



4Q21 Investor Presentation

Results Through December 31, 2021

February 24, 2022



Important Information

Forward-Looking Statements and Other Information

This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. 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, 2020 filed with the Securities and Exchange Commission, or SEC, our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021, June 30, 2021 and September 30, 2021 filed with the SEC and our Annual Report on Form 10-K for the year ended December 31, 2021 to be filed with the SEC.

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 from continuing operations and free cash flow, which are non-GAAP financial measures.

We define Adjusted EBITDA as our net income (loss) from continuing operations 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 or losses on the sale of businesses and noncurrent assets, non-cash pension income or expense, operational process engineering-related consultancy costs, business acquisition costs and purchase accounting adjustments, unrealized gains or losses on derivatives, foreign exchange gains or losses on cash, executive transition charges, goodwill impairment charges, related party management fees and strategic review and transaction-related costs. All references to Adjusted EBITDA in this presentation are to Adjusted EBITDA from continuing operations. We define free cash flow as Adjusted EBITDA less capital expenditures.

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

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



Today's Presenters



Michael King
President and Chief Executive Officer



Mike Ragen
Chief Financial Officer



Agenda

1. Q4 Highlights
2. Q4 2021 Financial Performance
3. Actions Review & 2022 Outlook
4. Conclusion & Q&A





Q4 Highlights



Q4 2021 Highlights

- Net revenue of \$1,527mn
 - Up 30% vs 4Q20
 - Price/mix up 23% y/y for 4Q21 due to material costs passed through to customers and other pricing actions across all segments
 - Benefit from the acquisition of Fabri-Kal
- Net income of \$34mn up 89% vs \$18mn in 4Q20
 - Diluted EPS of \$0.19
 - Lower interest expense, driven by lower average debt and debt extinguishment costs, and higher gross profit driven by favorable pricing, partially offset by an increase in tax expense
- Adjusted EBITDA⁽¹⁾ of \$205mn up 21% vs \$170mn in 4Q20 and up 72% vs 3Q21
 - Favorable pricing, partially offset by higher material, logistics and manufacturing costs

\$1,527 million
of Net Revenue

\$205 million
of Adjusted EBITDA⁽¹⁾

\$122 million
of Free Cash Flow⁽¹⁾

(1) Adjusted EBITDA and free cash flow are non-GAAP measures. See the reconciliation of net income (loss) to Adjusted EBITDA and free cash flow in the Appendix.



December FY 2021 Highlights

- Net revenue of \$5,437mn
 - Up 16% vs FY20 due to increased pricing, higher sales volume, the acquisition of Fabri-Kal
- Net income of \$33mn
 - Diluted EPS of \$0.17
- Adjusted EBITDA⁽¹⁾ of \$531mn
 - Down 14% vs FY20 due to higher manufacturing, logistics and material costs partially offset by higher sales volume and prices
 - FY21 Adjusted EBITDA⁽¹⁾ impacted y/y by \$50mn from Winter Storm Uri

\$5,437 million
of Net Revenue

\$531 million
of Adjusted EBITDA⁽¹⁾

\$249 million
of Free Cash Flow⁽¹⁾

(1) Adjusted EBITDA and free cash flow are non-GAAP measures. See the reconciliation of net income (loss) to Adjusted EBITDA and free cash flow in the Appendix.

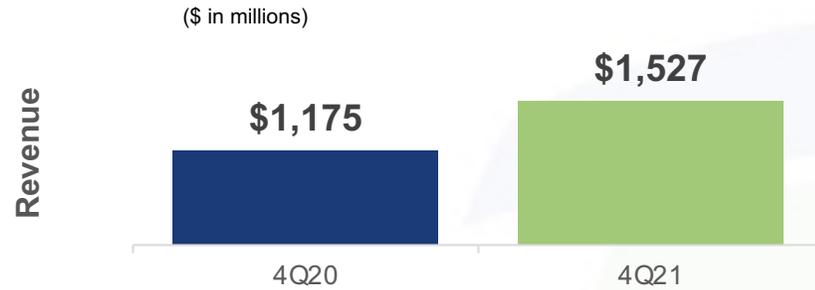




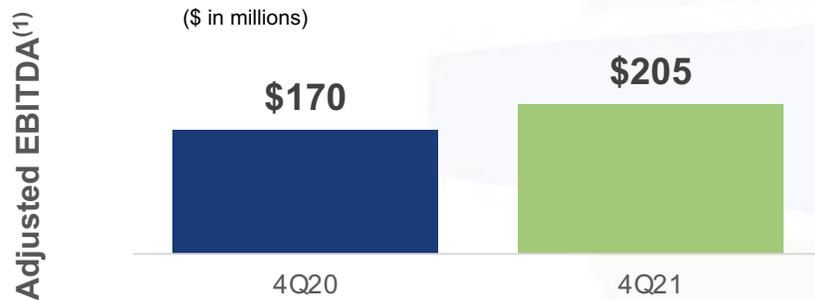
Q4 2021 Financial Performance



4Q 2021 Financial Performance



- **Q4 2021 revenue up 30% y/y**
 - Price/mix up 23% primarily related to higher material costs passed through to customers and the acquisition of Fabri-Kal



- **Q4 2021 Adjusted EBITDA⁽¹⁾ up 21% y/y**
 - Adjusted EBITDA⁽¹⁾ was up y/y primarily due to favorable pricing, partially offset by higher material, logistics and manufacturing costs



- **Free Cash Flow⁽¹⁾ up 28% y/y**
 - Driven by higher Adjusted EBITDA⁽¹⁾

(1) Adjusted EBITDA and free cash flow are non-GAAP measures. See the reconciliation of net income (loss) to Adjusted EBITDA and free cash flow in the Appendix.



FY 2021 Financial Performance



- **FY 2021 revenue up 16% y/y**

- Price/Mix up 10% y/y primarily due to higher material costs passed through to customers within Foodservice and Food Merchandising segments
- Volume up 4% y/y due to higher demand as markets recover from the COVID-19



- **FY 2021 Adjusted EBITDA⁽¹⁾ down 14% y/y**

- Adjusted EBITDA⁽¹⁾ was impacted by higher material, logistics and manufacturing costs, net of higher costs passed through to customers, partially offset by higher sales volume



- **Free Cash Flow⁽¹⁾ down 25% y/y**

- Driven by lower Adjusted EBITDA⁽¹⁾

(1) Adjusted EBITDA and free cash flow are non-GAAP measures. See the reconciliation of net income (loss) to Adjusted EBITDA and free cash flow in the Appendix.



Q4 2021 Revenue & Adjusted EBITDA⁽¹⁾ Bridge

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 the Appendix.

Pactiv Evergreen Quarterly Highlights – By Segment

(\$ in millions)	Foodservice		
	Q4 2021	Q4 2020	YoY %
Net Revenue	\$722	\$460	57%
Adjusted EBITDA	\$104	\$71	46%

(\$ in millions)	Food Merchandising		
	Q4 2021	Q4 2020	YoY %
Net Revenue	\$410	\$350	17%
Adjusted EBITDA	\$69	\$66	5%

(\$ in millions)	Beverage Merchandising		
	Q4 2021	Q4 2020	YoY %
Net Revenue	\$412 ⁽¹⁾	\$363 ⁽²⁾	13%
Adjusted EBITDA	\$45	\$36	25%

(1) Includes \$38 million of net intersegment sales.

(2) Includes \$25 million of net intersegment sales.

- **Foodservice revenue up 57%**

- Price/mix up 30% y/y primarily due to higher material costs passed through to customers
- Steady volume recovery up 4% y/y
- Up 23% due to acquisition of Fabri-Kal

- **Adjusted EBITDA up 46% to \$104mn**

- Increase was primarily due to favorable pricing and the impact of Fabri-Kal acquisition, partially offset by higher material and manufacturing costs

- **Food Merchandising revenue up 17%**

- Price/mix up 24% y/y primarily due to higher material costs passed through to customers
- Volume down 7% y/y primarily due to labor shortages

- **Adjusted EBITDA up 5% to \$69mn**

- Increase was primarily due to favorable pricing, partially offset by higher material and manufacturing costs as well as lower sales volume

- **Beverage Merchandising revenue up 13%**

- Price/mix up 10% y/y primarily due to higher material costs passed through to customers and favorable customer mix
- Volume recovery of 3% y/y due to market recovery from COVID-19

- **Adjusted EBITDA up 25% to \$45mn**

- Increase was primarily driven by favorable pricing, lower manufacturing and higher sales volume, partially offset by higher material and logistics costs





Actions Review & 2022 Outlook



Review of Recent Actions

- Additional pricing actions to help offset inflationary pressures
- Beverage Merchandising Strategic Review:
 - Improved mill operations
 - Completed exit of Coated Groundwood business
 - Announced sale of 50% interest in Naturepak Beverage Packaging
 - Announced sale of carton packaging and filling business in China, Korea and Taiwan
- Fabri-Kal:
 - Acquisition closed
 - Integration on track
- Actions to strengthen the Company:
 - Completed one pension lift out and announced a second to reduce pension variability and risk
 - Refinanced and extended maturity of debt
 - Continued progress on sustainability goals



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 formal executive compensation practices
- Ensure strict and transparent audit processes
- Foster a culture of integrity and ethics

Quarterly Highlights

Increased certified fiber use from 30% in 2020 to 32% in 2021

Initiated implementation of operational sustainability metrics management system

Incorporating data from legacy Fabri-Kal facilities to inform future goals

Started work to align sustainable product portfolios following Fabri-Kal acquisition

Committed to increased funding that supports expanded access to recycling and composting

Improved overall safety performance in 2021

Reductions by 19% and 24% for TCR and LTRTCR respectively compared to 2020

Implemented new PTO policy
Provides employees with greater flexibility and supports mental and personal wellbeing

Released additional ESG disclosures, providing enhanced transparency for all stakeholders and resulting in improved grades/scores/ratings

2022 Outlook

FY 2022 Adj. EBITDA⁽¹⁾ : \$705mn

This guidance reflects the following key assumptions:

- Continued pricing initiatives across all three businesses
- Continued inflationary pressures and labor challenges in 1H22 moderating into 2H22
- Moderate volume growth due to tougher comps
- Normalization of inventories to improve service and reliability
- Full year contribution from the Fabri-Kal acquisition
- Scheduled mill outages in 2H22

(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 gains on the sale of businesses, 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 income (loss) and Adjusted EBITDA and could significantly impact GAAP results.

We expect volume recovery and pricing actions to continue but inflation and labor concerns remain





Conclusion & Q&A



Appendix

Pactiv Evergreen FY Highlights – By Segment

(\$ in millions)

	Foodservice		
	FY 2021	FY 2020	YoY %
Net Revenue	\$2,341	\$1,811	29%
Adjusted EBITDA	\$291	\$241	21%

(\$ in millions)

	Food Merchandising		
	FY 2021	FY 2020	YoY %
Net Revenue	\$1,531	\$1,396	10%
Adjusted EBITDA	\$232	\$252	(8%)

(\$ in millions)

	Beverage Merchandising		
	FY 2021	FY 2020	YoY %
Net Revenue	\$1,559 ⁽¹⁾	\$1,469 ⁽²⁾	6%
Adjusted EBITDA	\$44	\$148	(70%)

- (1) Includes \$96 million of net intersegment sales.
 (2) Includes \$101 million of net intersegment sales.

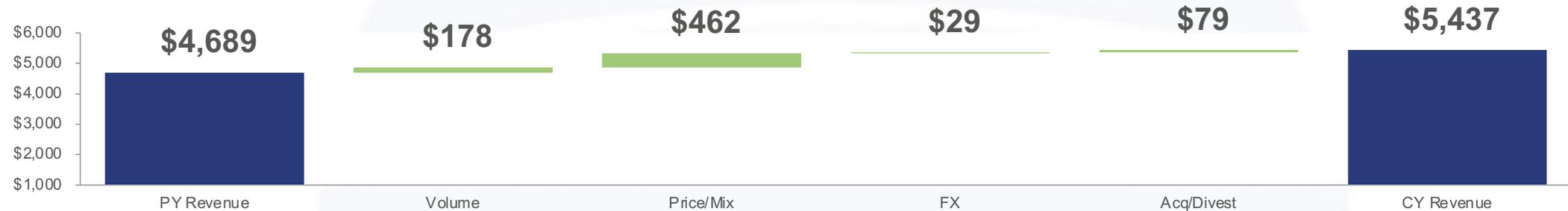
- Foodservice revenue up 29%**
 - Volume up 8%
 - Price/mix up 14%
 - Up 6% due to acquisition of Fabri-Kal
- Adjusted EBITDA up 21%, \$50mn**
 - Increase was primarily due to favorable pricing and higher sales volume, partially offset by higher material, manufacturing and logistics costs
- Food Merchandising revenue up 10%**
 - Volume down 3%
 - Price/mix up 12%
- Adjusted EBITDA down 8%, -\$20mn**
 - Decrease was primarily due to higher material costs, net of higher costs passed through to customers, higher manufacturing and logistics costs and lower sales volume
- Beverage Merchandising revenue up 6%**
 - Volume up 4%
 - Price/mix up 2%
- Adjusted EBITDA down 70%, -\$104mn**
 - Decrease was primarily driven higher material, manufacturing and logistics costs, partially offset by favorable pricing and higher sales volume. Manufacturing costs included costs related to Winter Storm Uri (\$37M) and Tropical Storm Fred (\$7M).



FY Revenue & Adjusted EBITDA⁽¹⁾ Bridge

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 the Appendix.

Condensed Consolidated Statements of Income (Loss)

(\$ in millions)

	For the three months ended December 31,		For the twelve months ended December 31,	
	2021	2020	2021	2020
Net Revenues	\$ 1,527	\$ 1,175	\$ 5,437	\$ 4,689
Costs and expenses	(1,435)	(1,099)	(5,329)	(4,439)
Other income, including restructuring, impairment, other related charges and non-operating income	14	21	112	(1)
Interest expense, net	(50)	(96)	(191)	(371)
Income (loss) from continuing operations before tax	56	1	29	(122)
Income tax (expense) benefit	(22)	17	4	112
Income (loss) from continuing operations	34	18	33	(10)
Income (loss) from discontinued operations, net of income taxes	(2)	219	(8)	(15)
Net income (loss)	32	237	25	(25)
Income attributable to non-controlling interests	(1)	(1)	(2)	(2)
Net income (loss) attributable to Pactiv Evergreen Inc. common shareholders	\$ 31	\$ 236	\$ 23	\$ (27)
Net income (loss) per share from continuing operations:				
Basic	\$ 0.19	\$ 0.10	\$ 0.17	\$ (0.08)
Diluted	\$ 0.19	\$ 0.10	\$ 0.17	\$ (0.08)

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

(\$ in millions)

	For the three months ended December 31,		For the twelve months ended December 31,	
	2021	2020	2021	2020
Net income (loss) from continuing operations (GAAP)	\$ 34	\$ 18	\$ 33	\$ (10)
Income tax expense (benefit)	22	(17)	(4)	(112)
Interest expense, net	50	96	191	371
Depreciation and amortization	91	76	344	289
Restructuring, asset impairment and other related charges ⁽¹⁾	1	10	9	28
Gain on sale of business and noncurrent assets ⁽²⁾	-	(2)	-	(1)
Non-cash pension income ⁽³⁾	(13)	(16)	(101)	(71)
Operational process engineering-related consultancy costs ⁽⁴⁾	5	1	21	13
Business acquisition costs and purchase accounting adjustments ⁽⁵⁾	13	-	15	-
Unrealized losses (gains) on derivatives ⁽⁶⁾	2	(7)	7	(10)
Foreign exchange losses on cash ⁽⁷⁾	1	1	2	15
Executive transition charges ⁽⁸⁾	-	-	10	-
Goodwill impairment charges ⁽⁹⁾	-	-	-	6
Related party management fee ⁽¹⁰⁾	-	-	-	49
Strategic review and transaction-related costs ⁽¹¹⁾	-	8	-	47
Other	(1)	2	4	1
Adjusted EBITDA from continuing operations (Non-GAAP)	\$ 205	\$ 170	\$ 531	\$ 615
Capital expenditures from continuing operations	(83)	(75)	(282)	(282)
Free Cash Flow	\$ 122	\$ 95	\$ 249	\$ 333

(1) Reflects asset impairment, restructuring and other related charges (net of reversals) primarily associated with the closure of Beverage Merchandising's coated groundwood operations, our corporate operations and the remaining closures businesses that are not reported within discontinued operations.

(2) Reflects the gain or loss from the sale of businesses and noncurrent assets.

(3) Reflects the non-cash pension income related to our employee benefit plans.

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

(5) Reflects \$3 million of acquisition costs related to Fabri-Kal and a \$12 million inventory fair value step-up that was expensed within cost of sales during 2021.

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

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

(8) Reflects charges relating to key executive retirement and separation agreements during 2021.

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

(10) Reflects the related party management fee charged by Rank Group Limited to us and the fee to terminate this arrangement upon our initial public offering, or IPO. Following our IPO, the Company is no longer charged the related party management fee.

(11) 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.

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