



# Fourth Quarter and Fiscal Year 2020 Results

## Earnings Conference Call Supplement

(Unaudited Results)

Thomas E. Salmon – Chairman and CEO

Mark W. Miles – CFO

Thursday, November 19, 2020

*'Always Advancing to Protect What's Important'*



# 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,” “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. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results.

Important factors that could cause actual results to differ materially from our expectations, which we refer to as cautionary statements, are disclosed under “Risk Factors” and elsewhere in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission, including, without limitation, in conjunction with the forward-looking statements included in this presentation. All forward-looking information and subsequent written and oral forward-looking statements attributable to us, or to persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include: (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 as a result of the RPC transaction, including foreign currency exchange rate risk and the risks of compliance with applicable export controls, sanctions, anti-corruption laws and regulations; (5) uncertainty regarding the United Kingdom’s withdrawal from the European Union and the outcome of future arrangements between the United Kingdom and the European Union; (6) reliance on unpatented proprietary know-how and trade secrets; (7) the phase-out of the London Interbank Offered Rate (LIBOR), or the replacement of LIBOR with a different reference rate or modification of the method used to calculate LIBOR, which may adversely affect interest rates; (8) increases in the cost of compliance with laws and regulations, including environmental, safety, anti-plastic legislation, production and product laws and regulations; (9) employee shutdowns or strikes or the failure to renew effective bargaining agreements; (10) risks related to disruptions in the overall economy and the financial markets that may adversely impact our business; (11) risk of catastrophic loss of one of our key manufacturing facilities, natural disasters, and other unplanned business interruptions; (12) risks related to the failure of, inadequacy of, or attacks on our information technology systems and infrastructure; (13) risks related to market acceptance of our developing technologies and products; (14) general business and economic conditions, particularly an economic downturn; (15) risks that our restructuring programs may entail greater implementation costs or result in lower cost savings than anticipated; (16) ability of our insurance to fully cover potential exposures; (17) risks related to future write-offs of substantial goodwill; (18) risks of competition, including foreign competition, in our existing and future markets; (19) new legislation or new regulations and the Company’s corresponding interpretations of either may affect our business and consolidated financial condition and results of operations; (20) risks related to the impact of travel and safety restrictions related to the COVID-19 pandemic, including on our internal controls over financial reporting and the ongoing process of implementing standardized internal control procedures within the recently acquired RPC Group business; and (21) 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. In addition, in light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this presentation may not in fact occur. Accordingly, readers should not place undue reliance on those statements. All forward-looking statements are based upon information available to us on the date of this presentation. All forward-looking statements are made only as of the date of this presentation and we undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

**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, and free cash flow 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.

## No profit forecast

Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of RPC or the combined business following the completion of the combination, unless otherwise stated.

## Website Information

We often post important information for investors on our website, [www.berryglobal.com](http://www.berryglobal.com), in the “Investor Relations” section. We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations, and webcasts. The information contained on, or that may be accessed through our website, is not incorporated by reference into, and is not a part of this document.

## LTM Information

LTM information presented herein is the Last Twelve Months of reported information as of the date represented.

Certain information included in this presentation has been sourced from third parties. Berry does not make any representations regarding accuracy, completeness or timeliness of such third party information. Permission to cite such information has neither been sought nor obtained.

# Key Topics For Today

---

## 1. Achieved record quarterly and annual earnings results

- Exceeded free cash flow and operating EBITDA targets
- September quarter organic volume growth of +4%
- Full year organic volume growth of +2%



## 2. Integration of RPC ahead of plan (exceeded cost synergy target in FY'20)



## 3. Reduced leverage 0.5x in FY'20; ending the year with net debt/Adj. EBITDA of 4.3x



***Strong Confidence in Continued Organic Volume Growth***

# Safety

*"Safety doesn't happen by accident"*

Never Ending Commitment to Identifying, Managing, and Eliminating Risk

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



# Strong Quarter and Fiscal Year Results

## Strong organic volume growth and profitability

+4% - Sept. qtr.  
+2% - Fiscal Year

Organic volume growth

**\$2,157 M**

FY '20 Operating EBITDA  
Up 41% vs PY

**\$4.85**

FY '20 Adj. EPS-diluted  
Up 42% vs PY

## Outperformed targeted objectives

- ✓ Safety
- ✓ Organic volume growth
- ✓ Synergies
- ✓ Debt reduction
- ✓ Integration of RPC

# Fiscal Q4 and Fiscal Year 2020 Highlights

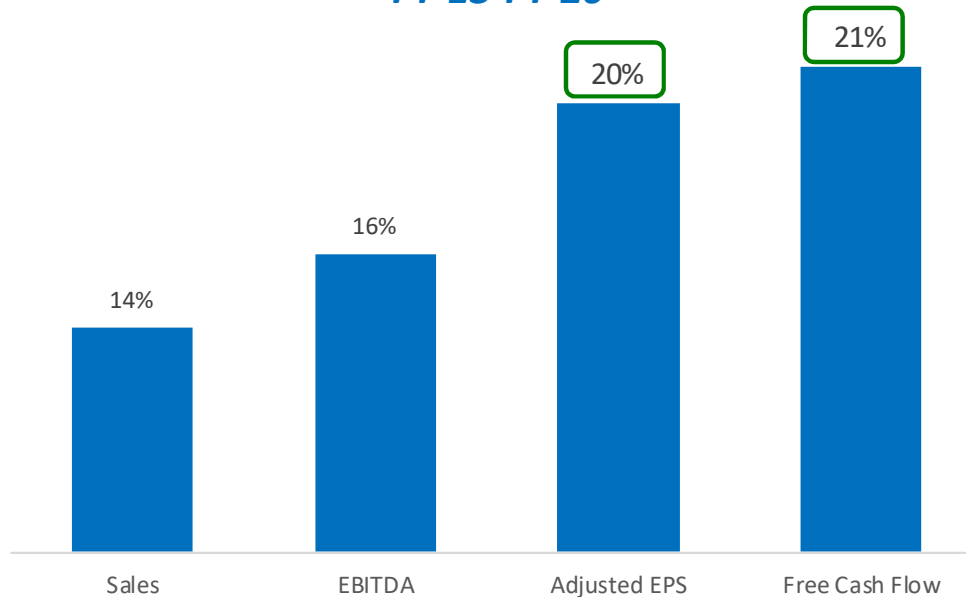
|                  | Fiscal Q4      |         |             | Fiscal Year     |         |            |
|------------------|----------------|---------|-------------|-----------------|---------|------------|
|                  | 2020           | 2019    | % Change    | 2020            | 2019    | % Change   |
| Net sales        | <b>\$3,008</b> | \$3,019 | <b>0%</b>   | <b>\$11,709</b> | \$8,878 | <b>32%</b> |
| Operating EBITDA | <b>586</b>     | 497     | <b>18%</b>  | <b>2,157</b>    | 1,530   | <b>41%</b> |
| Adjusted EPS     | <b>1.59</b>    | 0.90    | <b>77%</b>  | <b>4.85*</b>    | 3.41    | <b>42%</b> |
| Free cash flow   | <b>387</b>     | 480     | <b>-19%</b> | <b>947</b>      | 764     | <b>24%</b> |

**Organic Volume Growth of +4% in FQ4 and +2% in FY '20**

# Consistent Performance and Long-Term Proven Financial Strength

---

*Compounded Annual Growth Rates (CAGR's)  
FY'13-FY'20*



# Quarter Highlights – By Segment

## Consumer Packaging - International (CPI)

|                  | 2020    | 2019    | YoY% |
|------------------|---------|---------|------|
| Net Sales        | \$1,071 | \$1,077 | -1%  |
| Operating EBITDA | 202     | 173     | 17%  |

- Volumes **+1%** driven by strength in grocery and consumer-centric end markets
- Synergy realization and productivity

## Health, Hygiene, & Specialties (HH&S)

|                  | 2020  | 2019  | YoY% |
|------------------|-------|-------|------|
| Net Sales        | \$604 | \$570 | 6%   |
| Operating EBITDA | 118   | 86    | 37%  |

- Volumes **+12%** driven by strength in healthcare markets
- Favorable product mix and productivity

## Consumer Packaging - North America (CPNA)

|                  | 2020  | 2019  | YoY% |
|------------------|-------|-------|------|
| Net Sales        | \$746 | \$744 | 0%   |
| Operating EBITDA | 160   | 137   | 17%  |

- Volumes **+6%** driven by strength in grocery and consumer-centric end markets
- Synergy realization and productivity

## Engineered Materials (EM)

|                  | 2020  | 2019  | YoY% |
|------------------|-------|-------|------|
| Net Sales        | \$587 | \$628 | -7%  |
| Operating EBITDA | 106   | 101   | 5%   |

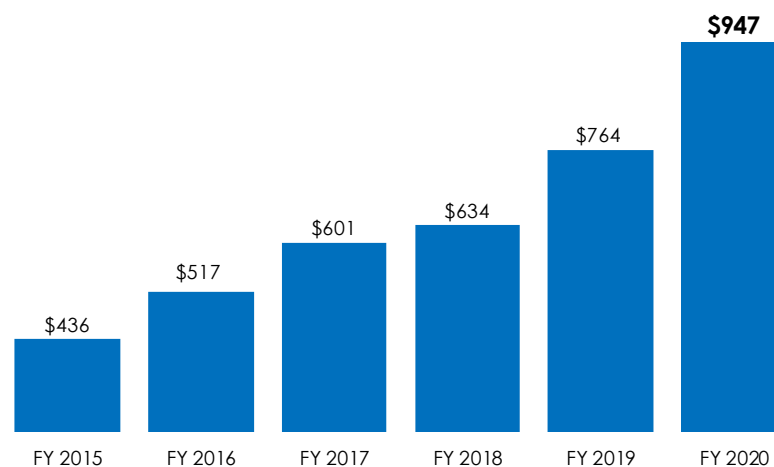
- Volumes down 1%; sequential improvement as anticipated
- Favorable productivity



# Free Cash Flow

*As expected, free cash flow proved resilient, finishing the fiscal year with \$947 million*

|  | Fiscal Year<br>2020 |              |
|--|---------------------|--------------|
| <b>Operating EBITDA</b>                | \$                  | <b>2,157</b> |
| Capital expenditures                   |                     | (583)        |
| Cash interest expense                  |                     | (408)        |
| Cash income tax expense                |                     | (250)        |
| Working capital, restructuring & other |                     | 31           |
| <b>Free cash flow</b>                  | \$                  | <b>947</b>   |



**Exceeded Free Cash Flow Guidance Every Year**

# Fiscal 2021 Outlook & Strategy

## Operating EBITDA\*

**\$2.15B - \$2.2B\*\***

\*\*Excludes divested business (~\$25 million of Op. EBITDA)

(FY 2021 guidance would be \$2.175 - \$2.225B unadjusted for pending sale)

## Continued Focus

- ✓ Organic growth (+2% expected in FY'21)
- ✓ Sustainability Leader
- ✓ Strengthening balance sheet

## Free cash flow

**\$875M - \$975M**

***Expect leverage of 3.8x - 3.9x at the end of FY '21***

\* See additional guidance assumptions on appendix slide 16

\*\* The range excludes the divested U.S. flexible packaging converting business sale expected to be completed in the first fiscal quarter of 2021.

# Organic Growth Drivers

Portfolio Shift  
% of total sales

2013



2020



- Health & Wellness
- Food safety / barrier
- E-commerce

Focus on faster growth end markets

Emerging markets

- Asia
- South America
- Mexico
- Africa
- Eastern Europe

Portfolio Shift  
% of total sales

2013



2020



- Continued share gains based on:
- Durability
  - Lowest carbon footprint
  - Design versatility
  - Light-weight
  - Recyclability
  - Cost advantage

Secular growth substrate

Sustainability opportunity

- Light-weighting
- Post-consumer recycled material
- Advanced recycling
- Compostable or bio-based

# Our Sustainability Progress



Berry received ISCC+ certification at a 2nd facility, ensuring traceability of recycled and bio-based polymers through the supply chain



Formalized partnership to create a closed loop system for plastic film recycling



Partnership to improve the quantity and quality of plastic recycled through digital watermarking



Launched first moisture absorber with post-consumer recycled plastic



Announced supply agreement to produce Philadelphia cream cheese packaging using recycled content produced via advanced recycling



Announced off-take agreement for recycled plastic produced via advanced recycling

# Benefits of Plastics

*If plastic packaging was replaced with alternatives....*

## Plastic Packaging

Alternatives would require **2x** as much energy as plastics



Alternatives would require **6x** as much water as plastics



Alternatives would generate **5x** as much solid waste as plastics



Alternatives would generate **2x** as much greenhouse gas emissions



## Alternative Packaging Materials



Plastic Packaging has a **Lower** Overall Environmental Impact than Other Packaging Alternatives

Source: LIFE CYCLE IMPACTS OF PLASTIC PACKAGING COMPARED TO SUBSTITUTES IN THE UNITED STATES AND CANADA: Theoretical Substitution Analysis. Prepared for the Plastics Division of the American Chemistry Council (ACC) by Franklin Associates

# Taking Action : Innovation & Sustainability Is Driving Growth

**Durable,**  
recyclable  
& light-weight

Designed with sustainability in mind, our lightweight & recyclable packaging allows products to stand out on the shelf through advanced form-fill-seal capabilities.



Made from  
**recycled**  
plastic

Partnered with MondeLéZ to provide packaging made from advanced recycling technology. We worked together in the common goal promoting a circular economy.



**Conversion**  
from paper to  
Plastic

New easy-grip container, conversion from paper to plastic, with a premium in-mold label decoration and a space efficient tapered cube design.



Helps  
**reduce**  
greenhouse  
gases  
&  
**bio-sourced**

Partnered with Bhomi to launch a 100% sugarcane-based bottle. The bottle offers a range of environmental benefits including a significant reduction of GHG emissions and reduced water use.



**Berry**

# Earnings Call - Key Takeaways

- Delivered record quarter and fiscal year financial results
  - September quarter organic volumes +4%
  - Fiscal Year organic volumes +2%
- Continued focus on three strategic priorities:
  - Organic growth
  - Sustainability leadership
  - Strengthening balance sheet (expect leverage of 3.8x - 3.9x at the end of FY '21)
- Organic growth drivers:
  - ✓ Focus on growing end markets
  - ✓ Increased presence in emerging markets
  - ✓ Globalized value delivery
  - ✓ Sustainability
  - ✓ Growing substrate
- FY '21 Operating EBITDA and free cash flow guidance ranges of \$2.15-\$2.2B and \$875-\$975M





# Q&A

Fourth Quarter and Fiscal Year 2020

Earnings Conference Call



## Appendix: Guidance Range & Assumptions

|                                     | <u>Low</u>      | <u>High</u>     |
|-------------------------------------|-----------------|-----------------|
| FY 2020 EBITDA (Actual)             | \$ 2,157        | \$ 2,157        |
| Divestiture                         | <u>(25)</u>     | <u>(25)</u>     |
| FY 2020 Comparable EBITDA           | 2,132           | 2,132           |
| 2% volume growth and cost synergies | 93              |                 |
| Resin cost timing (thru Oct. '20)   | (25)            |                 |
| Prior year mix benefit              | (25)            |                 |
| Growth spending                     | <u>(25)</u>     |                 |
| FY 2021 Operating EBITDA Guidance   | <u>\$ 2,150</u> | <u>\$ 2,200</u> |

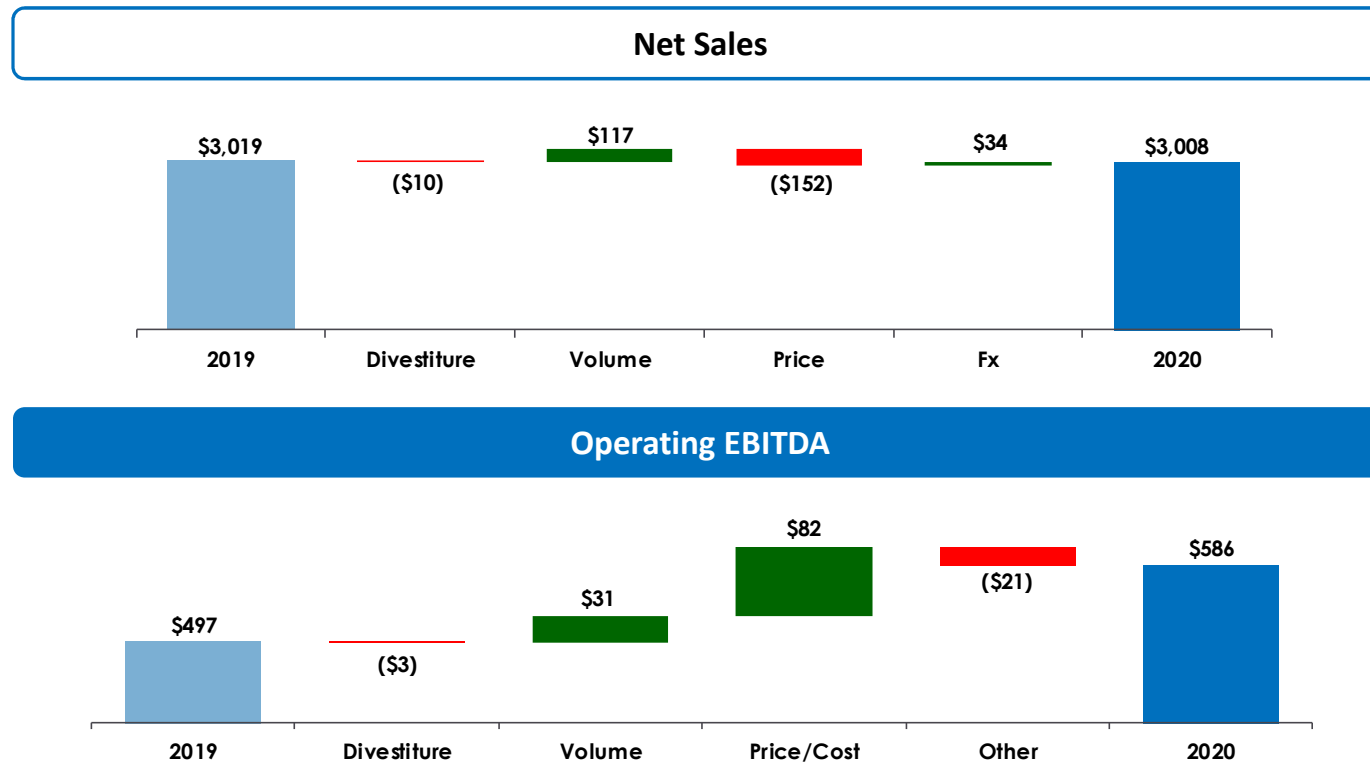
***FY 2021 Operating EBITDA Guidance would be \$2.175 - \$2.225B\*  
Unadjusted for Pending Sale***

*Note: All dollar amounts in millions*

*\* Includes the expected divested U.S. flexible packaging converting business.*



# Appendix: Fiscal Q4 Net Sales and Operating EBITDA Bridge



# Appendix: Segment Realignment

## Organic Growth Accelerator

### Consumer Packaging - International (CPI)

- + CPNA Healthcare (*creates Global Healthcare business*)
- European films (to EM)

### Consumer Packaging - North America (CPNA)

- Healthcare (to CPI)

### Health, Hygiene & Specialties (HHS)

- + Tapes (*synergies w/non-woven B&C products*)
- Divested U.S. Flexible packaging converting business

### Engineered Materials (EM)

- + European films (*creates Global Films business*)
- Tapes (to HHS)
- Divested U.S. Flexible packaging converting business

## Fiscal Year 2020 Net Sales and Operating EBITDA Changes for Segment Realignment

| Net Sales | FQ1 '20 | FQ2 '20 | FQ3 '20 | FQ4 '20 | FY '20 Total |
|-----------|---------|---------|---------|---------|--------------|
| CPNA      | \$ (69) | \$ (73) | \$ (74) | \$ (74) | \$ (290)     |
| CPI       | (80)    | (125)   | (116)   | (86)    | (408)        |
| EM        | 80      | 130     | 129     | 93      | 431          |
| HHS       | 69      | 68      | 61      | 67      | 266          |

| Op. EBITDA | FQ1 '20 | FQ2 '20 | FQ3 '20 | FQ4 '20 | FY '20 Total |
|------------|---------|---------|---------|---------|--------------|
| CPNA       | \$ (14) | \$ (18) | \$ (19) | \$ (14) | \$ (65)      |
| CPI        | (1)     | (9)     | (10)    | (9)     | (29)         |
| EM         | (3)     | 11      | 16      | 6       | 29           |
| HHS        | 18      | 16      | 13      | 17      | 64           |

## Fiscal Year 2020 Net Sales and Operating EBITDA Recasts for Segment Realignment

| Net Sales | FQ1 '20  | FQ2 '20  | FQ3 '20  | FQ4 '20  | FY '20 Total |
|-----------|----------|----------|----------|----------|--------------|
| CPNA      | \$ 611   | \$ 633   | \$ 644   | \$ 672   | \$ 2,560     |
| CPI       | 930      | 970      | 904      | 985      | 3,789        |
| EM        | 665      | 728      | 693      | 680      | 2,766        |
| HHS       | 610      | 644      | 669      | 671      | 2,594        |
|           | \$ 2,816 | \$ 2,975 | \$ 2,910 | \$ 3,008 | \$ 11,709    |

| Op. EBITDA | FQ1 '20 | FQ2 '20 | FQ3 '20 | FQ4 '20 | FY '20 Total |
|------------|---------|---------|---------|---------|--------------|
| CPNA       | \$ 107  | \$ 133  | \$ 140  | \$ 146  | \$ 526       |
| CPI        | 141     | 166     | 174     | 193     | 674          |
| EM         | 103     | 127     | 125     | 112     | 467          |
| HHS        | 100     | 113     | 142     | 135     | 490          |
|            | \$ 451  | \$ 539  | \$ 581  | \$ 586  | \$ 2,157     |

# Non-GAAP Financial Measures

|                                     | Actual       |              |              |              |              |              | Guidance Range |              |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|
|                                     | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      | FY 2020      | FY 2021        |              |
| Cash flow from operations           | \$637        | \$857        | \$975        | \$1,004      | \$1,201      | \$1,530      | \$1,525        | \$1,625      |
| Capital expenditures, net           | (162)        | (283)        | (263)        | (333)        | (399)        | (583)        | (650)          | (650)        |
| Payment of tax receivable agreement | (39)         | (57)         | (111)        | (37)         | (38)         | -            | -              | -            |
| <b>Free cash flow</b>               | <b>\$436</b> | <b>\$517</b> | <b>\$601</b> | <b>\$634</b> | <b>\$764</b> | <b>\$947</b> | <b>\$875</b>   | <b>\$975</b> |

# Non-GAAP Reconciliation

|   | Quarterly Period Ended September 26, 2020 |                           |                               |                      |         |
|---|---|---------------------------|-------------------------------|----------------------|---------|
|   | Consumer Packaging - Int'l                | Consumer Packaging - N.A. | Health, Hygiene & Specialties | Engineered Materials | Total   |
| Net Sales   | \$1,071                                   | \$746                     | \$604                         | \$587                | \$3,008 |
| Operating income  | \$104                                     | \$94                      | \$73                          | \$78                 | \$349   |
| Depreciation and amortization                           | 78  | 60                        | 44                            | 25                   | 207     |
| Restructuring and transaction activities <sup>(1)</sup> | 18  | 5                         | -                             | 1                    | 24      |
| Other non-cash charges <sup>(2)</sup>                   | 2   | 1                         | 1                             | 2                    | 6       |
| Operating EBITDA  | \$202                                     | \$160                     | \$118                         | \$106                | \$586   |

|   | Quarterly Period Ended September 28, 2019 |                           |                               |                      |         |
|---|---|---------------------------|-------------------------------|----------------------|---------|
|   | Consumer Packaging - Int'l                | Consumer Packaging - N.A. | Health, Hygiene & Specialties | Engineered Materials | Total   |
| Net Sales   | \$1,077                                   | \$744                     | \$570                         | \$628                | \$3,019 |
| Operating income  | \$13                                      | \$67                      | \$250                         | \$68                 | \$398   |
| Depreciation and amortization                           | 82  | 59                        | 46                            | 29                   | 216     |
| Restructuring and transaction activities <sup>(1)</sup> | 41  | 6                         | (212)                         | 3                    | (162)   |
| Other non-cash charges <sup>(2)</sup>                   | 37  | 5                         | 2                             | 1                    | 45      |
| Operating EBITDA  | \$173                                     | \$137                     | \$86                          | \$101                | \$497   |

Note: All dollar amounts in millions. Unaudited

- (1) The current quarter primarily includes transaction activity costs related to the RPC acquisition. The prior year quarter primarily includes the sale of our Seal for Life business of \$214 million partially offset by restructuring and transaction costs related to the RPC acquisition.
- (2) Other non-cash charges for the September 2020 quarter primarily includes \$5 million of stock compensation expense. Other non-cash charges for the September 2019 quarter primarily includes a \$39 million inventory step up charged related to the RPC acquisition and \$6 million of stock compensation expense.

# Non-GAAP Reconciliation

|  | Quarterly Period Ended |                    | Fiscal Year Ended  |                    |
|--|------------------------|--------------------|--------------------|--------------------|
|  | September 26, 2020     | September 28, 2019 | September 26, 2020 | September 28, 2019 |
| <b>Net income</b>  | <b>\$195</b>           | <b>\$229</b>       | <b>\$559</b>       | <b>\$404</b>       |
| Add: other expense (income), net                             | 25                     | (4)                | 31                 | 155                |
| Add: interest expense, net                                   | 96                     | 128                | 435                | 329                |
| Add: income tax expense (benefit)                            | 33                     | 45                 | 154                | 86                 |
| <b>Operating income</b>                                      | <b>\$349</b>           | <b>\$398</b>       | <b>\$1,179</b>     | <b>\$974</b>       |
| Add: non-cash amortization from 2006 private sale            | 6                      | 7                  | 25                 | 28                 |
| Add: restructuring and transaction activities <sup>(2)</sup> | 24                     | (162)              | 79                 | -126               |
| Add: other non-cash charges <sup>(1)</sup>                   | 6                      | 45                 | 54                 | 69                 |
| <b>Adjusted operating income <sup>(7)</sup></b>              | <b>\$385</b>           | <b>\$288</b>       | <b>\$1,337</b>     | <b>\$945</b>       |
| Add: depreciation  | 133                    | 141                | 545                | 419                |
| Add: amortization of intangibles <sup>(3)</sup>              | 68                     | 68                 | 275                | 166                |
| <b>Operating EBITDA <sup>(7)</sup></b>                       | <b>\$586</b>           | <b>\$497</b>       | <b>\$2,157</b>     | <b>\$1,530</b>     |
| Net income per diluted share                                 | <b>\$1.44</b>          | \$1.70             | <b>\$4.14</b>      | \$3.00             |
| Other expense (income), net                                  | 0.18                   | (0.03)             | 0.23               | 1.15               |
| Non-cash amortization from 2006 private sale                 | 0.04                   | 0.05               | 0.19               | 0.21               |
| Restructuring and transaction activities                     | 0.18                   | (1.20)             | 0.58               | (0.93)             |
| Other non-cash charges <sup>(4)</sup>                        | -                      | 0.29               | 0.14               | 0.29               |
| Non-comparable tax items <sup>(5)</sup>                      | (0.15)                 | -                  | (0.15)             | -                  |
| Income tax impact on items above <sup>(6)</sup>              | (0.10)                 | 0.09               | (0.28)             | (0.31)             |
| <b>Adjusted net income per diluted share <sup>(7)</sup></b>  | <b>\$1.59</b>          | <b>\$0.90</b>      | <b>\$4.85</b>      | <b>\$3.41</b>      |

Note: All dollar amounts in millions, except per share data. Unaudited  
\* See next page for footnote disclosures

## Non-GAAP Reconciliation (continued)

- (1) Other non-cash charges for the September 2020 quarter primarily includes \$5 million of stock compensation expense. Other non-cash charges for the September 2019 quarter primarily includes a \$39 million inventory step up charged related to the RPC acquisition and \$6 million of stock compensation expense. Other non-cash charges for the fiscal year ended September 26, 2020 primarily includes \$33 million of stock compensation expense and a \$19 million inventory step-up related to the RPC acquisition. Other non-cash charges for the fiscal year ended September 28, 2019 includes a \$39 million inventory step up charge related to the RPC acquisition, \$27 million of stock compensation expense and a \$5 million inventory step up charge related to acquisitions and other non-cash charges.
- (2) The current quarter primarily includes transaction activity costs related to the RPC acquisition. The prior year quarter primarily includes the sale of our Seal for Life business of \$214 million partially offset by restructuring and transaction related costs from the RPC acquisition. The fiscal year ended September 26, 2020 primarily includes restructuring and transaction costs related to the RPC acquisition. Restructuring and transaction activity costs for the fiscal year ended September 28, 2019, are primarily related to the sale of our Seal for Life business of \$214 million, partially offset by restructuring and transaction activity costs from the RPC acquisition.
- (3) Amortization excludes non-cash amortization from the 2006 private sale of \$6 million, \$7 million, \$25 million, and \$28 million for the September 2020 quarter, September 2019 quarter, fiscal year ended September 26, 2020, and fiscal year ended September 28, 2019, respectively.
- (4) No adjustment was made only for the current quarter. An adjustment was made for the \$39 million inventory step up charge related to the RPC acquisition in the prior year quarter. No adjustments were made for stock compensation expense or any other non-cash charges to net income per diluted share for the September 2020 quarter or prior year quarter. An adjustment was made for the \$19 million inventory step up charge related to the RPC acquisition for the fiscal year ended September 2020. An adjustment was made for the \$39 million inventory step up charge related to the RPC acquisition for the fiscal year ended September 2019. No adjustments were made for stock compensation expense or any other non-cash charges to net income per diluted share for the fiscal years ended September 2020 or 2019.
- (5) During fiscal year 2020 the Company obtained certain tax benefits of \$20 million deemed as non-recurring.
- (6) Income tax effects on adjusted net income is calculated using 25 percent for both the September 2020, September 2019 quarters and for the fiscal years ended for 2020 and 2019, respectively. The rates used represents the Company's expected effective tax rate for each respective period.
- (7) 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 and payments under the tax receivable agreement. 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. 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.

**Dustin M. Stilwell**  
Director, Head of Investor Relations



Berry Global Group, Inc.  
101 Oakley Street, 3<sup>rd</sup> floor  
P. O. Box 959  
Evansville, IN 47706  
Tel: +1.812.306.2964  
[ir@berryglobal.com](mailto:ir@berryglobal.com)  
[berryglobal.com](http://berryglobal.com)

