



2Q21 Investor Presentation

Results Through June 30, 2021

August 5, 2021



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Non-GAAP Financial Measures

This presentation includes Adjusted EBITDA from continuing operations and Free Cash Flow, which are non-GAAP financial measures. We define Adjusted EBITDA from continuing operations as our net income (loss) from continuing operations calculated in accordance with GAAP, plus the sum of income tax (benefit) expense, net interest expense, depreciation and amortization and further adjusted to exclude certain items of a significant or unusual nature, including but not limited to related party management fees, foreign exchange gains or losses on cash, unrealized gains or losses on derivatives, gains or losses on the sale of businesses and non-current assets, restructuring, asset impairment and other related charges, operational process engineering-related consultancy costs, non-cash pension income or expense, strategic review and transaction-related costs and executive transition charges.

The Company defines Free Cash Flow as Adjusted EBITDA from continuing operations less capital expenditures.

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Today's Presenters



Michael King

Chief Executive Officer



Mike Ragen

Chief Financial Officer &
Chief Operating Officer



Agenda

1. Key Business Takeaways & Q2 Highlights
2. Business Update
3. Q2 2021 Financial Performance
4. 2021 Outlook
5. Conclusion / Q&A





Key Takeaways & Q2 Highlights



Key Takeaways

- 2Q21 Net Sales were up **22% y/y** led by Foodservice sales up **41% y/y**, along with Food Merchandising sales and Beverage Merchandising sales, both up **11% y/y**.
- Volume recovery was strong in the quarter vs the prior year period with volumes up **33% in Foodservice** (-1% vs 2Q19), **4% in Food Merchandising** (-1% vs 2Q19) and **13% in Beverage Merchandising** (+3% vs 2Q19).
- As expected, **Adj. EBITDA margins were pressured in the quarter due to significant raw materials inflation pressure**. We expect margin recovery over coming quarters due to lagging contractual price increases.
- **Labor issues remain challenging** across the industry as lack of labor availability negatively impacts operations and volume output.
- **Exiting coated groundwood paper business by end of 2021** (*)
- Gross pension liabilities **reduced by approx. \$950M** using existing plan assets (*)

(*) Announced in July 2021



Early signs of volume recovery, but pressure from raw materials continues

Q2 2021 Highlights

- Net revenue of \$1,352mn
 - Up 22% vs 2Q20 due to strong volume recovery vs peak COVID-19 negative impact in 2Q20 along with early pricing actions to recover escalating raw materials costs
 - **Total volume was up 18% y/y for 2Q21**
- Net income from continuing operations of \$8mn
 - EPS from continuing operations \$0.05
- Adjusted EBITDA⁽¹⁾ of \$130mn
 - 2Q21 Adj. EBITDA impacted y/y by \$11mn from Winter Storm Uri
- Our SIP is on track and delivered \$14mn of Adjusted EBITDA⁽¹⁾ benefit in Q2

\$1,352 million
of Net Revenue

\$130 million
of Adjusted EBITDA⁽¹⁾

\$59 million
of Free Cash Flow⁽¹⁾

(1) Adjusted EBITDA and free cash flow are non-GAAP financial measures. See slide 26 for a reconciliation to the most comparable GAAP measure.



June YTD 2021 Highlights

- Net revenue of \$2,516mn
 - Up 8% vs YTD20 due to strong volume recovery and early pricing recovery in 2Q21
- Net loss from continuing operations of \$3mm
 - EPS from continuing operations (\$0.02)
- Adjusted EBITDA⁽¹⁾ of \$207mn
 - YTD21 Adj. EBITDA impacted y/y by \$50mn from Winter Storm Uri, estimated \$43mn from COVID-19 and \$16mn due to a planned cold mill outage
- Our SIP is on track and delivered \$37mn of Adjusted EBITDA⁽¹⁾ benefit as of June YTD

\$2,516 million
of Net Revenue

\$207 million
of Adjusted EBITDA⁽¹⁾

\$76 million
of Free Cash Flow⁽¹⁾

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Business Update



Adjusted EBITDA Growth Drivers



Post COVID-19 Rebound

Recovery in demand as in-person dining and morning commutes resume and non-commercial segments re-open (e.g. school, travel & leisure), along with a decrease in overall cost as COVID-19 related costs (e.g. PPE, cleaning, etc.) subside



Secular Tailwinds

Benefit from secular trends including increased e-Commerce food delivery and QSR growth



Sustainability

Product portfolio that allows customers to meet their sustainability goals



New Product / Material Development

Leverage manufacturing and design capabilities to create innovative new products



Cost Initiatives

Continued focus on operational and cost improvements



Driving Towards ESG Excellence



PROTECT OUR PLANET'S RESOURCES

- Reduce emissions and energy use
- Protect the sustainability of our forests
- Minimize water use
- Decrease waste going to landfill



DELIVER SUSTAINABLE PRODUCTS ESSENTIAL TO CONSUMERS

- Implement our Four R's approach to our materials and products
- Collaborate across the value chain to drive the Four R's
- Design innovative materials and products



VALUE OUR PEOPLE AND COMMUNITIES

- Champion a culture of safety at work and at home
- Attract, empower and retain the best team
- Embrace diversity and inclusion
- Support the communities in which we work and live



PROMOTE EFFECTIVE GOVERNANCE

- Oversight by independent, diverse board
- Implement defined executive compensation practices
- Ensure strict and transparent audit processes
- Foster a culture of integrity and ethics

Quarterly Highlights

Finalized procurement of a sustainability data metrics vendor

Facilitating enterprise-wide data collection to inform goal setting and reporting

Launched 13 new sustainable SKUs in Q2 2021

Achieved ISCC Plus certification at 3 facilities

Investing in the responsible use of chemically recycled and bio-renewable resins

Maintained all safety metrics below or at tolerances for Q2 2021

Overall safety performance over 3x better than industry average

Started diversity spend review

Reviewing current vendor diversity spend to assist in revising policy, setting goals and increasing engagement

100% team completion of FCPA and anti-violence training seminars in Q2 2021

Learn more at investors.pactivevergreen.com/esg-documents

A Continued Focus on Improvement Initiatives

Completion of \$661mn SIP by end of 2021 with ~2-2.5 years payback

+

Beverage Merchandising Operational Review

+

Launch of Next Gen PTVE Waste Elimination Program

=

A more profitable Pactiv Evergreen

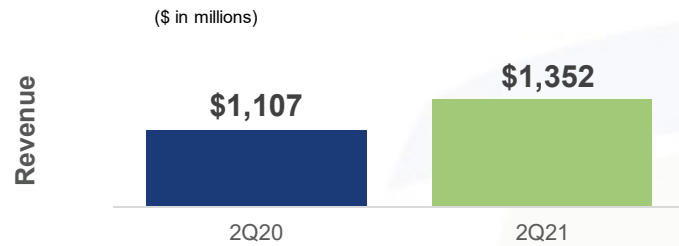




Q2 2021 Financial Performance

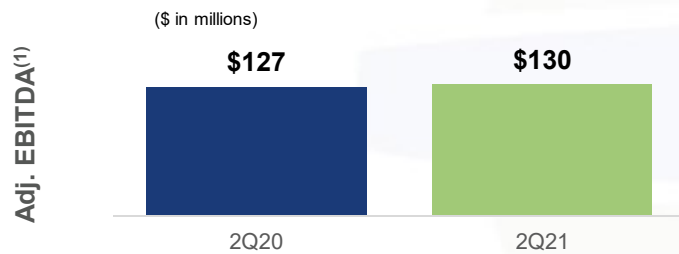


2Q 2021 Financial Performance



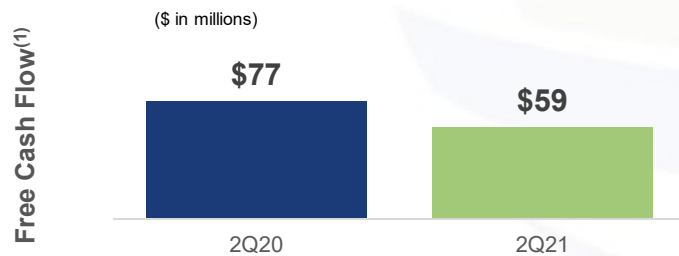
- **Q2 2021 revenue up 22% year-over-year**

- Strong volume recovery of +18% vs 2Q20
- Increase in pricing primarily due to cost passed through as price/mix was up +3% across system



- **Q2 2021 Adj. EBITDA⁽¹⁾ up 2% year-over-year**

- Adj. EBITDA was up due to higher sales volume and favorable pricing, mostly offset by higher raw materials and logistics costs along with higher manufacturing costs in Beverage Merchandising.



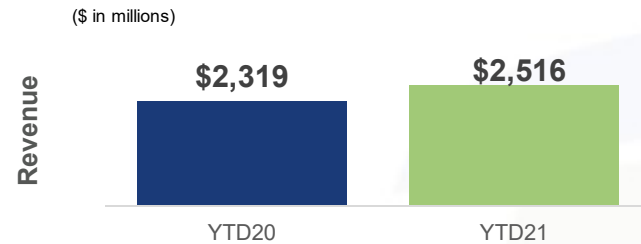
- **Free Cash Flow⁽¹⁾ down 23% year-over year**

- Driven by higher capital expenditures

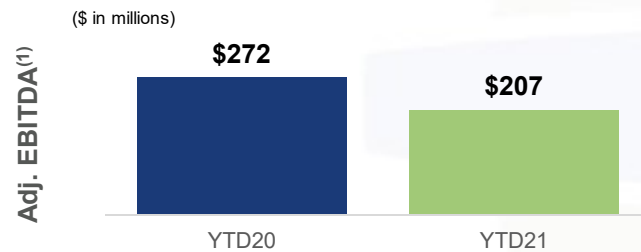
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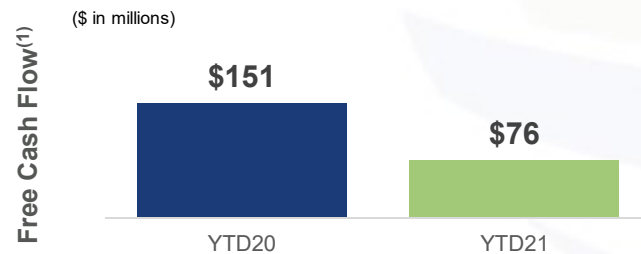
Q2 YTD 2021 Financial Performance



- YTD 2021 revenue up 8% year-over-year
 - Volume +6% y/y due to higher demand as economy recovers
 - Price/Mix +1% y/y as early pricing actions take place to offset higher raw materials costs



- YTD 2021 Adj. EBITDA⁽¹⁾ down 24% year-over-year
 - Adj. EBITDA was impacted by Winter Storm Uri, the continued impact from COVID-19 and incremental costs from a cold mill outage



- Free Cash Flow⁽¹⁾ down 50% year-over year
 - Driven by lower Adjusted EBITDA⁽¹⁾

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Pactiv Evergreen Quarterly Highlights – By Segment

(\$ in millions)

	Foodservice		
	Q2 2021	Q2 2020	YoY %
Net Revenue	\$571	\$405	41%
Adjusted EBITDA	\$62	\$33	88%

- **Foodservice revenue up 41%**
 - Strong volume recovery with vol up 33% y/y (-1% vs 2Q19)
 - Price/mix up 7% y/y as pricing initiatives begin to recover raw material costs and margins
- **Adj. EBITDA up 88% +\$29mn**
 - Strong volume recovery and pricing actions benefited EBITDA despite pressure from higher logistics cost and raw materials

(\$ in millions)

	Food Merchandising		
	Q2 2021	Q2 2020	YoY %
Net Revenue	\$388	\$348	11%
Adjusted EBITDA	\$59	\$61	(3%)

- **Food Merchandising revenue up 11%**
 - Sales volume up 4% y/y (-1% vs 2Q19)
 - Price/mix up 6% y/y as early pricing actions to recover raw material costs take effect
- **Adj. EBITDA down 3% -\$2mn**
 - Persistent raw materials pressure along with higher logistics costs and manufacturing offset continued volume recovery

(\$ in millions)

	Beverage Merchandising		
	Q2 2021	Q2 2020	YoY %
Net Revenue	\$387	\$348	11%
Adjusted EBITDA	\$15	\$38	(61%)

- **Beverage Merchandising revenue up 11%**
 - Strong volume recovery of 13% y/y (+3% vs 2Q19)
 - Price/mix -3%
- **Adj. EBITDA down 61% -\$23mn**
 - EBITDA negatively impacted by higher manufacturing costs, higher material and logistics costs and unfavorable pricing and customer mix, partially offset by higher sales volume.

NM – not meaningful



COVID-19/Winter Storm Uri

COVID-19

- Q2 2021 sales demand is back to 2019 levels.
- Incremental facility costs (i.e. screening & cleaning) decreased significantly.
- Some longer-term impacts are expected, such as increased container demand (FS).

Segment	Revenue		Adj EBITDA ⁽¹⁾	
	2021	2020	2021	2020
Foodservice	(\$49M)	(\$125M)	(\$22M)	(\$62M)
Food Merchandising	\$1M	(\$12M)	(\$2M)	(\$6M)
Beverage Merchandising	(\$49M)	(\$48M)	(\$19M)	(\$31M)
Total	(\$97M)	(\$185M)	(\$43M)	(\$99M)

Winter Storm Uri

- Operations are back to normal.
- FS/FM Q2 costs are due to additional costs from resin shortages.
- BM Q2 costs are due to additional repairs that were completed in April 2021.
- Both costs are in-line with expectations and disclosure in Q1 2021 reporting.

Segment	Adj EBITDA ⁽¹⁾		
	Q1	Q2	Total
Foodservice	\$4M	\$3M	\$7M
Food Merchandising	\$1M	\$5M	\$6M
Beverage Merchandising	\$34M	\$3M	\$37M
Total	\$39M	\$11M	\$50M

(1) Adjusted EBITDA and free cash flow are non-GAAP financial measures. See slide 26 for a reconciliation to the most comparable GAAP measure.





2021 Outlook



2021 Outlook

FY 2021 Adj. EBTIDA:
\$630mn - \$645mn

- Broader volume recovery expected to continue as more sub segments improve to above 2019 levels. Volume recovery will be more normalized in 2H21 due to tougher comps
- Raw material costs pressure and labor shortages expected to continue to negatively impact the industry
- Pricing initiatives expected to continue to recover raw materials costs and margins but persistent raw material inflation will impact timing of full recovery of margins

Continued Focus Areas

- Servicing our customers
- Volume and optimal production out of plants
- Pricing initiatives to recover raw material costs
- Recruitment initiatives to improve labor shortages
- Exit of coated groundwood paper business
- Mill operational improvements

Early signs of volume recovery but raw materials inflation and labor concerns remain





Conclusion & Q&A



Appendix

Pactiv Evergreen Q2 YTD Highlights – By Segment

(\$ in millions)

	Foodservice		
	June YTD 2021	June YTD 2020	YoY %
Net Revenue	\$1,025	\$878	17%
Adjusted EBITDA	\$123	\$89	38%

- **Foodservice revenue up 17%**
 - Volumes improved, up 13% vs 1H20
 - Price/mix up +3%
- **Adj. EBITDA up 38% +\$34mn**
 - Stronger volumes

(\$ in millions)

	Food Merchandising		
	June YTD 2021	June YTD 2020	YoY %
Net Revenue	\$730	\$692	5%
Adjusted EBITDA	\$114	\$114	0%

- **Food Merchandising revenue up 5%**
 - Sales volume up 1%
 - Price/mix up +4%
- **Adj. EBITDA flat**
 - Higher volumes and pricing offset by higher manufacturing costs and logistics costs

(\$ in millions)

	Beverage Merchandising		
	June YTD 2021	June YTD 2020	YoY %
Net Revenue	\$744	\$745	0%
Adjusted EBITDA	(\$17)	\$87	NM

- **Beverage Merchandising revenue flat**
 - Sales volume up 2%
 - Price/mix down -3%
- **Adj. EBITDA down -\$104mn**
 - Negative impact of Winter Storm Uri, cold mill outage, production inefficiencies and lower pricing impacted 1H21 EBITDA

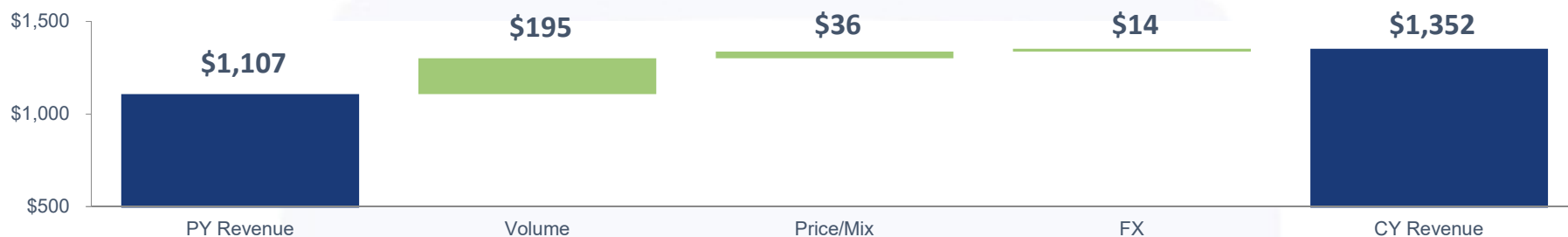
NM – not meaningful



Q2 Revenue & Adjusted EBITDA⁽¹⁾ Bridge

Revenue

(\$ in millions)



Adjusted EBITDA⁽¹⁾

(\$ in millions)

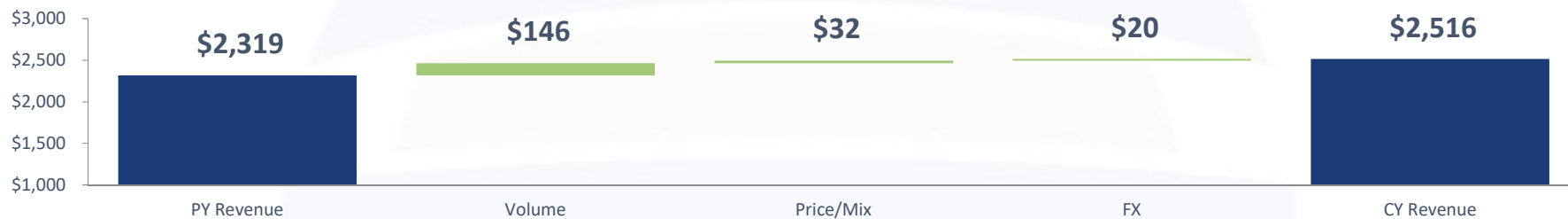


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Q2 YTD Revenue & Adjusted EBITDA⁽¹⁾ Bridge

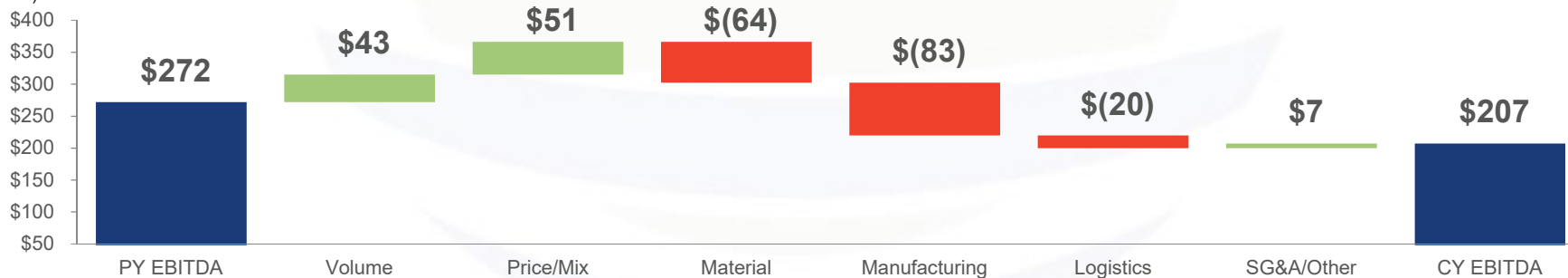
Revenue

(\$ in millions)



Adjusted EBITDA⁽¹⁾

(\$ in millions)



(1) Adjusted EBITDA is a non-GAAP financial measure. See slide 26 for a reconciliation to the most comparable GAAP measure.

Condensed Consolidated Statements of Income (Loss)

(\$ in millions)

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Net Revenues	\$ 1,352	\$ 1,107	\$ 2,516	\$ 2,319
Costs and expenses	(1,317)	(1,052)	(2,499)	(2,213)
Other income, including restructuring, impairment, other related charges and non-operating income	20	(30)	51	60
Interest expense, net	(42)	(86)	(84)	(188)
Income (loss) from continuing operations before tax	13	(61)	(16)	(22)
Income tax (expense) benefit	(5)	43	13	137
Income (loss) from continuing operations	8	(18)	(3)	115
Income (loss) from discontinued operations, net of income taxes	(1)	(21)	(4)	(18)
Net income (loss)	7	(39)	(7)	97
Income attributable to non-controlling interests	(0)	(1)	(1)	(1)
Net income (loss) attributable to Pactiv Evergreen Inc. common shareholders	\$ 7	\$ (40)	\$ (8)	\$ 96
Net income (loss) per share from continuing operations:				
Basic	\$ 0.05	\$ (0.14)	\$ (0.02)	\$ 0.85
Diluted	\$ 0.05	\$ (0.14)	\$ (0.02)	\$ 0.85

Reconciliation Of Net Income (Loss) From Continuing Operations To Adjusted EBITDA And Free Cash Flow

(\$ in millions)

	For the three months ended June 30,		For the six months ended June 30,	
	2021	2020	2021	2020
Net income (loss) from continuing operations	\$ 8	\$ (18)	\$ (3)	\$ 115
Income tax expense (benefit)	5	(43)	(13)	(137)
Depreciation and amortization	77	72	150	140
Interest expense, net	42	86	84	188
Foreign exchange losses (gains) on cash	1	56	1	(28)
Non-cash pension income	(25)	(19)	(48)	(37)
Operational process engineering-related consultancy costs	7	1	10	9
Related party management fee	-	-	-	5
Restructuring, asset impairment and other related charges (net of reversals)	10	1	8	4
Strategic review and transaction-related costs	-	9	-	15
Unrealized losses (gains) on derivatives	3	(19)	4	(2)
Executive transition charges	-	-	10	-
Other	2	1	4	-
Adjusted EBITDA	\$ 130	\$ 127	\$ 207	\$ 272
Capital expenditures from continuing operations	(71)	(50)	(131)	(121)
Free Cash Flow	\$ 59	\$ 77	\$ 76	\$ 151

Strategic Investment Program

Categories	Benefit as of 12/31/19 (\$ in millions)	Benefit as of 12/31/20 (\$ in millions)	Benefit as of 06/30/21 (\$ in millions)	Total Targeted Payback	Capex Spend Through 06/30/21 (\$ in millions)	Total Program Capex
Business growth (including Evergreen Integration)	\$18	\$38	\$53	~1.5 Years	\$169	\$187
New product and material innovations	\$15	\$22	\$26	~2.0 Years	\$73	\$105
Automation	\$16	\$27	\$31	~2.0 Years	\$86	\$81
Digital Transformation	\$5	\$7	\$9	~2.5 Years	\$193	\$288
Integrated Supply Chain	—	\$9	\$13	~2.0 Years		
Cost reduction	\$3	\$18	\$26	~4.5 Years		
Total	\$56	\$121	\$158	~2.0 to ~2.5 Years	\$521	\$661

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