

# Fiscal 2022 – 1<sup>st</sup> Quarter Results

## Earnings Conference Call Supplement

Thursday, February 3, 2022

Thomas Salmon  
Chairman and CEO

Mark Miles  
CFO



# 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, 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 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 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 economy, persistent inflation, supply chain disruptions and the financial markets that may adversely impact our business, including as a result of the COVID-19 pandemic; (8) risk of catastrophic loss of one of our key manufacturing facilities, natural disasters, and other unplanned business interruptions; (9) risks related to the failure of, inadequacy of, or attacks on our information technology systems and infrastructure; (10) risks that our restructuring programs may entail greater implementation costs or result in lower cost savings than anticipated; (11) risks related to future write-offs of substantial goodwill; (12) risks of competition, including foreign competition, in our existing and future markets; and (13) risks related to our share repurchase program; (14) the other factors discussed in the section titled “Risk Factors” in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. 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 net income, free cash flow, and supplemental unaudited financial information intended to supplement, not substitute for, comparable measures under generally accepted accounting principles (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 U.S. GAAP. Our estimates of the impact of COVID-19 are based on product mix and prior internal sales estimates compared to actual sales. 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. Additionally, we compare the current period quarter to the pre-Covid quarter 2 years ago and refer to this as a two-year stack. We believe this comparison provides meaningful and useful information to investors about the longer-term trends in our businesses and mitigates the impact of the Covid-19 pandemic that have benefited and negatively impacted portions of our markets.

# Berry at a Glance

- NYSE ('BERY')
- FY'21 Revenue: \$13.9B
- FY'21 Adj. EBITDA: \$2.2B
- Consumer Products: >70%
- Locations: 300+
- Employees: 47,000
- Countries: 39



A Global Industry Leader



Strong & consistent growth



Stable end markets with favorable long-term dynamics



Sustainability Leader

**CONSUMER PACKAGING International**  
(30% of revenue)



**CONSUMER PACKAGING North America**  
(23% of revenue)



**HEALTH, HYGIENE & SPECIALTIES**  
(23% of revenue)



**ENGINEERED MATERIALS**  
(24% of revenue)



# Key Takeaways for Today

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1. Reaffirming fiscal 2022 guidance
2. Navigating well in spite of a challenging macro-environment
3. Board approved \$1 billion share repurchase program (expect to repurchase at least \$350 million\* in FY'22)
4. Strong growth pipeline; expect stronger 2H of FY'22

***Continued focus on driving organic growth and shareholder value***



# Environmental, Social & Governance



- Most ambitious goal yet: 30% circular materials on our fast-moving consumer goods products by 2030
- Named one of America's Most Responsible Companies - #35 out of 2,000 public companies presented by *Newsweek* and global research firm Statista, Inc.

- Science-Based Target Initiatives, including a commitment to reduce absolute operations emissions (Scope 1 & 2) by 25% and supply chain emissions (Scope 3) by 8% by 2025 from 2019 levels
- We have 39 ISCC PLUS certification sites, including our first in N.A., which gives us certified sites on a total of 4 continents

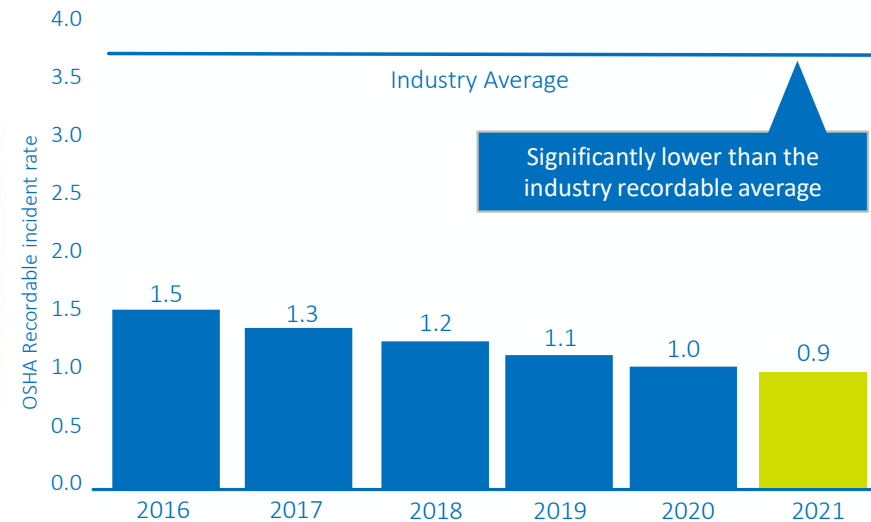


- Committed to ensuring that each Berry team member has the opportunities to continually grow their skills and career



# Safety

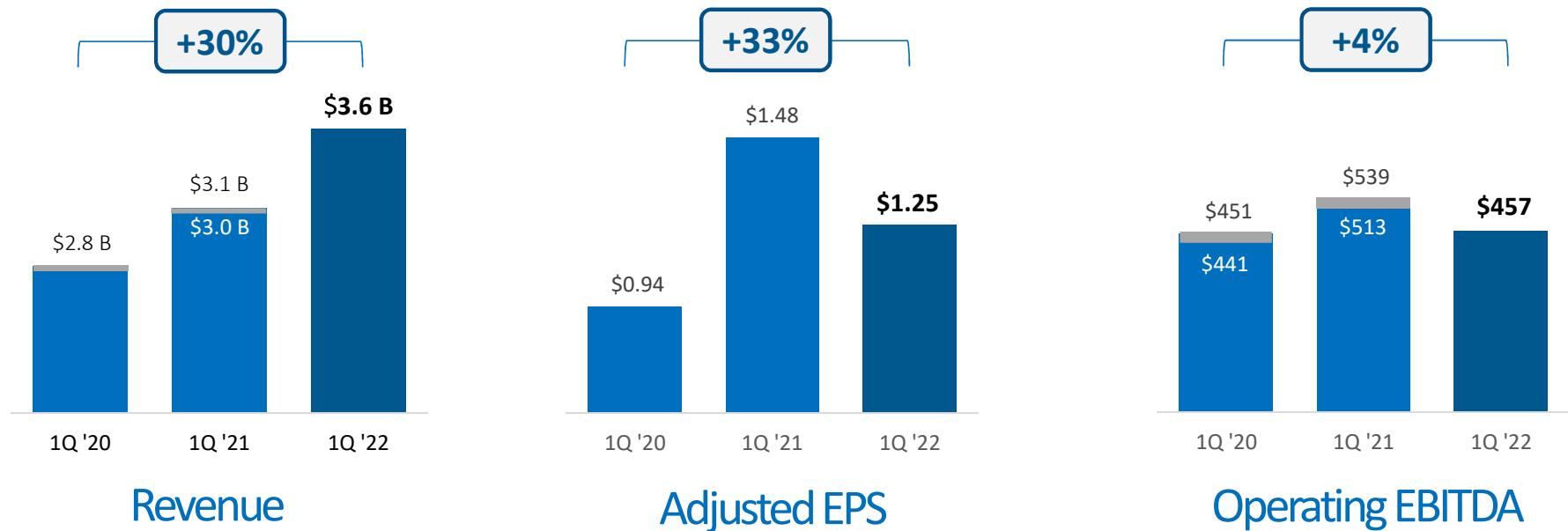
*Our #1 priority and core value is the health and safety of our people*



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

# Fiscal 1<sup>st</sup> Quarter Highlights

**+4% organic volume growth on a 2-year basis**

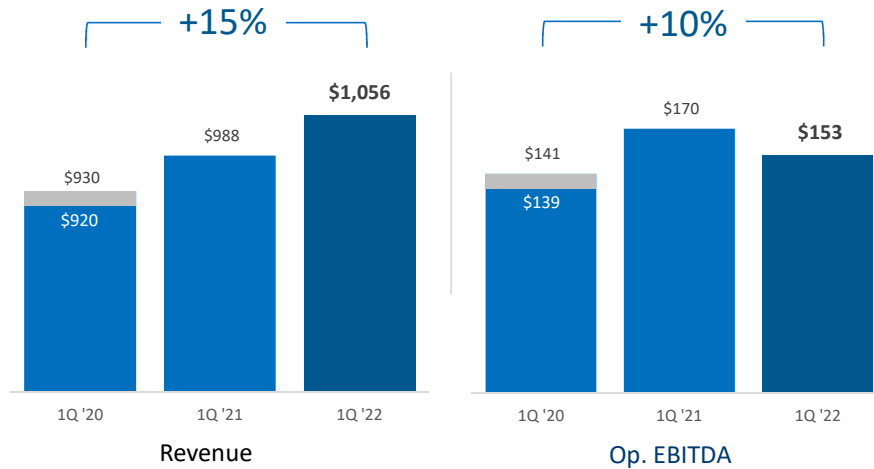


Note: All dollar amounts in billions, except per share data.  
1Q '20 Revenue and Operating EBITDA considers divested businesses for comparison purposes.  
1Q '21 Revenue and Operating EBITDA considers divested business and extra shipping days for comparison purposes.

# 1<sup>st</sup> Quarter - Segment Overview

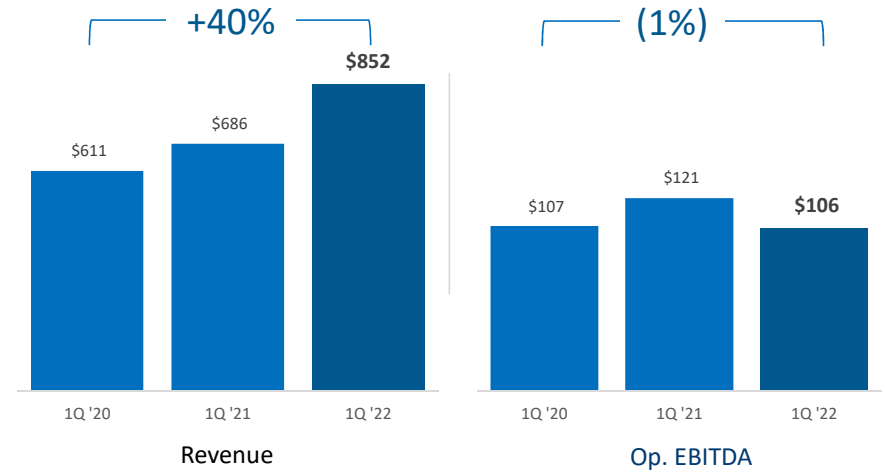
## Consumer Packaging—Int'l

+3% organic volume growth



## Consumer Packaging—N.A.

+6% organic volume growth

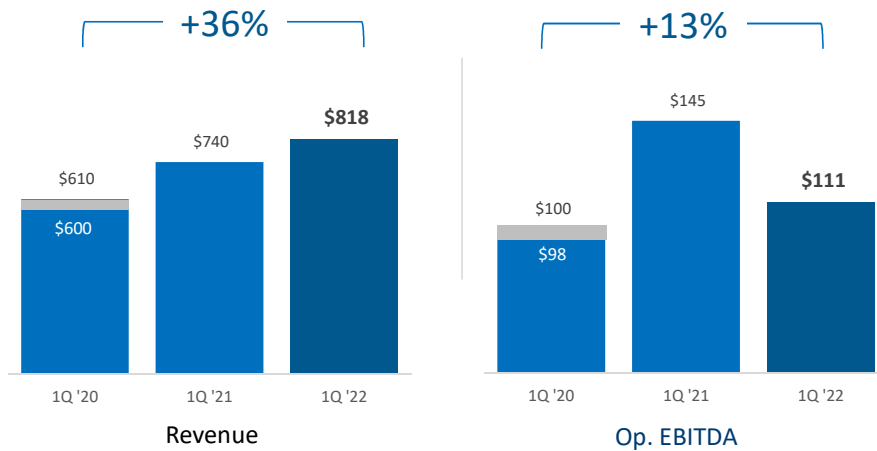


Note: All dollar amounts in millions. CPI prior year quarter adjusted for divestitures.  
Organic volume growth vs pre-pandemic levels of 1Q '20

# 1<sup>st</sup> Quarter - Segment Overview

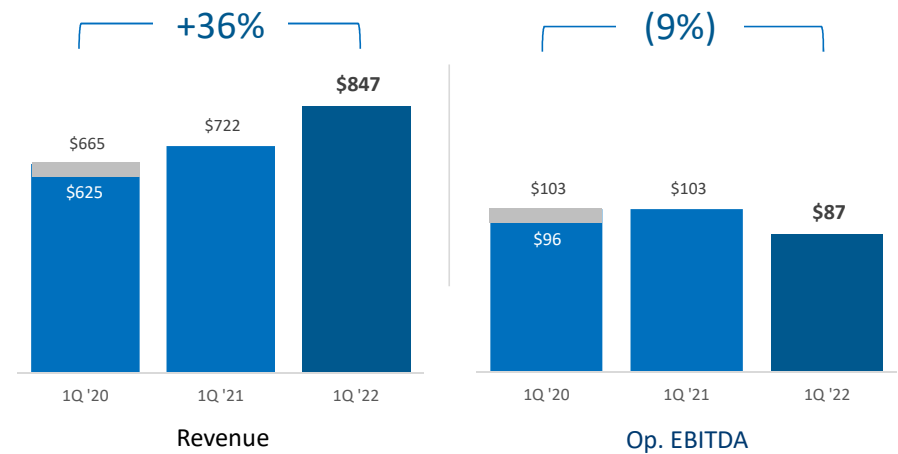
## Health, Hygiene, & Specialties

+11% organic volume growth



## Engineered Materials

-2% organic volume decline





# Guidance

*Continued focus on driving organic growth*

**FY '22 Adjusted EPS**      **\$7.20 - \$7.70**      *Reaffirmed*

Cash flow from ops      \$1.7- \$1.8B

Capital expenditures      800M

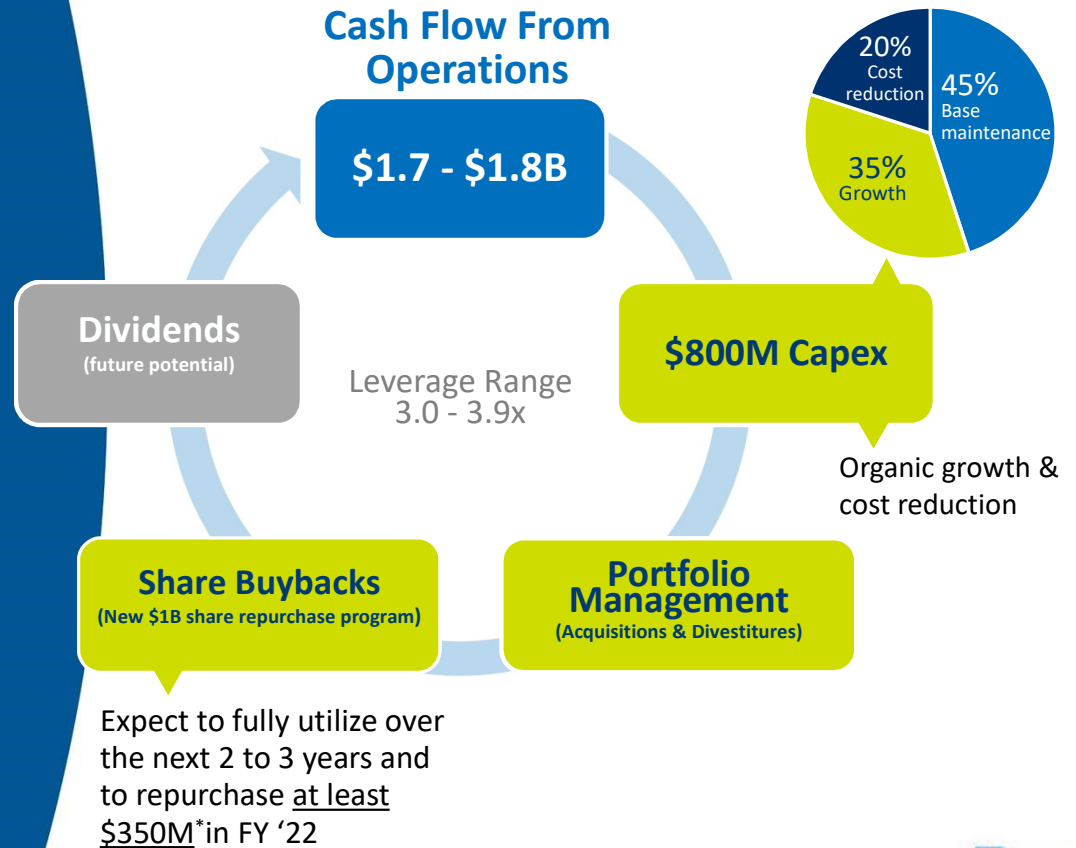
**Free cash flow**      **\$900M - \$1B**      *Reaffirmed*

## Other assumptions

- Organic volume growth: +2%
- Depreciation: \$590M
- Interest: \$280M
- Effective tax rate: 25%
- Shares outstanding: 139M  
(assumes expected share repurchases)

# Capital Allocation Strategy

- ❖ Consistent & resilient business model
- ❖ Strong, dependable, and stable free cash flow allows quick de-leveraging and flexibility
- ❖ **Flexible** and **return-based** focused capital allocation



# Proven Track Record of Growth

(\$ in millions, except EPS)	FY15	FY21	CAGR
Revenue	\$4,881	\$13,850	<b>19%</b>
Operating EBITDA <sup>(1)</sup>	\$815	\$2,224	<b>18%</b>
Adjusted EPS <sup>(1)</sup>	\$1.70	\$5.80	<b>23%</b>
Adjusted FCF <sup>(1)</sup>	\$436	\$904	<b>13%</b>

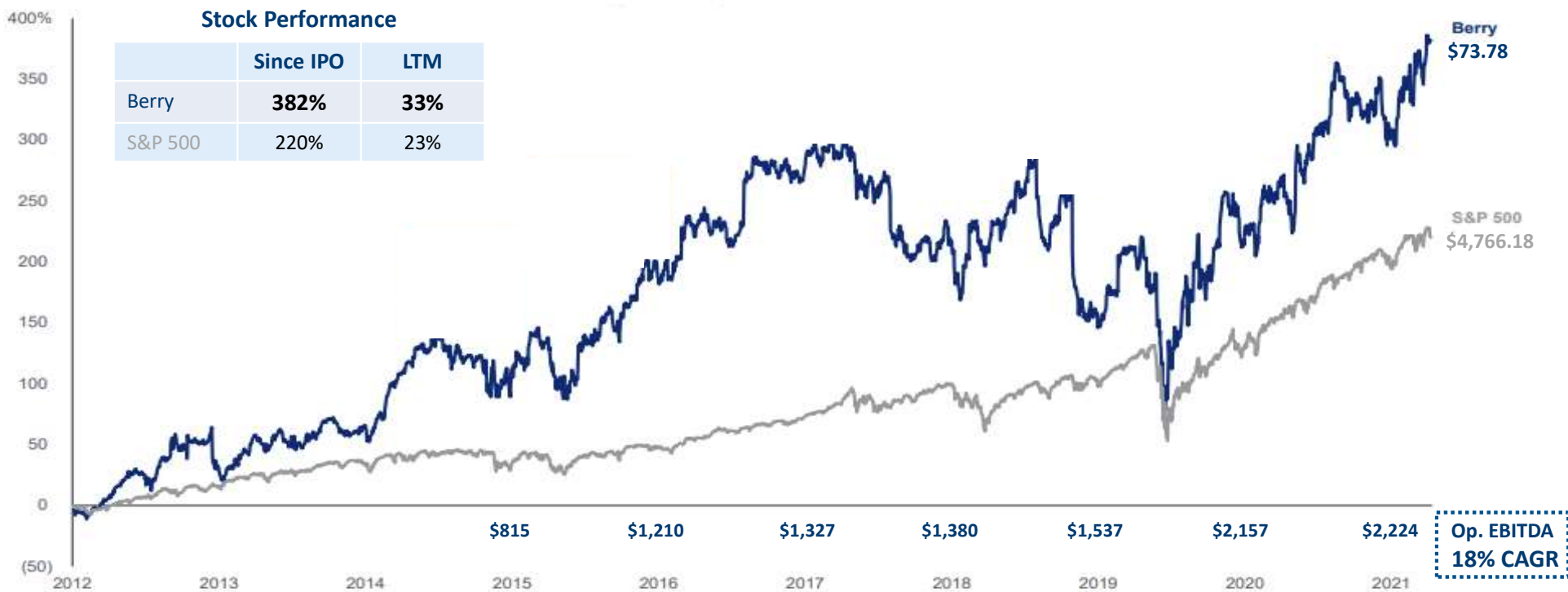
## RESILIENT BUSINESS MODEL

- ❖ Broadest portfolio of plastic packaging solutions
- ❖ Strong, dependable, and stable cash flows
- ❖ Strong balance sheet

*Positioned for continued revenue, earnings, and free cash flow growth*



# Track Record of Significant Value Creation Since IPO



*Committed to delivering increased shareholder value over near- and long-term*



# Multiple Avenues to Drive Organic Growth

## Faster growth markets

E-commerce, healthcare, hygiene, and pharmaceutical



### Berry's Portfolio Shift % of total sales

2013



2021



## Emerging markets

Continued focus on developing countries growing well above average



### Berry's Portfolio Shift % of total sales

2013



2021



*"Emerging markets could grow around twice as fast as advanced economies on average"*

## Sustainability/Innovation

PCR, circular polymers, light-weighting along with differentiated products



# Taking Action : Innovation & Sustainability is Driving Growth



Berry Named One of America's Most Responsible Companies  
Number 35 out of 2,000 public companies on America's Most Responsible Companies by *Newsweek*



Berry Recognized by CDP as a Climate Change Leader for its Sustainability Initiatives

Rating  
**A-** **Top 12%** of rated companies



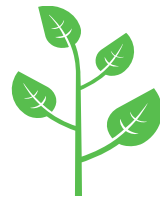
TotalEnergies and Berry Global Advance Material Circularity by Using Recycled Plastic in Food Packaging

# Berry Committed to 30% Circular Plastics by 2030; Decoupling from Fossil Fuels

## Support evolving customer sustainability goals



**Increase** recycled plastics



**Increase** renewable plastics



**Reduce** CO2 emissions as **innovation** drives further growth in circular resins

***+1 billion Lbs. of circular resin into the fast moving consumer goods cycle by 2030***



# Q&A

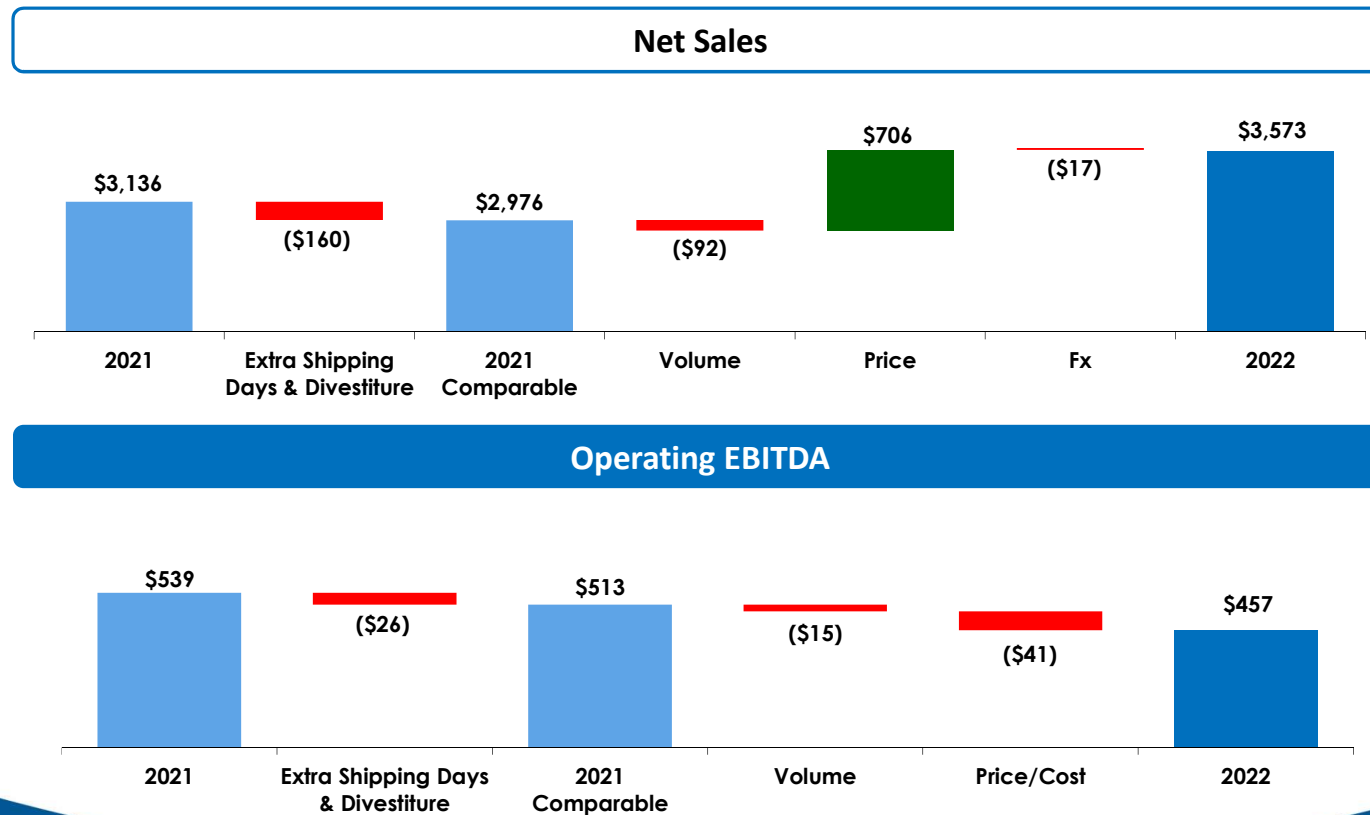
1<sup>st</sup> Fiscal Quarter 2022

Earnings Conference Call





# Appendix: Fiscal Q1 Net Sales and Operating EBITDA Bridge



# Non-GAAP Reconciliation

	Quarterly Period Ended January 1, 2022				Total
	Consumer Packaging - International	Consumer Packaging - North America	Health, Hygiene & Specialties	Engineered Materials	
Net sales	\$ 1,056	\$ 852	\$ 818	\$ 847	\$ 3,573
Operating income	\$ 69	\$ 46	\$ 62	\$ 52	\$ 229
Depreciation and amortization	82	54	45	30	211
Restructuring and transaction activities <sup>(1)</sup>	2	1	(1)	1	3
Other non-cash charges	—	5	5	4	14
Operating EBITDA	\$ 153	\$ 106	\$ 111	\$ 87	\$ 457

	Quarterly Period Ended January 2, 2021				Total
	Consumer Packaging - International	Consumer Packaging - North America	Health, Hygiene & Specialties	Engineered Materials	
Net sales	\$ 988	\$ 686	\$ 740	\$ 722	\$ 3,136
Operating income	\$ 76	\$ 59	\$ 96	\$ 73	\$ 304
Depreciation and amortization	84	56	45	30	215
Restructuring and transaction activities <sup>(1)</sup>	3	1	—	(5)	(1)
Other non-cash charges	7	5	4	5	21
Operating EBITDA	\$ 170	\$ 121	\$ 145	\$ 103	\$ 539

(1) Primarily includes transaction activity costs related to the RPC acquisition.

Note: For comparison purposes to the December 2020 quarter, Operating EBITDA margins for the quarterly period ended January 1, 2022 would be increased by 320 basis points (to 16.0%) when adjusted for the impact of inflation on net sales of \$706 million.

# Non-GAAP Reconciliation

	Quarterly Period Ended	
	January 1, 2022	January 2, 2021
<b>Net income</b>	<b>\$121</b>	<b>\$130</b>
Add: other expense	—	25
Add: interest expense	71	97
Add: income tax expense	37	52
<b>Operating income</b>	<b>\$229</b>	<b>\$304</b>
Add: restructuring and transaction activities	3	(1)
Add: other non-cash charges	14	21
<b>Adjusted operating income <sup>(2)</sup></b>	<b>\$246</b>	<b>\$324</b>
Add: depreciation	143	141
Add: amortization of intangibles	68	74
<b>Operating EBITDA <sup>(2)</sup></b>	<b>\$457</b>	<b>\$539</b>
<b>Net income per diluted share</b>	<b>\$ 0.87</b>	<b>\$ 0.96</b>
Other expense, net	—	0.18
Restructuring and transaction activities	0.02	(0.01)
Amortization of intangibles from acquisitions <sup>(1)</sup>	0.49	0.55
Adjustment for additional days in prior year quarter	—	(0.02)
Income tax impact on items above	(0.13)	(0.18)
<b>Adjusted net income per diluted share <sup>(2)</sup></b>	<b>\$ 1.25</b>	<b>\$ 1.48</b>

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

(1) Amortization of intangibles from acquisition will be added back for fiscal year 2022 and beyond to better align our adjusted EPS with peers.

(2) 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 excludes 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 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 EBITDA and Operating EBITDA among other measures to evaluate management performance and in determining performance-based compensation. Adjusted EBITDA and Operating EBITDA and similar measures are 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 net income are useful to an investor in evaluating our performance without regard to revenue and expense recognition, which can vary depending upon accounting methods.



# Non-GAAP Reconciliation

	FY 2015
<b>Net income</b>	<b>\$86</b>
Add: other expense (income), net	95
Add: interest expense, net	191
Add: income tax expense	36
<b>Operating income</b>	<b>\$408</b>
Add: non-cash amortization from 2006 private sale	32
Add: restructuring and transaction activities <sup>(1)</sup>	36
Add: other non-cash charges <sup>(2)</sup>	21
<b>Adjusted operating income <sup>(4)</sup></b>	<b>\$497</b>
Add: depreciation	259
Add: amortization of intangibles <sup>(3)</sup>	59
<b>Operating EBITDA <sup>(4)</sup></b>	<b>\$815</b>
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)
<b>Adjusted net income per diluted share <sup>(4)</sup></b>	<b>\$1.70</b>
Cash flow from operations	637
Net additions to PP&E	(162)
Payment on TRA	(39)
<b>Adjusted free cash flow <sup>(4)</sup></b>	<b>\$436</b>

(1) Includes primarily integration expenses and other business optimization costs.

(2) 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 Adjusted 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 Adjusted 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.



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