

Reynolds Group Holdings Limited

Q2 2020 Results

August 13, 2020



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” or the “Company”), that may cause the Company’s 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 the COVID-19 pandemic, including the associated effect of heightening many of the other risks disclosed in the RGHL Group’s Annual Report;
- 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 related party transactions entered into with Reynolds Consumer Products Inc. and its subsidiaries;
- risks related to the tax-free distribution of our interest in Reynolds Consumer Products Inc. to our shareholder, Packaging Finance Limited;
- 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.

The attached information is not an offer to sell or a solicitation of an offer to purchase any security in the United States or elsewhere and shall not constitute an offer, solicitation or sale in any state or jurisdiction in which, or to any person to whom such an offer, solicitation or sale would be unlawful. No securities may be offered or sold within the United States or to U.S. persons absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from any issuer of such securities and that will contain detailed information about us.

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 acquisition costs, non-cash pension income or expense, restructuring costs, related party management fees, unrealized gains or losses on derivatives, gains or losses on the sale of non-strategic assets, asset impairments and write-downs, strategic review costs and equity method profit not distributed in cash. 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 results.

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

John McGrath

Foodservice

John McGrath

Food Merchandising

John Rooney

Evergreen

Michael King

Graham Packaging

Reynolds Group Holdings Limited

Tom Degnan



RGHL Introduction

- Key items affecting the Group's operations, financial condition and outlook
 - COVID-19
 - Designation of Graham Packaging as an unrestricted subsidiary and related financing activities
 - The Group has confidentially filed a registration statement with the SEC relating to a potential IPO



- COVID-19
 - Continues to have a major impact on our day-to-day operations
 - Health and safety of our employees, ability to run our plants, impact on our customers and our sales to them
 - We are managing our way through the pandemic but our financial results have been negatively affected
 - We believe that we have adequate liquidity; after our recent refinancing initiatives, we have approximately \$1.3 billion of cash on hand and no major debt repayments due until 2023

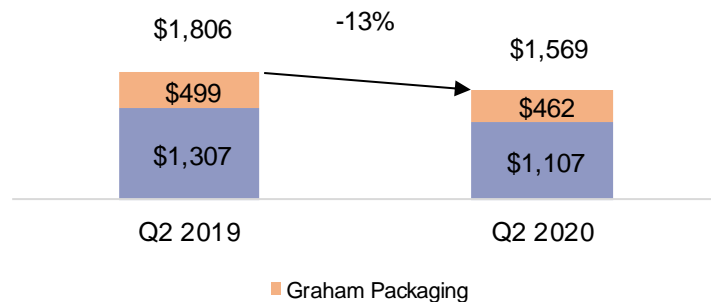
RGHL Introduction

- Designation of Graham Packaging as an unrestricted subsidiary and related refinancing activities
 - In July, after quarter-end, we announced a series of transactions
 - Completed a stand-alone financing of Graham Packaging
 - Graham Packaging is now an unrestricted subsidiary under RGHL's financing arrangements and is no longer part of these arrangements
 - The net proceeds of the Graham Packaging financing, along with some cash on hand, are being used to repay approximately \$2.2 billion of RGHL borrowings
- Confidentially filed a registration statement with the SEC relating to a potential IPO of the Group
 - Graham Packaging will be distributed from the Group prior to an IPO
 - RGHL post-IPO will be known as Pactiv Evergreen Inc.
 - No assurance that the IPO will be completed

RGHL Revenue and Adjusted EBITDA

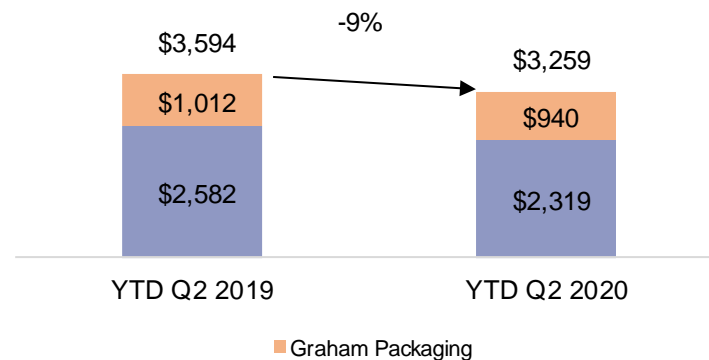
Revenue QTD

(\$ in millions)



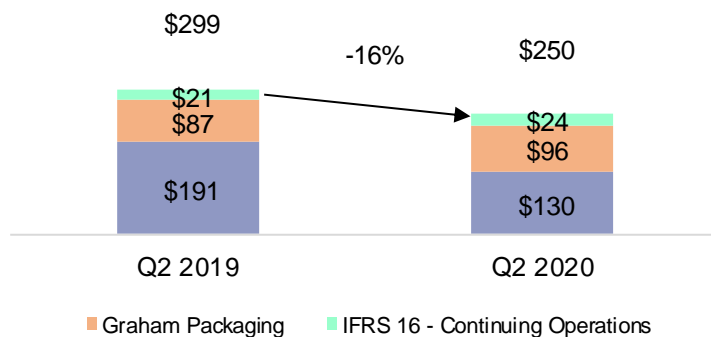
Revenue YTD

(\$ in millions)



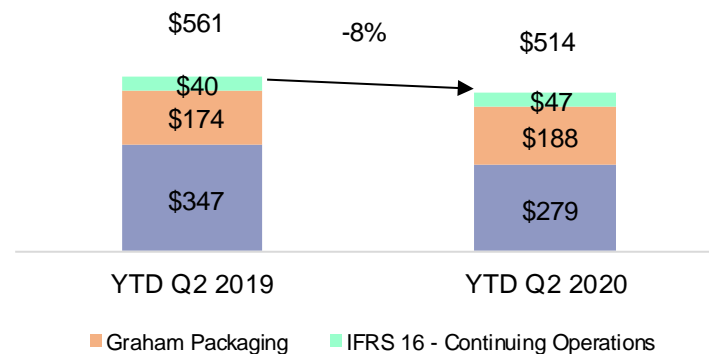
Adjusted EBITDA QTD

(\$ in millions)



Adjusted EBITDA YTD

(\$ in millions)



Foodservice

John McGrath

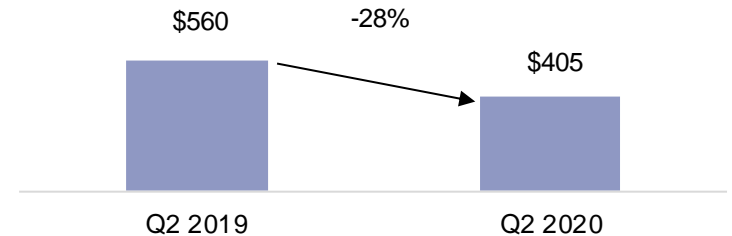


Foodservice Revenue

- Revenue decreased by 28% to \$405 million in Q2 2020
- Decrease primarily driven by:
 - Lower sales volume due to the impact of the COVID-19 pandemic
 - Lower pricing primarily due to lower costs passed through to customers
- LTM revenue decreased by 10% to \$1,954 million

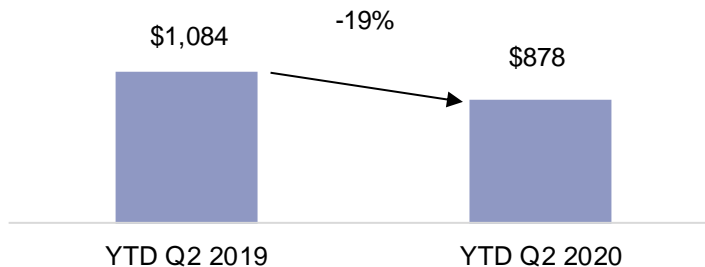
Q2 2019 vs. Q2 2020

(\$ in millions)



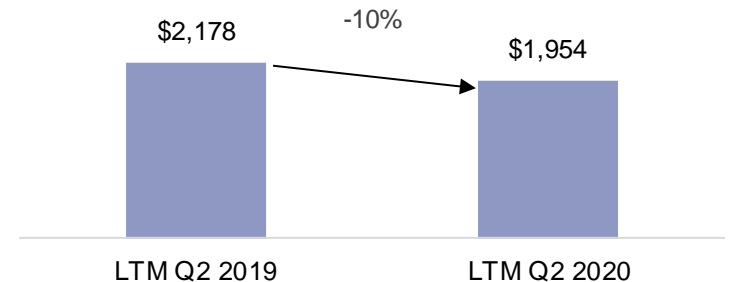
YTD Q2 2019 vs. YTD Q2 2020

(\$ in millions)



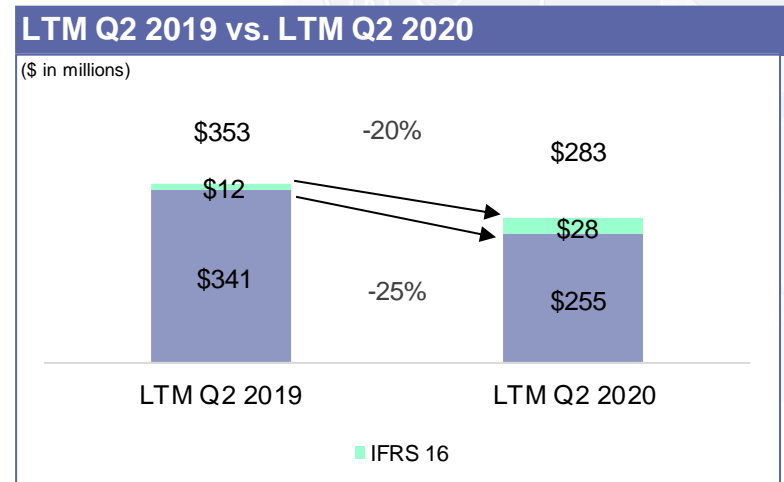
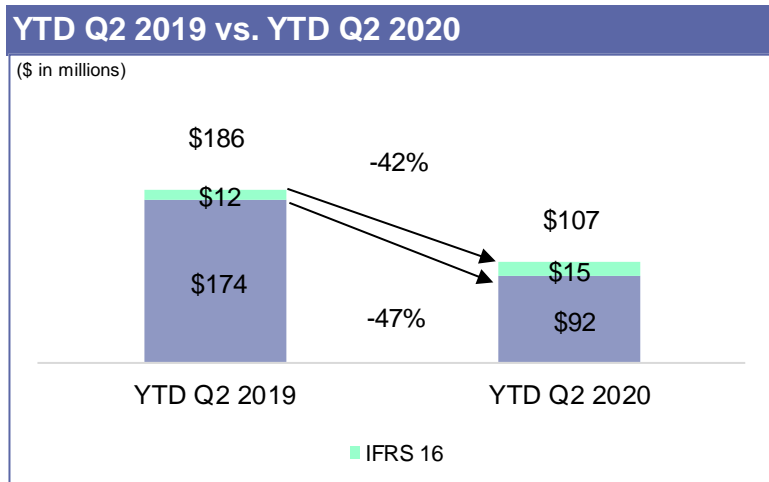
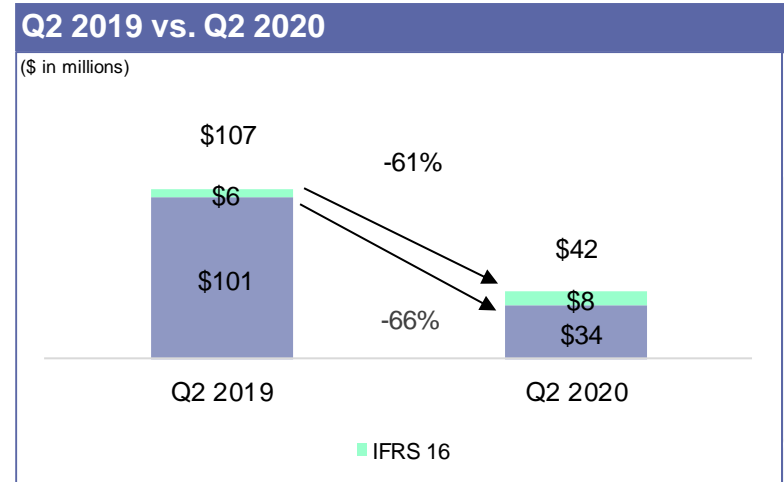
LTM Q2 2019 vs. LTM Q2 2020

(\$ in millions)



Foodservice Adjusted EBITDA

- Adjusted EBITDA decreased by 61% to \$42 million in Q2 2020
- Excluding the impact of the change in lease accounting, Adjusted EBITDA decreased by 66%
- Decrease primarily driven by:
 - Lower sales volume due to the impact of the COVID-19 pandemic
 - Higher manufacturing costs due to the impact of COVID-19
 - Unfavorable impact from raw material hedges
 - Partially offset by lower logistics costs
- LTM Adjusted EBITDA decreased by 20% to \$283 million
- Excluding the impact of the change in lease accounting, LTM Adjusted EBITDA decreased by 25%



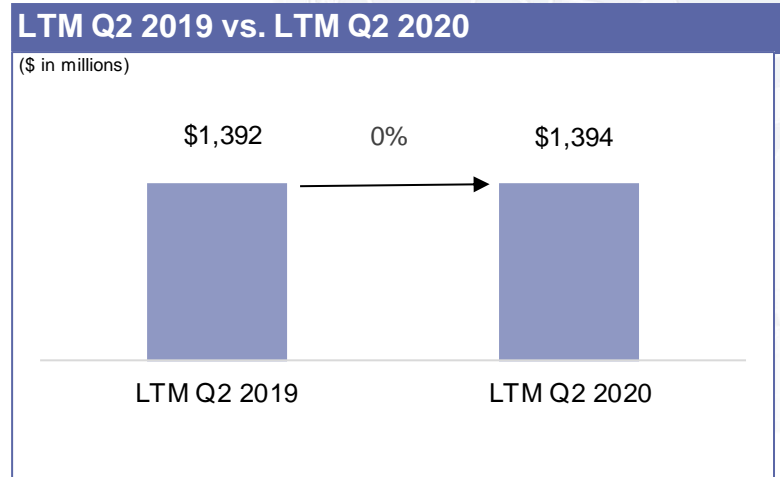
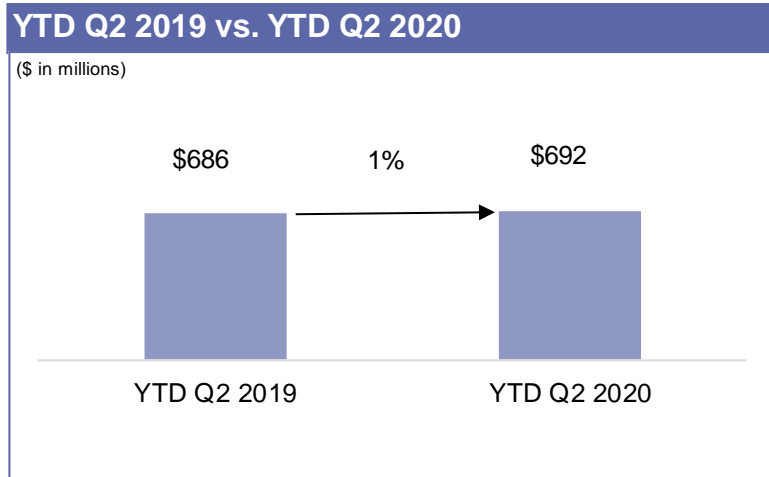
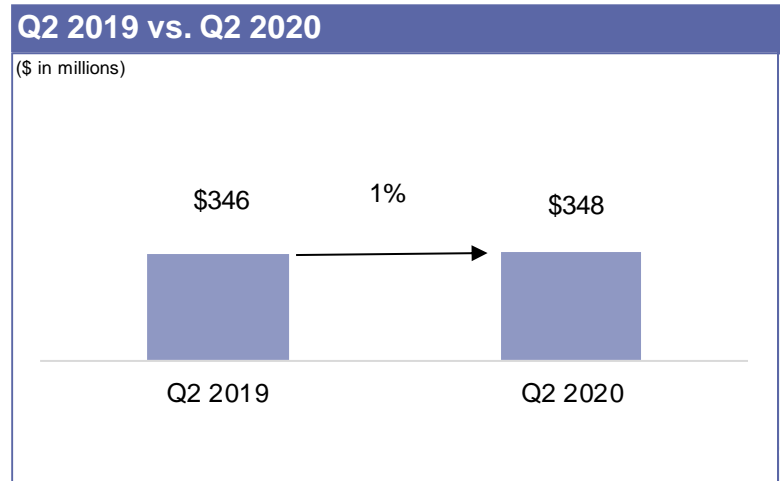
Food Merchandising

John McGrath



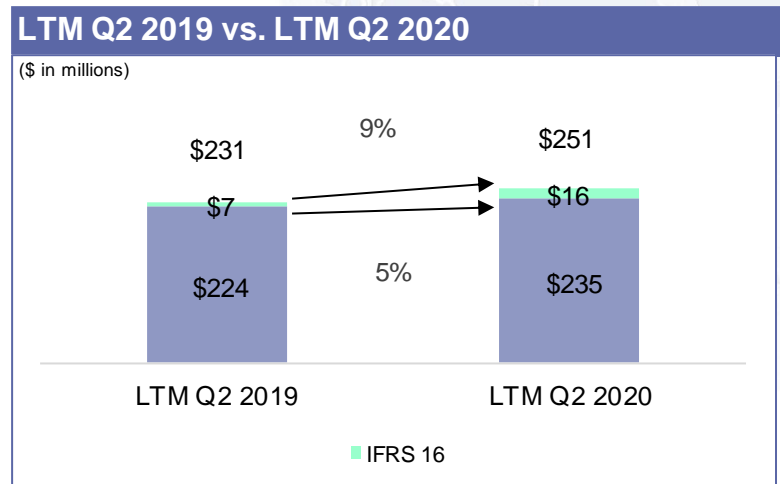
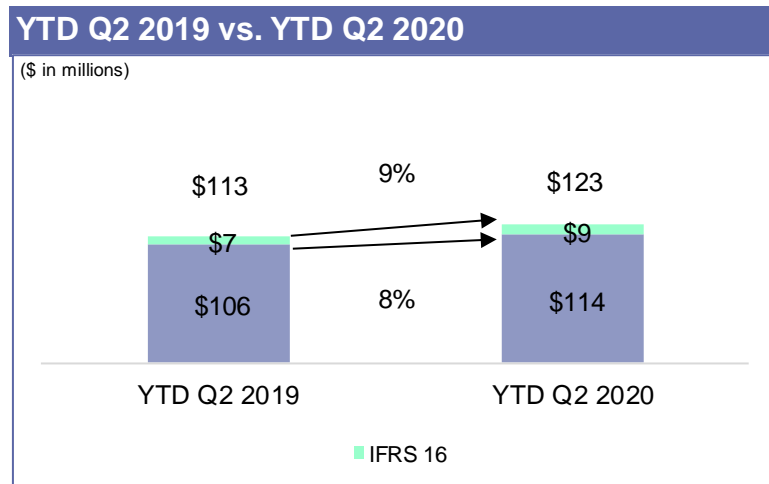
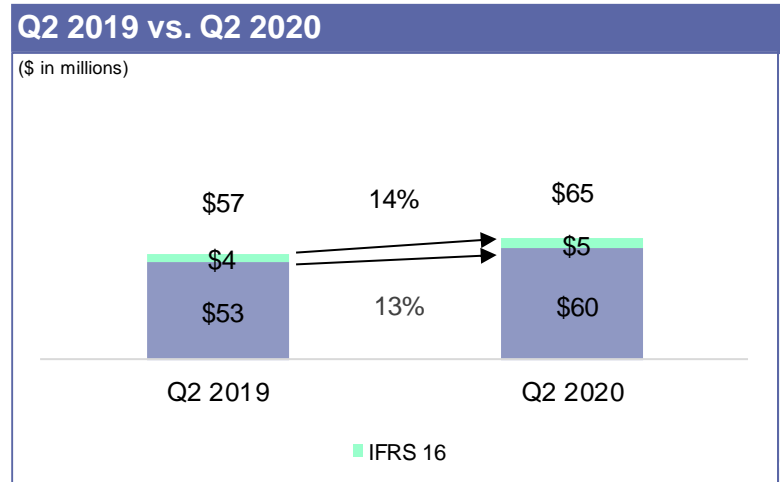
Food Merchandising Revenue

- Revenue increased by 1% to \$348 million in Q2 2020
- Increase primarily driven by:
 - Favorable pricing and product mix
 - Partially offset by:
 - Lower sales volume from the impact of the COVID-19 pandemic
 - Unfavorable foreign currency impact
- LTM revenue increased to \$1,394 million



Food Merchandising Adjusted EBITDA

- Adjusted EBITDA increased by 14% to \$65 million in Q2 2020
- Excluding the impact of the change in lease accounting, Adjusted EBITDA increased by 13%
- Increase primarily driven by:
 - Favorable pricing and product mix
 - Lower manufacturing costs
 - Lower logistics costs
 - Partially offset by:
 - Lower sales volumes from the impact of the COVID-19 pandemic
 - Unfavorable foreign currency impact
- LTM Adjusted EBITDA increased by 9% to \$251 million
- Excluding the impact of the change in lease accounting, LTM Adjusted EBITDA increased by 5%



Evergreen

John Rooney

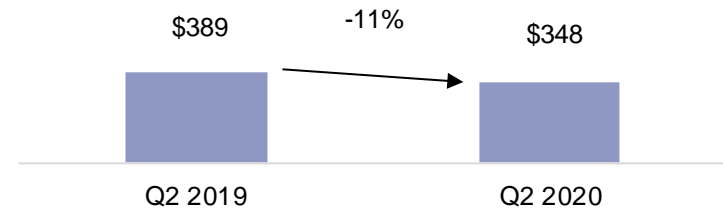


Evergreen Revenue

- Revenue decreased by 11% to \$348 million in Q2 2020
- Decrease primarily driven by:
 - Lower sales volume and lower pricing, due to the impact of the COVID-19 pandemic
- LTM revenue decreased by 2% to \$1,564 million

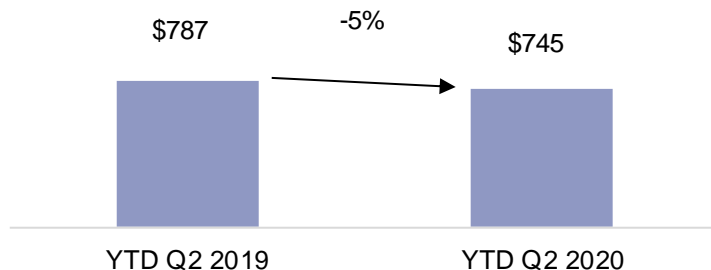
Q2 2019 vs. Q2 2020

(\$ in millions)



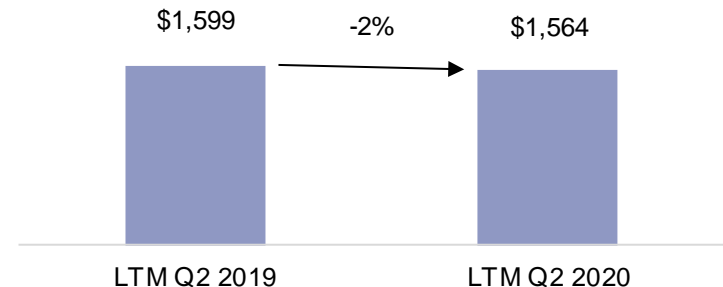
YTD Q2 2019 vs. YTD Q2 2020

(\$ in millions)



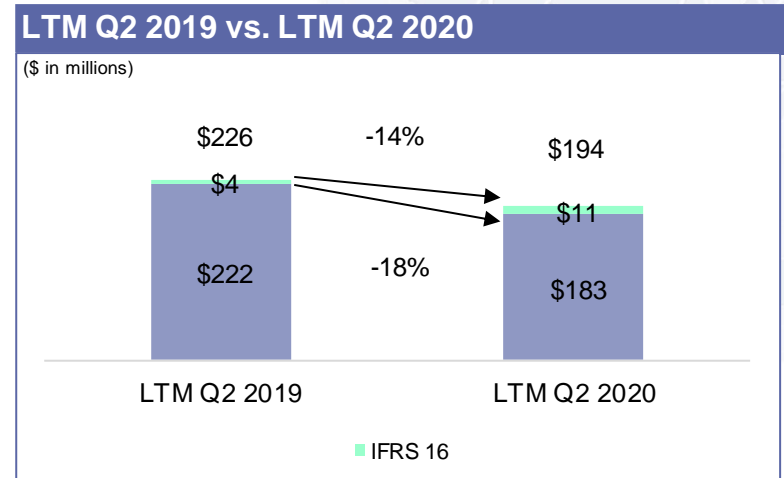
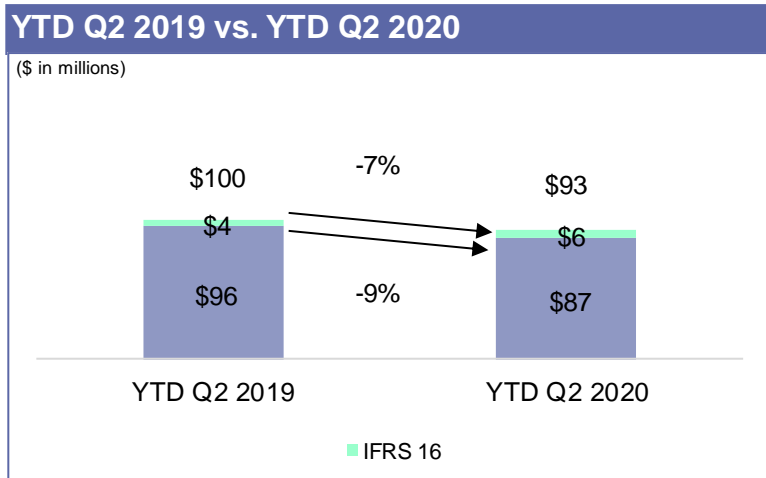
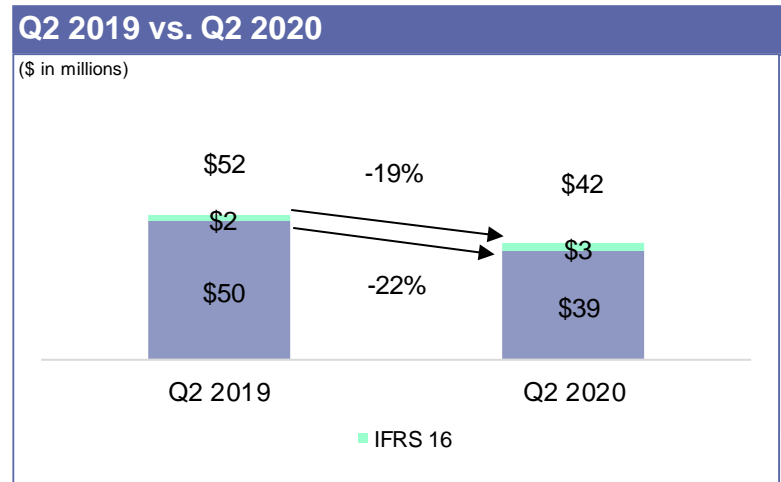
LTM Q2 2019 vs. LTM Q2 2020

(\$ in millions)



Evergreen Adjusted EBITDA

- Adjusted EBITDA decreased by 19% to \$42 million in Q2 2020
- Excluding the impact of the change in lease accounting, Adjusted EBITDA decreased by 22%
- Decrease primarily driven by:
 - Lower sales volume and lower pricing, due to the impact of the COVID-19 pandemic
 - Higher manufacturing costs due to outage timing and production inefficiencies
 - Partially offset by favorable material costs driven by wood supply as markets have returned to historical normalized levels from prior year weather-related cost increases
- LTM Adjusted EBITDA decreased by 14% to \$194 million
- Excluding the impact of the change in lease accounting, LTM Adjusted EBITDA decreased by 18%



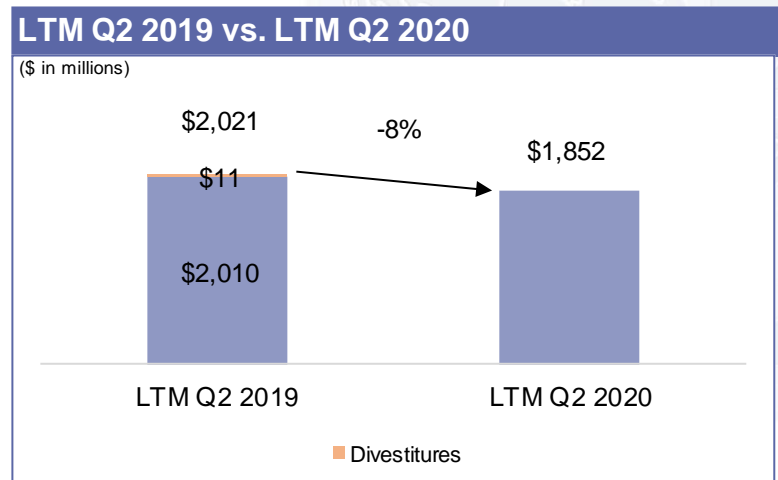
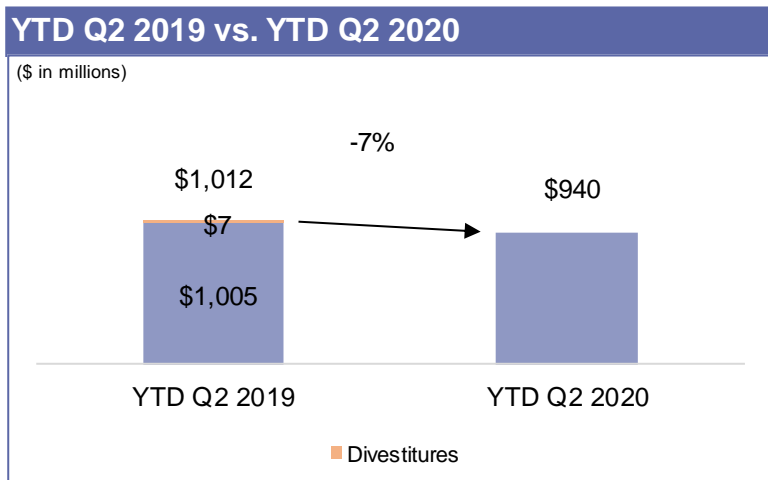
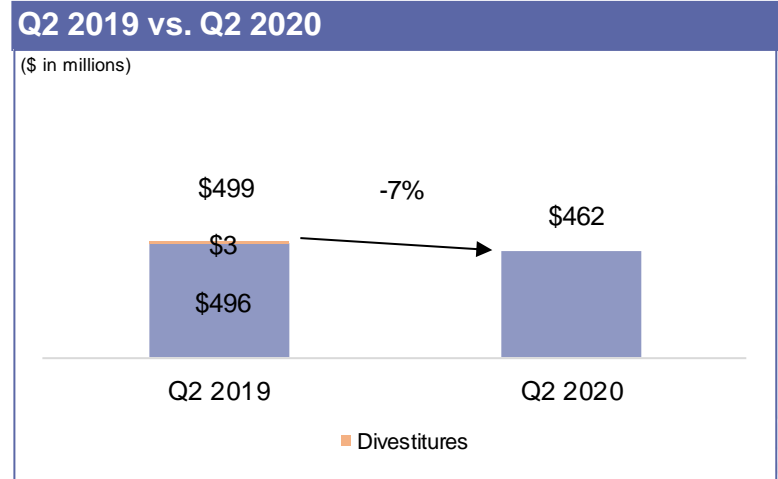
Graham Packaging

Michael King



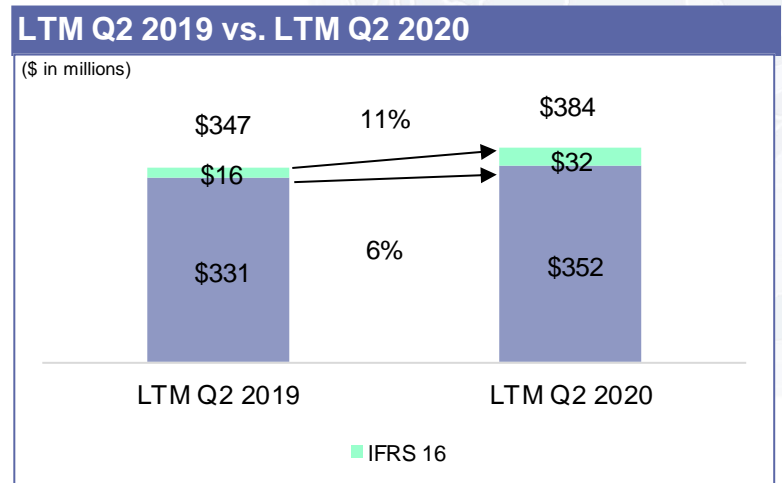
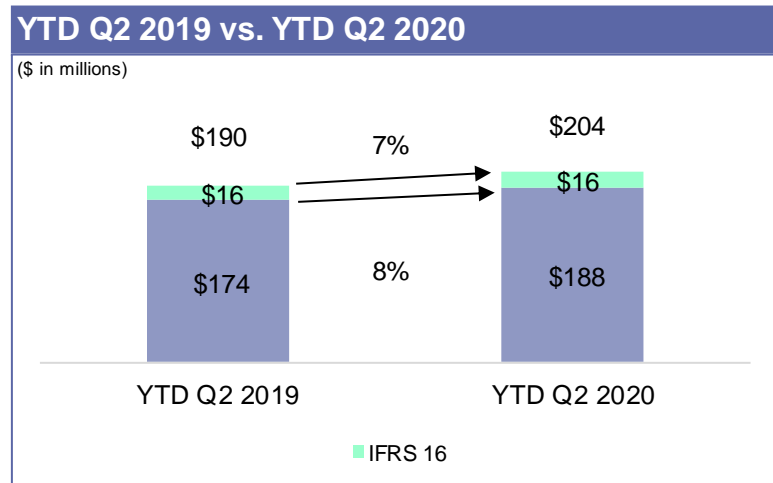
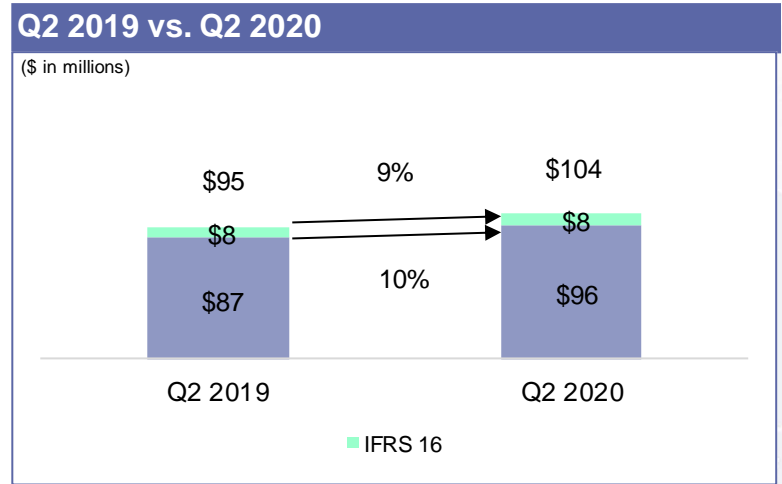
Graham Packaging Revenue

- Revenue decreased by 7% to \$462 million in Q2 2020
- Decrease primarily driven by:
 - Decline in pricing due to lower resin costs passed through to customers
 - Unfavorable foreign currency impact
- LTM revenue decreased by 8% to \$1,852 million



Graham Packaging Adjusted EBITDA

- Adjusted EBITDA increased by 9% to \$104 million in Q2 2020
- Excluding the impact of the change in lease accounting, Adjusted EBITDA increased by 10%
- Increase primarily driven by:
 - Lower raw material costs, net of lower costs passed through to customers
 - Lower manufacturing costs
- LTM Adjusted EBITDA increased by 11% to \$384 million
- Excluding the impact of the change in lease accounting, LTM Adjusted EBITDA increased by 6%

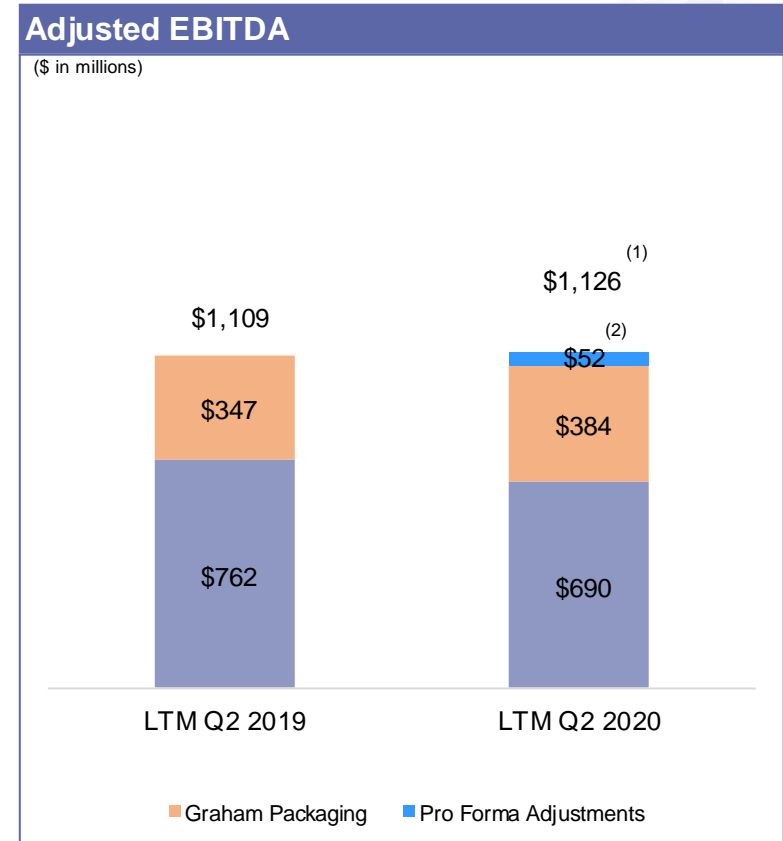


RGHL Financial Overview

Allen Hugli



RGHL Revenue and Adjusted EBITDA from Continuing Operations

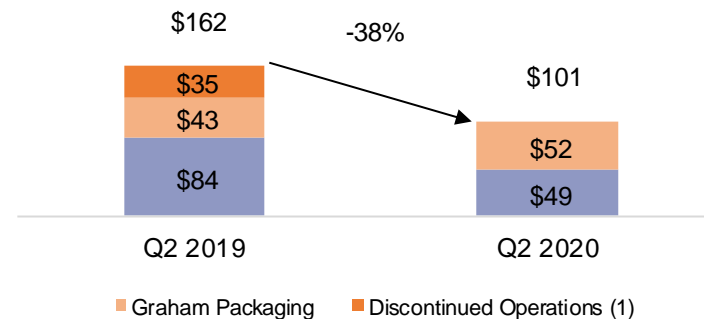


RGHL Capital Expenditures

- Capital expenditures decreased from \$162 million to \$101 million in Q2 2020
- Excluding the impact of discontinued operations, capital expenditures decreased by \$26 million

Q2 2019 vs. Q2 2020

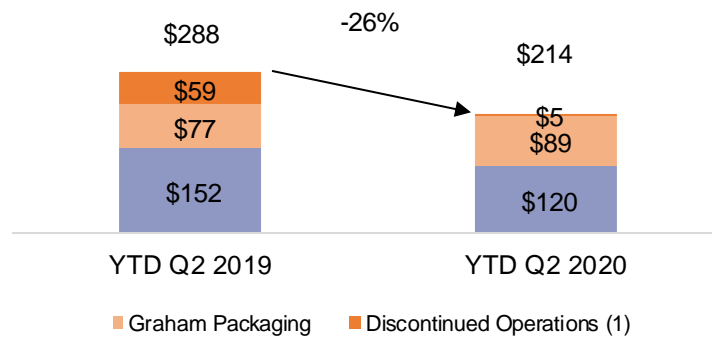
(\$ in millions)



(1) Represents the contributions of the Group's North American and Japanese closures businesses and Reynolds Consumer Products in the prior period

YTD Q2 2019 vs. YTD Q2 2020

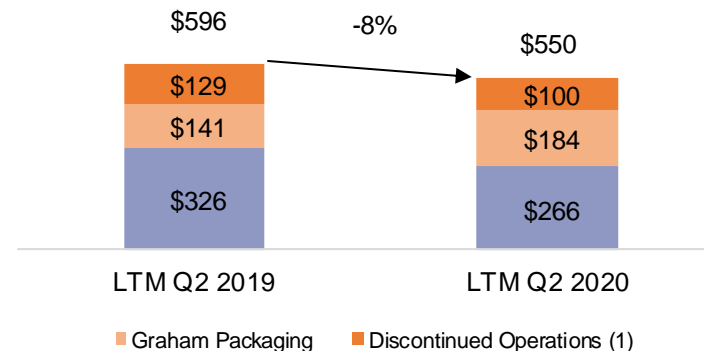
(\$ in millions)



(1) Represents the contributions of the Group's North American and Japanese closures businesses and Reynolds Consumer Products in the prior period and approximately one month of Reynolds Consumer Products in the current period

LTM Q2 2019 vs. LTM Q2 2020

(\$ in millions)



(1) Represents the contributions of the Group's North American and Japanese closures businesses and Reynolds Consumer Products in the prior period and approximately six months of the North American and Japanese closures business and seven months of Reynolds Consumer Products in the current period

Designation of Graham Packaging as an Unrestricted Subsidiary and Related Financing

- On August 4, 2020, Graham Packaging raised \$1.985 billion of new indebtedness
- The net proceeds, after deducting associated fees, expenses and OID, were transferred to a subsidiary of RGHL within the RGHL borrowing group
- At this time, Graham Packaging and its subsidiaries were designated as unrestricted subsidiaries under the RGHL Group borrowing arrangements
- The net proceeds transferred, along with cash on hand, are being used to repay approximately \$2.2 billion of RGHL Group debt

Cash / Debt Continuity

(\$ in millions)

	06/30/20 Actual	Graham Packaging Transaction					Debt Repaid	Pro Forma
		New Debt Raised	Cash Left in Graham	Fees and Expenses	Cash to RGHL			
RGHL								
Gross Debt								
Term Loans - USD & EUR	3,452	-	-	-	-	(965)	2,487	
Securitization Facility	380	-	-	-	-	(380)	-	
Floating Rate Notes	749	-	-	-	-	(749)	-	
5.125% Senior Secured Notes	1,599	-	-	-	-	-	1,599	
7.000% Senior Notes	800	-	-	-	-	(150) *	650	
7.950% Pactiv Debentures	276	-	-	-	-	-	276	
8.375% Pactiv Debentures	200	-	-	-	-	-	200	
Other	16	-	-	-	-	-	16	
Total Gross Debt	7,472	-	-	-	-	(2,244)	5,228	
Cash	1,609	-	(55)	-	1,950	(2,247)	1,257	
Net Debt	5,863	-	55	-	(1,950)	3	3,971	

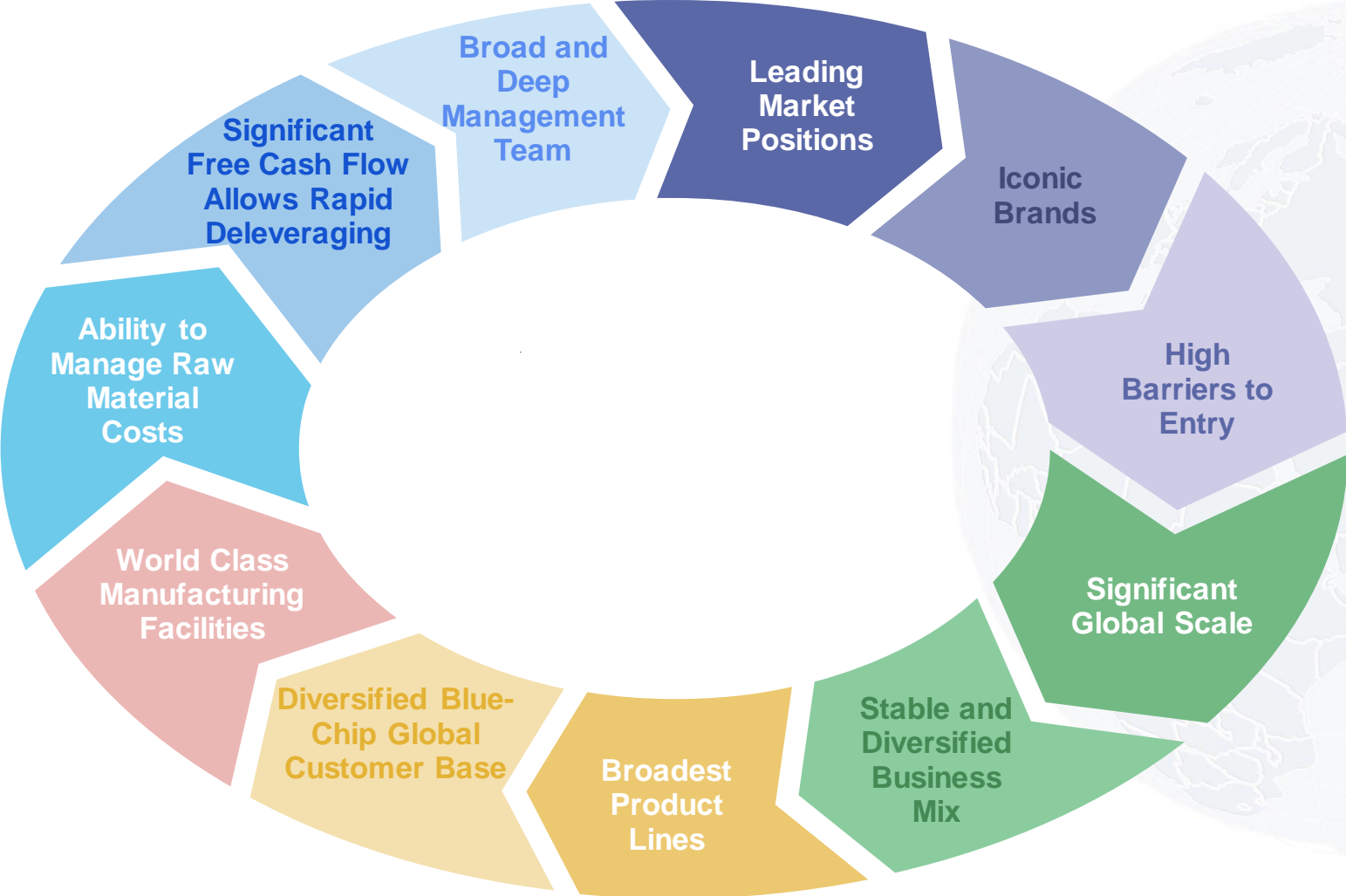
* A conditional redemption notice was issued on July 30, 2020 to redeem \$150 million of the 7.000% senior notes, with the redemption scheduled to occur on August 29, 2020.

Graham Packaging Stand-alone

Gross Debt

Term Loan - USD	-	1,475	-	-	-	-	1,475
7.125% Senior Notes	-	510	-	-	-	-	510
Total Gross Debt	-	1,985	-	-	-	-	1,985
Cash	-	1,985	55	(43)	(1,950)	-	47
Net Debt	-	-	(55)	43	1,950	-	1,938

Key Investment Highlights



Appendix



Revenue and Adjusted EBITDA, as Reported

(\$ in millions)

For the six month period ended June 30, 2020

	Food			Graham Packaging	Other/ Unallocated	RGHL Total
	Foodservice	Merchandising	Evergreen			
Total external revenue	878	692	692	940	57	3,259
Total inter-segment revenue	-	-	53	-	(53)	-
Total segment revenue	<u>878</u>	<u>692</u>	<u>745</u>	<u>940</u>	<u>4</u>	<u>3,259</u>
Adjusted EBITDA from continuing operations	107	123	93	204	(13)	514
Adjusted EBITDA from discontinued operations						36
Total Adjusted EBITDA						<u>550</u>
Adjusted EBITDA from continuing operations, excluding IFRS 16 impact	92	114	87	188	(14)	467
Adjusted EBITDA from discontinued operations, excluding IFRS 16 impact						35
Total Adjusted EBITDA, excluding IFRS 16 impact						<u>502</u>

For the six month period ended June 30, 2019

	Food			Graham Packaging	Other/ Unallocated	RGHL Total
	Foodservice	Merchandising	Evergreen			
Total external revenue	1,084	686	722	1,012	90	3,594
Total inter-segment revenue	-	-	65	-	(65)	-
Total segment revenue	<u>1,084</u>	<u>686</u>	<u>787</u>	<u>1,012</u>	<u>25</u>	<u>3,594</u>
Adjusted EBITDA from continuing operations	186	113	100	190	(28)	561
Adjusted EBITDA from discontinued operations						365
Total Adjusted EBITDA						<u>926</u>
Adjusted EBITDA from continuing operations, excluding IFRS 16 impact	174	106	96	174	(29)	521
Adjusted EBITDA from discontinued operations, excluding IFRS 16 impact						356
Total Adjusted EBITDA, excluding IFRS 16 impact						<u>877</u>

Revenue and Adjusted EBITDA, LTM

(\$ in millions)

	For the LTM period ended June 30, 2020					
	Foodservice	Food Merchandising	Evergreen	Graham Packaging	Other/ Unallocated	RGHL Total
Total external revenue	1,954	1,394	1,453	1,852	127	6,780
Total inter-segment revenue	-	-	111	-	(111)	-
Total segment revenue	<u>1,954</u>	<u>1,394</u>	<u>1,564</u>	<u>1,852</u>	<u>16</u>	<u>6,780</u>
Adjusted EBITDA from continuing operations	283	251	194	384	(38)	1,074
Adjusted EBITDA from discontinued operations						480
Total Adjusted EBITDA						<u>1,554</u>
Adjusted EBITDA from continuing operations, excluding IFRS 16 impact	255	235	183	352	(42)	983
Adjusted EBITDA from discontinued operations, excluding IFRS 16 impact						469
Total Adjusted EBITDA, excluding IFRS 16 impact						<u>1,452</u>
Capital expenditures - continuing operations	121	66	72	184	7	450
Capital expenditures - discontinued operations						100
						<u>550</u>

RGHL EBITDA Reconciliation

(\$ in millions)

	LTM 06/30/20
Total revenue	6,780
Gross profit	1,034
Net (expenses) and other income	(806)
Earnings before interest and tax ("EBIT") from continuing operations	228
Net financial income (expenses)	(401)
Profit (loss) from continuing operations before income tax	(173)
Income tax (expense) benefit	161
Profit (loss) from continuing operations	(12)
Profit (loss) from discontinued operations, net of income tax	54
Profit (loss)	42
Earnings before interest and tax ("EBIT") from continuing operations	228
Depreciation and amortization from continuing operations	604
Earnings before interest, tax, depreciation and amortization ("EBITDA") from continuing operations	832

RGHL Pro Forma Adjusted EBITDA

(\$ in millions)

	LTM 06/30/20	
	RGHL Consolidated	Pro Forma RGHL Credit Group*
EBITDA from continuing operations	832	491
Asset impairment charges, net of reversals	81	68
(Gain) loss on sale of businesses and non-current assets	17	11
Non-cash pension expense	46	46
Operational process engineering-related consultancy costs	23	23
Related party management fee	16	16
Restructuring costs, net of reversals	25	6
Strategic review costs	24	24
Other	10	5
Adjusted EBITDA from continuing operations	1,074	690
Annualization of cost savings programs	52	48
Pro Forma Adjusted EBITDA from continuing operations	1,126	738

* Includes pro forma impact of designation of Graham Packaging as an unrestricted subsidiary and associated proceeds from its debt financing.

Capitalization Summary

(\$ in millions)

	RGHL Consolidated		Pro Forma RGHL Credit Group ⁽¹⁾	
	LTM 06/30/20	Net Multiple of EBITDA ⁽²⁾	LTM 06/30/20	Net Multiple of EBITDA
Cash	<u>\$1,609</u>		<u>\$1,257</u>	
Senior Secured Term Loans	\$3,452		\$2,487	
Senior Secured Notes	2,348		1,599	
Securitization Facility ⁽²⁾	380		—	
Other Secured Debt ⁽³⁾	16		14	
Total Secured Debt	\$6,196	3.7x	\$4,100	3.9x
Senior Unsecured Notes	800		650	
Total Senior Guaranteed Debt	\$6,996	4.4x	\$4,750	4.7x
Pactiv Unsecured Debentures	476		476	
Total Debt⁽⁴⁾	\$7,472	4.9x	\$5,226	5.4x
Pro Forma Adjusted EBITDA⁽⁵⁾	\$1,126		\$738	

- (1) Includes pro forma impact of designation of Graham Packaging as an unrestricted subsidiary and associated proceeds from its debt financing.
- (2) 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.
- (3) Primarily consists of leases capitalized prior to January 1, 2019.
- (4) Excludes derivative liabilities of \$11 million.
- (5) Pro Forma Adjusted EBITDA as defined under the credit agreement, adjusted for full period effect of implemented cost savings programs, acquisition synergies and business acquisitions and divestitures, as applicable.