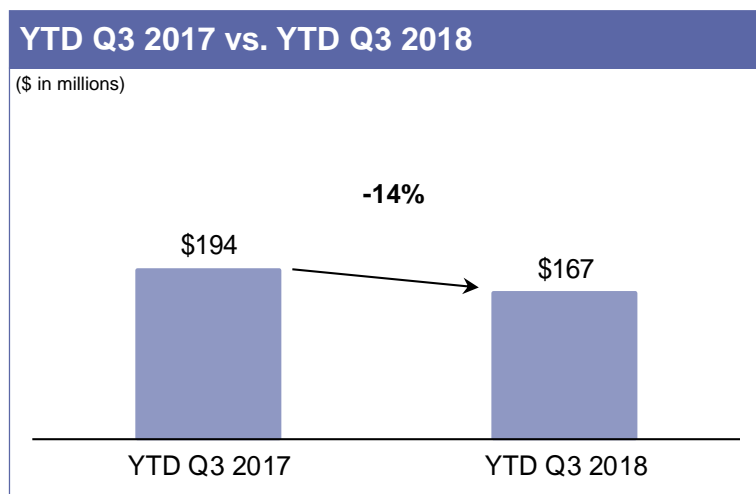
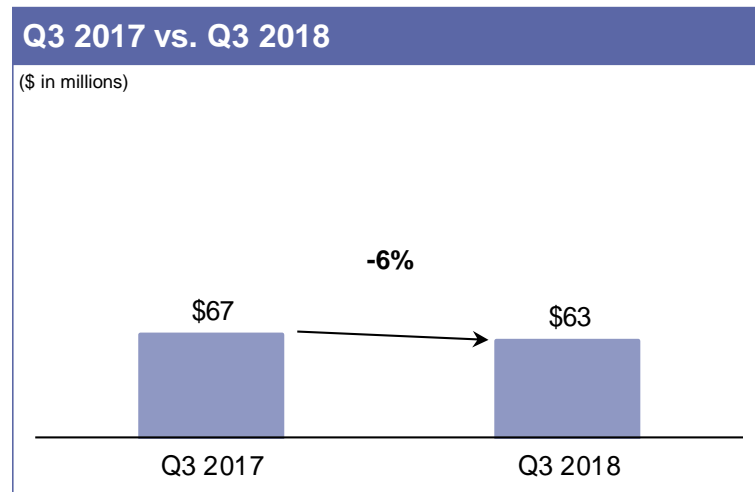
LTM Q3 2017 vs. LTM Q3 2018

(\$ in millions)



Evergreen Adjusted EBITDA

- Adjusted EBITDA decreased by 6% to \$63 million in Q3 2018
- Decrease primarily driven by:
 - Higher repair and maintenance costs, primarily as a result of timing of planned maintenance outage
 - Higher logistics costs
 - Partially offset by higher pricing and lower employee-related expenses
- LTM Adjusted EBITDA decreased by 12% to \$231 million



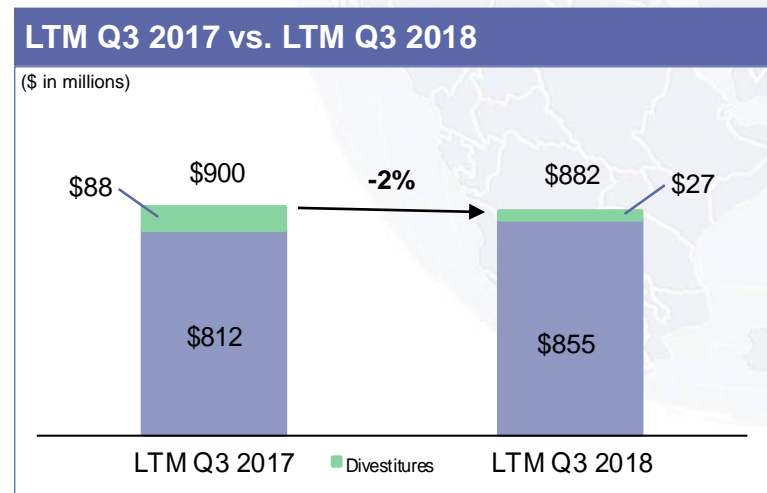
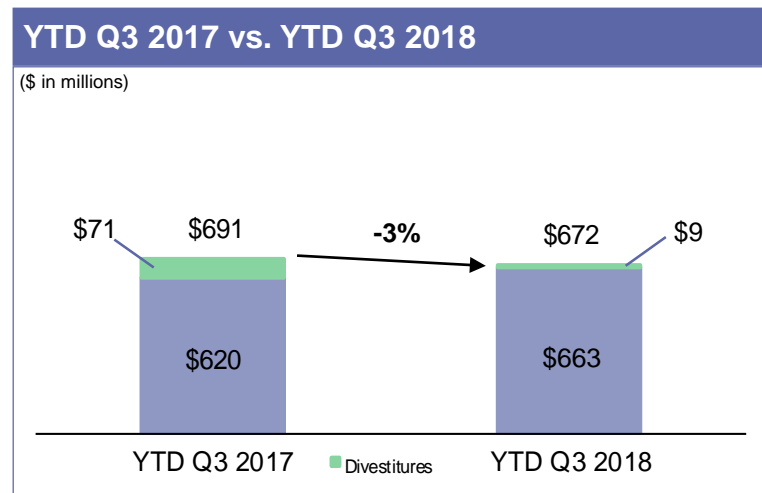
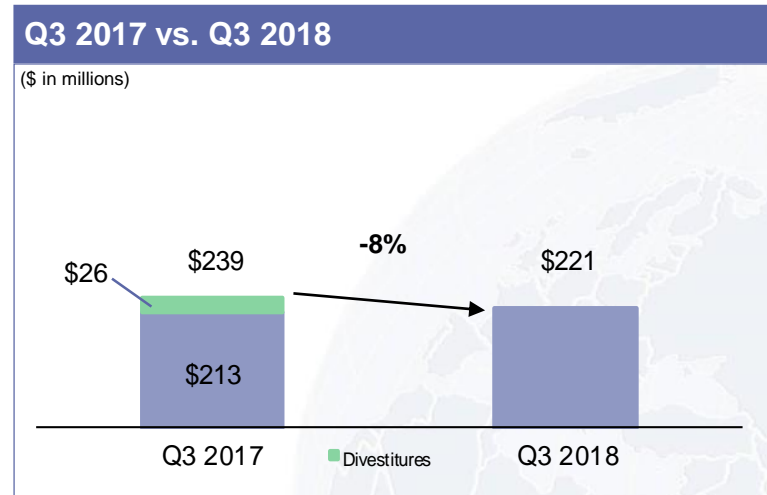
Closures

John Rooney



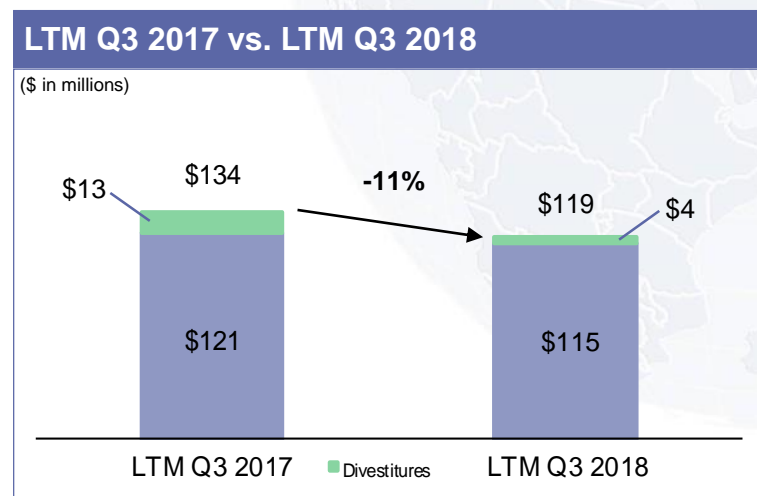
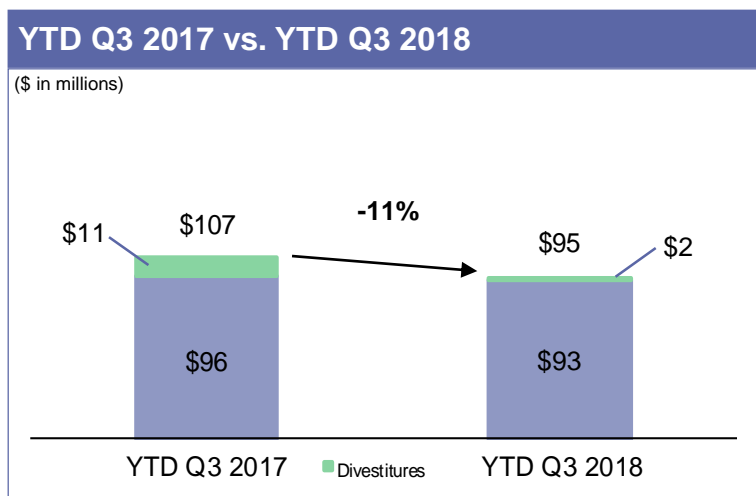
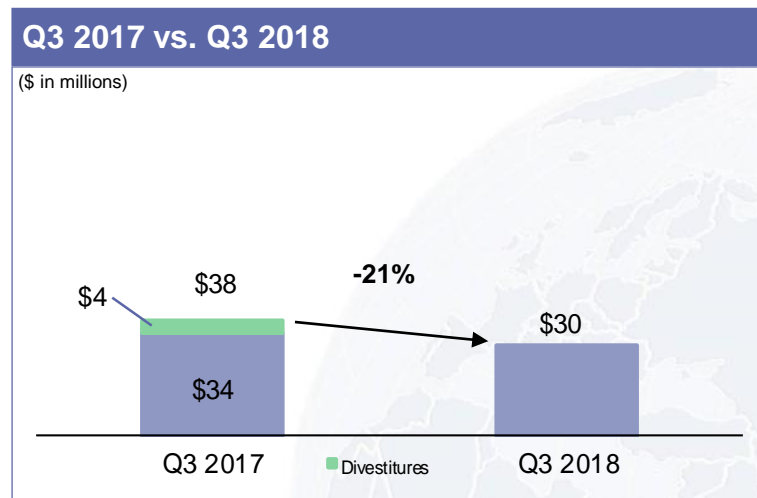
Closures Revenue

- Revenue decreased by 8% to \$221 million in Q3 2018
- Decrease primarily driven by:
 - A strategic business exit
 - Unfavorable foreign currency impact
 - Partially offset by an increase in pricing from higher resin costs passed through to customers
- LTM revenue decreased by 2% to \$882 million



Closures Adjusted EBITDA

- Adjusted EBITDA decreased by 21% to \$30 million in Q3 2018
- Decrease primarily driven by:
 - Strategic business exit
 - Higher net material costs
 - Partially offset by lower manufacturing costs and lower SG&A
- LTM Adjusted EBITDA decreased by 11% to \$119 million



Reynolds Group Financial Overview

Allen Hugli

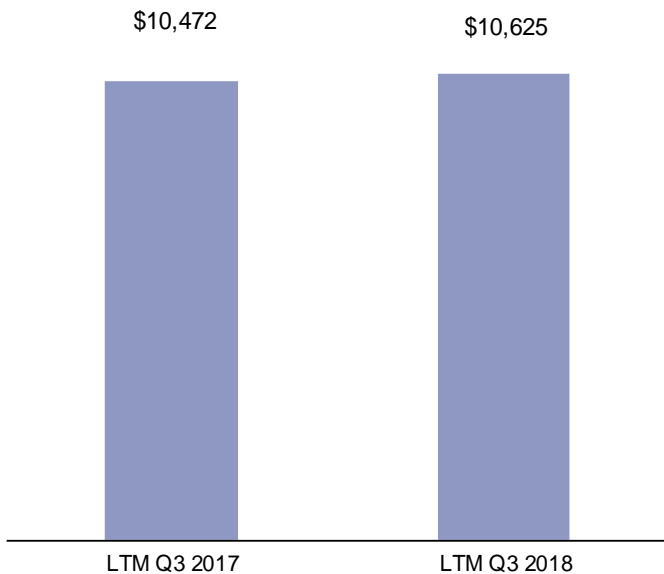


Reynolds Group Revenue and Adjusted EBITDA



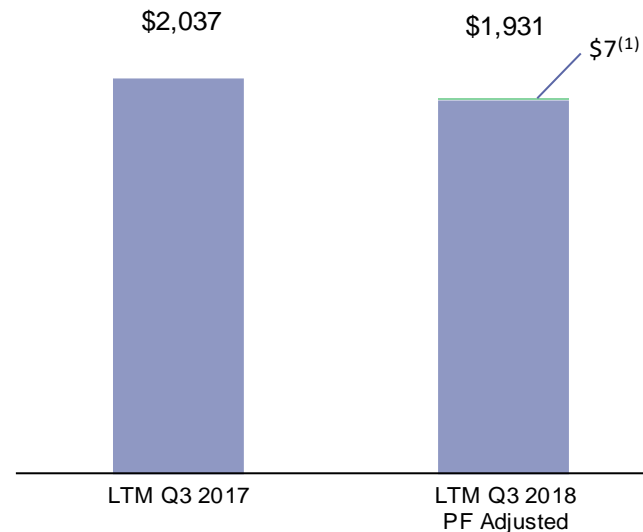
Revenue

(\$ in millions)



Adjusted EBITDA

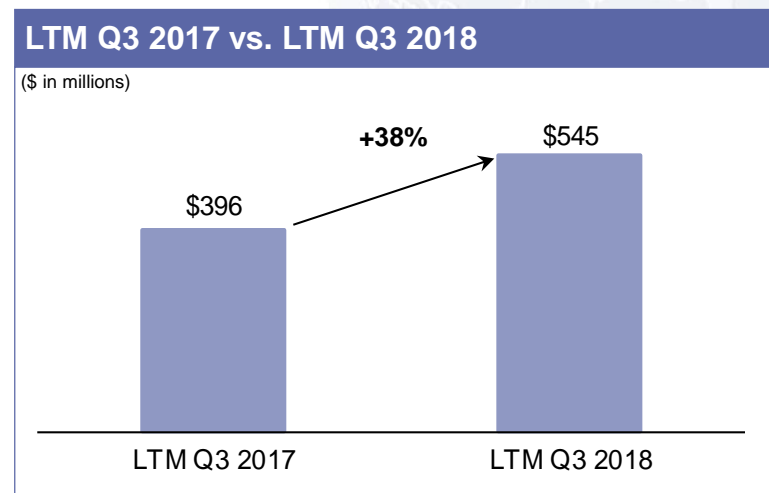
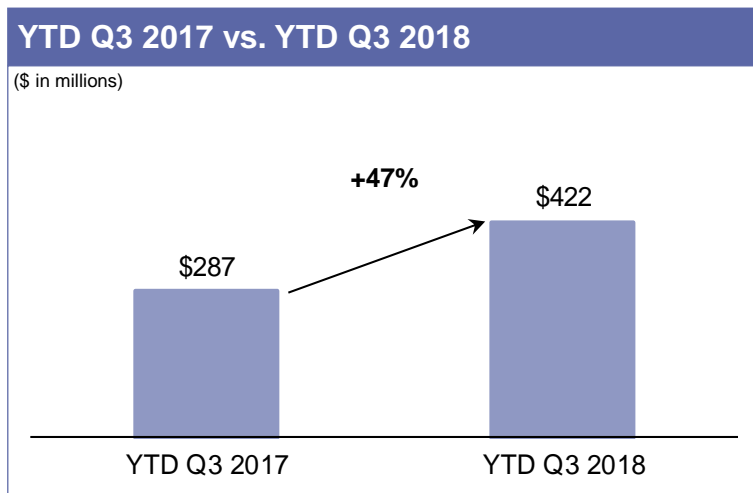
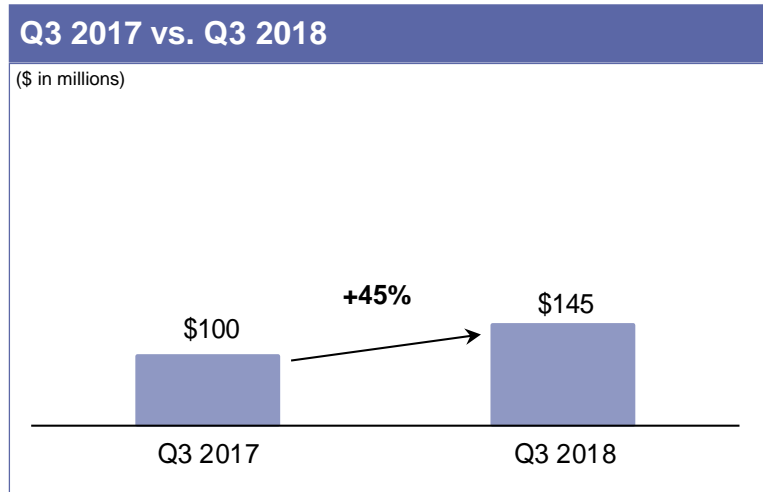
(\$ in millions)



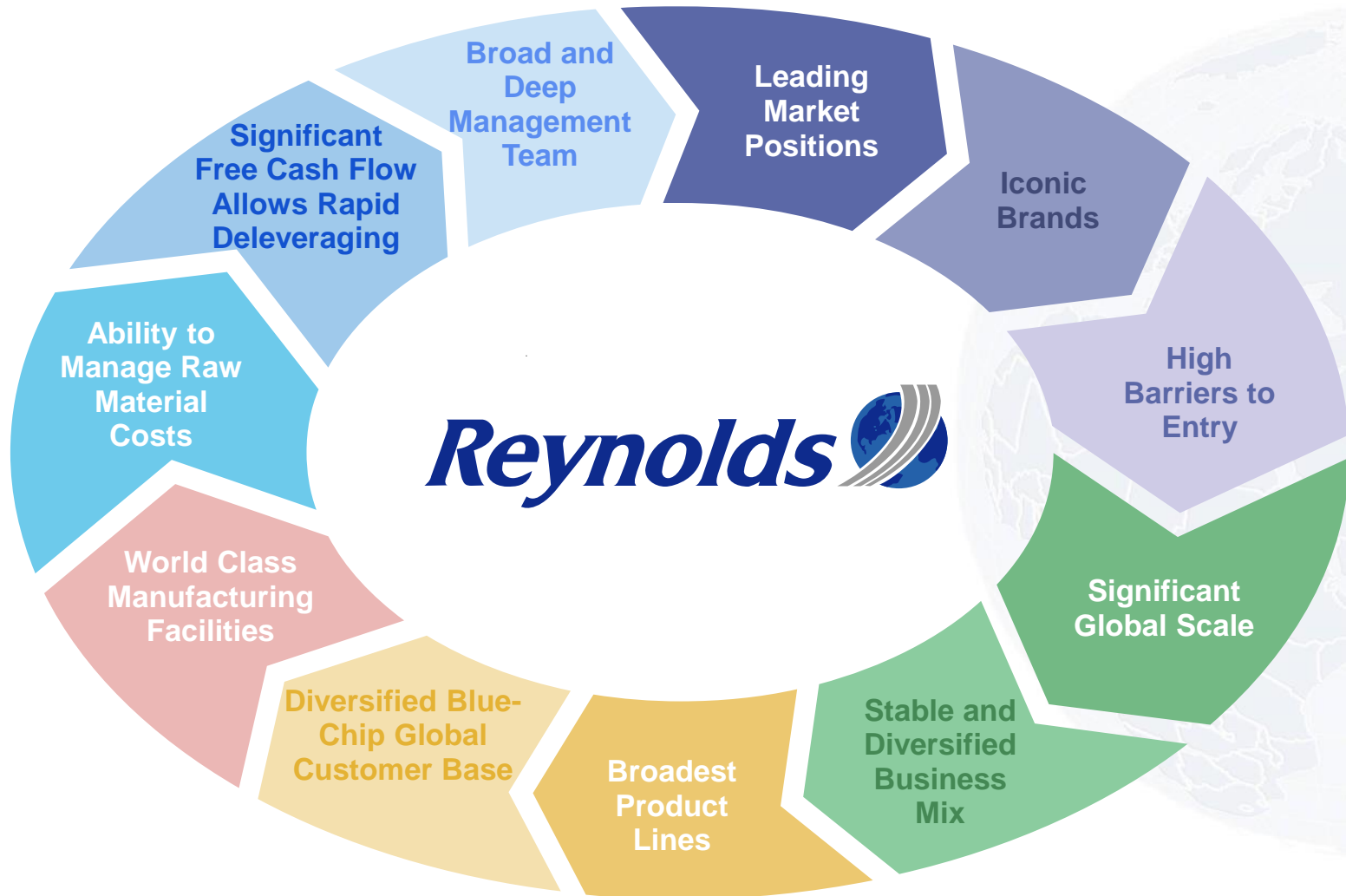
(1) Annualization impact of cost savings programs and of acquisitions/divestitures.

Reynolds Group Capital Expenditures

- Capital expenditures increased from \$100 million to \$145 million in Q3 2018
- Increase primarily due to new projects to reduce the Group's cost base and to meet customer requirements



Key Investment Highlights



Appendix



Reynolds Group Revenue and Adjusted EBITDA by Segment



(In \$ millions)

	For the nine months ended September 30, 2018						
	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Evergreen	Closures	Corporate / Unallocated	Total
Total external revenue	2,110	2,445	1,610	1,125	643	-	7,933
Total inter-segment revenue	126	398	-	75	29	(628)	-
Total segment revenue	<u>2,236</u>	<u>2,843</u>	<u>1,610</u>	<u>1,200</u>	<u>672</u>	<u>(628)</u>	<u>7,933</u>
Adjusted EBITDA	427	438	284	167	95	(35)	1,376

(In \$ millions)

	For the nine months ended September 30, 2017						
	Reynolds Consumer Products	Pactiv Foodservice	Graham Packaging	Evergreen	Closures	Corporate / Unallocated	Total
Total external revenue	2,021	2,416	1,639	1,077	679	-	7,832
Total inter-segment revenue	113	368	-	90	12	(583)	-
Total segment revenue	<u>2,134</u>	<u>2,784</u>	<u>1,639</u>	<u>1,167</u>	<u>691</u>	<u>(583)</u>	<u>7,832</u>
Adjusted EBITDA	457	494	310	194	107	(32)	1,530

EBITDA Reconciliation

(\$ in millions)

	LTM 9/30/2018
Total revenue	10,625
Gross profit	2,157
(Expenses) and other income	(1,065)
Earnings before interest and tax ("EBIT") from continuing operations	1,092
Financial income (expenses)	(727)
Profit (loss) before income tax	365
Income tax (expense) benefit	(35)
Profit (loss) from continuing operations	330
Earnings before interest and tax ("EBIT") from continuing operations	1,092
Depreciation and amortization from continuing operations	656
Earnings before interest, tax, depreciation and amortization ("EBITDA") from continuing operations	1,748

Pro Forma Adjusted EBITDA

(\$ in millions)

	Pro Forma LTM 9/30/2018
Reynolds Group EBITDA	\$1,748
Asset impairment charges, net of reversals	58
(Gain) loss on sale of businesses and properties	(8)
Non-cash pension expense, net of settlement gain	46
Operational process engineering-related consultancy costs	20
Related party management fee	29
Restructuring costs, net of reversals	19
Unrealized (gain) loss on derivatives	9
Other	3
Reynolds Group Adjusted EBITDA from continuing operations	\$1,924
Annualization of cost savings programs	13
Full period estimated effect of divestitures	(6)
Reynolds Group Pro Forma Adjusted EBITDA from continuing operations	\$1,931

Capitalization Summary

(\$ in millions)

	LTM 9/30/2018	Net Multiple of EBITDA ⁽¹⁾
Cash	\$538	
Senior Secured Term Loans	\$3,542	
Senior Secured Notes	5,832	
Securitization Facility ⁽¹⁾	420	
Other Secured Debt ⁽²⁾	20	
Total Secured Debt	\$9,814	4.6x
Senior Unsecured Notes	800	
Total Senior Guaranteed Debt	\$10,614	5.0x
Pactiv Unsecured Notes	476	
Total Debt⁽³⁾	\$11,090	5.2x
Pro Forma Adjusted EBITDA from continuing operations⁽⁴⁾	\$1,931	

(1) Under the credit agreement, the Securitization Facility is excluded from Total Debt for the purpose of the calculation of the Total Secured Leverage Ratio. All leverage ratios in the table above are calculated excluding the Securitization Facility.

(2) Consists of local working capital facilities and finance leases.

(3) Excludes derivative liabilities of \$6 million.

(4) Adjusted for full period effect of implemented cost savings programs, acquisition synergies and business acquisitions and divestitures.