



3Q21 Investor Presentation

Results Through September 30, 2021

November 4, 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, executive transition charges and business acquisition costs.

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



Agenda

1. Key Business Takeaways & Q3 Highlights
2. Business Update
3. Q3 2021 Financial Performance
4. 2021 Outlook
5. Conclusion / Q&A





Key Takeaways & Q3 Highlights



Key Takeaways

- **3Q21 Net Sales were up 17% y/y led by stronger sales across all segments:** Foodservice sales up 26% y/y, Food Merchandising sales up 10% y/y and Beverage Merchandising sales up 12% y/y
- **Volume recovery continued with total volumes up 3%** in the quarter vs the prior year period. Volume recovery was led by Beverage Merchandising vol up 9% along with Foodservice up 5% while Food Merchandising volume was down -6% y/y due to continued labor challenges
- As expected, **Adj. EBITDA margins were pressured in the quarter due to raw materials inflation pressure and labor challenges.** We continue to take pricing actions (Price/Mix +14% y/y) and execute hiring initiatives to address near term challenges and expect margins to improve over the coming quarters
- Announced and closed the acquisition of Fabri-Kal ⁽¹⁾
- Announced agreement to sell Beverage Merchandising's Middle East business ⁽²⁾
- Closure of CGW business line substantially completed ⁽³⁾

(1) Fabri-Kal acquisition announced on Sept 8th, 2021 and closed on Oct 1st 2021

(2) Announced Oct 12th, 2021

(3) CGW business closure mostly completed by Oct 31st, 2021



Continuing themes of volume recovery and pressure from raw materials

Q3 2021 Highlights

- Net revenue of \$1,394mn
 - Up 17% vs 3Q20
 - Total volume was up 3% y/y for 3Q21 due to continued volume recovery
 - Price/mix up 14% y/y for 3Q21 due to raw materials cost pass through along with additional pricing initiatives
- Net income from continuing operations of \$2mn
 - EPS from continuing operations \$0.01
- Adjusted EBITDA ⁽¹⁾ of \$119mn
 - Labor challenges and raw materials inflation pressure impacted pace of EBITDA margin recovery
- Announced and closed the acquisition of Fabri-Kal ⁽²⁾

\$1,394 million
of Net Revenue

\$119 million
of Adjusted EBITDA⁽¹⁾

\$51 million
of Free Cash Flow⁽¹⁾

(1) Adjusted EBITDA and free cash flow are non-GAAP financial measures. See slide 22 for a reconciliation to the most comparable GAAP measure.

(2) Fabri-Kal acquisition announced on Sept 8th, 2021 and closed on Oct 1st 2021



September YTD 2021 Highlights

- Net revenue of \$3,910mn
 - Up 11% vs YTD20 due to increased pricing and strong volume recovery
- Net loss from continuing operations of \$1mm
 - EPS from continuing operations (\$0.01)
- Adjusted EBITDA ⁽¹⁾ of \$326mn
 - YTD21 Adj. EBITDA impacted y/y by \$50mn from Winter Storm Uri
- Our SIP is on track and delivered \$58mn of Adjusted EBITDA ⁽¹⁾ benefit as of Sept YTD

\$3,910 million
of Net Revenue

\$326 million
of Adjusted EBITDA⁽¹⁾

\$127 million
of Free Cash Flow⁽¹⁾

(1) Adjusted EBITDA and free cash flow are non-GAAP financial measures. See slide 22 for a reconciliation to the most comparable GAAP measure.



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

Executed water stress analysis for all company locations to support performance improvement prioritization

Initiated GHG emissions analysis for paper mills to identify improvement opportunities

Launched 6 new sustainable SKUs in Q3 2021
Over 100 new products since 2019

Finalized systematic on-product labeling of third-party certified compostable products

Maintained all safety metrics below or at tolerances for Q3 2021
Overall safety performance over 3x better than industry average

Publicly submitted Carbon Disclosure Project (CDP) questionnaire on climate change
Additional submissions on forests, water

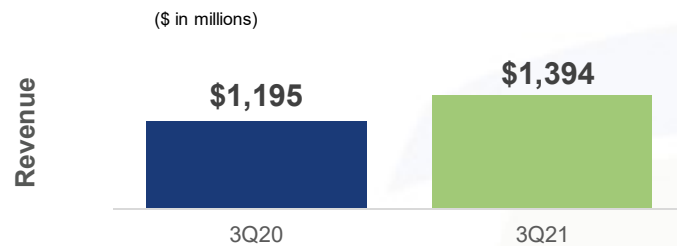
Learn more at investors.pactivevergreen.com/esg-documents



Q3 2021 Financial Performance

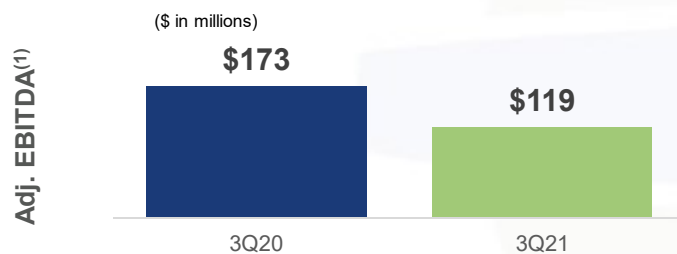


3Q 2021 Financial Performance



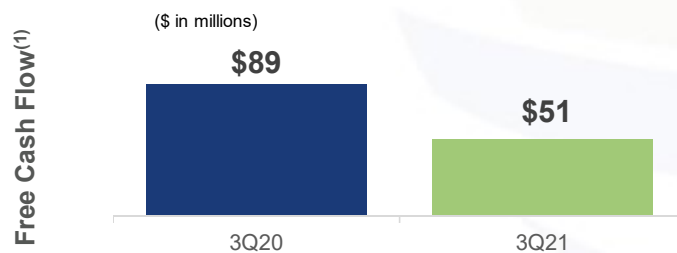
- **Q3 2021 revenue up 17% year-over-year**

- Volume recovery continues with up 3% vs 3Q20
- Price/mix up 14% as price increases related to raw materials pass through and pricing initiatives take hold



- **Q3 2021 Adj. EBITDA⁽¹⁾ down 31% year-over-year**

- Adj. EBITDA was down y/y due to higher manufacturing, logistics and material costs, net of higher costs passed through to customers, partially offset by higher sales volume due to the continued economic recovery from the COVID-19 pandemic.



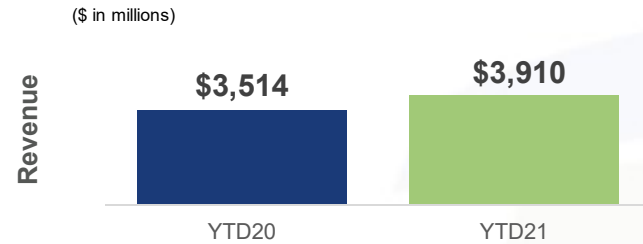
- **Free Cash Flow⁽¹⁾ down 43% year-over year**

- Driven by lower Adj. EBITDA

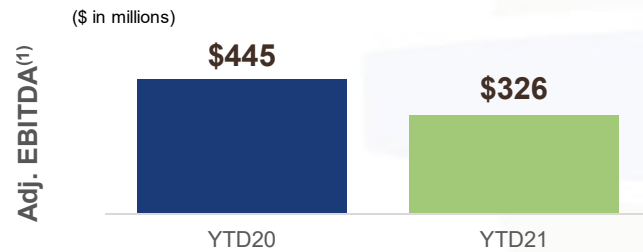
(1) Adjusted EBITDA and free cash flow are non-GAAP financial measures. See slide 22 for a reconciliation to the most comparable GAAP measure.



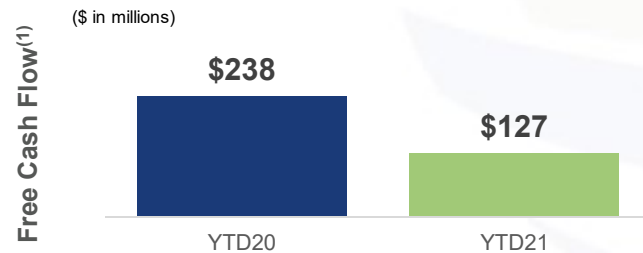
Q3 YTD 2021 Financial Performance



- YTD 2021 revenue up 11% year-over-year (includes 1% FX benefit)
 - Volume up 5% y/y due to higher demand as economy recovers
 - Price/Mix up 5% y/y due to higher material costs passed through to customers within Foodservice and Food Merchandising segments



- YTD 2021 Adj. EBITDA⁽¹⁾ down 27% year-over-year
 - Adj. EBITDA was impacted by higher manufacturing, logistics and material costs, net of higher costs passed through to customers along with additional costs related to Winter Storm Uri



- Free Cash Flow⁽¹⁾ down 47% year-over year
 - Driven by lower Adjusted EBITDA⁽¹⁾

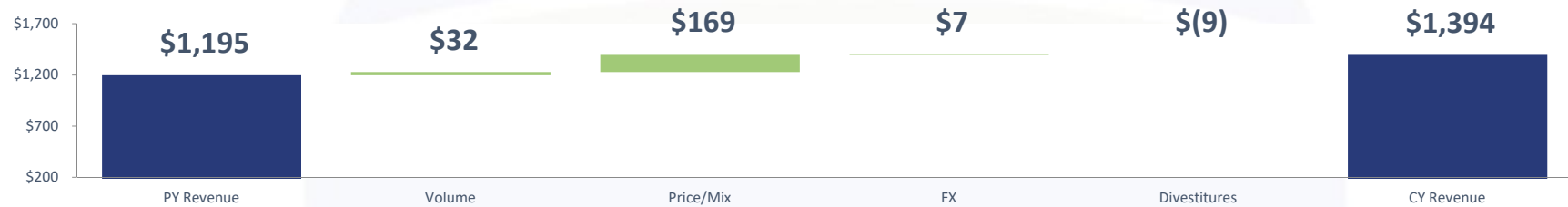
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Q3 Revenue & Adjusted EBITDA⁽¹⁾ Bridge

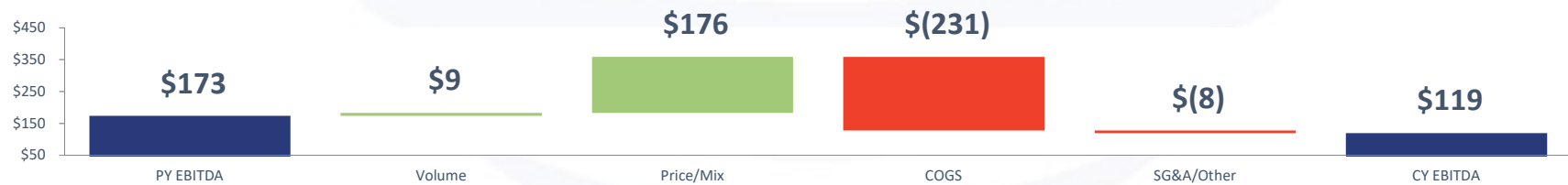
Revenue

(\$ in millions)



Adjusted EBITDA⁽¹⁾

(\$ in millions)



(1) Adjusted EBITDA is a non-GAAP financial measure. See slide 22 for a reconciliation to the most comparable GAAP measure.

Pactiv Evergreen Quarterly Highlights – By Segment

(\$ in millions)	Foodservice		
	Q3 2021	Q3 2020	YoY %
Net Revenue	\$594	\$473	26%
Adjusted EBITDA	\$64	\$81	(21%)

- **Foodservice revenue up 26%**

- Steady volume recovery with vol up 5% y/y
- Price/mix up 21% y/y primarily due to higher raw material costs pass through and price initiatives

- **Adj. EBITDA down 21% to \$64mn**

- Decrease was primarily due to higher manufacturing, logistics and material costs, net of higher costs passed through to customers, partially offset by higher sales volume

(\$ in millions)	Food Merchandising		
	Q3 2021	Q3 2020	YoY %
Net Revenue	\$391	\$354	10%
Adjusted EBITDA	\$49	\$72	(32%)

- **Food Merchandising revenue up 10%**

- Sales volume down -6% y/y primarily due to labor shortages
- Price/mix up 15% y/y primarily due to higher raw material costs pass through and price initiatives

- **Adj. EBITDA down 32% to \$49mn**

- Decrease was primarily due to higher manufacturing costs, lower sales volume and higher logistics and material costs, net of higher costs passed through to customers volume

(\$ in millions)	Beverage Merchandising		
	Q3 2021	Q3 2020	YoY %
Net Revenue	\$403	\$361	12%
Adjusted EBITDA	\$16	\$24	(33%)

- **Beverage Merchandising revenue up 12%**

- Strong volume recovery of 9% y/y due to market recovery from COVID-19
- Price/mix up 3%

- **Adj. EBITDA down 33% to \$16mn**

- The decrease was primarily driven by higher material, manufacturing and logistics costs, partially offset by higher sales volume and favorable pricing and customer mix along with additional costs related to Tropical Storm Fred





2021 Outlook



2021 Outlook

FY 2021 Adj. EBITDA:
\$550mn

- End market demand remains healthy
- Volume recovery expected to continue but remain muted due to labor challenges
- We are currently forecasting price/mix to be up over \$200M y/y in 4Q21 which will help offset higher raw material and logistics costs and deliver on our current full year guidance.
- Fabri-Kal acquisition integration initiated
- Business review of Beverage Merchandising remains on track

Continued Focus Areas

- Servicing our customers
- Volume and optimal production out of plants
- Pricing initiatives to recover raw material costs and improve margins
- Recruitment initiatives to address labor shortages
- Mill operational improvements
- Integration of Fabri-Kal acquisition

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Volume recovery and pricing actions continue but raw materials inflation and labor concerns remain





Conclusion & Q&A



Appendix

Pactiv Evergreen Q3 YTD Highlights – By Segment

(\$ in millions)

	Foodservice		
	September YTD 2021	September YTD 2020	YoY %
Net Revenue	\$1,619	\$1,351	20%
Adjusted EBITDA	\$187	\$170	10%

- **Foodservice revenue up 20%**

- Volumes improved, up 10% vs YTD 2020
- Price/mix up 9%
- FX up 1%

- **Adj. EBITDA up 10%, \$17mn**

- Up due to higher sales volume and favorable pricing, partially offset by higher material costs, net of higher costs passed through to customers, and higher manufacturing and logistics costs

(\$ in millions)

	Food Merchandising		
	September YTD 2021	September YTD 2020	YoY %
Net Revenue	\$1,121	\$1,046	7%
Adjusted EBITDA	\$163	\$186	(12%)

- **Food Merchandising revenue up 7%**

- Sales volume down -2%
- Price/mix up 8%
- FX up 1%

- **Adj. EBITDA down 12%, -\$23mn**

- Decrease was primarily due to higher manufacturing, logistics and material costs, net of higher costs passed through to customers

(\$ in millions)

	Beverage Merchandising		
	September YTD 2021	September YTD 2020	YoY %
Net Revenue	\$1,147	\$1,106	4%
Adjusted EBITDA	(\$1)	\$112	NM

- **Beverage Merchandising revenue up 4%**

- Sales volume up 5%
- Price/mix down -2%
- FX up 1%

- **Adj. EBITDA down -\$113mn**

- Decrease was primarily driven higher manufacturing costs, impact of Winter Storm Uri and Tropical Storm Fred, and higher material and logistics costs, partially offset by higher sales volume

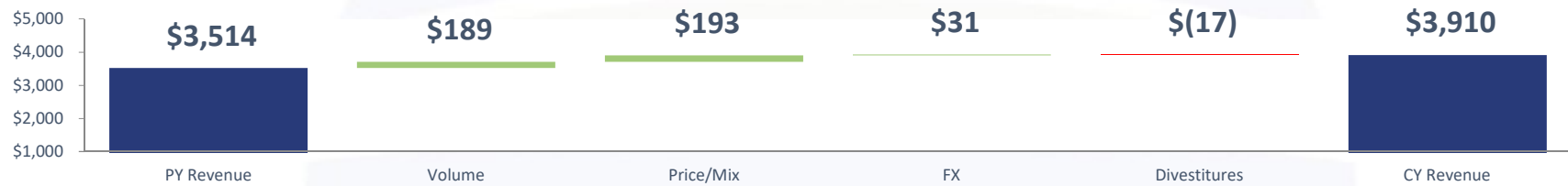
NM – not meaningful



Q3 YTD Revenue & Adjusted EBITDA⁽¹⁾ Bridge

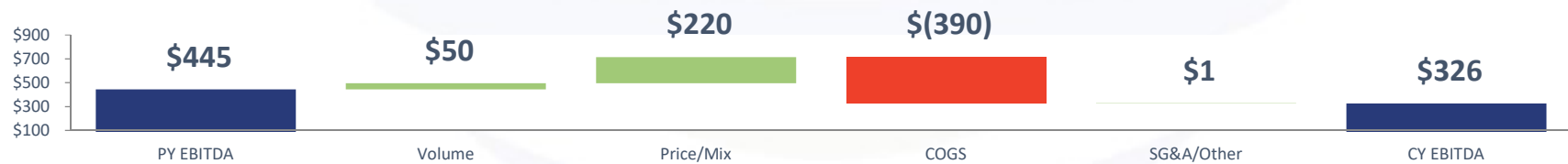
Revenue

(\$ in millions)



Adjusted EBITDA⁽¹⁾

(\$ in millions)



(1) Adjusted EBITDA is a non-GAAP financial measure. See slide 22 for a reconciliation to the most comparable GAAP measure.

Condensed Consolidated Statements of Income (Loss)

(\$ in millions)

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Net revenues	\$ 1,394	\$ 1,195	\$ 3,910	\$ 3,514
Costs and expenses	(1,395)	(1,127)	(3,894)	(3,340)
Other income, including restructuring, impairment, other related charges and non-operating income	47	(82)	98	(22)
Interest expense, net	(57)	(87)	(141)	(275)
Loss from continuing operations before tax	(11)	(101)	(27)	(123)
Income tax benefit (expense)	13	(42)	26	95
Income (loss) from continuing operations	2	(143)	(1)	(28)
Loss from discontinued operations, net of income taxes	(2)	(216)	(6)	(234)
Net Loss	-	(359)	(7)	(262)
Income attributable to non-controlling interests	-	-	(1)	(1)
Net income (loss) attributable to Pactiv Evergreen Inc. common shareholders	\$ -	\$ (359)	\$ (8)	\$ (263)
Net income (loss) per share from continuing operations:				
Basic	\$ 0.01	\$ (1.03)	\$ (0.01)	\$ (0.22)
Diluted	\$ 0.01	\$ (1.03)	\$ (0.01)	\$ (0.22)

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

(\$ in millions)

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
Net income (loss) from continuing operations	\$ 2	\$ (143)	\$ (1)	\$ (28)
Income tax (benefit) expense	(13)	42	(26)	(95)
Interest expense, net	57	87	141	275
Depreciation and amortization	103	73	253	213
Goodwill impairment charges	-	6	-	6
Restructuring, asset impairment and other related charges (net of reversals)	-	14	8	18
Loss on sale of business and noncurrent assets	-	1	-	1
Non-cash pension income	(40)	(18)	(88)	(55)
Operational process engineering-related consultancy costs	6	3	16	12
Related party management fee	-	44	-	49
Strategic review and transaction-related costs	-	24	-	39
Foreign exchange losses (gains) on cash	-	42	1	14
Unrealized losses (gains) on derivatives	1	(1)	5	(3)
Executive transition charges	-	-	10	-
Business acquisition costs	2	-	2	-
Other	1	(1)	5	(1)
Adjusted EBITDA	\$ 119	\$ 173	\$ 326	\$ 445
Capital expenditures from continuing operations	(68)	(84)	(199)	(207)
Free Cash Flow	\$ 51	\$ 89	\$ 127	\$ 238

Strategic Investment Program

Categories	Benefit as of 12/31/19 (\$ in millions)	Benefit as of 12/31/20 (\$ in millions)	Benefit as of 09/30/21 (\$ in millions)	Total Targeted Payback	Capex Spend Through 09/30/21 (\$ in millions)	Total Program Capex
Business growth (including Evergreen Integration)	\$18	\$38	\$62	~1.5 Years	\$187	\$187
New product and material innovations	\$15	\$22	\$29	~2.0 Years	\$73	\$105
Automation	\$16	\$27	\$34	~2.0 Years	\$87	\$81
Digital Transformation	\$5	\$7	\$9	~2.5 Years	\$195	\$288
Integrated Supply Chain	—	\$9	\$13	~2.0 Years		
Cost reduction	\$3	\$18	\$32	~4.5 Years		
Total	\$56	\$121	\$179	~2.0 to ~2.5 Years	\$542	\$661

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