Fiscal 2022 – 4th Quarter & Fiscal Year Results

Earnings Conference Call Supplement

Tuesday, November 15, 2022 @ 10AM ET

Tom Salmon
Chairman and CEO

Mark Miles
CFO

INNOVATION FOR THE WORLD
Berry
SOLUTIONS FOR YOU

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 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, including as a result of the Russia-Ukraine conflict; (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 as a result of Russia’s invasion of Ukraine; and (16) 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.

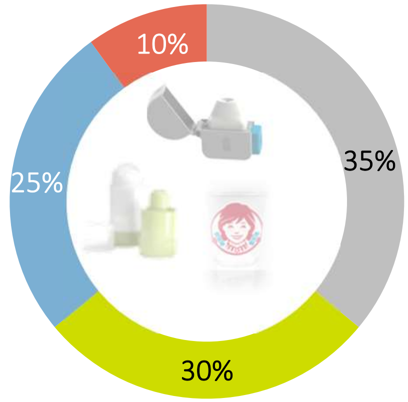
These slides are not intended to be a stand-alone presentation, but are for use in conjunction with the earnings call. This presentation should be read together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and the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

Non-GAAP Financial Measures

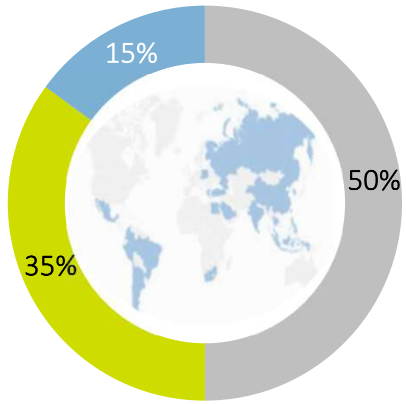
This presentation includes certain non-GAAP financial measures such as operating EBITDA, adjusted EBITDA, adjusted net income, free cash flow, and supplemental unaudited financial information intended to supplement, not substitute for, comparable measures under generally accepted accounting principles 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.

Berry at a Glance

- NYSE ('BERY')
- FY'22 Revenue: $14.5B
- FY'22 Adj. EPS: $7.40
- Locations: 265+
- Employees: 46,000
- Consumer Products: >70%



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



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

A Global Industry Leader

Strong & consistent growth

Stable end markets with favorable long-term dynamics

Sustainability Leader

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Only small sample of products

Key Takeaways for Today

1. Solid FY’22 results with 10% revenue growth and 7% EPS growth

2. Pricing actions and cost productivity helped offset persistent inflation

3. Opportunistic and return-based capital allocation; repurchased $709M of shares (9% of total shares outstanding)

4. Board authorized the initiation of a quarterly cash dividend of $0.25 per share

5. Anticipate repurchasing $600M or more shares in FY’23
   - Board authorized an increase of the capacity under the company’s existing stock repurchase program to $1.0 billion

6. FY’23 outlook includes continued inflation recovery and cost reduction initiatives

Focus on driving long-term shareholder value

4th Quarter & Fiscal Year Highlights

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Solid 4th Qtr. including strong inflation recovery

$3.4B
REVENUE
flat vs PYQ

$2.19
ADJUSTED EPS
+18% vs PYQ

$14.5B
REVENUE
+10% vs Prior FY

$709M
RETURNED TO SHAREHOLDERS via share repurchases in FY'22

$7.40
ADJUSTED EPS
+7% vs Prior FY

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

FY’22 – Review (Original Guidance vs Actual)

FY’22 Operating EBITDA Bridge
(Original Guidance vs FY’22 Actual Results)

	(Nov. ‘21) **Original Guidance**	**FY’22 Actual**
FY’21 Operating EBITDA	$2,224	$2,224
Divestiture	(30)	(30)
FY’21 Comparable Op. EBITDA	**$2,194**	**$2,194**
Fx & Divestiture	-	(76)
Volume	60	(50)
Total price/cost (inflation, productivity, SG&A)	45	33
FY’22 Operating EBITDA	**$2,300**	**$2,101**

- Most years Fx has a very modest impact – Transitory
  - Stronger USD = headwind; Weaker USD = tailwind

- Core stable businesses such as food & beverage, personal care, healthcare, and home care (~70% of our portfolio) remains resilient
  - Softer industrial & distribution markets globally
  - Destocking of COVID advantaged products

- Strong recovery in FY’22; more to come in FY’23
  - **Recovered $1.65B of price vs total cost of $1.62B**
  - Further inflation recovery and cost reduction benefits expected in FY’23

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Note: All dollar amounts in millions.

Multiple Paths to Drive Organic Growth

Faster growth markets
Healthcare, personal care, hygiene, and pharmaceutical

Since 2013, we have grown these select end markets from **~15%** to now more than **30%**

Emerging markets
Continued focus on developing countries growing well above average

Since 2013, we have grown our emerging markets from **<2%** to now **15%**

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

Sustainability/Innovation
PCR, circular polymers, light-weighting along with differentiated products

Quote from The World in 2050: The long view: how will the global economic order change by 2050? – PWC.com. Feb. 2017

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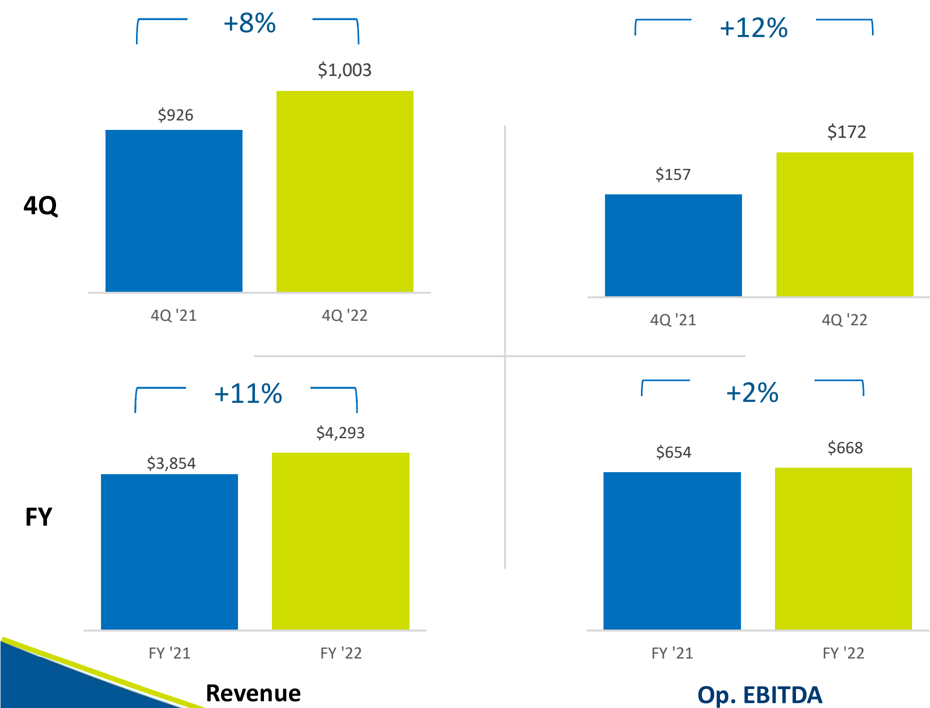
4th Quarter - Segment Overview

Consumer Packaging – International



4th Qtr. highlights

Revenue

- Growth includes price increases of <u>+9%</u> related to inflation pass through
- Continued strength in consumer markets offset by weaker European and Asian regions including softer industrial markets

Op. EBITDA

- <u>+12%</u> growth includes recovery of inflation and productivity improvements
- Focused on high value segments such as healthcare, pharmaceutical and dispensing

Fiscal Year highlights

Revenue

- Growth includes price increases of <u>+12%</u> related to inflation pass through
- Resilient demand in consumer markets offset by weaker European and Asian regions including softer industrial markets

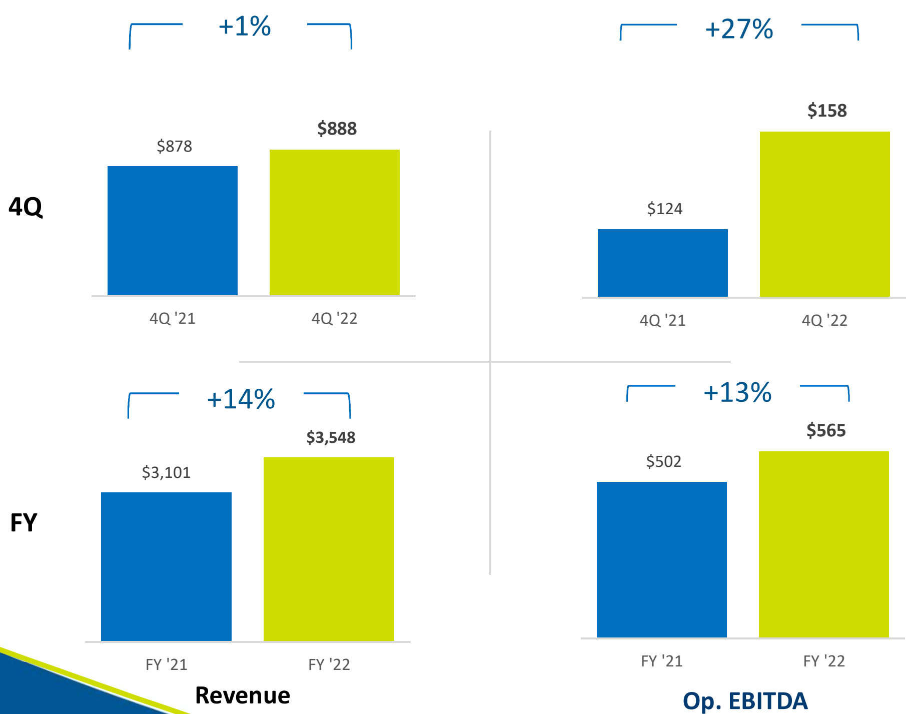
Op. EBITDA

- <u>+2%</u> growth includes recovery of inflation and productivity improvements

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

4th Quarter - Segment Overview

Consumer Packaging – North America



4th Qtr. highlights

Revenue

- Growth includes price increases of +2% related to inflation pass through
- Strong demand in foodservice and resilient demand in other food and beverage markets was offset by softer overall customer demand

Op. EBITDA

- Growth of +27% including strong recovery of inflation
- Productivity improvements and mix benefits

Fiscal Year highlights

Revenue

- Growth includes price increases of +15% related to inflation pass through
- Strong demand in foodservice; resilient demand in other food, beverage, home and personal care was offset by softer overall customer demand

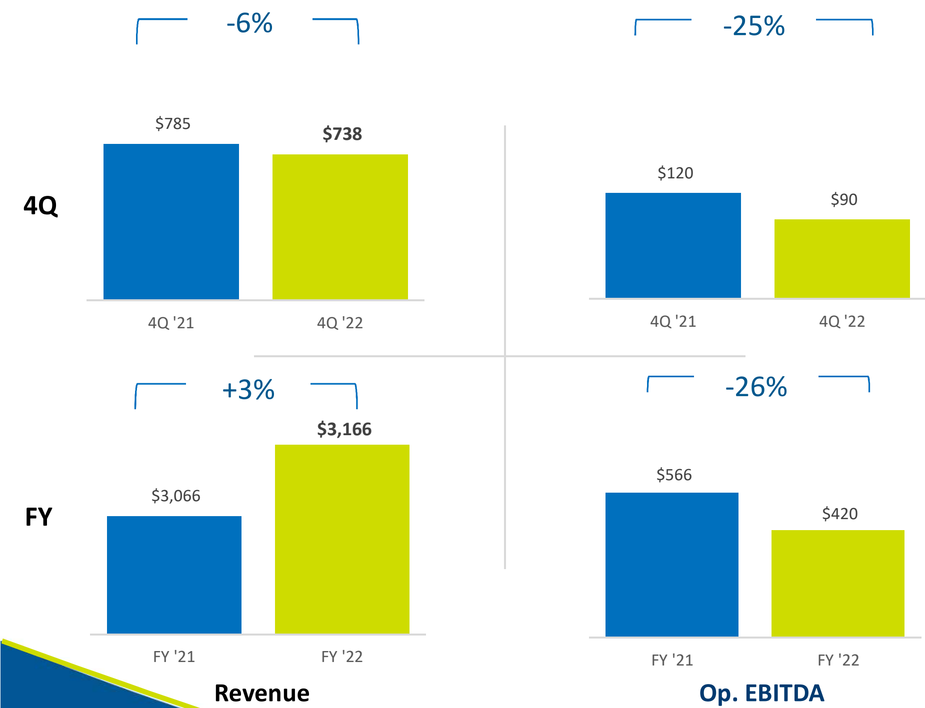
Op. EBITDA

- Growth of +13% including recovery of inflation, productivity improvements, and mix benefits

Note: All dollar amounts in millions.

4th Quarter - Segment Overview

Health, Hygiene, & Specialties



4th Qtr. highlights

Revenue

- Decline includes a modest reduction from the pass through of lower polymer prices
- Solid demand for hygiene products were offset by softer demand in prior year COVID benefitted products such as masks/gowns and drapes

Op. EBITDA

- Lag in recovering inflation
- Expect positive price/cost in or before our June 2023 quarter

Fiscal Year highlights

Revenue

- Growth includes price increases of +6% related to inflation pass through
- Solid demand for personal, home and healthcare products were more than offset by softer customer demand along with the moderation of advantaged products related to COVID-19 pandemic

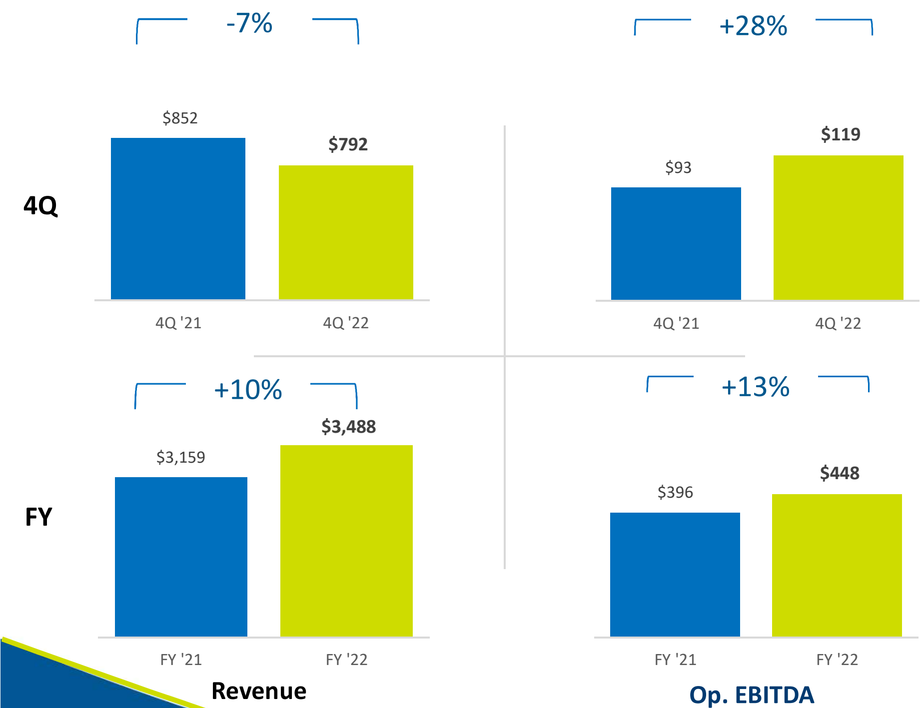
Op. EBITDA

- Lag in recovering inflation along with the benefit from pandemic related mix a year ago

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

4th Quarter - Segment Overview

Engineered Materials



4th Qtr. highlights

Revenue

- Decline primarily related to our concentrated effort to improve our sales mix to higher value products

Op. EBITDA

- Growth of <u>+28%</u> including recovery of inflation and improved product mix
- Continued focus on mix improvement and productivity

Fiscal Year highlights

Revenue

- Growth primarily includes price increases of <u>+15%</u> related to inflation pass through
- Demand softness primarily related to our concentrated effort to improve our sales mix to higher value products

Op. EBITDA

- Growth of <u>+13%</u> including recovery of inflation and improved product mix

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

FY '23 Guidance

Continued focus on driving long-term shareholder value

Adjusted EPS	**$7.30 - $7.80**	➢ *Will be a fiscal year record and our 10th consecutive year of adjusted EPS growth (~8% growth versus PY comparable)* ➢ *Grown EPS every year as a public company*
Cash flow from ops	$ 1.4 - 1.5B	
Capital expenditures	600M	
Free cash flow	**$800-$900M**	➢ *Similar to FY'22; includes higher interest, non-recurring costs, and Fx offset by lower capex and lower working capital*

Expect $600M or more of share repurchases in FY'23 *(another 10% of shares outstanding)*

Other modeling items

- Operating EBITDA: $2.05 - $2.15B (~5% comparable growth)
- Depreciation expense: $550M
- Interest expense: $350M
- Effective tax rate: 23%
- Average diluted shares: 119M
- Resin and currency prices as of the end of October 2022

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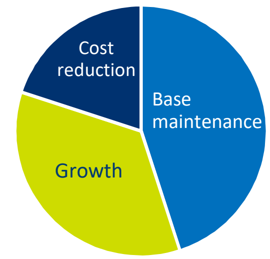
Comparable growth is adjusted for Fx and divested businesses

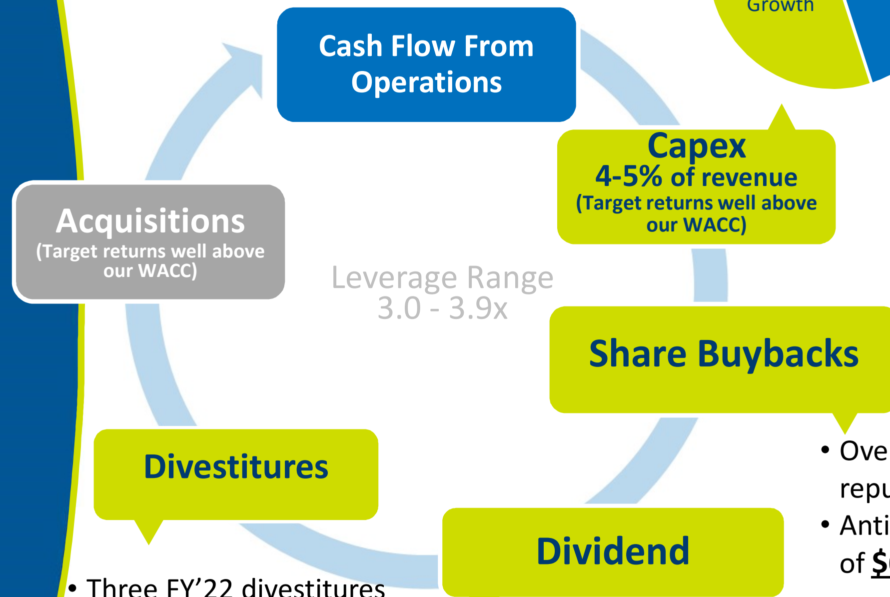
Capital Allocation Strategy

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

Initiated New Cash Dividend Program

$4.7 billion
(over the last 3 years)





- Over $1 billion total share repurchase authorization
- Anticipate total repurchases of **$600M** or more in FY'23

- Three FY'22 divestitures completed with further opportunities

- **NEW** quarterly cash dividend of $0.25 per share

Proven, Resilient, and Diversified Portfolio

	FY'15	FY'22	CAGR
Revenue	$4,881	$14,495	**17%**
Operating EBITDA(1)	$815	$2,101	**15%**
Adjusted EPS(1)	$1.70	$7.40	**23%**
Adjusted FCF(1)	$436	$876	**10%**

RESILIENT
BUSINESS MODEL

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

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

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Note: All dollar amounts in millions, except per share data.
(1) Non-GAAP financial measures. See appendix.

Maximizing Value Creation

Highlights

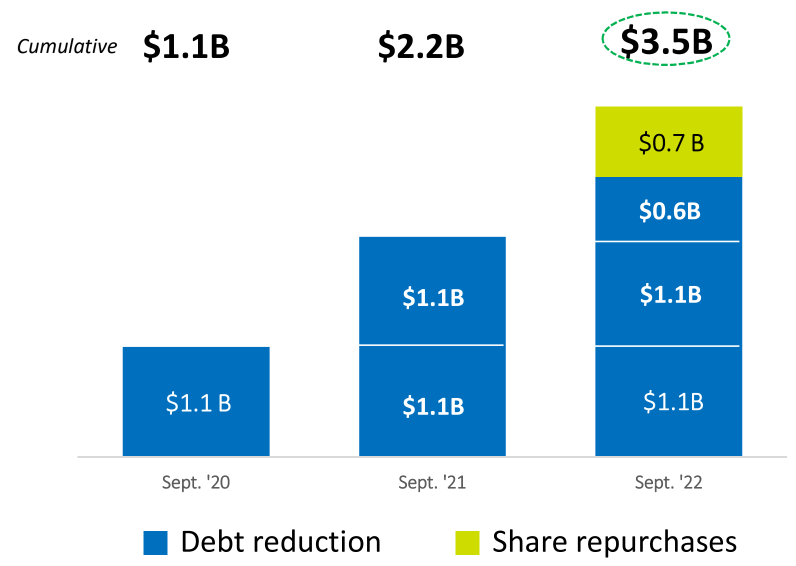
Net debt reduced by ~$3B since Dec. 2019
- Net debt reduced by +$1B in 4Q22
- FY'22 ending leverage of **3.7x** (our lowest as a public company)
- Limited near-term maturities

Returned ~$3.5B of value to shareholders since RPC acquisition
- Net debt reduction of **~$3B** since Dec. '19
- Share repurchases: **$709M** in FY'22 (12.2M shares or ~9% of s/o)
- Adj. EPS growth of **>70% (20% CAGR)** since RPC acquisition

Investing organically to create long-term value
- FY'21 capex of $676M
- FY'22 capex of $687M

Continued focus on returning capital to shareholders
- Initiated NEW cash dividend program

Returned $3.5B of value to shareholders over the past 3 years



Continued Investments for Organic Growth

Expected contribution of ~$300M over the next two years

Dispensing solutions

Europe and U.S.

Foodservice

United States

Pharmaceutical

India

Healthcare

China

Recyclable Materials

Europe

Personal care/wipes

Europe

Taking Action: Innovation & Sustainability is Driving Growth

Berry Global Receives 2022 Energy Project of the Year - International

From the Association of Energy Engineers for its milestone goal to eliminate 100 million kWh of electricity from its global operations.

Berry Global Partners with Ingreendients® to Launch Haircare Product Line Made from Recycled Plastic

Collaborating with Ingreendients to launch shampoo and conditioner bottles made from 100% recycled plastic. The HDPE bottle is made with 100% post-consumer resin (PCR) and creates a total container system made from recycled plastic that aligns with Ingreendients' commitment to sustainability.

Berry Global and Mars, Incorporated Announce the Launch of Recycled Content Packaging

The collaboration leverages Berry's material science expertise and technical resources to provide a unique sustainability-focused solution. The new Mars jars for the M&M's®, SKITTLES®, and STARBURST® brands will be lighter weight and include 15% post-consumer resin (PCR).

Berry Global Wins Prestigious Sustainability Award for Circular Solution that Minimizes Waste

Recognized in the food and beverage category, we received a Technology Excellence Award from The Association for Packaging and Processing Technologies (PMMI) for our Proxima tethered closure with tamper-evident band. This innovation cuts down on waste by securing the closure to the bottle and improving recyclability.

Q&A

4th Quarter & Fiscal Year 2022

Earnings Conference Call

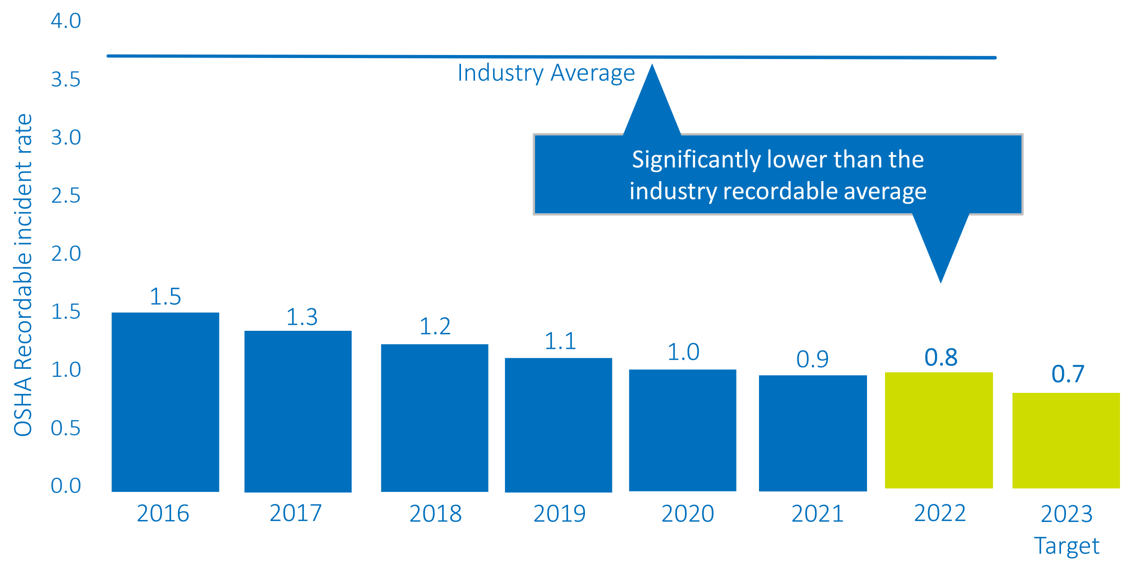
Safety

- 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

ESG Recognition for Governance, Climate & Overall Performance

Aligned with key standards/initiatives

GRI

SASB

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

NEW PLASTICS ECONOMY Global Commitment

WE'VE HAD OUR SCIENCE-BASED TARGET APPROVED

SCIENCE BASED TARGETS

Recognized for our progress

CDP DISCLOSER 2021 — A-

CDP SUPPLIER ENGAGEMENT LEADER 2021 — A

GOVERNANCE QUALITYSCORE HIGHEST RANKED BY ISS ESG 1

Rated Oct 1st, 2022

3BL MEDIA 100 Best Corporate Citizens 2022

#35 on Newsweek's "**America's Most Responsible Companies 2022**" list

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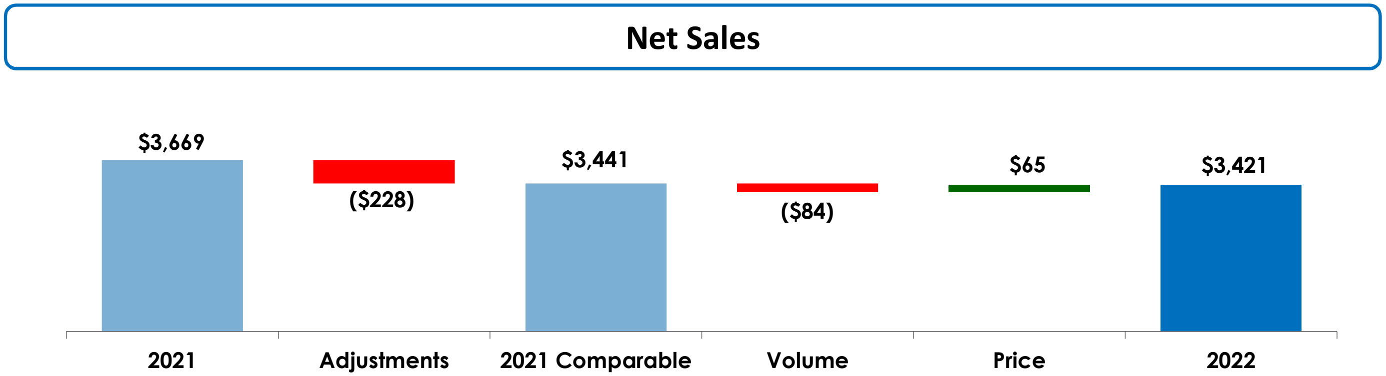
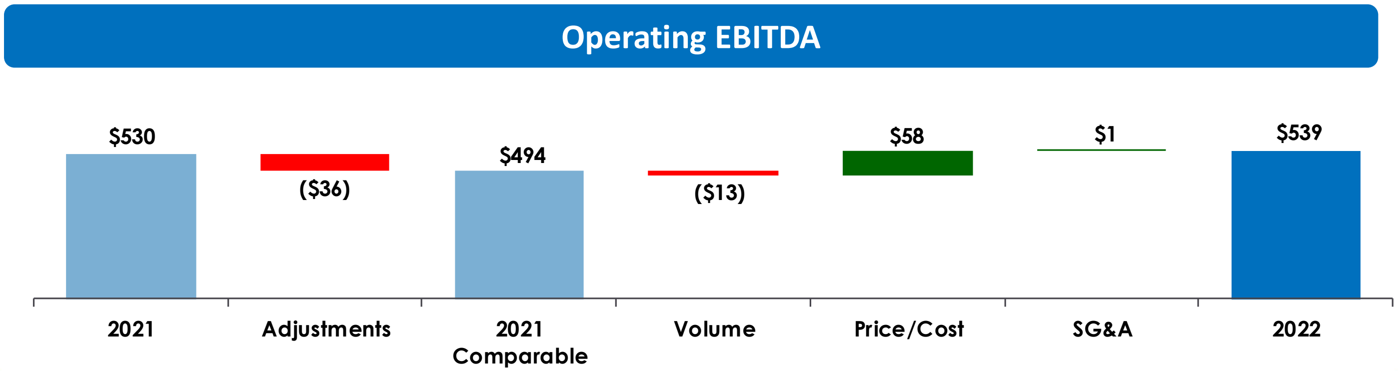
Appendix: Fiscal Q4 Net Sales and Operating EBITDA Bridge

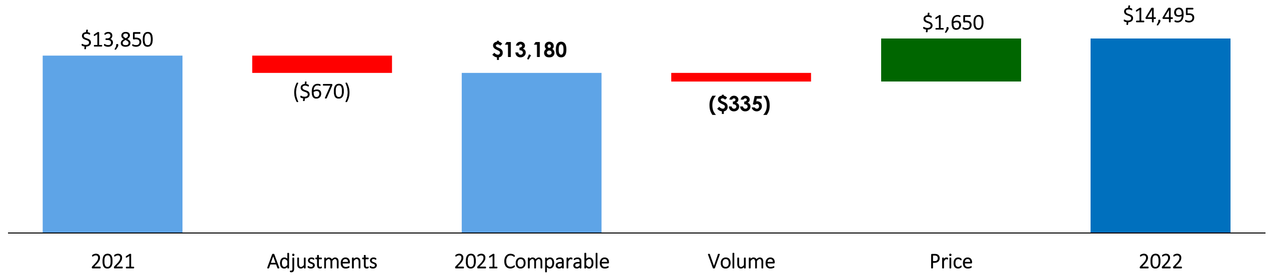




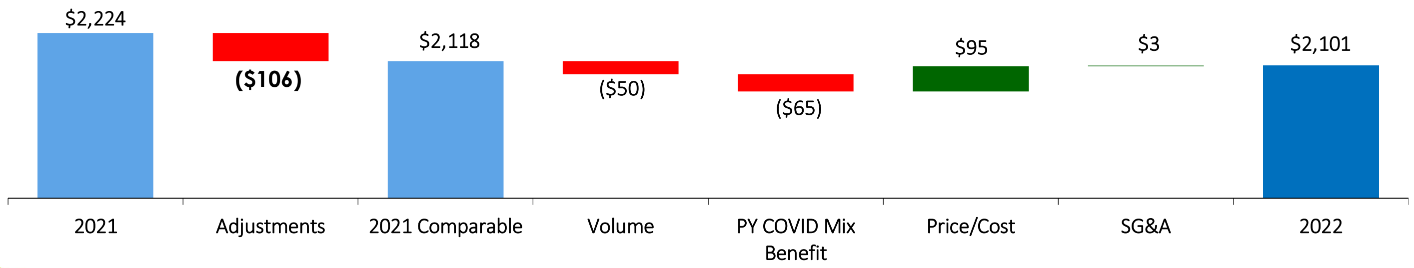
Note: All dollar amounts in millions
Adjustments include divestitures and foreign currency

Appendix: Fiscal Year Net Sales and Operating EBITDA Bridge

Net Sales



Operating EBITDA



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

Non-GAAP Reconciliation

	Quarterly Period Ended October 1, 2022				
	Consumer Packaging - International	Consumer Packaging - North America	Health, Hygiene & Specialties	Engineered Materials	Total
Net sales	$ 1,003	$ 888	$ 738	$ 792	$ 3,421
Operating income	$ 98	$ 103	$ 44	$ 91	$ 336
Depreciation and amortization	75	53	43	28	199
Restructuring and transaction activities [1]	—	2	3	—	5
Other non-cash charges	(1)	—	—	—	(1)
Operating EBITDA	$ 172	$ 158	$ 90	$ 119	$ 539

	Quarterly Period Ended October 2, 2021				
	Consumer Packaging - International	Consumer Packaging - North America	Health, Hygiene & Specialties	Engineered Materials	Total
Reported Net sales	$ 1,099	$ 878	$ 809	$ 883	$ 3,669
Foreign currency and divestitures	(173)	—	(24)	(31)	(228)
Comparable Net sales [2]	$ 926	$ 878	$ 785	$ 852	$ 3,441
Operating income	$ 102	$ 64	$ 76	$ 70	$ 312
Depreciation and amortization	83	60	47	25	215
Restructuring and transaction activities [1]	12	(1)	—	—	11
Other non-cash charges	(11)	1	1	1	(8)
Reported Operating EBITDA	$ 186	$ 124	$ 124	$ 96	$ 530
Foreign currency and divestitures	(29)	—	(4)	(3)	(36)
Comparable Operating EBITDA [2]	$ 157	$ 124	$ 120	$ 93	$ 494

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

(2) The prior year comparable basis change excludes the impacts of foreign currency and recent 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.

	Fiscal Year Ended October 1, 2022				
	Consumer Packaging - International	Consumer Packaging - North America	Health, Hygiene & Specialties	Engineered Materials	Total
Net sales	$ 4,293	$ 3,548	$ 3,166	$ 3,488	$14,495
Operating income	$ 346	$ 338	$ 230	$ 328	$ 1,242
Depreciation and amortization	317	214	176	112	819
Restructuring and transaction activities [1]	10	5	6	2	23
Other non-cash charges	(5)	8	8	6	17
Operating EBITDA	$ 668	$ 565	$ 420	$ 448	$ 2,101

	Fiscal Year Ended October 2, 2021				
	Consumer Packaging - International	Consumer Packaging - North America	Health, Hygiene & Specialties	Engineered Materials	Total
Reported Net sales	$ 4,242	$ 3,141	$ 3,158	$ 3,309	$ 13,850
Foreign currency and divestitures	(388)	(40)	(92)	(150)	(670)
Comparable Net sales [2]	$ 3,854	$ 3,101	$ 3,066	$ 3,159	$13,180
Operating income	$ 317	$ 276	$ 398	$ 301	$ 1,292
Depreciation and amortization	341	224	177	112	854
Restructuring and transaction activities [1]	56	—	(1)	(4)	51
Other non-cash charges	—	10	9	8	27
Reported Operating EBITDA	$ 714	$ 510	$ 583	$ 417	$ 2,224
Foreign currency and divestitures	(60)	(8)	(17)	(21)	(106)
Comparable Operating EBITDA [2]	$ 654	$ 502	$ 566	$ 396	$ 2,118

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

(2) The prior year comparable basis change excludes the impacts of foreign currency and recent 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.

Note: For comparison purposes to the fiscal year 2021, Operating EBITDA margins for the fiscal year ended October 1, 2022 would be increased by 190 basis points (to 16.4%) when adjusted for the impact of inflation on net sales of $1.65 billion.

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Note: All dollar amounts in millions

Non-GAAP Reconciliation

	Quarterly Period Ended		Fiscal Year Ended	
	October 1, 2022	October 2, 2021	**October 1, 2022**	October 2, 2021
Net income	**$233**	$228	**$ 766**	$ 733
Add: other expense	**9**	6	**22**	51
Add: interest expense	**74**	79	**286**	336
Add: income tax expense	**20**	(1)	**168**	172
Operating income	**$336**	$312	**$1,242**	$1,292
Add: restructuring and transaction activities	**5**	11	**23**	51
Add: other non-cash charges	**(1)**	(8)	**17**	27
Adjusted operating income (4)	**$340**	$315	**$1,282**	$1,370
Add: depreciation	**138**	146	**562**	566
Add: amortization of intangibles	**61**	69	**257**	288
Operating EBITDA (4)	**$539**	$530	**$2,101**	$2,224
Cash flow from operating activities	**$1,218**	$ 668	**$ 1,563**	$1,580
Net additions to property, plant, and equipment	**(129)**	(156)	**(687)**	(676)
Free cash flow (4)	**$1,089**	$ 512	**$ 876**	$ 904
Net income per diluted share	**$ 1.85**	$ 1.64	**$ 5.77**	$ 5.30
Other expense, net	**0.07**	0.04	**0.17**	0.37
Restructuring and transaction activities	**0.04**	0.08	**0.17**	0.37
Amortization of intangibles from acquisitions (1)	**0.48**	0.50	**1.94**	2.08
Non-comparable tax items (2)	**(0.14)**	(0.22)	**(0.13)**	(0.24)
Income tax impact on items above	**(0.11)**	(0.16)	**(0.52)**	(0.67)
Adjusted net income per diluted share (4)	**$ 2.19**	$ 1.89	**$ 7.40**	$ 7.21
Foreign currency and divestitures		(0.04)		(0.29)
Comparable adjusted net income per diluted share (4)		$ 1.85		$ 6.92

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

(1) Amortization of intangibles from acquisition are added back to better align our calculation of adjusted EPS with peers.

(2) During the 2022 and 2021 fiscal years, the Company obtained certain tax benefits of $18 million and $30 million, respectively, deemed as non-comparable. Additionally, we included the prior year extra days (which was in the December 2021 quarter only), in the non-comparable line.

(3) The FY 2022 comparable basis change excludes the impacts of foreign currency (as of October 2022) and recent divestitures.

(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 EBITDA, Operating EBITDA, and comparable basis measures, 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
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)
Adjusted free cash flow (4)	$436

(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 I n 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.

Berry

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

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