



pactiv evergreen™

2Q 2023 Earnings Presentation

Results through June 30, 2023

August 3, 2023

Important Information

Forward-Looking Statements and Other Information

This presentation contains forward-looking statements. All statements contained in this presentation other than statements of historical fact are forward-looking statements, including statements regarding our guidance as to our future financial and operational results. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions. Forward-looking statements are subject to various risks and uncertainties. Accordingly, there are important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Moreover, new risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this presentation. The results, events and circumstances reflected in the forward-looking statements made herein may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on any forward-looking statements. For additional information on these and other factors that could cause our actual results to differ materially from those set forth in this presentation, please see our Annual Report on Form 10-K for the year ended December 31, 2022, and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, filed with the Securities and Exchange Commission.

All information contained herein speaks only as of the date of this presentation, except where otherwise stated. Except as required by law, we undertake no duty to update or revise the information contained herein, publicly or otherwise, including any forward-looking statements.

Non-GAAP Financial Measures

In addition to U.S. GAAP financial measures, this presentation includes references to Adjusted EBITDA, Adjusted EPS, Free Cash Flow, Net Debt and the Net Leverage Ratio, which are non-GAAP financial measures. All references to Adjusted EBITDA refer to Adjusted EBITDA from continuing operations.

We define Adjusted EBITDA as our net (loss) income calculated in accordance with GAAP plus the sum of income tax expense (benefit), net interest expense, depreciation and amortization and further adjusted to exclude certain items, including but not limited to restructuring, asset impairment and other related charges, gains on the sale of businesses and noncurrent assets, non-cash pension income (expense), operational process engineering-related consultancy costs, business acquisition and integration costs and purchase accounting adjustments, unrealized gains or losses on derivatives, foreign exchange losses on cash, executive transition charges and gains or losses on certain legal settlements. We define Adjusted EPS as diluted (loss) earnings per share (“EPS”) calculated in accordance with GAAP adjusted for the after tax effect of certain items, including but not limited to restructuring, asset impairment and other related charges, gains on the sale of businesses and noncurrent assets, non-cash pension income (expense), operational process engineering-related consultancy costs, business acquisition and integration costs and purchase accounting adjustments, unrealized gains or losses on derivatives, foreign exchange losses on cash, executive transition charges and gains or losses on certain legal settlements. We define Free Cash Flow as net cash provided by operating activities less capital expenditures. We define Net Debt as the sum of current and long-term debt, less cash and cash equivalents. We define the Net Leverage Ratio as Net Debt divided by Adjusted EBITDA for the last 12 months, which we refer to as LTM Adjusted EBITDA.

These non-GAAP measures are in addition to, and not a substitute for or superior to, measures prepared in accordance with GAAP.

A reconciliation of these non-GAAP measures to the most directly comparable GAAP measures is set forth in the Appendix to this presentation.

Today's Presenters



Michael King
President & Chief Executive Officer



Jon Baksht
Chief Financial Officer

Agenda



1

Strategic Priorities



2

2Q 2023 Financial Performance and 2023 Outlook



3

Q&A and Conclusion



Strategic Priorities



Transformational Journey

Core Strengths

- ✓ Broad product and substrate offering
- ✓ Leading market positions
- ✓ Longstanding, blue-chip customers
- ✓ Unmatched distribution and manufacturing network
- ✓ Innovative and sustainable products
- ✓ Well-positioned to capitalize on long-term fundamentals

2020 - 2021

Vertically Integrated



Global Footprint



Decentralized Operations



Heritage of Innovation & Sustainability



Elevated Leverage Profile



New Leadership Executing on Strategic Priorities

- Focused on core converting operations
- Streamlined geographic footprint
- Implemented operational excellence
- Expanded sustainable and on-trend products
- Prioritized de-leveraging

2023 & Beyond

Focused on Converting



Optimizing North America Footprint



Leveraging Centers of Excellence



Building Momentum on Sustainability



Reducing Leverage Profile



Building the Foundation

Our Key Strategic Initiatives



People



Profitable Growth



Social Responsibility



Operational Excellence



Enterprise Optimization

Our Mission

We deliver innovative food and beverage packaging solutions, designed to exceed the needs of consumers and the businesses that serve them.

Our Purpose

PACKAGING A BETTER FUTURE

Our Values



Celebrate people



Do what's right



Win together



Demand excellence



Own it

Focusing on Operational Excellence

PEPS

Pactiv Evergreen Production System

Rolled out in 2023



What PEPS Delivers

- ✓ Improved safety
- ✓ Better quality
- ✓ Higher productivity
- ✓ Less waste
- ✓ Improved on-time delivery

Certification Levels



27 Locations have completed formal PEPS assessments

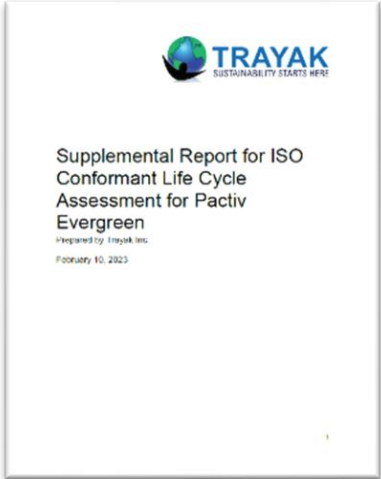
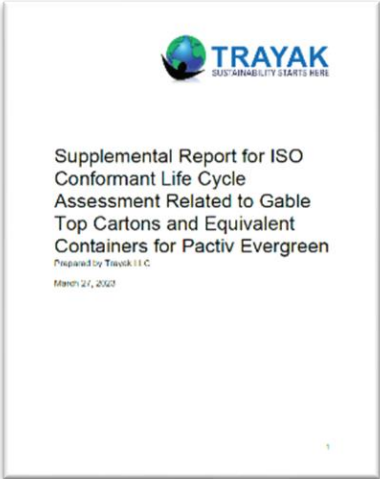
6 Production Facilities Certified Bronze by Pactiv Evergreen

Driving towards Sustainability Excellence



Sustainable Products

Published two peer-reviewed life-cycle assessments on the environmental impacts of beverage cartons and meat trays





Effective Governance

Released climate scenario and climate-related risks and opportunity analysis



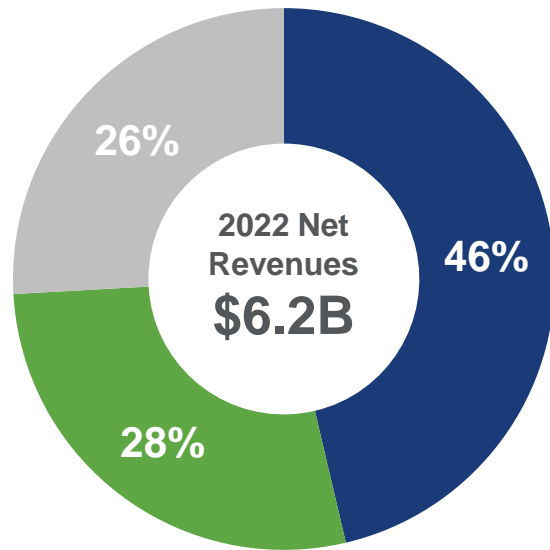
Beverage Merchandising Restructuring Update

Focusing and streamlining operations, driving shift to capital-light organization and supporting free cash flow

 Canton and Olmsted Falls	<ul style="list-style-type: none">▪ Ceased operations in May
 Restructuring Costs	<ul style="list-style-type: none">▪ Cash cost: estimates are unchanged compared to last quarter▪ Non-cash cost: refined estimates and narrowed the range
 Pine Bluff and Waynesville	<ul style="list-style-type: none">▪ Ongoing review of strategic alternatives
 New Operational Structure	<ul style="list-style-type: none">▪ New management and operating structure in effect from April 1, 2023▪ Financial results for Food and Beverage Merchandising are combined

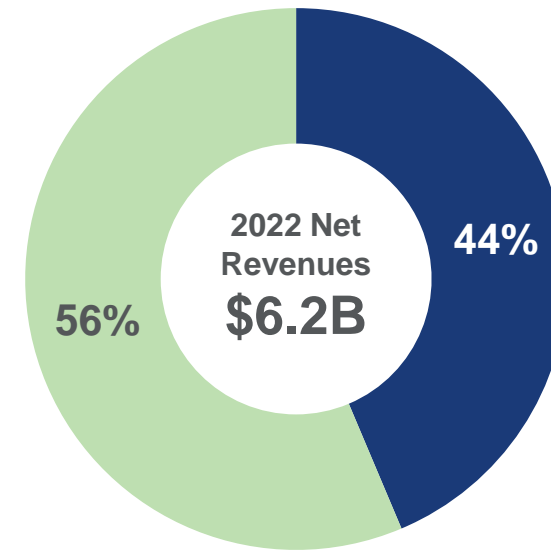
Overview of New Reporting Structure

Previous structure⁽¹⁾



- Foodservice
- Food Merchandising
- Beverage Merchandising

Current structure^(1,2)



- Foodservice
- Food and Beverage Merchandising

(1) 2022 Net Revenues. Percentages exclude \$81M of other revenue.

(2) During 2Q 2023 the Company reorganized the management of certain product lines from the Foodservice segment to the Food and Beverage Merchandising segment.

Food and Beverage Merchandising Segment Overview

2022 Results

\$3.5B
Net Revenues

\$412M
Adj. EBITDA

Wide range of **products that protect and display food** and keep it fresh, including cartons for fresh beverage products and beverage filling equipment

Customer Base Includes:



Grocery retailers



Meat, egg, agricultural, and CPG processors



Beverage companies

Source: Company information and management estimates.
Note: 2022 Financial data, includes intersegment sales.

Products

Prepared food trays



Protein packaging



Fruit / produce trays / containers



Other trays / containers



Bakery trays / containers



Egg cartons



Liquid cartons



Filling machinery



Industry Growth Drivers

- Expansion of prepared food offerings to satisfy demand for fresh, fast and convenient meals
- Increasing consumption of fresh proteins and produce due to consumer focus on healthy lifestyles
- Growing demand for fresh premium dairy and alternative dairy products

Supplier to:

9 of top 10
US grocery retailers

8 of 10
largest US meat companies



Foodservice Segment Overview

2022 Results

\$2.7B
Net Revenues

\$463M
Adj. EBITDA

*Broad range of **convenient, on-the-go** products that let consumers eat and drink anywhere, anytime*

Customer Base Includes:



Chain restaurants (full service and quick service restaurants)



Distributors



Institutional foodservice (airports, schools, hospitals)



Convenience stores

Source: Company information and management estimates.

Products

Takeout and Delivery Containers



Hot and cold cups



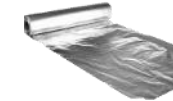
Serving Trays



Lids



Film and Foil



Plates & bowls / cutlery



Industry Growth Drivers

- Expansion of takeout, curbside pick-up and delivery facilitated by e-commerce
- Changing eating habits, which benefit sales made at retail outlets like restaurants and convenience stores
- Foodservice trend to products with better performance and environmental profile

Top supplier to 4 of
the largest QSR groups

Top supplier of
exclusive branded items for
top US broadliners





2Q 2023 Financial Performance and 2023 Outlook



2Q 2023 Highlights



\$1,426M

Net Revenues

\$0.20

Adj. EPS⁽¹⁾

\$217M

Adj. EBITDA⁽¹⁾

\$74M

Free Cash Flow⁽¹⁾

Highlights

- Adj. EBITDA margin⁽²⁾ improved **~200bps** over 1Q to 15.2%
- Solid **Free Cash Flow** despite large restructuring cash outflow
- **\$180 million** debt repayments
- Achieved important milestones in **Beverage Merchandising Restructuring**

(1) Adjusted EPS, Adjusted EBITDA and Free Cash Flow are non-GAAP measures. See the reconciliations to GAAP measures in the Appendix.

(2) Adjusted EBITDA margin is a non-GAAP financial measure, calculated as Adjusted EBITDA divided by net revenue.

Current Market Dynamics



Consumer Demand / Volume

- Ongoing impact of inflation on consumer spending
- Consumers trading down and reallocating budgets
- Seasonal demand uplift

Pricing / Mix

- Maintaining discipline on pricing strategy
- Contractual pass-through of lower material costs

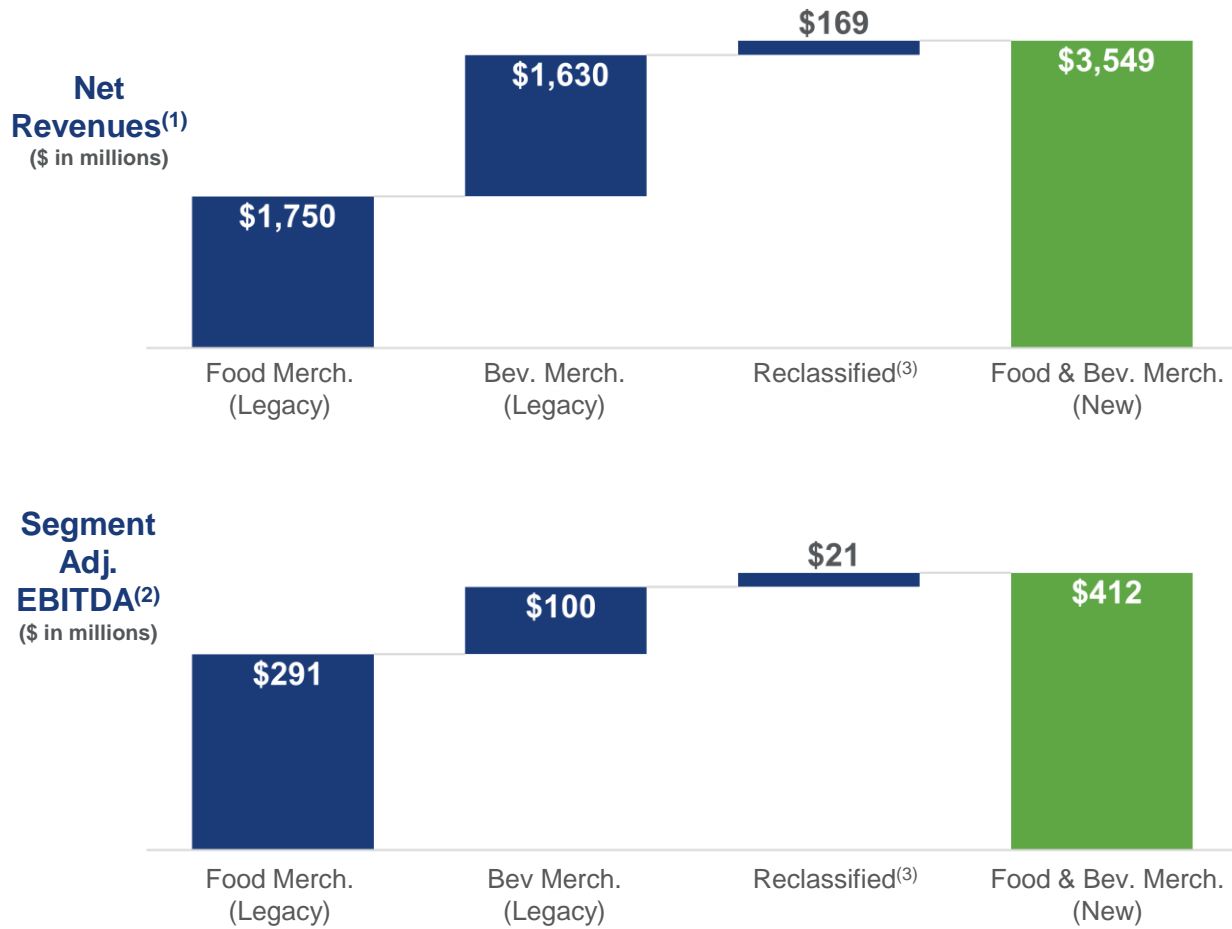
Cost Structure

- Lower transportation costs
- Managing controllable costs and balancing production with demand

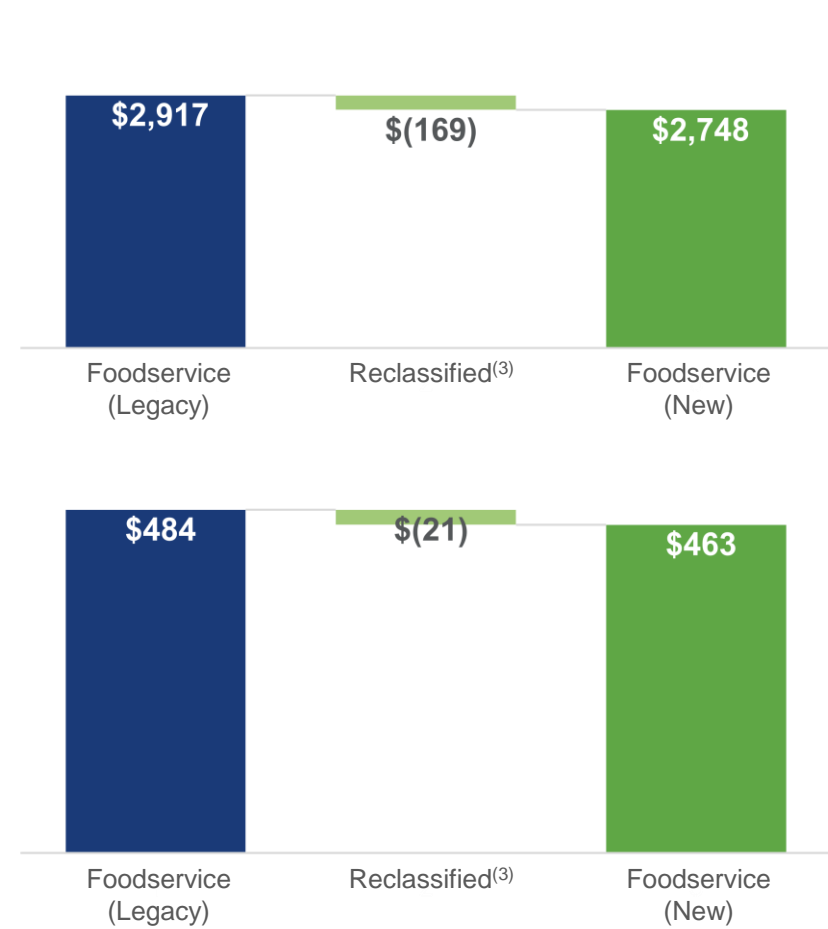
Strong execution in a dynamic environment

Overview of New Segment Financial Reporting (Full Year 2022 data)

Food and Beverage Merchandising



Foodservice



(1) Food and Beverage Merchandising revenue includes intersegment revenue of \$158M. In addition to its two reporting segments, in fiscal year 2022 the Company also had \$81M of other revenue.

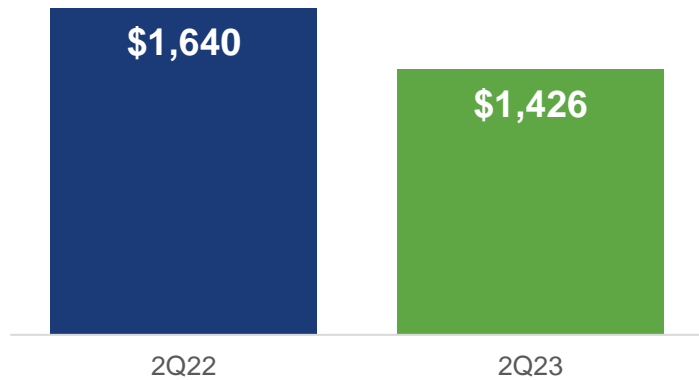
(2) In addition to its two reporting segments, in fiscal year 2022 the Company also had \$90M of other/unallocated corporate costs.

(3) During 2Q 2023 the Company reorganized the management of certain product lines from the Foodservice segment to the Food and Beverage Merchandising segment.

2Q 2023: Year-over-Year

Net Revenues down 13%

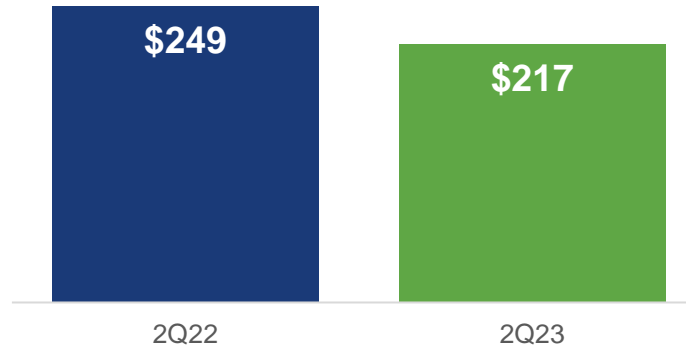
(\$ in millions)



- Volume down 6%
- Price/mix flat
- Down 7% due to divestiture of Beverage Merchandising Asia and closure of Canton, NC mill operations

Adjusted EBITDA⁽¹⁾ decreased \$32M

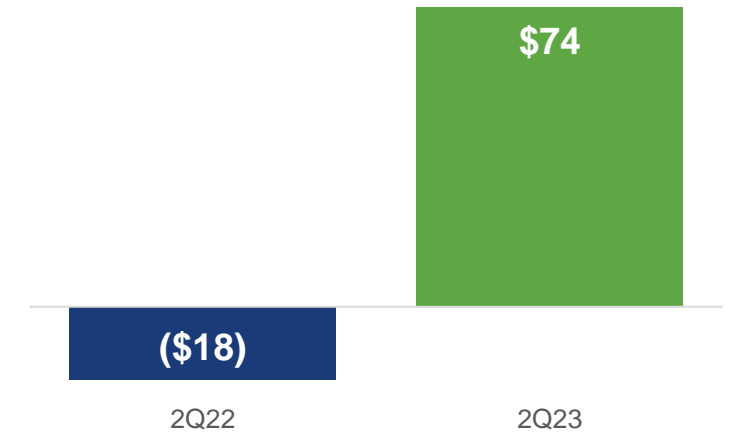
(\$ in millions)



- Lower sales volume and higher manufacturing costs
- Impact from the divestiture of Beverage Merchandising Asia and the closure of Canton mill operations
- Partially offset by lower transportation costs

Free Cash Flow⁽¹⁾ increased \$92M

(\$ in millions)



- Increased cash flow from the net working capital benefit driven by the prior year strategic inventory build and lower capital expenditures, partially offset by restructuring related cash outflows and higher interest expense

(1) Adjusted EBITDA and Free Cash Flow are non-GAAP measures. See the reconciliations to GAAP measures in the Appendix.

2Q 2023: Quarter-over-Quarter

Net Revenues approximately flat

(\$ in millions)



1Q23

2Q23

- Volume up 5%
- Price/mix down 3%
- Down 3% due to closure of Canton, NC mill operations

Adjusted EBITDA⁽¹⁾ increased \$28M

(\$ in millions)



1Q23

2Q23

- Lower manufacturing costs, higher sales volume and lower transportation costs, partially offset by unfavorable pricing, net of costs passed through, and the closure of Canton, NC mill operations

Free Cash Flow⁽¹⁾ increased \$49M

(\$ in millions)



1Q23

2Q23

- Increased cash flow from the timing of annual incentive compensation payments, improved operating results and net working capital benefit driven by the closure of our Canton mill, partially offset by restructuring related cash outflows and timing of interest and tax payments

(1) Adjusted EBITDA and Free Cash Flow are non-GAAP measures. See the reconciliations to GAAP measures in the Appendix.

Foodservice Segment Highlights

(\$ in millions)	2Q 2022	1Q 2023	2Q 2023	YoY %	QoQ %
Net Revenues	\$749	\$614	\$656	(12%)	7%
Adjusted EBITDA	\$161	\$106	\$128	(20%)	21%



YoY commentary

Net Revenues down 12%

- Volume down 6%
- Price/mix down 6%

Adjusted EBITDA down 20%

- Decrease due to unfavorable pricing, net of costs passed through, lower sales volume and higher manufacturing costs, partially offset by lower transportation costs

QoQ commentary

Net Revenues up 7%

- Volume up 10%
- Price/mix down 3%

Adjusted EBITDA up 21%

- Increase due to higher sales volume and lower manufacturing costs, partially offset by unfavorable pricing, net of costs passed through, and higher employee-related costs

Food and Beverage Merchandising Segment Highlights

(\$ in millions)	2Q 2022	1Q 2023	2Q 2023	YoY %	QoQ %
Net Revenues	\$906	\$850	\$805	(11%)	(5%)
Adjusted EBITDA	\$111	\$101	\$109	(2%)	8%



YoY commentary

Net Revenues down 11%

- Volume down 7%
- Price/mix up 4%
- Down 9% due to divestiture of Beverage Merchandising Asia and closure of Canton, NC mill operations
- FX impact of +1%

Adjusted EBITDA down 2%

- Due to higher manufacturing costs, lower sales volume, closure of our Canton, NC mill operations, the divestiture of Beverage Merchandising Asia, and partially offset by favorable pricing, net of material costs passed through, and lower transportation and employee-related costs

QoQ commentary

Net Revenues down 5%

- Volume up 2%
- Price/mix down 2%
- Down 5% due to closure of Canton, NC mill operations

Adjusted EBITDA up 8%

- Due to lower manufacturing costs and higher sales volume, partially offset by unfavorable pricing, net of material costs passed through, and closure of Canton, NC mill operations

Balance Sheet, Cash Flow and Leverage

Selected Balance Sheet

(\$ in millions)

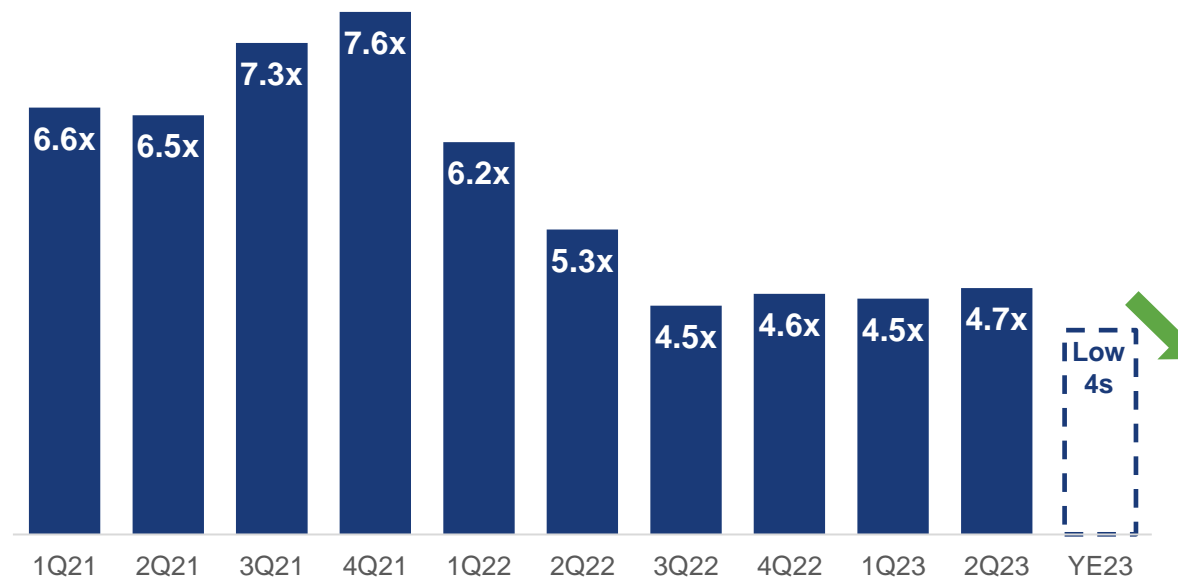
As of June 30,	2022	2023
Cash and Cash Equivalents⁽¹⁾	\$246	\$302
Net Debt⁽²⁾	\$3,991	\$3,538
Net Leverage Ratio⁽²⁾	5.3x	4.7x
Working Capital	\$1,197	\$1,004
Weighted average debt maturity	~5.0 years	~4.1 years
Fixed rate debt as % of total⁽³⁾	~47%	~75%

Selected Quarterly Cash Flow

(\$ in millions)

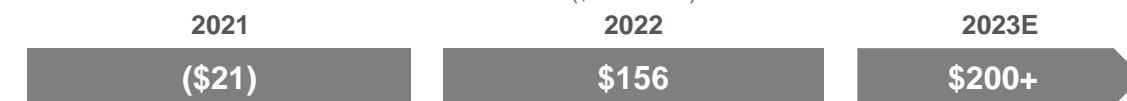
Quarter ending June 30,	2022	2023
Cash Flow from Operations	\$46	\$127
CapEx	\$(64)	\$(53)
Free Cash Flow⁽²⁾	\$(18)	\$74

Net Leverage Ratio⁽²⁾



Full Year Free Cash Flow⁽²⁾

(\$ in millions)



Leveraging strong FCF to pay down debt

(1) Excludes \$9 million of cash classified as held for sale as of June 30, 2022.

(2) Net Debt, Net Leverage Ratio, and Free Cash Flow are non-GAAP measures. See the reconciliations to GAAP measures in the Appendix.

(3) Net of interest rate swaps entered into during the fourth quarter of 2022 for an aggregate notional amount of \$1,000 million of our U.S. term loans.

Evolution of the Financial Framework

Our Key Performance Indicators



Operational performance



Capital efficiency



Balance sheet management



Volatility management

Keys to Success

Drive Operational Performance

Focus on Cash Generation

Manage Working Capital

Deliver Consistent Results

Reaffirming 2023 Outlook



Guidance

Full Year Adjusted EBITDA ⁽¹⁾	\$775M - \$800M
2023E CapEx	\$280M
Total Restructuring Charges ⁽²⁾	\$325M - \$330M non-cash \$130M - \$160M cash
Free Cash Flow ⁽³⁾	\$200M+
Net Leverage ⁽⁴⁾	Low 4s

(1) The Company has not reconciled the forward-looking non-GAAP measure Adjusted EBITDA to the GAAP measure net (loss) income in this presentation because the Company does not provide guidance for certain of the reconciling items on a consistent basis, including but not limited to items relating to restructuring, asset impairment and other related charges, depreciation and amortization expense, net interest expense and income taxes, which would be required to include a reconciliation of Adjusted EBITDA to GAAP net (loss) income, as the Company is unable to quantify these amounts without unreasonable efforts.

(2) Represents expected Restructuring Charges for 2023 and 2024. See detail in the Appendix.

(3) Free Cash Flow is a non-GAAP measure. See the reconciliation to net cash provided by operating activities in the Appendix.

(4) Net Leverage is a non-GAAP measure. We are unable to provide a reconciliation of forward-looking Net Leverage Ratio without unreasonable effort because of the uncertainty and potential variability in amount and timing of the reconciling items between GAAP net (loss) income and Adjusted EBITDA, which is a component of Net Leverage Ratio. We are unable to provide a reconciliation of forward looking Adjusted EBITDA without unreasonable effort because of the uncertainty and potential variability in amount and timing of our restructuring, asset impairment and other related charges, non cash pension income or expense, unrealized gains or losses on derivatives and foreign exchange gains or losses on cash, which are reconciling items between GAAP net (loss) income and Adjusted EBITDA and could significantly impact GAAP results.



Q&A and Conclusion



Invest with Pactiv Evergreen



- 1** Market leading positions in growing, recession-resilient consumer end markets
- 2** Broad product and substrate offerings and longstanding partnerships with blue chip customers
- 3** Innovative and sustainable products expected to boost Adj. EBITDA growth
- 4** Experienced leadership team driving strategic transformation
- 5** Applying strong Adj. EBITDA and FCF profile to reduce leverage

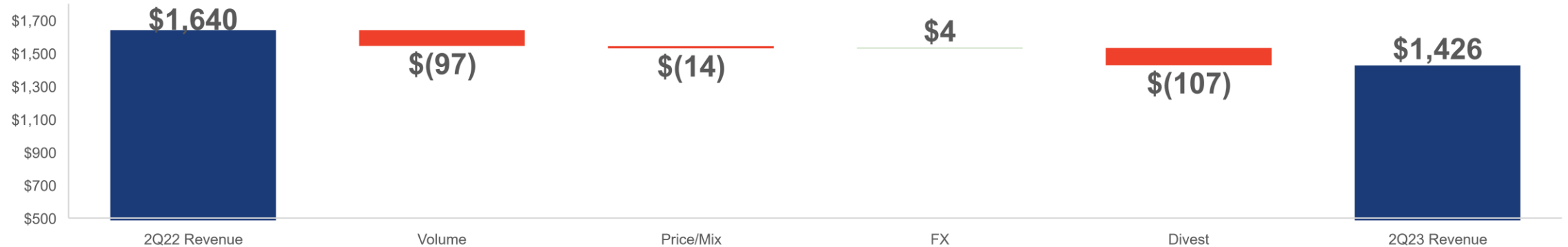


Appendix

Revenue & Adjusted EBITDA⁽¹⁾ Bridges 2Q 2023 vs 2Q 2022

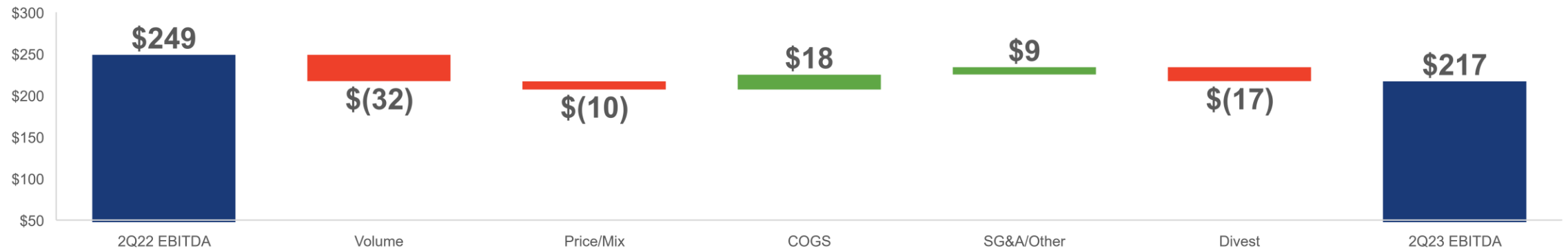
Revenue

(in millions)



Adjusted EBITDA⁽¹⁾

(in millions)

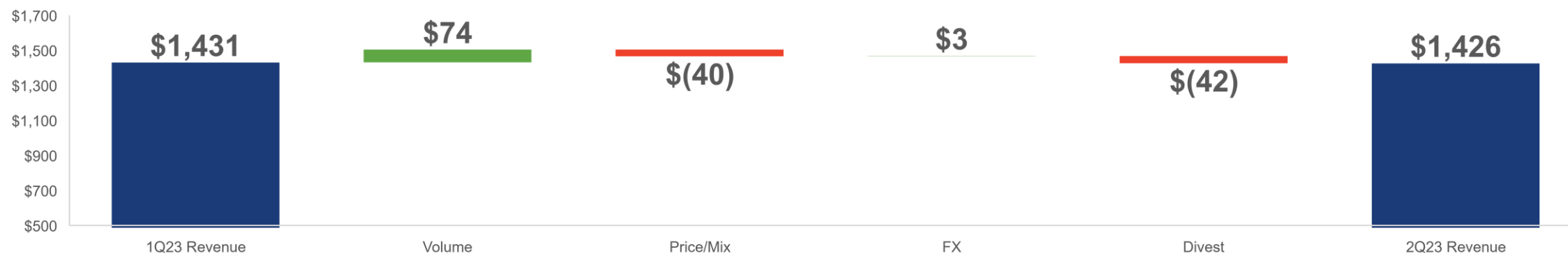


(1) Adjusted EBITDA is a non-GAAP measure. See the reconciliation of net income (loss) to Adjusted EBITDA in this Appendix.

Revenue & Adjusted EBITDA⁽¹⁾ Bridges 2Q 2023 vs 1Q 2023

Revenue

(in millions)



Adjusted EBITDA⁽¹⁾

(in millions)



(1) Adjusted EBITDA is a non-GAAP measure. See the reconciliation of net income (loss) to Adjusted EBITDA in this Appendix.

Reconciliation to 2023 Free Cash Flow Outlook

(\$ in millions)		<u>Range</u>
Adjusted EBITDA ⁽¹⁾	\$775	\$800
Interest		~(250)
Taxes		~(70)
Change in WC	150	170
Other ⁽²⁾		~10
Restructuring charges ⁽³⁾	(130)	(120)
Net cash provided by operating activities	485	540
CapEx		~(280)
Free Cash Flow	\$205	\$260
Net Leverage Ratio⁽⁴⁾		~ 4.3x

(1) We are unable to provide a reconciliation of forward-looking Adjusted EBITDA without unreasonable effort because of the uncertainty and potential variability in amount and timing of our restructuring, asset impairment and other related charges, non-cash pension income or expense, unrealized gains or losses on derivatives and foreign exchange gains or losses on cash, which are reconciling items between GAAP net (loss) income and Adjusted EBITDA and could significantly impact GAAP results.

(2) Other includes non-cash compensation-related items.

(3) Expected restructuring charge impact in 2023.

(4) We are unable to provide a reconciliation of forward-looking Net Leverage Ratio without unreasonable effort because of the uncertainty and potential variability in amount and timing of the reconciling items between GAAP net (loss) income and Adjusted EBITDA referred to in footnote (1), as Adjusted EBITDA is a component of Net Leverage Ratio.

Beverage Merchandising Restructuring: Estimated Financial Impacts

(in millions)	Range ⁽¹⁾		Timing
Non-cash			
Accelerated property, plant and equipment depreciation	\$280	\$280	2023 - 2024
Other non-cash impairment charges	45	50	2023
Total non-cash	\$325	\$330	2023 - 2024
Cash			
Exit, disposal and other transition costs	\$85	\$115	2023 - 2024
Severance, termination and related costs	45	45	2023 - 2024
Total cash	\$130	\$160	2023 - 2024

(1) Amounts exclude any potential impact related to the ongoing strategic review of Pine Bluff and Waynesville.

Reconciliation of Net (Loss) Income to Adjusted EBITDA and Diluted EPS to Adjusted EPS

	For the Three Months Ended					
	June 30, 2023		March 31, 2023		June 30, 2022	
	Net loss to Adjusted EBITDA	Diluted EPS to Adjusted EPS	Net income to Adjusted EBITDA	Diluted EPS to Adjusted EPS	Net income to Adjusted EBITDA	Diluted EPS to Adjusted EPS
Net (loss) income / Diluted EPS (Reported GAAP Measure)	\$ (139)	\$ (0.78)	\$ (133)	\$ (0.76)	\$ 74	\$ 0.40
Income tax (benefit) expense	(8)		(19)		45	
Interest expense, net	64		63		50	
Depreciation and amortization (excluding restructuring-related charges)	82		84		86	
Beverage Merchandising Restructuring charges ⁽¹⁾	216	0.98	187	0.87	—	—
Other restructuring and asset impairment charges (reversals)	1	—	(1)	—	1	—
Loss on sale of businesses and noncurrent assets	1	—	—	—	—	—
Non-cash pension expense ⁽²⁾	3	0.01	1	—	2	0.01
Operational process engineering-related consultancy costs ⁽³⁾	—	—	—	—	1	—
Business integration costs ⁽⁴⁾	—	—	—	—	2	0.01
Unrealized (gains) losses on commodity derivatives	(1)	—	2	0.01	(1)	—
Foreign exchange (gains) losses on cash	(2)	(0.01)	4	0.01	—	—
Executive transition charges ⁽⁵⁾	—	—	—	—	2	0.01
Losses (gains) on legal settlements ⁽⁶⁾	—	—	1	—	(15)	(0.06)
Costs associated with legacy facility ⁽⁷⁾	—	—	—	—	3	0.01
Other	—	—	—	—	(1)	—
Adjusted EBITDA / Adjusted EPS⁽⁸⁾ (Non-GAAP Measure)	\$ 217	\$ 0.20	\$ 189	\$ 0.13	\$ 249	\$ 0.38

(in millions, except per share amounts)

(1) Reflects charges related to the Beverage Merchandising Restructuring, including \$177 million and \$90 million of accelerated depreciation expense for the three months ended June 30, 2023, and March 31, 2023, respectively.

(2) Reflects the non-cash pension expense related to our employee benefit plans.

(3) Reflects the costs incurred to evaluate and improve the efficiencies of our manufacturing and distribution operations.

(4) Reflects integration costs related to Fabri-Kal

(5) Reflects charges relating to key executive retirement and separation agreements.

(6) Reflects losses (gains), net of costs, arising from the settlement of certain historical legal actions.

(7) Reflects costs related to a closed facility that was sold prior to our acquisition of the entity.

(8) Income tax (benefit) expense, interest expense, net and depreciation and amortization (excluding restructuring-related charges) are not adjustments from diluted EPS to calculate Adjusted EPS.

Adjustments were tax effected using the applicable effective income tax rate for each period. For the three months ended June 30, 2023, March 31, 2023 and June 30, 2022, the tax effect of the adjustments were income of \$0.24 per diluted share, income of \$0.20 per diluted share and a loss of \$0.01 per diluted share, respectively. Income tax (benefit) expense, interest expense, net and depreciation and amortization (excluding restructuring-related charges) are not adjustments from diluted EPS to calculate Adjusted EPS.

Reconciliation of Total Debt to Net Debt and LTM Net Income (Loss) to LTM Adjusted EBITDA From Continuing Operations and Derivation of Net Leverage Ratio

(in millions)

Net Debt:	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Total Debt (GAAP)	\$3,840	\$4,022	\$4,136	\$4,233	\$4,237	\$4,243	\$4,250	\$4,247	\$3,935	\$3,918
Less cash and cash equivalents	302	427	531	559	246	283	197	627	350	328
Net Debt (Non-GAAP)	\$3,538	\$3,595	\$3,605	\$3,674	\$3,991	\$3,960	\$4,053	\$3,620	\$3,585	\$3,590

(in millions)

LTM Adjusted EBITDA:	Last Twelve Months Ended										
	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	
Net income (loss) (GAAP)	(\$70)	\$143	\$319	\$326	\$153	\$87	\$33	\$17	(\$128)	(\$154)	
Income tax expense (benefit)	41	94	149	182	90	50	(4)	(43)	12	(36)	
Interest expense, net	246	232	218	208	206	198	191	237	267	311	
Depreciation and amortization (excluding restructuring-related charges)	335	339	339	346	364	355	344	329	299	294	
Beverage Merchandising restructuring charges ⁽¹⁾	403	187	-	-	-	-	-	-	-	-	
Restructuring, asset impairment and other related charges ⁽²⁾	57	57	58	59	2	11	9	18	32	23	
Gain on sale of businesses and noncurrent assets ⁽³⁾	(238)	(239)	(266)	(266)	(27)	(27)	-	(2)	(1)	(1)	
Non-cash pension income ⁽⁴⁾	(37)	(37)	(49)	(65)	(61)	(88)	(101)	(104)	(82)	(76)	
Operational process engineering-related consultancy costs ⁽⁵⁾	5	6	9	12	15	21	21	17	14	8	
Business acquisition and integration costs and purchase accounting adjustments ⁽⁶⁾	-	2	6	19	21	19	15	2	-	-	
Unrealized losses (gains) on commodity derivatives ⁽⁷⁾	11	11	4	6	(3)	1	7	(2)	(4)	(26)	
Foreign exchange losses on cash ⁽⁸⁾	3	4	3	3	3	4	2	2	44	99	
Executive transition charges ⁽⁹⁾	-	2	2	2	2	-	10	10	10	10	
Gain on legal settlement ⁽¹⁰⁾	-	(15)	(15)	(15)	(15)	-	-	-	-	-	
Costs associated with legacy sold facility ⁽¹¹⁾	-	3	6	6	6	3	-	-	-	-	
Strategic review and transaction-related costs ⁽¹²⁾	-	-	-	-	-	-	-	8	32	41	
Related party management fee ⁽¹³⁾	-	-	-	-	-	-	-	-	44	44	
Goodwill impairment charges ⁽¹⁴⁾	-	-	-	-	-	-	-	-	6	6	
Other	4	3	2	-	(1)	2	4	7	5	4	
LTM Adjusted EBITDA (Non-GAAP)	\$760	\$792	\$785	\$823	\$755	\$636	\$531	\$496	\$550	\$547	
Net Leverage Ratio	4.7	4.5	4.6	4.5	5.3	6.2	7.6	7.3	6.5	6.6	

(1) Reflects charges related to the Beverage Merchandising Restructuring, including \$267 million of accelerated depreciation expense in 2023.

(2) Reflects asset impairment, restructuring and other related charges (net of reversals) primarily associated with our decision to exit our remaining closures operations and our closure of Beverage Merchandising's coated groundwood operations.

(3) Reflects the gain from the sale of businesses and noncurrent assets, primarily related to the sale of Beverage Merchandising Asia and our equity interests in Naturepak Beverage Packaging Co. Ltd.

(4) Reflects the non-cash pension income related to our employee benefit plans, including settlement gains.

(5) Reflects the costs incurred to evaluate and improve the efficiencies of our manufacturing and distribution operations.

(6) Reflects amounts related to the acquisition of Fabri-Kal.

(7) Reflects the mark-to-market movements in our commodity derivatives.

(8) Reflects foreign exchange losses on cash, primarily on U.S. dollar amounts held in non-U.S. dollar functional currency entities.

(9) Reflects charges relating to key executive retirement and separation agreements in the second quarter of 2022.

(10) Reflects the gain, net of costs, arising from the settlement of legal actions.

(11) Reflects costs related to a closed facility, sold prior to our acquisition of the entity.

(12) Reflects costs incurred for strategic reviews of our businesses, primarily in anticipation of and in connection with the IPO, as well as other costs related to the IPO that cannot be offset against the proceeds of the IPO.

(13) Reflects the related party management fee charged by Rank to us. Following our IPO, we were no longer charged the related party management fee.

(14) Reflects goodwill impairment charges in respect of our remaining closures operations.

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

(in millions)	For the Three Months Ended		
	June 30, 2022	March 31, 2023	June 30, 2023
Net cash provided by operating activities (GAAP)	\$46	\$88	\$127
Capital expenditures	(64)	(63)	(53)
Free Cash Flow (Non-GAAP)	(\$18)	\$25	\$74

Reconciliation of Recast Segment Net Revenues and Adj. EBITDA to Previously Reported Consolidated Net Revenues and Adj. EBITDA

(in millions)	Food and Beverage			Unallocated /	Consolidated
	Foodservice	Merchandising	Other	Intersegment Eliminations	
<u>For the Year Ended December 31, 2022</u>					
Net revenues	\$2,748	\$3,549	\$81	(\$158)	\$6,220
Adjusted EBITDA	\$463	\$412	\$2	(\$92)	\$785
<u>For the Year Ended December 31, 2021</u>					
Net revenues	\$2,305	\$3,126	\$102	(\$96)	\$5,437
Adjusted EBITDA	\$290	\$277	\$7	(\$43)	\$531
<u>For the Three Months Ended March 31, 2023</u>					
Net revenues	\$614	\$850	\$2	(\$35)	\$1,431
Adjusted EBITDA	\$106	\$101	\$ -	(\$18)	\$189
<u>For the Three Months Ended December 31, 2022</u>					
Net revenues	\$633	\$872	\$6	(\$35)	\$1,476
Adjusted EBITDA	\$85	\$109	(\$1)	(\$26)	\$167
<u>For the Three Months Ended September 30, 2022</u>					
Net revenues	\$713	\$920	\$26	(\$50)	\$1,609
Adjusted EBITDA	\$107	\$102	\$1	(\$23)	\$187
<u>For the Three Months Ended June 30, 2022</u>					
Net revenues	\$749	\$906	\$27	(\$42)	\$1,640
Adjusted EBITDA	\$161	\$111	\$2	(\$25)	\$249
<u>For the Three Months Ended March 31, 2022</u>					
Net revenues	\$653	\$851	\$22	(\$31)	\$1,495
Adjusted EBITDA	\$110	\$90	\$ -	(\$18)	\$182



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