# Fiscal 2024 – 1st Quarter Earnings Presentation

Wednesday, February 7, 2024

# Today's Presenters

Kevin Kwilinski

*Chief Executive Officer*

Mark Miles

*Chief Financial Officer*

Curt Begle

*President, Health, Hygiene & Specialties Division*

# Safe Harbor Statements and Important Information

**Forward-Looking Statements**

Statements in this presentation that are not historical, including statements relating to the expected future performance of the Company, as well as estimates and statements as to the expected timing, completion and effects of the proposed transaction between Berry and Glatfelter are considered "forward looking" within the meaning of the federal securities laws and are presented pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You can identify forward-looking statements because they contain words such as "believes," "expects," "may," "will," "should," "would," "could," "seeks," "approximately," "intends," "plans," "projects," "estimates," "projects," "outlook," "anticipates" or "looking forward," or similar expressions that relate to our strategy, plans, intentions, or expectations. All statements we make relating to estimates and statements about the benefits of the Glatfelter transaction, including future financial and operating results, the combined company's plans, objectives, expectations and intentions, and other statements that are not historical facts, as well as statements we make relating to our estimated and projected earnings, margins, costs, expenditures, cash flows, growth rates, and financial results or to our expectations regarding future industry trends are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments.

Our actual results may differ materially from those that we expected due to a variety of factors, including without limitation: (1) risks associated with our substantial indebtedness and debt service; (2) changes in prices and availability of resin and other raw materials and our ability to pass on changes in raw material prices to our customers on a timely basis; (3) risks related to acquisitions or divestitures and integration of acquired businesses and their operations, and realization of anticipated cost savings and synergies; (4) risks related to international business, including transactional and translational foreign currency exchange rate risk and the risks of compliance with applicable export controls, sanctions, anti-corruption laws and regulations; (5) increases in the cost of compliance with laws and regulations, including environmental, safety, and climate change laws and regulations; (6) labor issues, including the potential labor shortages, shutdowns or strikes, or the failure to renew effective bargaining agreements; (7) risks related to disruptions in the overall global economy, persistent inflation, supply chain disruptions, and the financial markets that may adversely impact our business; (8) risk of catastrophic loss of one of our key manufacturing facilities, natural disasters, and other unplanned business interruptions; (9) risks related to weather-related events and longer-term climate change patterns; (10) risks related to the failure of, inadequacy of, or attacks on our information technology systems and infrastructure; (11) risks that our restructuring programs may entail greater implementation costs or result in lower cost savings than anticipated; (12) risks related to future write-offs of substantial goodwill; (13) risks of competition, including foreign competition, in our existing and future markets; (14) risks related to market conditions associated with our share repurchase program; (15) risks related to market disruptions and increased market volatility; 16) the occurrence of any event, change or other circumstances that could give rise to the termination of the proposed transaction; (17) the risk that Glatfelter shareholder may not approve the transaction proposals; (18) the risk that the necessary regulatory approvals may not be obtained or may be obtained subject to conditions that are not anticipated; (19) risks that any of the other closing conditions to the proposed transaction may not be satisfied in a timely manner; (20) risks that the anticipated tax treatment of the proposed transaction is not obtained; (21) risks related to potential litigation brought in connection with the proposed transaction; (22) uncertainties as to the timing of the consummation of the proposed transaction; (23) risks and costs related to the implementation of the separation of the NewCo, including timing anticipated to complete the separation, any changes to the configuration of the businesses included in the separation if implemented; (24) the risk that the integration of the combined companies is more difficult, time consuming or costly than expected; (25) risks related to financial community and rating agency perceptions of each of Berry and Glatfelter and its business, operations, financial condition and the industry in which they operate; (26) risks related to disruption of management time from ongoing business operations due to the proposed merger; (27) failure to realize the benefits expected from the proposed merger; effects of the announcement, pendency or completion of the proposed merger on the ability of the parties to retain customers and retain and hire key personnel and maintain relationships with their counterparties, and on their operating results and businesses generally; the other factors and uncertainties discussed in the section titled "Risk Factors" in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. These risks, as well as other risks associated with the proposed transaction, will be more fully discussed in the proxy statement/prospectus that will be included in the registration statements that will be filed with the SEC in connection with the proposed transaction. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. New factors may emerge from time to time, and it is not possible for us to predict new factors, nor can we assess the potential effect of any new factors on us. Accordingly, readers should not place undue reliance on those statements. All forward-looking statements are based upon information available to us on the date hereof. All forward-looking statements are made only as of the date hereof and we undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

**These slides are not intended to be a stand-alone presentation but are for use in conjunction with the earnings call. This presentation should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the related notes thereto included in our public filings.**

**Non-GAAP Financial Measures**

This presentation includes certain non-GAAP financial measures such as operating EBITDA, adjusted EBITDA, adjusted operating income, adjusted earnings per share, free cash flow, and supplemental unaudited financial information intended to supplement, not substitute for, comparable measures under generally accepted accounting principles in the United States (GAAP). Information reconciling forward-looking operating EBITDA is not provided because such information is not available without unreasonable effort due to the high variability, complexity, and low visibility with respect to certain Items, including debt refinancing activity or other non-comparable items. These items are uncertain, depend on various factors, and could be material to our results computed in accordance with GAAP. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided in our earnings release, presentations, and SEC filings. For further information about our non-GAAP measures, please see our earnings release, SEC filings and supplemental data at the end of this presentation. Further, percentage changes for revenue, Operating EBITDA, and Adjusted EPS are shown on "comparable basis" with the prior year period, which excludes the impacts of foreign currency along with any recent divestitures. We believe this comparison provides meaningful and useful information to investors about the trends in our businesses and clarifies the impact of non-recurring items.

# Safe Harbor Statements and Important Information (cont.)

**Additional Information and Where to Find It**

This presentation may be deemed to be solicitation material in respect of the proposed transaction between Berry and Glatfelter. In connection with the proposed transaction, Berry and Glatfelter intend to file relevant materials with the SEC, including a registration statement on Form S-4 by Glatfelter that will contain a prospectus of Glatfelter and the Spinco that also constitutes a proxy statement of Glatfelter, and a registration statement by the Spinco. This presentation is not a substitute for the registration statements, proxy statement/prospectus or any other document which Berry and/or Glatfelter may file with the SEC. STOCKHOLDERS OF BERRY AND GLATFELTER ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE REGISTRATION STATEMENT AND PROXY STATEMENT/PROSPECTUS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain copies of the proxy statement/prospectus (when available) as well as other filings containing information about Berry and Glatfelter, as well as the Spinco, without charge, at the SEC's website, http://www.sec.gov. Copies of documents filed with the SEC by Berry or the Spinco will be made available free of charge on Berry's investor relations website at https://ir.berryglobal.com. Copies of documents filed with the SEC by Glatfelter will be made available free of charge on Glatfelter's investor relations website at https://www.glatfelter.com/investors.

**No Offer or Solicitation**

This presentation is for informational purposes only and is not intended to and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, or a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in which such offer, sale or solicitation would be unlawful, prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.

**Participants in Solicitation**

Berry and its directors and executive officers, and Glatfelter and its directors and executive officers, may be deemed to be participants in the solicitation of proxies from the holders of Glatfelter capital stock and/or the offering of securities in respect of the proposed transaction. Information about the directors and executive officers of Berry is set forth in the definitive proxy statement for Berry's 2024 Annual Meeting of Stockholders, which was filed with the SEC on January 4, 2024. Information about the directors and executive officers of Glatfelter is set forth in the proxy statement for Glatfelter's 2023 Annual Meeting of Shareholders, which was filed with the SEC on March 31, 2023. Investors may obtain additional information regarding the interest of such participants by reading the proxy statement/prospectus regarding the proposed transaction when it becomes available.

# Berry at a Glance

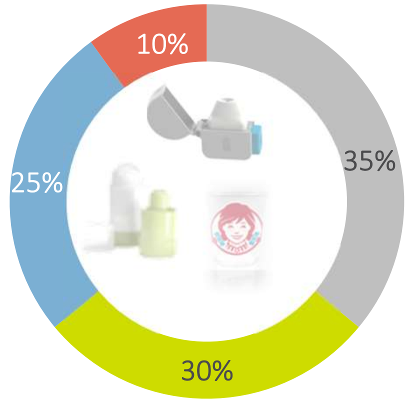
- NYSE ('BERY')
- FY'23 Revenue: $12.7B
- FY'23 Adj. EPS: $7.42
- Locations: 250+
- Employees: 40,000+
- Consumer Products: >70%

Global leader in packaging for consumer staples and industrial products

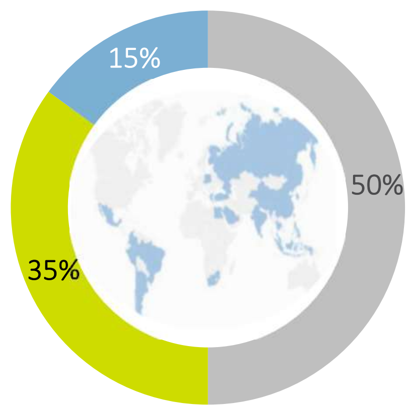
Strong, growing, dependable, and predictable cash flows

Stable end markets with favorable long-term dynamics

Sustainability Leader




- Home, Health, & Personal Care
- Food & Beverage
- Specialties
- Distribution




- U.S. & Canada
- Western Europe
- Emerging Markets




*Only a small sample of products*

# Key Takeaways for Today

- Solid 1st quarter results despite continued challenging macro environment
- Reaffirming Fiscal 2024 guidance
- Continue to expect both debt repayment and repurchasing of shares in FY'24; ending leverage expected to be 3.5x or lower and within our long-term target of 2.5x-3.5x
- Confident in our long-term growth and value creation strategy
  - Pivot to a stronger focus on customer-focused service and product differentiation
  - Launch Lean Transformation
- Announced plans for tax-free spin-off and merger of the majority of its HH&S segment including its global nonwovens and films business with Glatfelter, in a $3.6 billion deal; creating a leading global supplier in specialty materials
  - Renamed *Engineered Materials* segment to *"Flexibles"*

# Industry Trends Driving Organic Growth

**These markets offer higher growth (MSD-HSD) and higher margins**

**Faster Growth Markets**
Healthcare, personal care/beauty, and foodservice
***Targeting 40% of the portfolio***

Grown these select end markets from **~20%** to now **30%***

**Emerging Markets**
Continued focus on higher consumption demographics
***Targeting 25% of the portfolio***

Grown emerging markets from **<2%** to now **15%***

**Sustainability Innovation**
PCR, circular polymers, light-weighting along with differentiated products
***Targeting 30% circular feedstock***

Grown circular resins by **~66%** over the past 5 years and expected >20% growth in 2024

***Grow consumer products from ~70% to 80%+***


Cleanstream® PCR Technology Expansion
**Leamington Spa, UK**

New Healthcare Site Expansion
**Bangalore, India**

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** Compared to FY2013*

# Continued Focused Investment for Growth

## *Healthcare/Pharmaceutical*


*Digitalization of medicines*

## *Personal care/Beauty*

*including dispensing solutions*


## *Foodservice*

*Reusable*

## *Circular materials/Sustainability*

*Europe*

*(PCR Technology)*



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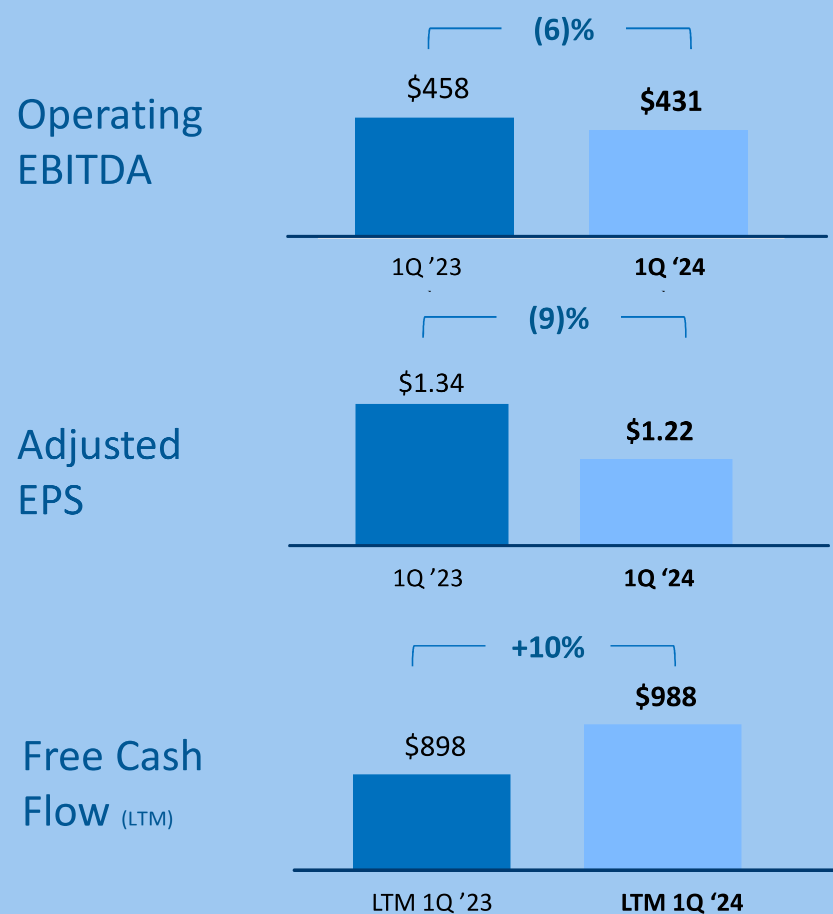
# Fiscal 1st Quarter Overview

Earnings in-line; free cash flow ahead of expectations



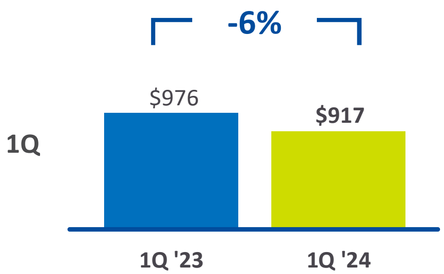

**LTM Free Cash Flow nearly $1B**

*For comparison purposes, prior year ("PY") metrics are comparable basis adjusted for acquisitions, divested businesses and Fx, which are non-GAAP financial measures. See appendix.*

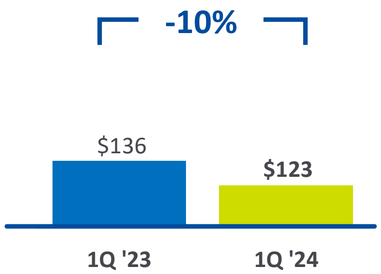
# 1st Quarter Segment Overview
## Consumer Packaging International

Growth Product Mix Ex.


Revenue




Op. EBITDA




### Revenue

- Pass-through of lower resin prices and softer consumer and industrial market demand in Europe, partially offset by improved product mix to higher value products

### Op. EBITDA

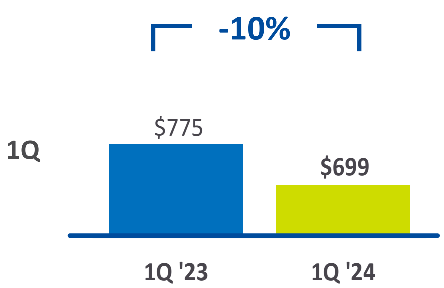
- Timing of resin pass-through and softer overall customer demand partially offset by cost reduction efforts, along with improved product mix by increasing our presence in healthcare packaging, pharmaceutical devices, and dispensing systems

- Continued focus on high value segments and sustainable product offerings

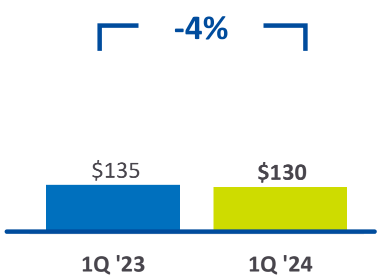
*Note: All dollar amounts in millions.*
*Prior year comparable basis adjusted for Fx and divested businesses, which are non-GAAP financial measures. See appendix*

# 1st Quarter Segment Overview
## Consumer Packaging North America

Revenue




Op. EBITDA





### Revenue

- Pass-through of lower resin prices and softer overall customer demand

### Op. EBITDA

- Timing of resin pass-through and softer overall customer demand partially offset by our cost productivity from structural cost reductions and our focus to higher value products such as foodservice, closures, and dispensing systems

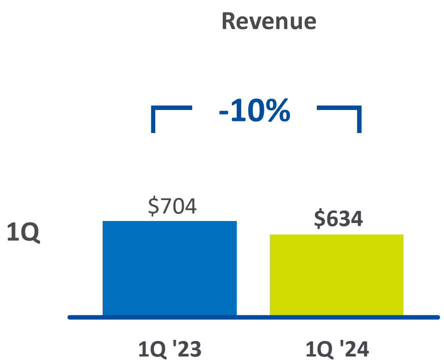
*Note: All dollar amounts in millions.*
*Prior year comparable basis adjusted for Fx and divested businesses, which are non-GAAP financial measures. See appendix*

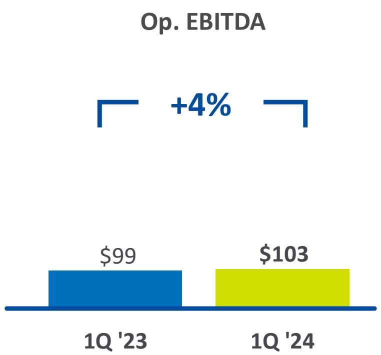
# 1st Quarter Segment Overview
## Flexibles

**Growth Product Mix Ex.**

*Ultra Performance transportation film*

*Consumer film*




### Revenue

- Pass through of lower resin prices and volume softness primarily in our European industrial markets, partially offset by growth in premium protection film products in North America. Additionally volumes were impacted by our concentrated effort to improve our sales mix to higher value products, such as consumer and transportation films

### Op. EBITDA

- Improved product mix to higher value product categories and structural cost reduction initiatives partially offset by softer customer demand in our European industrial markets
- Continued focus on mix improvement and productivity

*Note: All dollar amounts in millions.*
*Prior year comparable basis adjusted for Fx and divested businesses, which are non-GAAP financial measures. See appendix*

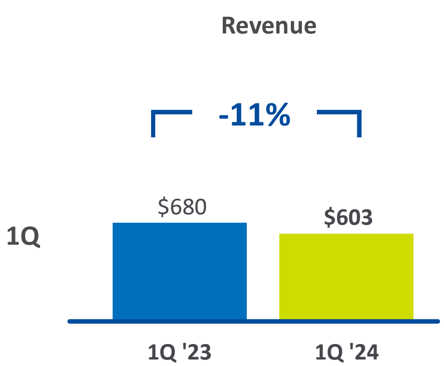
# 1st Quarter Segment Overview
## Health, Hygiene, & Specialties

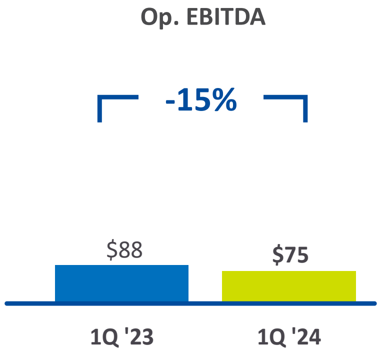
**Growth Product Mix Ex.**

Healthcare

Feminine care

Adult incontinence


### Revenue
- Pass-through of lower resin prices along with softer demand in hygiene and specialty markets, partially offset by improved demand in our disinfectant wipes markets

### Op. EBITDA
- Timing of resin pass-through and weaker demand in some of our higher value specialty markets and overall soft customer demand was partially offset by structural cost reduction initiatives and positive demand in our wipes markets

*Note: All dollar amounts in millions.*
*Prior year comparable basis adjusted for Fx and divested businesses, which are non-GAAP financial measures. See appendix*



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# Capital Allocation Strategy

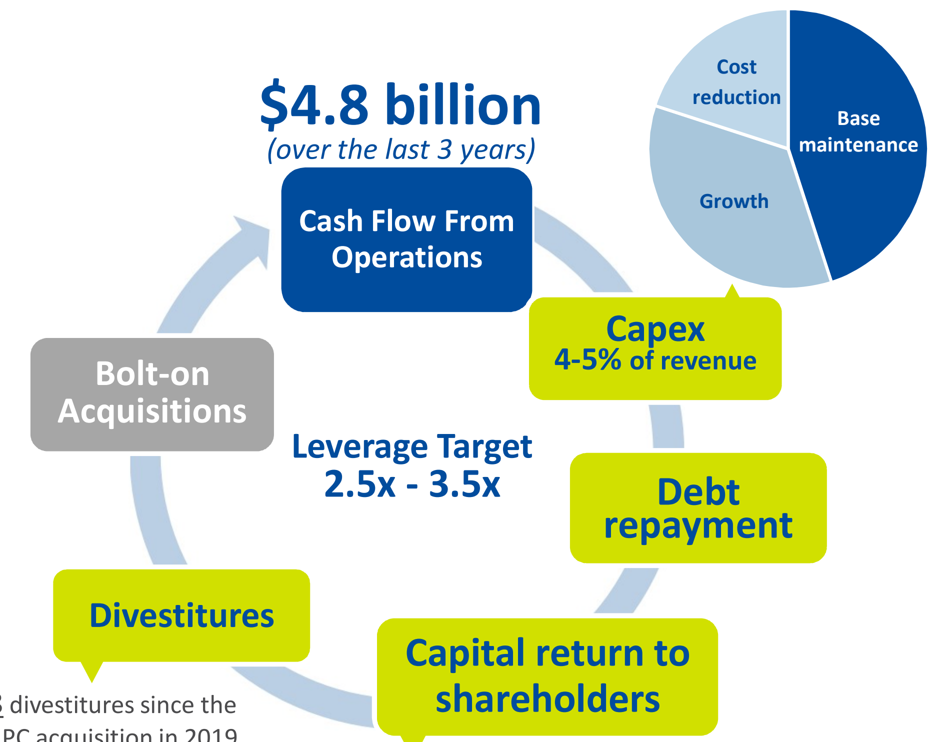
## Opportunistic and return-based focus

- **Investing in growth markets (Returns well above our WACC)**
  - *Healthcare*
  - *Pharmaceutical*
  - *Beauty care*
  - *Sustainability-focused products*
  - *Dispensing solutions*
  - *Foodservice*

- **Returning capital to shareholders (>$1.5B combined in FY22-23)**
  - *Recently increased quarterly dividend by **10% to $0.275** per share*

- **Continued focus on reducing leverage**
  - *Ended FY23 at 3.7x**
  - *Expect FY24 to be ≤ 3.5x*

## *Strong and Dependable Free Cash Flow*




- 8 divestitures since the RPC acquisition in 2019

- $435M remaining on repurchase authorization
- Growing quarterly dividend

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* See appendix for leverage calculation

# Maximizing Value Creation

**>$3 billion**

**Debt Reduction**

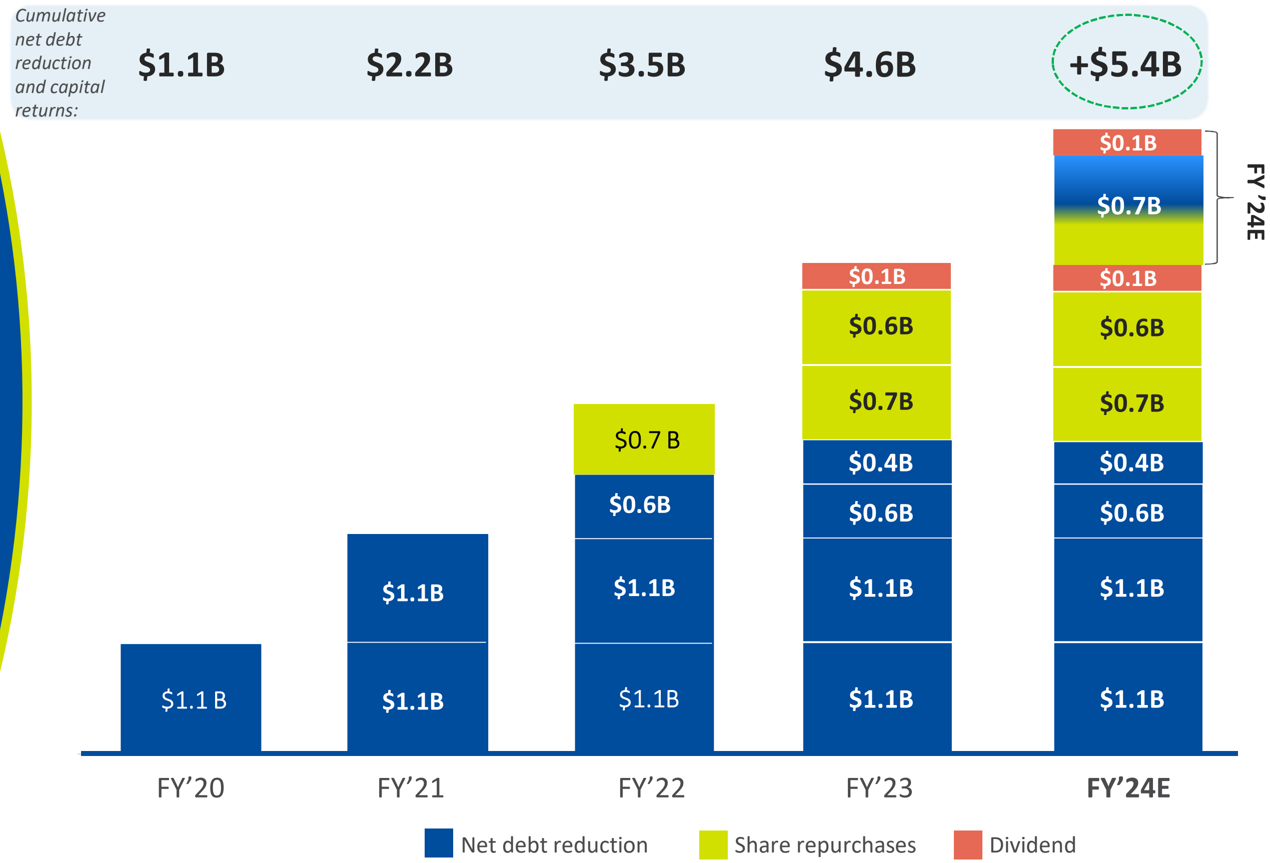
Since the RPC acquisition

**>$1.5 billion**

**Capital Return to Shareholders**

Repurchasing $1.3B of shares (~18% of s/o) while adding a long-term growing dividend

## We expect to return over $5.4B of value to shareholders over 5 years

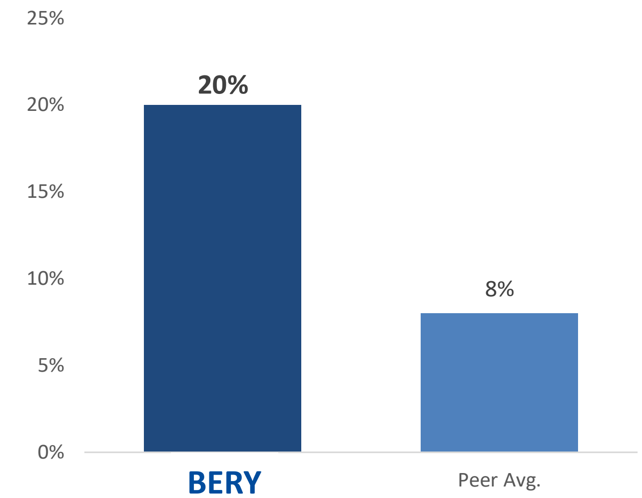


# Proven and Resilient Portfolio

***Resilient results through any economic cycle; Positioned for continued revenue, earnings, and free cash flow growth***

| (1) | FY'15 | FY'23 | CAGR |
|---|---|---|---|
| Revenue (1) | $4,881 | $12,664 | **13%** |
| Operating EBITDA (1) | $815 | $2,053 | **12%** |
| Adjusted EPS | $1.70 | $7.42 | **20%** |
| Free cash flow | $436 | $926 | **10%** |

## Adj. EPS CAGR
**(FY'15 – FY'23*)**




**Unlike these peers we have grown our annual Adj. EPS every single year**

**$850M-$1B of Adjusted FCF every year since RPC acquisition**

*Note: All dollar amounts in millions, except per share data.*
*(1) Non-GAAP financial measures. See appendix.*
*Peer group includes: Amcor, AptarGroup, Ball Corp., Crown Holdings, Graphic Packaging, Sealed Air, Silgan, and Sonoco. *Peer EPS for FY'23 is based on actual results, if applicable ,or 2023 Company Guidance*

# Reaffirmed FY '24 Guidance

***Continued focus on driving long-term shareholder value***

| | |
|---|---|
| **Adjusted EPS** | **$7.35-7.85** |
| Cash flow from ops | $ 1.35-1.45B |
| Capital expenditures | $ 550M |
| **Free cash flow** | **$800-900M** |

– **Committed to debt reduction along with returning capital to shareholders through share repurchases and dividends**

Other modeling

- Operating EBITDA: $2.05-2.15B
- Depreciation expense: $600M
- Interest expense: $320M
- Other expense: $40M
- Effective tax rate: 22%
- Average diluted shares: 117M



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# Long-Term Targets

**Low-Single Digit Volume Growth**

**2.5x – 3.5x Leverage Ratio**
*(Expect 3.5x or less FY'24)*

**4-6% Op. EBITDA Growth**
*(5yr avg. +8%)*

**10-15% TSR Growth**

**7-12% Adj. EPS Growth**
*(5yr avg. +12%)*

**Growing Annual Dividend**

**Delivering on targets – enabled by organic growth focus**

Note: Targets include bolt-on acquisitions

# Key Investment Highlights

*Global leader in packaging for consumer staples and industrial products*

*Proven growth platform*

*Sustainability leader*

*Low cost manufacturer of thousands of products in stable end markets*

*Strong, growing, dependable, and predictable cash flows*

# Berry's Health, Hygiene & Specialties Global Nonwovens and Films Business to Combine with Glatfelter

## *Transaction Summary*

| | |
|---|---|
| *Deal Structure* | ▪ The majority of Berry's HH&S segment to include its Global Nonwovens and Films Business and Glatfelter (GLT) to combine via a Reverse Morris Trust transaction expected to be valued at \$3.6B<br>▪ Transaction expected to be tax-free to Berry, Glatfelter, and their respective shareholders |
| *Ownership* | ▪ Berry shareholders to own approximately 90% of the newly combined company or "NewCo"<br>▪ Glatfelter shareholders to own approximately 10% of NewCo |
| *Capital Structure & Financing* | ▪ Fully committed financing in place in support of transaction<br>▪ NewCo net leverage of ~4.0x expected post transaction close; facilitating \$1.0B cash distribution to Berry at closing<br>▪ Improves Glatfelter's leverage profile to increase shareholder value<br>▪ Existing Glatfelter senior notes due 2029 expected to remain in place; other debt to be retired<br>▪ Glatfelter to complete a reverse stock split prior to transaction close; ratio to be determined by GLT and BERY (1) |
| *Management & Governance* | ▪ Curt Begle, President of Berry HH&S, to lead NewCo as CEO<br>▪ Senior management team will include combined team of Berry and Glatfelter leaders<br>▪ Board of Directors comprised of 9 members, with 6 designated by Berry and 3 designated by Glatfelter |
| *Closing* | ▪ Glatfelter shareholder vote required<br>▪ No shareholder vote required for Berry shareholders<br>▪ Targeted to close in the 2H of CY 2024, subject to customary closing conditions and regulatory approvals |

(1) Prior to closing of the transaction, Glatfelter will complete a reverse stock split of all of its issued and outstanding common stock. The reverse stock split ratio is to be determined by Glatfelter and Berry, Additional information will be provided prior to the effective time of the reverse stock split.



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# NewCo expected to have enterprise value of approximately $3.6 billion

***Culmination of a comprehensive review to determine highest value alternative for Berry shareholders***

## TRANSACTION BENEFITS TO BERRY

- Berry becomes a more focused "pure play" leading supplier of sustainable global packaging solutions
- Unlocks value in Berry; shareholders can participate in potential upside of NewCo.
- Expect more consistent earnings growth and cash flow generation
- Berry to receive net cash distribution of ~$1.0B and intends to use the proceeds to repay existing debt
- Transaction expected to be tax-free to BERY and GLT shareholders

## TRANSACTION SUMMARY

| | NewCo | Value to BERY |
|---|---|---|
| Pro forma Adjusted EBITDA | $455M | |
| Transfer of GLT notes | $0.5B | |
| New Financing (1) | $1.3B | $1.0B |
| Equity Value – (BERY 90%; GLT 10%) (assumes ~8x EBITDA) | $1.8B | $1.6B |
| NewCo Enterprise Value | **$3.6B** | **$2.6B** |

(note: New financing uses: $1B distribution to Berry, $0.4B retirement of GLT debt , ($0.1B) cash less expenses)
(note: Expect pro forma leverage for NewCo. to be ~4.0x
(1) New financing net of contributed cash

***Target close is in the 2H of calendar 2024***

Adjusted EBITDA refers earnings before interest, taxes, depreciation, and amortization, as further described as Operating EBITDA for the last twelve month ('LTM') period ended December 2023 for Berry and Adjusted EBITDA for the LTM period ended September 2023 for Glatfelter, along with expected cost synergies of $50 million and combined pro forma adjustments of $25M to be realized by year three. A reconciliation to the nearest GAAP can be found in GLT's September 10-Q for adjusted earnings and Berry numbers are a carveout of HH&S and unaudited.

# Berry Global Group, Inc.

***Berry will simplify its portfolio, enhance stability of earnings and long-term growth and maintain its position as a sustainable global packaging solutions leader***

**Kevin Kwilinski**
President and CEO

*Annual Revenue*
**$10.2B**

*Operating EBITDA*
**$1.8B**

*Key Segments*

| Consumer Packaging – International | Consumer Packaging – North America | Flexibles |
|---|---|---|
| **~40%** Sales | **~30%** Sales | **~30%** Sales |
| **~17%** Op. EBITDA margin | **~18%** Op. EBITDA margin | **~15%** Op. EBITDA margin |

***Global leadership positions; #1 or #2 in over 75% of the markets served***



[1] Pro forma estimates for Berry's LTM period ended December 30, 2023
Flexibles formerly referred to as Engineered Materials

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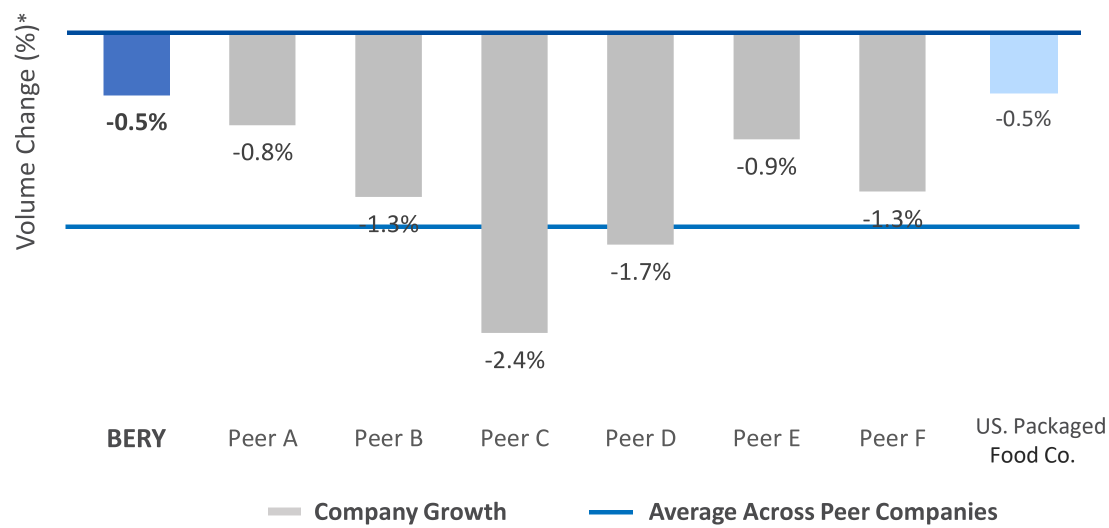
# Attractive Investment Opportunity

**Historical Speculated Valuation Gap Causes**

- ✓ Volume growth
- ✓ Share repurchases
- ✓ Dividend
- ✓ Leverage (≤3.5x end of FY24)
- ✓ S&P Index (inclusion on 06/20/23)

**Strategy has delivered volumes better than peer average**




**We believe our valuation gap will continue to shrink**

**Average quarterly volume change from 2019-Sept. 2023.*
*Sources: Sell-side analyst report and public filings.*
*Peers include: Amcor, International Paper, Owens-Illinois, Sealed Air, Sonoco, and Westrock.*
*U.S. Packaged Food Companies include: Campbells Soup, Conagra Brands, Frito-Lay N.A., General Mills N.A. Retail, J.M. Smuckers, Kelogg (N.A.), and Kraft Heinz (U.S.). Selected peers who provide breakout of volumes.*

# Q&A

**1st Quarter Fiscal Year 2024**

Earnings Conference Call Supplemental Presentation

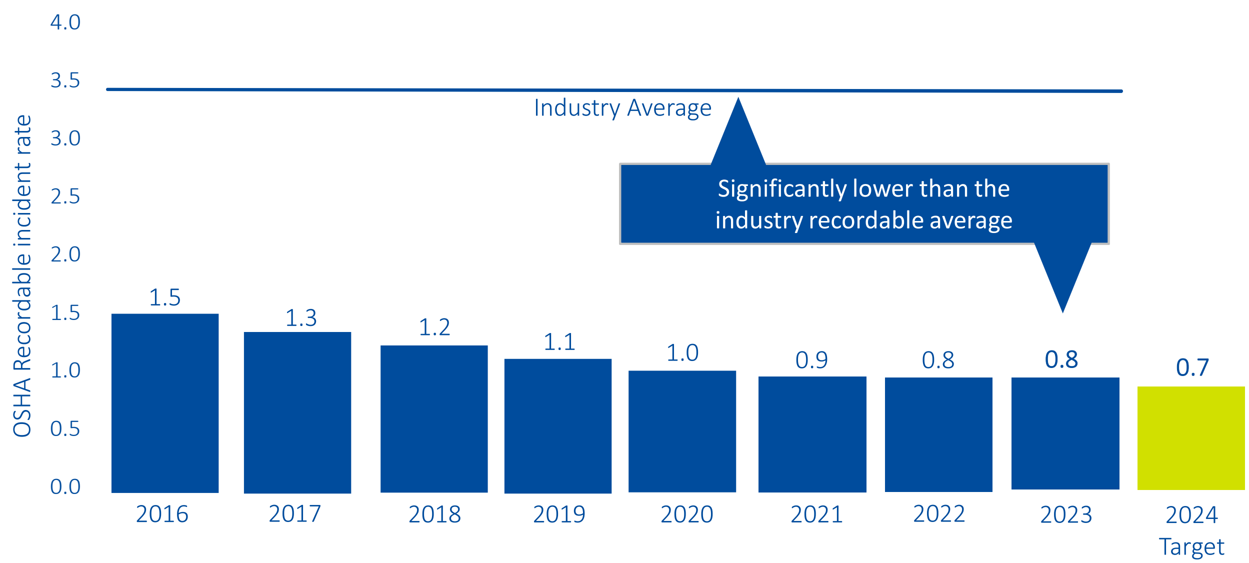
# Safety

- **Safety of our people is our #1 priority**
- **Best-in-class safety performance**

**110+ sites**

***With ZERO Recordable Incidents***

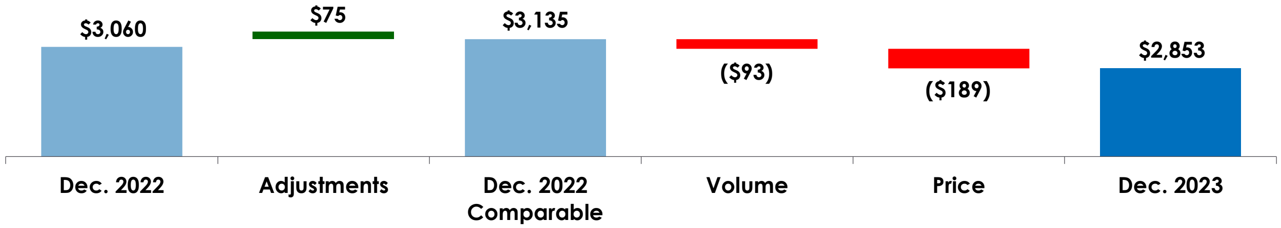
***"Safety doesn't happen by accident"***



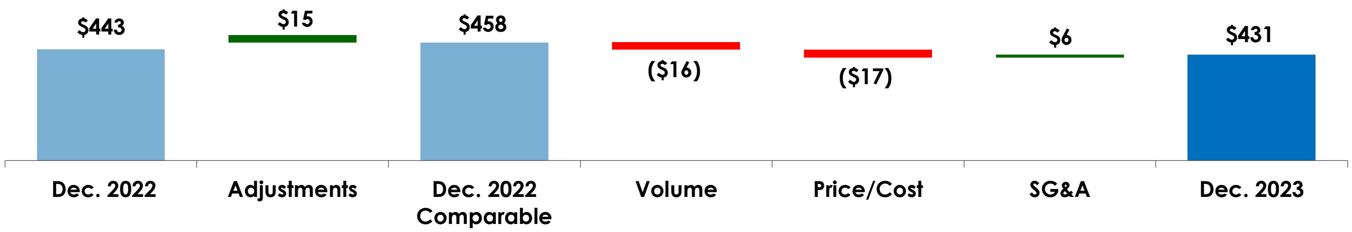

***Never ending commitment to identifying, managing, and minimizing risk***

# Appendix: 1st Quarter Net Sales and Operating EBITDA Bridge

## Net Sales




## Operating EBITDA






*Note: All dollar amounts in millions*
*Adjustments include acquisitions, divestitures and foreign currency*

# Non-GAAP Reconciliation

| (In millions of USD) | Consumer Packaging - International | Consumer Packaging- North America | Health, Hygiene & Specialties | Engineered Materials | Total |
|---|---|---|---|---|---|
| | **Quarterly Period Ended December 30, 2023** | | | | |
| **Net sales** | **$ 917** | **$ 699** | **$ 603** | **$ 634** | **$ 2,853** |
| Operating income | $ 31 | $ 63 | $ (3) | $ 66 | $ 157 |
| Depreciation and amortization | 81 | 57 | 46 | 30 | 214 |
| Restructuring and transaction activities | 3 | 4 | 13 | 2 | 22 |
| Impact of hyperinflation | - | - | 15 | - | 15 |
| Other non-cash charges | 8 | 6 | 4 | 5 | 23 |
| Operating EBITDA | $ 123 | $ 130 | $ 75 | $ 103 | $ 431 |
| | Quarterly Period Ended December 31, 2022 | | | | |
| Reported net sales | $ 936 | $ 764 | $ 663 | $ 697 | $ 3,060 |
| Foreign currency and divestitures | 40 | 11 | 17 | 7 | 75 |
| Comparable net sales (1) | $ 976 | $ 775 | $ 680 | $ 704 | $ 3,135 |
| Operating income | $ 47 | $ 71 | $ 34 | $ 58 | $ 210 |
| Depreciation and amortization | 74 | 51 | 44 | 30 | 199 |
| Restructuring and transaction activities | 3 | 1 | 3 | 5 | 12 |
| Other non-cash charges | 6 | 7 | 4 | 5 | 22 |
| Foreign currency and divestitures | 6 | 5 | 3 | 1 | 15 |
| Comparable operating EBITDA (1) | $ 136 | $ 135 | $ 88 | $ 99 | $ 458 |

(1) The prior year comparable basis change excludes the impacts of foreign currency, acquisitions, and divestitures. Further details related to non-GAAP measures and reconciliations can be found under our "Non-GAAP Financial Measures and Estimates" section or in reconciliation tables in this release.

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*Note: All dollar amounts in millions*

# Non-GAAP Reconciliation

**Reconciliation of Net Income and earnings per share (EPS) to adjusted operating income, operating earnings before interest, tax, depreciation and amortization (EBITDA), and adjusted EPS**
(in millions of USD, except per share amounts)

| | Quarterly Period Ended | |
|---|---|---|
| | **December 30, 2023** | December 31, 2022 |
| **Net income** | **$ 59** | $106 |
| Add: other expense | **12** | 1 |
| Add: interest expense | **72** | 71 |
| Add: income tax expense | **14** | 32 |
| **Operating income** | **$157** | $210 |
| Add: restructuring and transaction activities | **22** | 12 |
| Add: impact of hyperinflation | **15** | - |
| Add: other non-cash charges | **23** | 22 |
| **Adjusted operating income** (2) | **$217** | $244 |
| Add: depreciation | **154** | 139 |
| Add: amortization of intangibles | **60** | 60 |
| **Operating EBITDA** (2) | **$431** | $443 |

| | | |
|---|---|---|
| Net income per diluted share | **$ 0.50** | $ 0.85 |
| Other expense, net | **0.10** | 0.01 |
| Restructuring and transaction activities | **0.19** | 0.09 |
| Impact of hyperinflation | **0.13** | — |
| Amortization of intangibles from acquisitions (1) | **0.51** | 0.48 |
| Income tax impact on items above | **(0.21)** | (0.13) |
| Foreign currency, acquisitions, and divestitures | **—** | 0.04 |
| **Adjusted net income per diluted share** (2) | **$ 1.22** | $ 1.34 |

Note: All dollar amounts in millions, except per share data. Unaudited

(1) Other non-cash charges is primarily stock compensation.
(2) Amortization of intangibles from acquisition are added back to better align our calculation of adjusted EPS with peers.
(3) During the 2022 fiscal year, the Company obtained certain tax benefits of $18 million deemed as non-comparable.
(4) Supplemental financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures should not be considered as alternatives to operating or net income or cash flows from operating activities, in each case determined in accordance with GAAP. Organic sales growth and comparable basis measures exclude the impact of currency translation effects and acquisitions. These non-GAAP financial measures may be calculated differently by other companies, including other companies in our industry, limiting their usefulness as comparative measures. Berry's management believes that adjusted net income and other non-GAAP financial measures are useful to our investors because they allow for a better period-over-period comparison of operating results by removing the impact of items that, in management's view, do not reflect our core operating performance.

We define "free cash flow" as cash flow from operating activities, less net additions to property, plant, and equipment. We believe free cash flow is useful to an investor in evaluating our liquidity because free cash flow and similar measures are widely used by investors, securities analysts, and other interested parties in our industry to measure a company's liquidity. We also believe free cash flow is useful to an investor in evaluating our liquidity as it can assist in assessing a company's ability to fund its growth through its generation of cash.

Adjusted EBITDA is used by our lenders for debt covenant compliance purposes. We also use Adjusted operating income, Adjusted EBITDA, Operating EBITDA, Adjusted EPS and comparable basis measures, among other measures, to evaluate management performance and in determining performance-based compensation. Operating EBITDA is a measure widely used by investors, securities analysts, and other interested parties in our industry to measure a company's performance. We also believe EBITDA and Adjusted operating income are useful to an investor in evaluating our performance without regard to revenue and expense recognition, which can vary depending upon accounting methods.

Leverage (Total net debt / LTM Adj. EBITDA)

| | |
|---|---|
| Total current and long-term debt | $8,980 |
| Less: cash | (1,203) |
| Total net debt | $7,777 |
| | |
| LTM adjusted EBITDA | $2,125 |
| Leverage | 3.7x |

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# Non-GAAP Reconciliation

| | FY 2015 |
|---|---|
| **Net income** | $86 |
| Add: other expense (income), net | 95 |
| Add: interest expense, net | 191 |
| Add: income tax expense | 36 |
| **Operating income** | $408 |
| Add: non-cash amortization from 2006 private sale | 32 |
| Add: restructuring and transaction activities (1) | 36 |
| Add: other non-cash charges (2) | 21 |
| **Adjusted operating income** (4) | $497 |
| Add: depreciation | 259 |
| Add: amortization of intangibles (3) | 59 |
| **Operating EBITDA** (4) | $815 |
| | |
| Net income per diluted share | $0.70 |
| Other expense (income), net | 0.77 |
| Non-cash amortization from 2006 private sale | 0.26 |
| Restructuring and transaction activities | 0.29 |
| Income tax impact on items above | (0.32) |
| **Adjusted net income per diluted share** (4) | $1.70 |
| | |
| Cash flow from operations | 637 |
| Net additions to PP&E | (162) |
| Payment on TRA | (39) |
| **Free cash flow** (4) | $436 |

(1) Includes primarily integration expenses and other business optimization costs.
(2) Primarily includes stock compensation expense.

(3) Amortization excludes non-cash amortization from the 2006 private sale of $32 million for fiscal year ended September 26, 2015.

(4) Supplemental financial measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). These non-GAAP financial measures should not be considered as alternatives to operating or net income or cash flows from operating activities, in each case determined in accordance with GAAP. These non-GAAP financial measures are among the indicators used by management to measure the performance of the Company's operations, and also among the criteria upon which performance-based compensation may be based. Adjusted EBITDA also is used by our lenders for debt covenant compliance purposes. We use Free Cash Flow as a measure of liquidity because it assists us in assessing our Company's ability to fund its growth through its generation of cash. Our projected Free Cash flow for fiscal 2016 assumes $817 million of cash flow from operations less $285 million of additions to property, plant, and equipment and $57 million of payments under our tax receivable agreement.

Similar non-GAAP financial measures may be calculated differently by other companies, including other companies in our industry, limiting their usefulness as comparative measures. Because of these limitations, you should consider the non-GAAP financial measures alongside other performance measures and liquidity measures, including operating income, various cash flow metrics, net income and our other GAAP results.



*Note: All dollar amounts in millions, except per share data.*

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