



Reynolds Group Holdings Limited

Q1 2020 Results

May 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

- Distribution of Reynolds Consumer Products
 - February 2020 – business distributed immediately prior to its IPO
 - Results for all periods presented include Reynolds Consumer Products (“RCP”) as discontinued operations
 - \$3.1 billion debt repayment

- New segment presentation
 - Former Pactiv Foodservice segment split into Foodservice and Food Merchandising segments

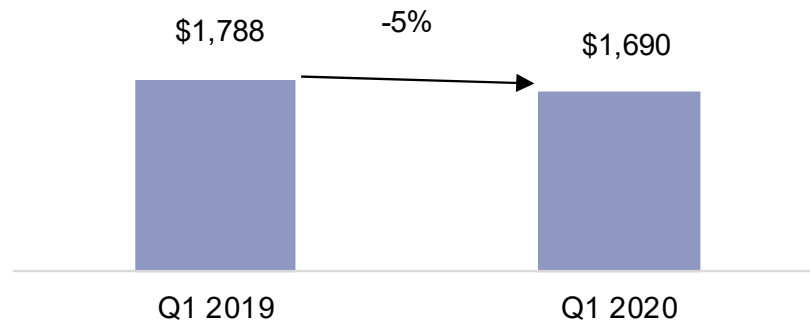
- COVID-19



RGHL Revenue and Adjusted EBITDA

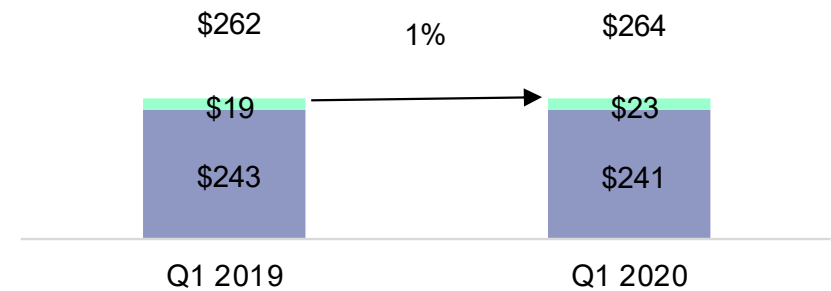
Revenue QTD

(\$ in millions)



Adjusted EBITDA QTD

(\$ in millions)



■ IFRS 16 - Continuing Operations

Foodservice

John McGrath



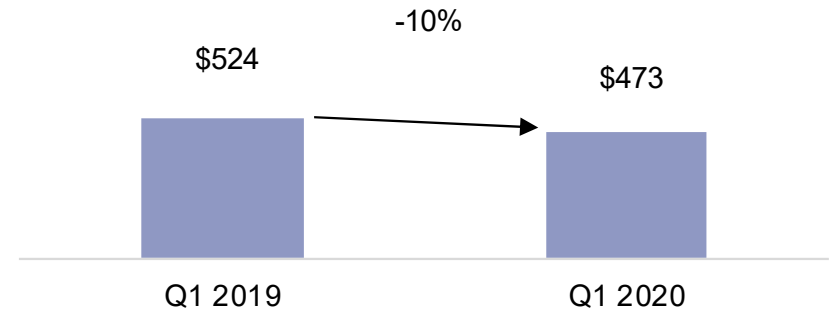
Foodservice Revenue

- Revenue decreased by 10% to \$473 million in Q1 2020
- Decrease primarily driven by:
 - Lower sales volume due to market contraction from the impact of the COVID-19 pandemic
 - Lower pricing primarily due to lower costs passed through to customers

- LTM revenue decreased by 3% to \$2,109 million

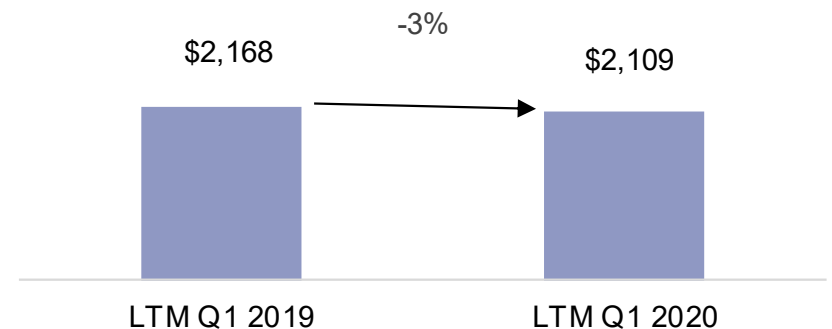
Q1 2019 vs. Q1 2020

(\$ in millions)



LTM Q1 2019 vs. LTM Q1 2020

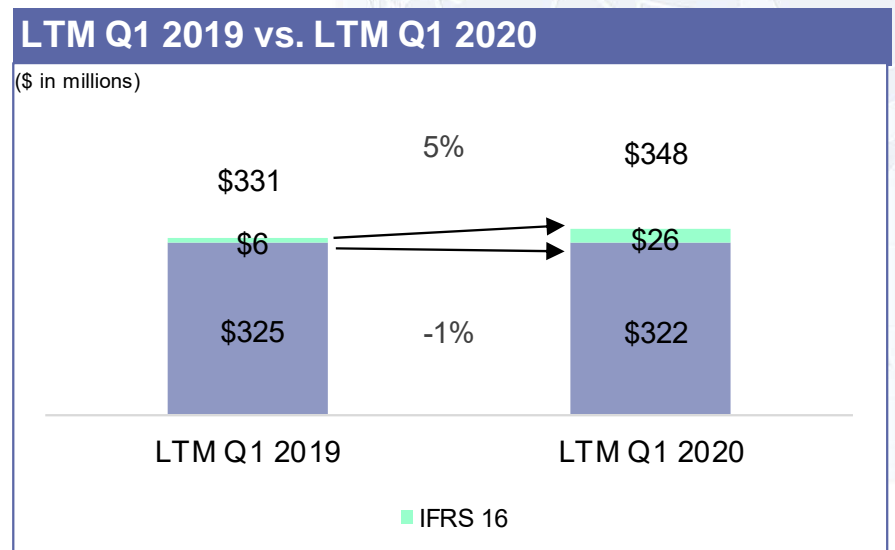
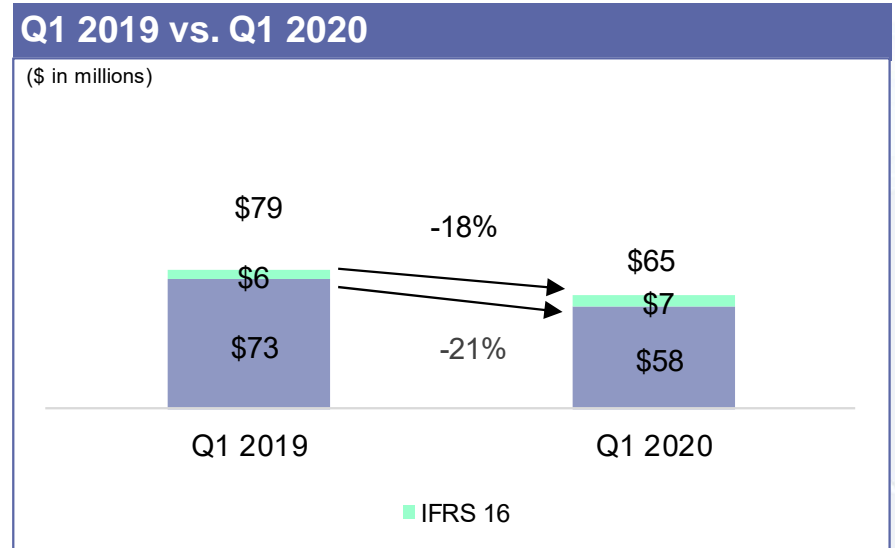
(\$ in millions)



Foodservice Adjusted EBITDA

- Adjusted EBITDA decreased by 18% to \$65 million in Q1 2020
- Excluding the impact of the change in lease accounting, Adjusted EBITDA decreased by 21%
- Decrease primarily driven by:
 - Lower sales volume due to market contraction from the impact of the COVID-19 pandemic
 - Lower pricing on contracted business
 - Higher employee-related costs

- LTM Adjusted EBITDA increased by 5% to \$348 million
- Excluding the impact of the change in lease accounting, LTM Adjusted EBITDA decreased by 1%



Food Merchandising

John McGrath

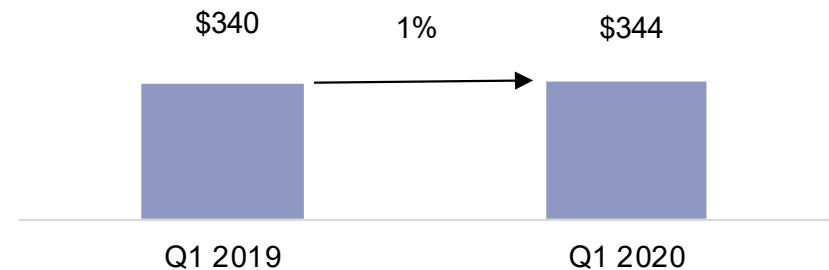


Food Merchandising Revenue

- Revenue increased by 1% to \$344 million in Q1 2020
- Increase primarily driven by:
 - Market changes due to the COVID-19 pandemic impact
 - Partially offset by:
 - lower demand from some large customers who had increased inventory levels in Q4 2019
 - lower pricing primarily due to lower costs passed through to customers
- LTM revenue decreased by 2% to \$1,392 million

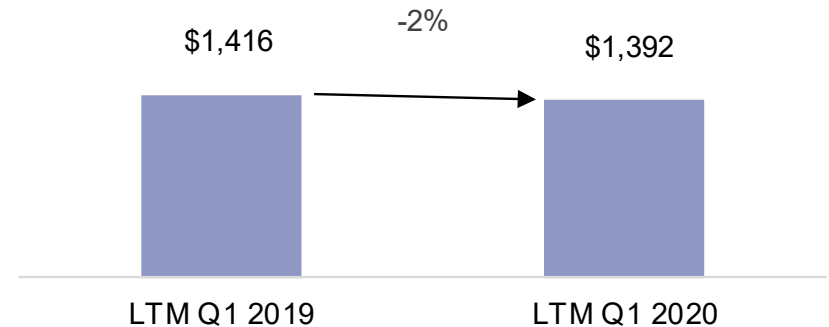
Q1 2019 vs. Q1 2020

(\$ in millions)



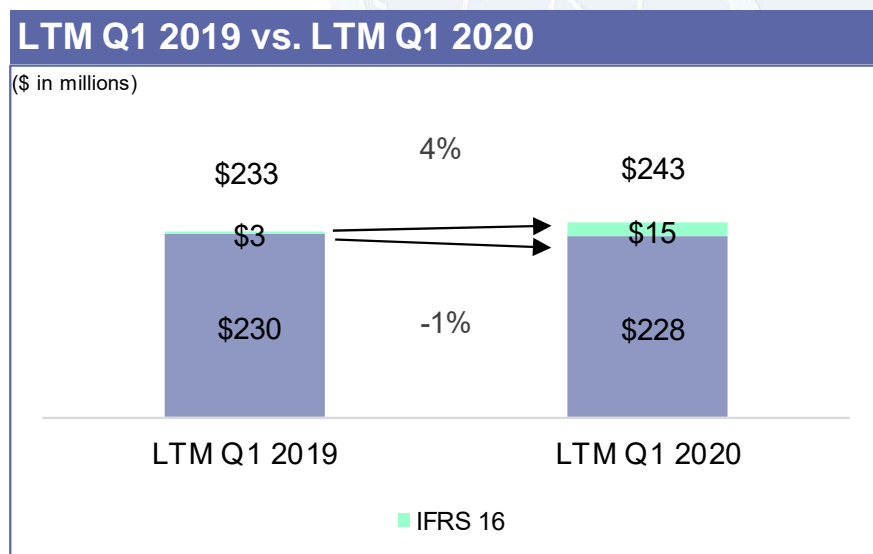
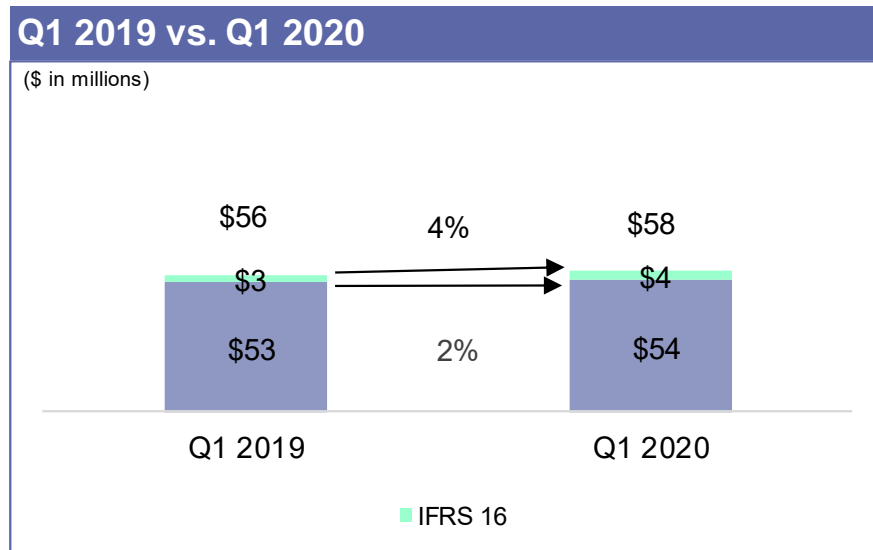
LTM Q1 2019 vs. LTM Q1 2020

(\$ in millions)



Food Merchandising Adjusted EBITDA

- Adjusted EBITDA increased by 4% to \$58 million in Q1 2020
- Excluding the impact of the change in lease accounting, Adjusted EBITDA increased by 2%
- Increase primarily driven by:
 - Lower raw material costs net of lower costs passed through to customers
 - Partially offset by:
 - Higher manufacturing costs
 - Unfavorable foreign currency impact
- LTM Adjusted EBITDA increased by 4% to \$243 million
- Excluding the impact of the change in lease accounting, LTM Adjusted EBITDA decreased by 1%



Evergreen

John Rooney



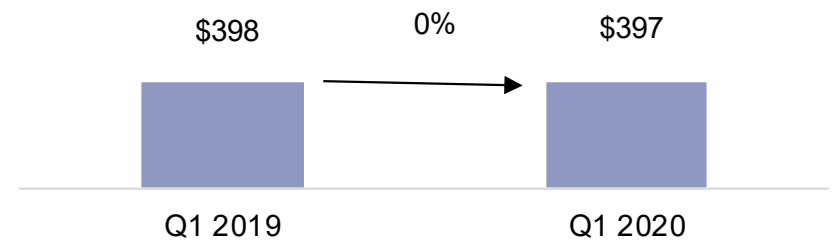
Evergreen Revenue

- Revenue decreased to \$397 million in Q1 2020
- Decrease primarily driven by:
 - Lower pricing in some product groups
 - Partially offset by higher sales volume

- LTM revenue decreased to \$1,605 million

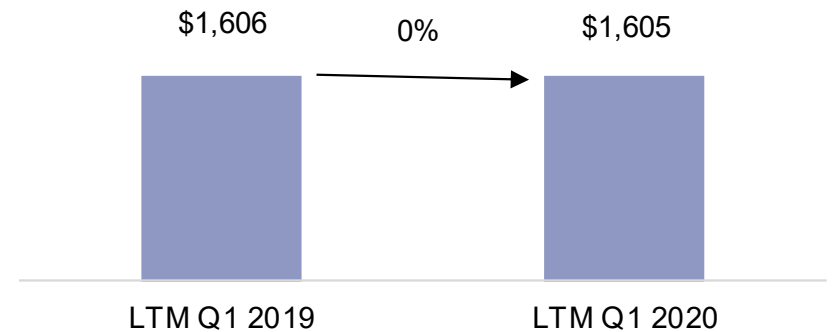
Q1 2019 vs. Q1 2020

(\$ in millions)



LTM Q1 2019 vs. LTM Q1 2020

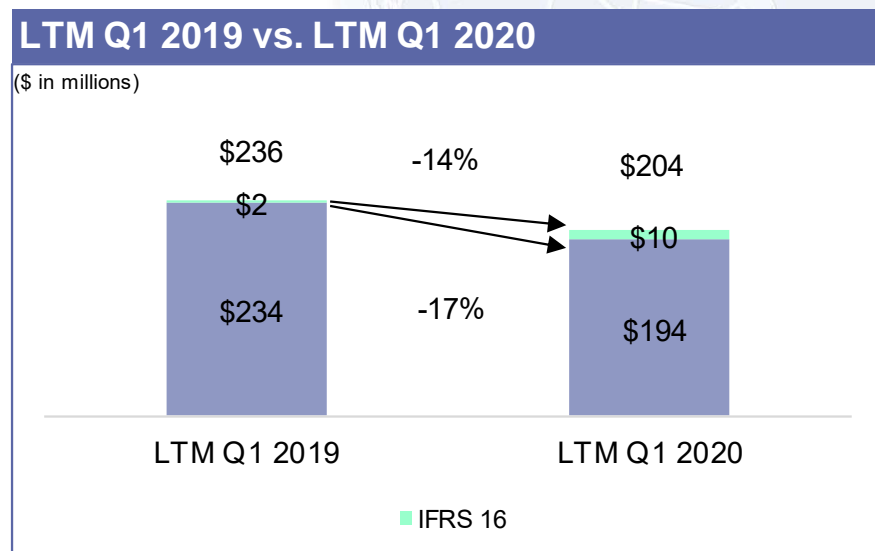
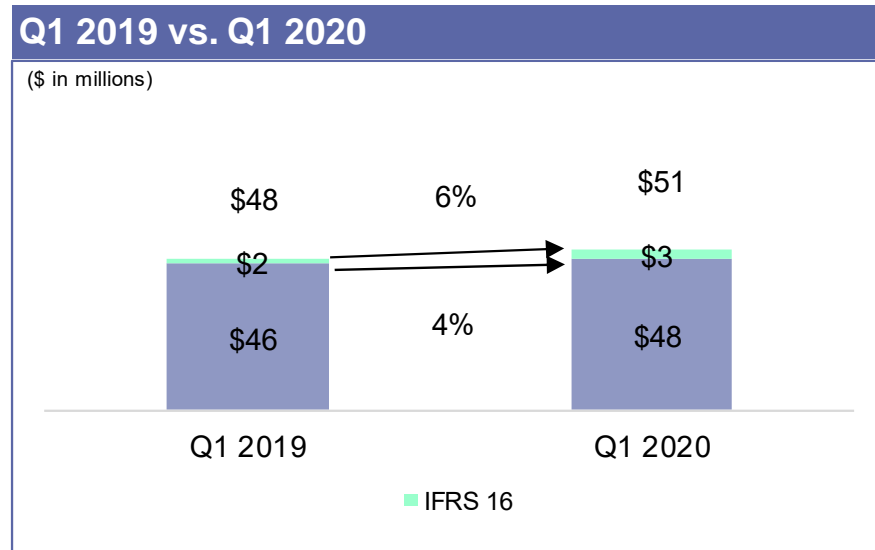
(\$ in millions)



Evergreen Adjusted EBITDA

- Adjusted EBITDA increased by 6% to \$51 million in Q1 2020
- Excluding the impact of the change in lease accounting, Adjusted EBITDA increased by 4%
- Increase primarily driven by:
 - Favorable material costs driven by wood supply as markets have returned to historical normalized levels from prior year weather-related cost increases
 - Partially offset by higher manufacturing costs and lower pricing

- LTM Adjusted EBITDA decreased by 14% to \$204 million
- Excluding the impact of the change in lease accounting, LTM Adjusted EBITDA decreased by 17%



Graham Packaging

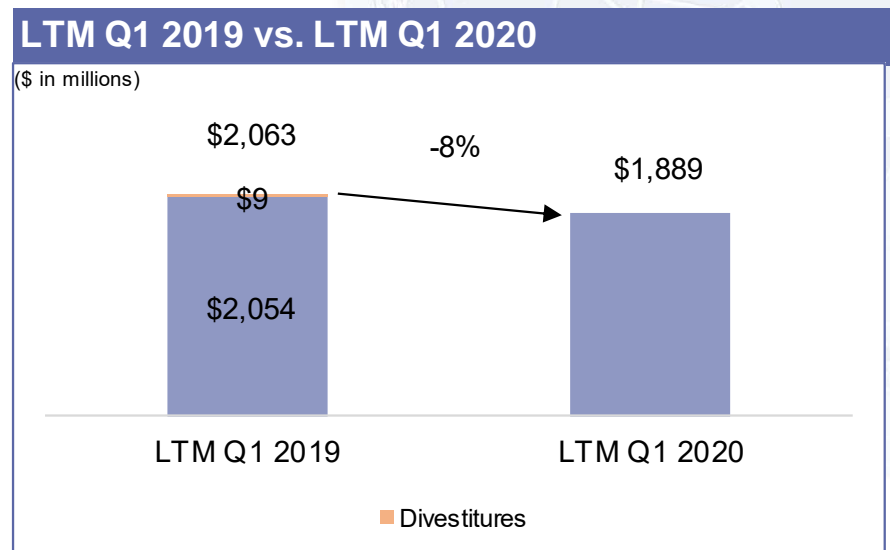
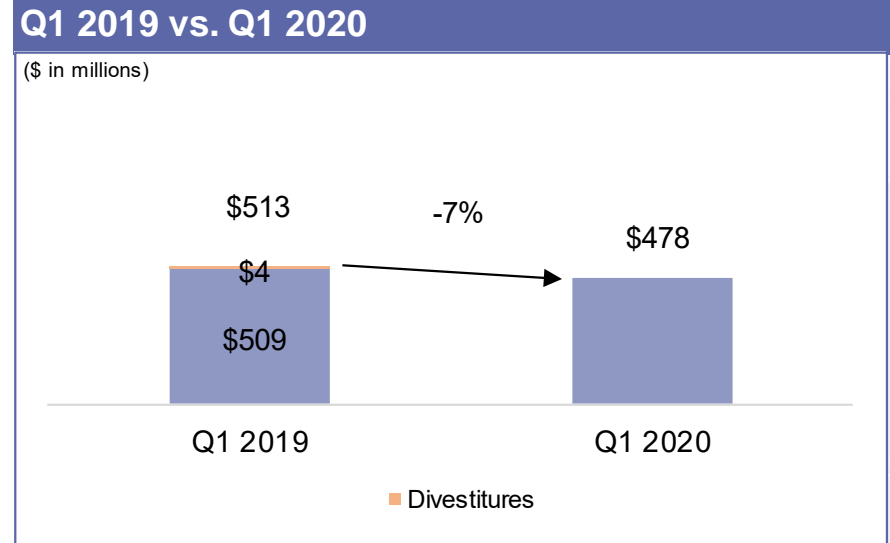
Michael King



Graham Packaging Revenue

- Revenue decreased by 7% to \$478 million in Q1 2020
- Decrease primarily driven by:
 - Decline in pricing due to lower resin costs passed through to customers and contractual price movements
 - Lower sales volume
 - Strategic business exits
 - Unfavorable foreign currency impact

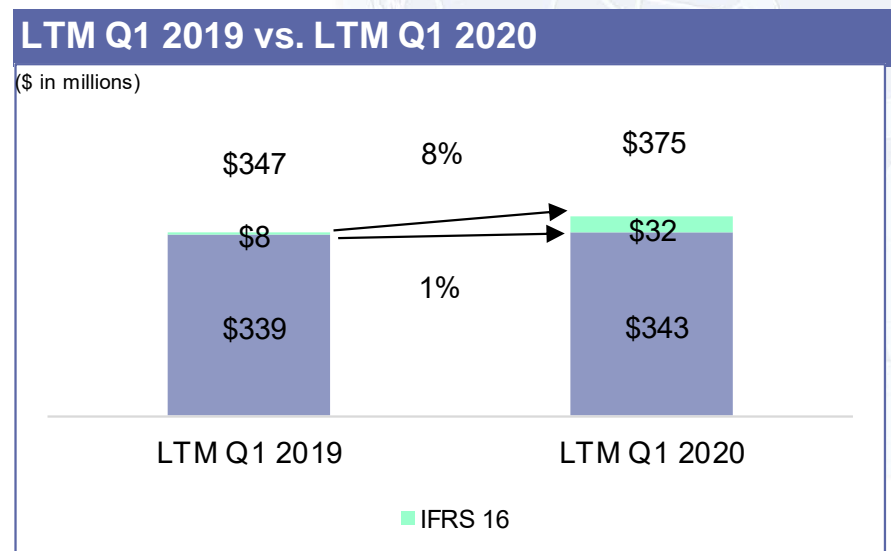
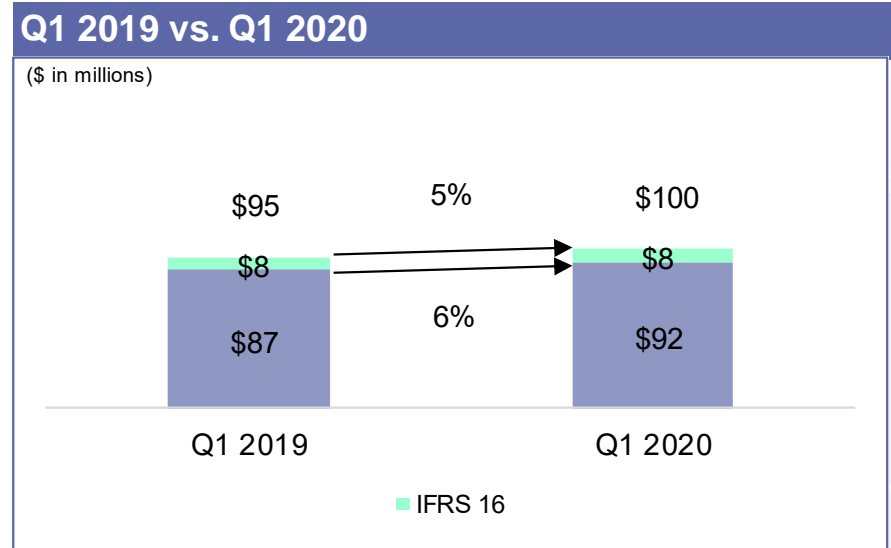
- LTM revenue decreased by 8% to \$1,889 million



Graham Packaging Adjusted EBITDA

- Adjusted EBITDA increased by 5% to \$100 million in Q1 2020
- Excluding the impact of the change in lease accounting, Adjusted EBITDA increased by 6%
- Increase primarily driven by:
 - Lower operational costs
 - Lower raw material costs, net of lower costs passed through to customers
 - Partially offset by a decline in pricing due to contractual price movements

- LTM Adjusted EBITDA increased by 8% to \$375 million
- Excluding the impact of the change in lease accounting, LTM Adjusted EBITDA increased by 1%

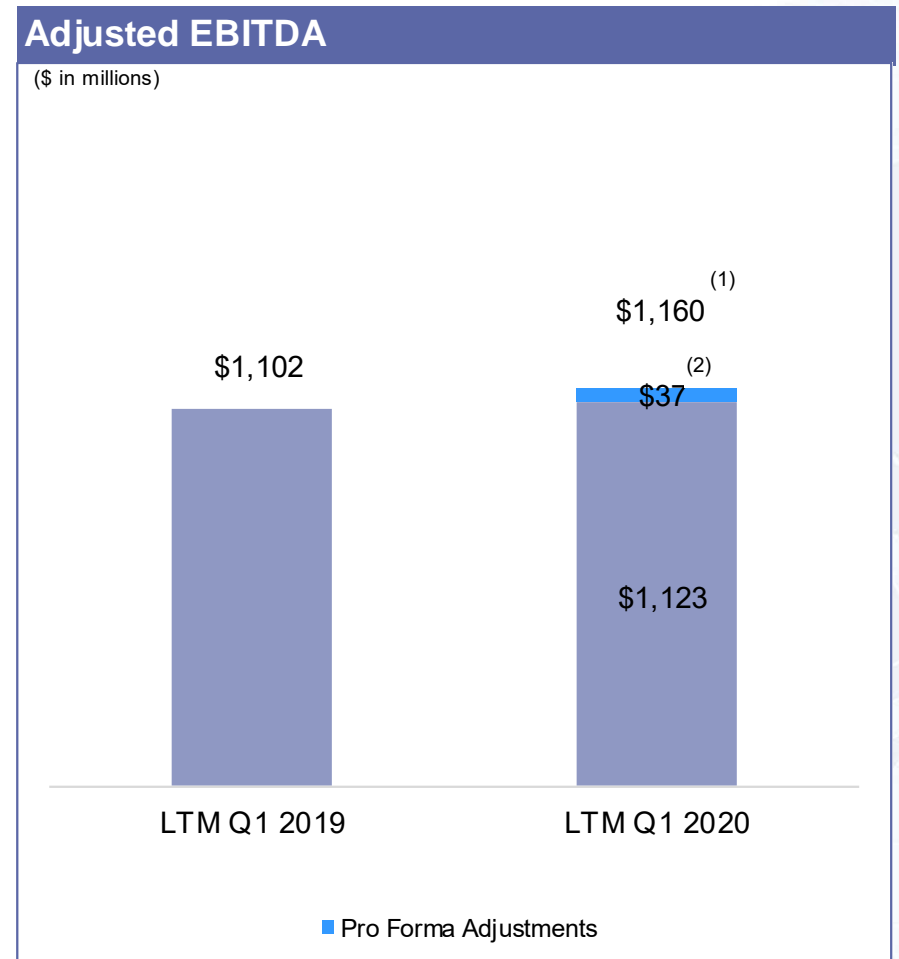


RGHL Financial Overview

Allen Hugli



RGHL Revenue and Adjusted EBITDA from Continuing Operations

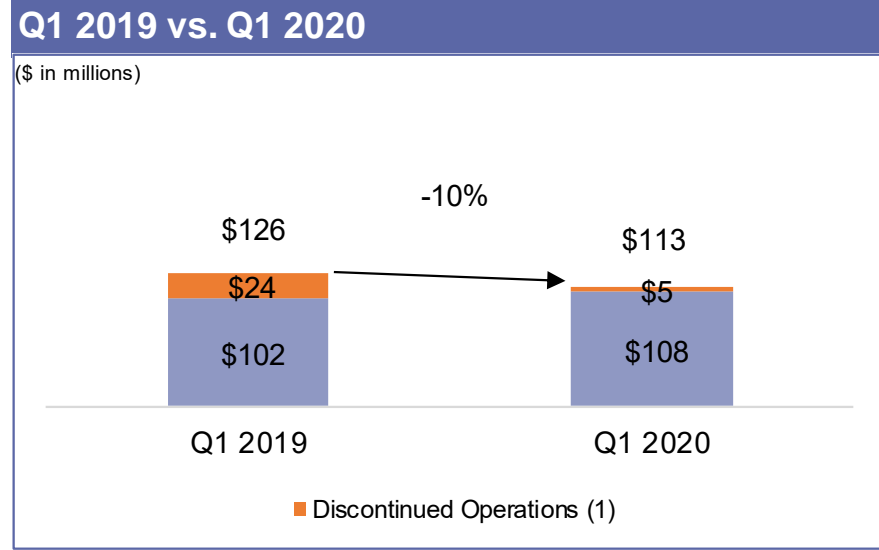


(1) Amount represents Pro Forma Adjusted EBITDA

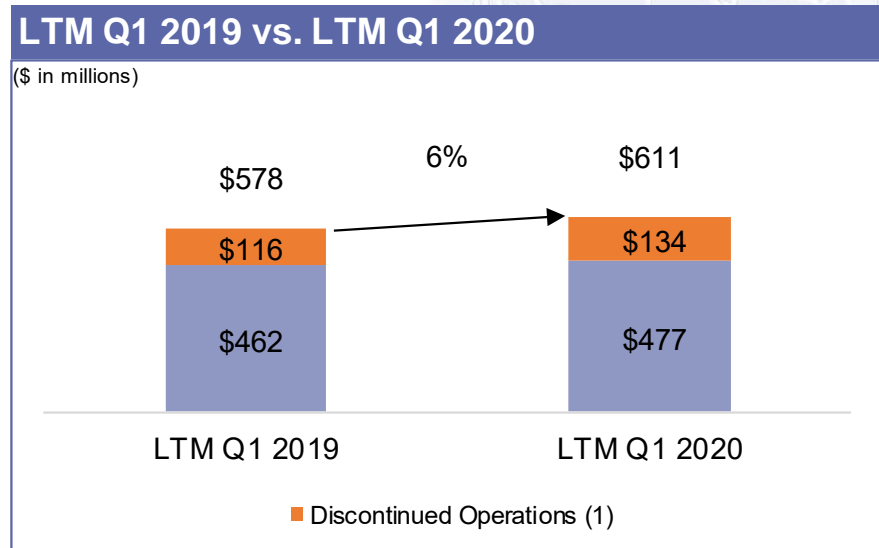
(2) Amount represents impact of annualization of cost savings programs

RGHL Capital Expenditures

- Capital expenditures decreased from \$126 million to \$113 million in Q1 2020
- Excluding the impact of discontinued operations, capital expenditures increased by \$6 million



(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



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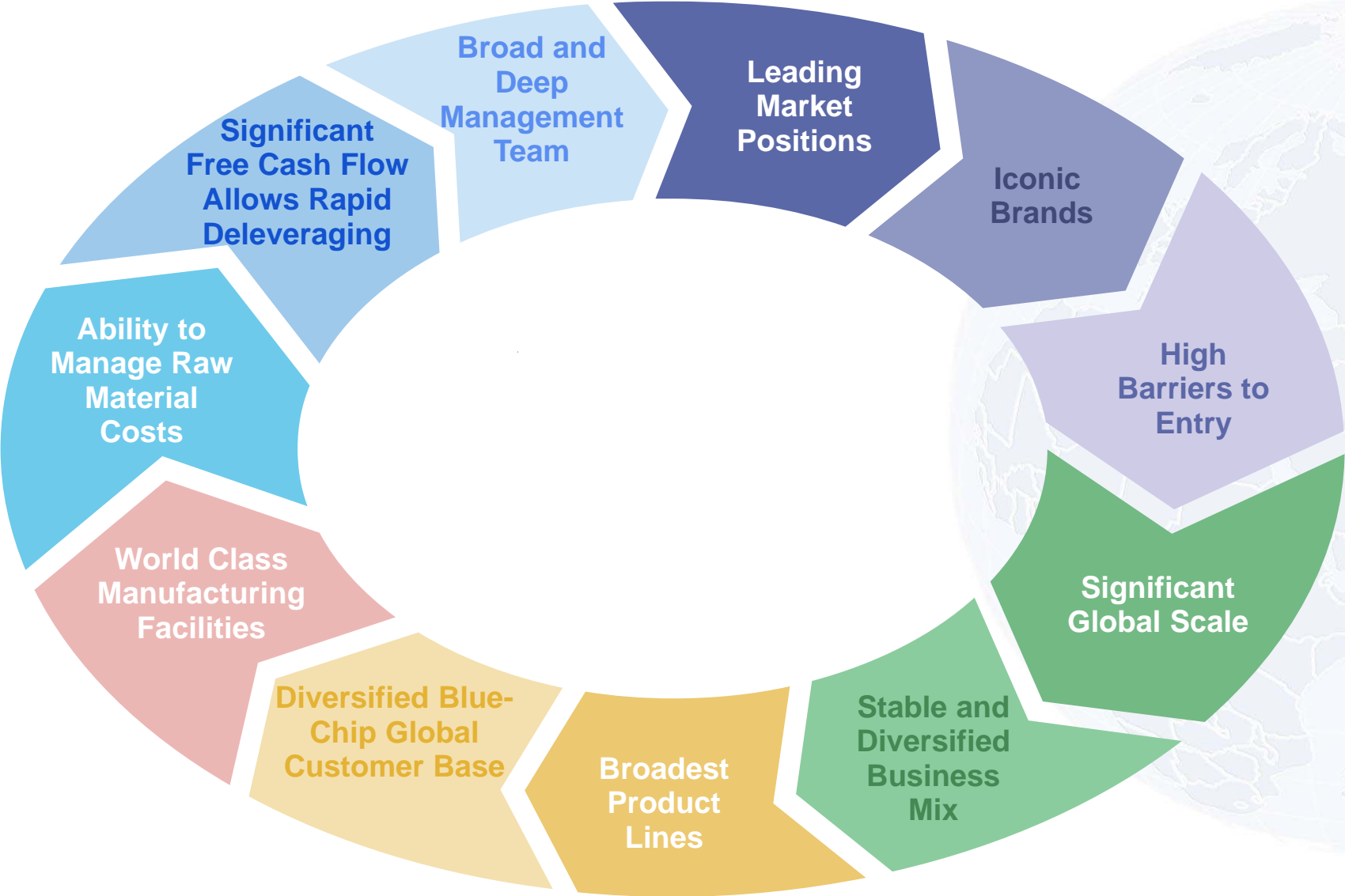
RGHL Debt Activity

(\$ in millions)

	12/31/19	Asset Sale Offer	RCP	Securitization Facility	Amortization	FX	03/31/20
Term Loans	3,487	(18)	-	-	(9)	(5)	3,455
Securitization Facility	420	-	-	(40)	-	-	380
Floating Rate Notes	750	(1)	-	-	-	-	749
5.750% Senior Secured Notes	3,137	(18)	(3,119)	-	-	-	-
5.125% Senior Secured Notes	1,600	(1)	-	-	-	-	1,599
7.000% Senior Notes	800	-	-	-	-	-	800
7.950% Pactiv Debentures	276	-	-	-	-	-	276
8.375% Pactiv Debentures	200	-	-	-	-	-	200
Other	15	-	-	-	-	-	15
Total	10,685	(38)	(3,119)	(40)	(9)	(5)	7,474

Repaid \$3,206 million of debt in the quarter

Key Investment Highlights



Appendix



Revenue and Adjusted EBITDA, as Reported

(\$ in millions)

For the three month period ended March 31, 2020

	Food			Graham	Other/	RGHL Total
	Foodservice	Merchandising	Evergreen	Packaging	Unallocated	
Total external revenue	473	344	363	478	32	1,690
Total inter-segment revenue	-	-	34	-	(34)	-
Total segment revenue	<u>473</u>	<u>344</u>	<u>397</u>	<u>478</u>	<u>(2)</u>	<u>1,690</u>
Adjusted EBITDA from continuing operations	65	58	51	100	(10)	264
Adjusted EBITDA from discontinued operations						36
Total Adjusted EBITDA						<u>300</u>
Adjusted EBITDA from continuing operations, excluding IFRS 16 impact	58	54	48	92	(11)	241
Adjusted EBITDA from discontinued operations, excluding IFRS 16 impact						35
Total Adjusted EBITDA, excluding IFRS 16 impact						<u>276</u>

For the three month period ended March 31, 2019

	Food			Graham	Other/	RGHL Total
	Foodservice	Merchandising	Evergreen	Packaging	Unallocated	
Total external revenue	524	340	364	513	47	1,788
Total inter-segment revenue	-	-	34	-	(34)	-
Total segment revenue	<u>524</u>	<u>340</u>	<u>398</u>	<u>513</u>	<u>13</u>	<u>1,788</u>
Adjusted EBITDA from continuing operations	79	56	48	95	(16)	262
Adjusted EBITDA from discontinued operations						143
Total Adjusted EBITDA						<u>405</u>
Adjusted EBITDA from continuing operations, excluding IFRS 16 impact	73	53	46	87	(16)	243
Adjusted EBITDA from discontinued operations, excluding IFRS 16 impact						138
Total Adjusted EBITDA, excluding IFRS 16 impact						<u>381</u>

Revenue and Adjusted EBITDA, Foodservice and Food Merchandising Segments Revised

(\$ in millions)

For the year ended December 31, 2019						
	Food			Graham	Other/	
	Foodservice	Merchandising	Evergreen	Packaging	Unallocated	RGHL Total
Total external revenue	2,160	1,388	1,483	1,924	160	7,115
Total inter-segment revenue	-	-	123	-	(123)	-
Total segment revenue	<u>2,160</u>	<u>1,388</u>	<u>1,606</u>	<u>1,924</u>	<u>37</u>	<u>7,115</u>
Adjusted EBITDA from continuing operations	362	241	201	370	(53)	1,121
Adjusted EBITDA from discontinued operations						809
Total Adjusted EBITDA						<u>1,930</u>
Adjusted EBITDA from continuing operations, excluding IFRS 16 impact	337	227	192	338	(57)	1,037
Adjusted EBITDA from discontinued operations, excluding IFRS 16 impact						790
Total Adjusted EBITDA, excluding IFRS 16 impact						<u>1,827</u>
For the year ended December 31, 2018						
	Food			Graham	Other/	
	Foodservice	Merchandising	Evergreen	Packaging	Unallocated	RGHL Total
Total external revenue	2,137	1,419	1,504	2,087	248	7,395
Total inter-segment revenue	-	-	99	-	(99)	-
Total segment revenue	<u>2,137</u>	<u>1,419</u>	<u>1,603</u>	<u>2,087</u>	<u>149</u>	<u>7,395</u>
Adjusted EBITDA from continuing operations	321	231	230	349	(38)	1,093
Adjusted EBITDA from discontinued operations						779
Total Adjusted EBITDA						<u>1,872</u>

RGHL Revenue and Adjusted EBITDA, Revised

(\$ in millions)

	For the three month period ended March 31, 2019	For the year ended December 31, 2019	For the year ended December 31, 2018
Total revenue, as previously reported ⁽¹⁾	2,337	9,716	10,059
Remove RCP external revenue	(624)	(2,881)	(2,980)
Add Food Merchandising revenue from sales to RCP ⁽²⁾	75	280	316
Total revenue, revised	1,788	7,115	7,395
Total Adjusted EBITDA, as previously reported ⁽¹⁾	382	1,825	1,771
Remove RCP Adjusted EBITDA	(112)	(677)	(652)
Other adjustments ⁽³⁾	(8)	(27)	(26)
Total Adjusted EBITDA, revised	262	1,121	1,093

(1) The three month period ended March 31, 2019 excludes discontinued operations revenue of \$134 million and Adjusted EBITDA of \$23 million from the Group's North American and Japanese closures businesses.

(2) Excludes revenue from sales of products manufactured by RCP post-distribution.

(3) Includes the removal of Adjusted EBITDA on products manufactured by RCP post-distribution.

RGHL EBITDA Reconciliation

(\$ in millions)

	LTM 03/31/20
Total revenue	7,017
Gross profit	1,105
Net (expenses) and other income	(875)
Earnings before interest and tax ("EBIT") from continuing operations	230
Net financial income (expenses)	(335)
Profit (loss) from continuing operations before income tax	(105)
Income tax (expense) benefit	330
Profit (loss) from continuing operations	225
Profit (loss) from discontinued operations, net of income tax	148
Profit (loss)	373
Earnings before interest and tax ("EBIT") from continuing operations	230
Depreciation and amortization from continuing operations	596
Earnings before interest, tax, depreciation and amortization ("EBITDA") from continuing operations	826

RGHL Pro Forma Adjusted EBITDA

(\$ in millions)

	LTM 03/31/20
EBITDA from continuing operations	\$826
Asset impairment charges, net of reversals	98
(Gain) loss on sale of businesses and non-current assets	31
Non-cash pension expense, net of settlement gain	52
Operational process engineering-related consultancy costs	27
Related party management fee	17
Restructuring costs, net of reversals	25
Strategic review costs	16
Unrealized (gain) loss on derivatives	19
Other	12
Adjusted EBITDA from continuing operations	\$1,123
Annualization of cost savings programs	37
Pro Forma Adjusted EBITDA from continuing operations	\$1,160



Capitalization Summary

(\$ in millions)

	LTM 03/31/20	Net Multiple of EBITDA ⁽¹⁾
Cash	\$1,507	
Senior Secured Term Loans	\$3,455	
Senior Secured Notes	2,348	
Securitization Facility ⁽¹⁾	380	
Other Secured Debt ⁽²⁾	15	
Total Secured Debt	\$6,198	3.7x
Senior Unsecured Notes	800	
Total Senior Guaranteed Debt	\$6,998	4.4x
Pactiv Unsecured Debentures	476	
Total Debt⁽³⁾	\$7,474	4.8x
Pro Forma Adjusted EBITDA⁽⁴⁾	\$1,160	

- (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) Primarily consists of leases capitalized prior to January 1, 2019.
- (3) Excludes derivative liabilities of \$26 million.
- (4) 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.